

Istrabenz d.d. and Atlantic Grupa d.d. sign the selling of Droga Kolinska

On the basis of the provisions of the Ljubljana Stock Exchange Rules and the valid legislation, the company Istrabenz, d.d. is publishing the following notification:

Istrabenz, d.d. hereby informs the interested public that on June the 30th 2010, Istrabenz, d.d. and the Croatian company Atlantic Grupa, d.d. signed an agreement on the sale of the capital share held by Istrabenz, d.d. in Droga Kolinska, d.d.

The transaction results from a competitive sale process which has seen many offers from a wide range of investors. In order to preserve the company and provide a stable basis for its further development, Istrabenz, d.d. decided to sell Droga Kolinska, d.d. as a single entity. Atlantic Grupa emerged as a winning bidder and the agreed value on a debt-free and cash-free basis amounts to 382m€. Istrabenz d.d. will receive the purchase price corresponding to the value of Droga Kolinska, reduced by the net financial debt of Droga Kolinska, on or about the transaction closing date. The sale is expected to close before the year-end and the purchase price will be paid in cash.

The Istrabenz Holding Company, d.d. sells Droga Kolinska, d.d. in line with its financial reorganisation program. Tomaž Berložnik, MSc., President of the Management Board of Istrabenz, d.d., commented: *»The purchase price will significantly contribute to deleveraging Istrabenz, d.d. and at the same time, it will provide better conditions for further financial reorganisation.»* According to Mr. Berložnik, this landmark transaction ensures a new future for Droga Kolinska which is sold to a strategic investor and will become part of one of the largest food & beverage groups in the region, supporting the development of the company and its expansion on new markets.

»Atlantic Grupa entered this process as a strategic industrial partner, with a serious intention to further develop Droga Kolinska's businesses as a whole. We warmly welcome the recognition of our intentions as an investor, committed to strengthening our common positions and seizing synergies on all regional markets and beyond. With this acquisition we will found one of the largest food industries in South-Eastern Europe, with a revenue of 650 million Euros, 4300 employees and one of the strongest consumer goods portfolios in the region with leading brands such as Cedevita, Argeta, Barcaffè/Grand Kafa, Cockta, Smoki and Multipower, alongside global leaders like Wrigley, Ferrero, Hipp and Johnson&Johnson » said Emil Tedeschi, President and CEO of Atlantic Grupa.

BNP Paribas acted as an exclusive financial advisor to Istrabenz d.d. in the sale of the Droga Kolinska Group to Atlantic Grupa d.d. while White & Case and Jadek & Pensa acted as legal advisors to Istrabenz d.d.

This announcement will be published also on the Istrabenz's website www.istrabenz.si as of July 1st 2010, and will remain posted for a period of at least five years.

Istrabenz d.d.

About Istrabenz d.d.

Istrabenz d.d. (LJSE: ITBG) is a parent company to the Istrabenz Group engaged in several business activities comprising inter alia Food, Energy, Tourism and Information Technology. As of FYE 2009, the Istrabenz Group generated net sales of 610.4m€ and employed more than 4,200 people through 74 subsidiaries across the markets of the EU, the former Yugoslavia and Eastern Europe. Istrabenz d.d. is currently under compulsory settlement proceedings in its capacity as debtor, as issued by the District Court in Koper on February 12, 2010 and effective as of March 3, 2010. For more information, visit Istrabenz d.d. on the Internet: <http://www.istrabenz.si/eng/>

About Atlantic Grupa

Atlantic Grupa d.d. (ZSE: ATGR-R-A) is one of the leading regional consumer healthcare companies in South-Eastern Europe and the leading distributor of FMCG's in the region. Headquartered in Zagreb, Croatia, Atlantic Grupa has operations on 10 European markets (SEE, Western Europe, Russia), with its product portfolio distributed across 30 different markets. The company is the leading European producer of sports food (Multipower), leading regional producer of vitamin instant drinks (Cedevita, Multivita), personal care (Plidenta, Rosal, Melem), food supplements (Dietpharm) as well as the owner of the largest Croatian pharmacy chain (Farmacia). The company's had the largest private company IPO in the region in 2007, with its shares listed in the primary market of the ZSE.

About Droga Kolinska

Droga Kolinska is a Ljubljana (Slovenia) headquartered manufacturer and marketer of high quality food and beverage products with a portfolio of leading and highly regarded brand names across the Adriatic region. Droga Kolinska's core activities comprise Coffee, Savoury Spreads, Confectionary, Savoury Snacks, Carbonated Soft Drinks, Functional Water and Baby Food operations. The company's leading brands are Argeta, Bacaffe, Grand Kafa, Smoki, Cockta, Donat and Stark. As of FYE 2009 Droga Kolinska generated net sales of 325.8m€ and an operating EBITDA of 45.4m€.