



ATLANTSKA PLOVIDBA, D.D.

www.atlant.hr

Sector:
Nautical transportation

Ticker:
ATPL-R-A

PRICE (12.04.2007)	197.58
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ATPL-R-A	
NO OF SHARES	1,395,520
MIN (52 WEEK)	97.16
MAX (52 WEEK)	197.58
MARKET CAP	275,706,786

BV (31.12.2006)	79.68
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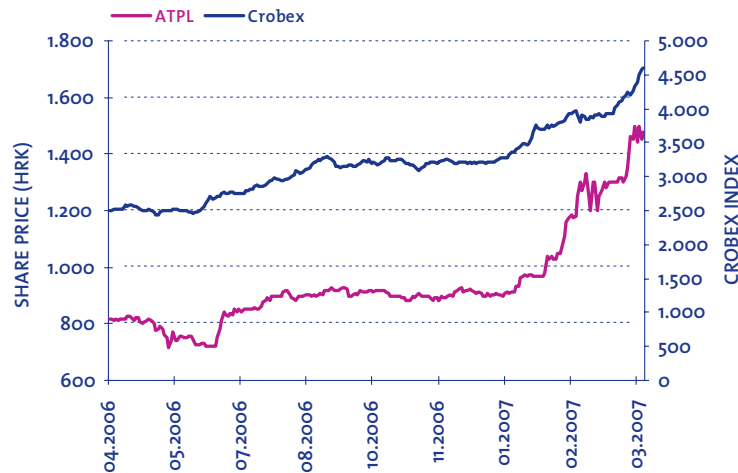
RATIOS*	
EPS	10.11
P/E	19.53
P/B	2.48
EV/EBITDA	12.97

HRK/EUR = 7.39 (12.04.2007)
Data except ratios in EUR

* values based on 2006 results and current share price

COMPANY PROFILE:

Atlantska plovidba Plc can be divided into two main business segments: maritime shipping and tourism which includes a travel agency, hotels and a commercial airline. Of the two business segments the maritime shipping is the dominant activity with a longer tradition. Only recently the company has started to diversify its business into tourism, considering the fact that Dubrovnik is a very popular tourist destination for both domestic and foreign travelers.



Atlantska plovidba Plc is an international shipping company with more than a 50-year tradition. It is the second largest shipping company in Croatia and is specialized for bulk carrier market. The Company currently has 20 vessels in its fleet, all sailing under the Croatian flag, and two additional vessels on order. The fleet consists of 13 bulk carriers (30,000 to 75,000 dwt); 4 heavy lift ships; and 3 coaster vessels (dry cargo transport along the Adriatic coast). In addition, Atlantska Plovidba plans to take delivery in 2007 two bulk carrier vessels (80,000 dwt), which are being built in a Chinese shipyard.

VESSEL FLEET

NAME OF SHIP	TYPE	DWT	Built
MV City of Dubrovnik	Bulk carrier	75,100 MT	1995.
*MV Jadran	Bulk carrier	70,946 MT	1982.
MV Koločep	Bulk carrier	42,578 MT	1996.
MV Konavle	Bulk carrier	70,940 MT	1982.
MV Gundulić	Bulk carrier	45,267 MT	1997.
*MV Miho Pracat	Bulk carrier	71,242 MT	1984.
MV Mljet	Bulk carrier	29,643 MT	1983.
MV Oluja	Bulk carrier	42,584 MT	1996.
MV Orsula	Bulk carrier	34,167 MT	1996.
MV Pelješac	Bulk carrier	71,229 MT	1984.
MV Petka	Bulk carrier	75,100 MT	1994.
MV Sveti Nikola I	Bulk carrier	44,314 MT	1997.
MV Sveti Vlaho	Bulk carrier	39,443 MT	1984.
MV Atlant Frauke	Heavy lift	7,380 MT	1995
MV Atlant Trina	Heavy lift	7,380 MT	1995
MV Atlant Svenja	Heavy lift	7,380 MT	1996
MV Atlant Regina	Heavy lift	7,380 MT	1996
MV Bobara	Coaster vessel	1,140 MT	1980.
MV Šipan	Coaster vessel	1,650 MT	2007
MV Mokošica	Coaster vessel	1,650 MT	2006

