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**Press Release Zagreb, 13 August, 2018**

**Sixteenth Monthly Report of the Extraordinary Administration Published –**

**Positive Operating Trends Continue**

The sixteenth monthly report was published today, relating to the period from 11 July to 10 August, 2018. Over the first six months of 2018 the Agrokor Group generated operating profits of HRK 729.7m, thus having outperformed budget by HRK 44.2m or 6.4 per cent. The key features of the semiannual operations of the 16 key companies included in the monthly reports are the continuous decline of operating costs and the improvement of efficiency.

This particularly applies to the Retail and Wholesale sector, which over the first six months generated HRK 6.1bn in revenues and HRK 70.2m of operating profits, having exceeded budget by HRK 32.6m. Out of this, Konzum's revenues amounted to HRK 4.1bn or 3.1 per cent more than planned, while EBITDA in the period of six months reached HRK 103.5m or HRK 63.3m more than budgeted.

The Food sector continued the trend of outperforming the budgeted operating result (EBITDA) in June. Revenues of HRK 587m are almost at the budgeted level (HRK 588m), while EBITDA of HRK 132.7 exceeded plan by almost HRK 10m.

Revenues and EBITDA of the Agriculture sector were lower than planned in the semiannual period, mostly due to the considerable drop in prices of semi-hard cheese and pork on the commodity exchange market. The Agriculture sector generated revnues of HRK 991m and EBITDA of HRK 74.6 m over the course of these six months. The drop in revenues was mitigated by intensifying other activities and with the good natural results expected for the season the drop in result in the first half of the year is expected to be compensated.

After Agrokor's creditors had adopted the Settlement Plan at the hearing held on 4 July, 2018 the Commercial Court in Zagreb published the Minutes of the Settlement Plan Voting Hearing o 5 July, 2018 and on 6 July, 2018 published its Ruling to confirm the Settlement Plan. The deadline for lodging appeals against the Ruling confirming the Settlement Plan lasted until 23 July, 2018, with the Commercial Court having received 92 creditors' appeals.

The appeals against the Ruling confirming the Settlement Plan will be decided upon by the High Commercial Court. Once the Settlement Plan becomes effective the process of its implementation will start and is planned to last between three and six months. All companies within the system have started preparations for this technically very demanding process, to be organized and controlled by the Extraordinary Administration, which will – according to the latest estimates – comprise more than 100,000 steps.

In the period under review of this monthly report all companies of the Agrokor Group published their annual financial statements for the year 2017 and started publishing the quarterly financial statements.