VESSELS ON ORDER (delivery 2007)

NAME OF SHIP	TYPE	DWT	Built
-	Bulk carrier	80,000	2007
-	Bulk carrier	80,000	2007



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Apart from shipping, the company has also diversified itself into several other business activities, which include a travel agency, a commercial airline and tourism/hotels. The Atlant travel agency was established in 1992 as a service department with the main purpose of issuing tickets for the crew members on its own ships as well as for business travel. Over the years Atlant travel agency has expanded its market to other companies and individual travelers. In January 2002 Atlant travel agency became an independent business entity under the ownership of Atlantska Plovidba Plc. Today the travel agency, in addition to issuing airline tickets, offers its customers a reservation of hotel accommodations and car bookings.

In 2004 Atlantska plovidba established an airline company under the name Dubrovnik Airlines Ltd, which started operating in 2005. As its main activity Dubrovnik Airline deals with charter flights for various tour operators from all over Europe. Passengers are mostly tourists who come to the Adriatic Sea during the summer season. The airline is based at Dubrovnik Airport which covers almost 80% of tourists who arrive in Croatia by air. The company has 9 airplanes in its fleet, Boeing McDonnell Douglas aircraft, 4 MD-82 and 5 MD-83.

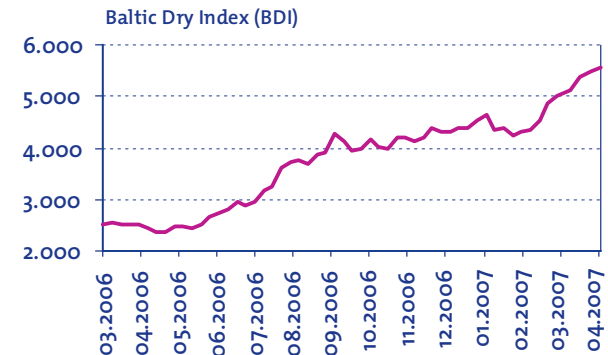
Atlantska Plovidba's most prominent investment in tourism is the Hotel Imperial in Dubrovnik. The company is the major shareholder of the hotel which was destroyed during the Civil War in the early 1990's. The hotel has been reconstructed and refurbished and the management has been consigned to Hilton International. The Hilton Imperial opened its doors in July 2005 and is now a part of the world well-known Hilton chain of hotels.

In addition to this investment two other hotels were purchased in 2005, the Hotel Lapad and the Grand Hotel. The Hotel Lapad was

purchased from the Croatian Privatisation Fund and in co-operation with some strategic partners, while the Grand Hotel on the island of Lopud was purchased from the City of Dubrovnik. Both of the hotels are scheduled to be renovated in the near future.

PERFORMANCE:

In 2006 the Company's total operating revenues equaled EUR 150.4 million which reflected a 28.3% increase as compared to the previous year. More than 81% of revenues reflect foreign sales, of which 75% represents maritime shipping. In the last year the portion of total operating revenues reflecting maritime shipping has decreased from 88.5% in 2005 to 71.3% in 2006, while the portion of revenues reflecting tourism (from 5.4% to 6.2%) and airlines (from 6.1% to 22.5%) have increased. The growth in maritime revenues partially reflected the significant growth in bulk carrier shipping rates in the past year; please note the trend in the Baltic Dry Index graph below:



SHAREHOLDERS:

On 13th April 2007, ten largest shareholders owned 52.93% stake of the company:

SHAREHOLDER	NO OF SHARES	% STAKE	CUMULATIVE % STAKE
ATLANT-ESOP Ltd	145,645	10.43	10.43
HRVATSKI FOND ZA PRIVATIZACIJU	141,393	10.13	20.56
CROATIA OSIGURANJE Plc	137,361	9.84	30.40
ATLANTSKA PLOVIDBA Plc	120,787	8.65	39.05
PBZ Plc	47,834	3.43	42.48
HPB Plc	39,744	2.85	45.33
HYPO ALPE-ADRIA-BANK Plc/SLAVONSKI ZATVORENI INVESTICIJSKI FOND Plc	34,775	2.49	47.82
ŠMOK DAMIR	27,163	1.95	49.77
USKOKOVIĆ ŽELIMIR	22,494	1.61	51.38
RAIFFEISENBANK AUSTRIA Plc ZAGREB	21,622	1.55	52.93

The operating income (EBIT) of Atlantska plovidba amounted to EUR 18.4 million in 2006, which was 14.6% higher than in the previous year. The operational expenses amounted to EUR 131.9 million, which were 30.5% higher as compared to the previous year. The personnel costs increased by 27.1% compared to the last year.

Atlantska plovidba reported yearly net profit before taxes of EUR 12.9 million, which reflected a 77.5% decline as compared to the same period in the previous year. The decline in net income was due to the extraordinary revenues EUR 46.5 million in 2005, which represented vessels sold during the year. If we were to exclude the one time sale of EUR 46.5 from the income statement in 2005, the readjusted net profits before taxes would total EUR 11.3 million. As such, this would mean that net profits in 2006 grew by 14%.

Given the continued growth in shipping rates (bulk carrier) we expect the Company to report solid financial results in the next several quarters.

BALANCE
SHEET

EUR (ooo)	2005	2006	06/05
ASSETS			
RECEIVABLES FOR SUBSCRIBED CAPITAL	0	0	
LONG-TERM ASSETS	213,182	250,893	17.69%
Non-material assets	1,998	1,955	-2.17%
Material assets	204,928	243,709	18.92%
Financial assets	4,439	5,129	15.55%
Receivables	1,817	100	-94.51%
SHORT-TERM ASSETS	23,918	24,845	3.88%
Inventory	1,968	2,051	4.22%
Receivables from customers	2,965	3,743	26.25%
Other receivables	2,108	4,658	120.98%
Financial assets	507	294	-41.97%
Cash	16,370	14,099	-13.87%
DEFERRED ITEMS	321	431	34.57%
LOSS OVER CAPITAL	731	0	-100.00%
TOTAL	238,152	276,170	15.96%

LIABILITIES			
Equity and reserves	108,698	101,483	-6.64%
Subscribed capital	56,652	56,652	0.00%
Reserves	-6,507	31,935	-590.76%
Profit / loss current year	58,554	12,896	-77.98%
Minority interest	4,840	4,063	-16.04%
Long-term reservations for risk and expenses	0	0	
LONG-TERM LIABILITIES	82,635	121,318	46.81%
Short-term liabilities	40,990	47,083	14.86%
Customer payables	12,572	11,565	-8.01%
Short-term financial liabilities	25,142	17,987	-28.46%
Other short-term liabilities	3,275	17,531	435.25%
DEFERRED ITEMS	989	2,222	124.63%
TOTAL	238,152	276,170	15.96%
OFF-BALANCE SHEET ITEMS	0	0	

EUR/HRK 1=7.39 (12.04.2007)

INCOME
STATEMENT:

EUR (ooo)	2005	2006	06/05
REVENUES	117,204	150,459	28.37%
Revenues from sales (domestic)	16,240	8,702	-46.42%
Revenues from sales (international)	99,721	127,528	27.88%
Other revenues	1,243	14,229	1044.45%
EXPENSES	101,104	131,996	30.55%
Material expenses & COGS	49,363	79,361	60.77%
Salaries	19,296	24,534	27.15%
Depreciation	13,179	14,671	11.32%
Decrease in the value of inventory	0	0	
Other expenses	19,265	13,430	-30.29%
CHANGE IN INVENTORY	0	0	
EBIT	16,100	18,462	14.68%
FINANCIAL REVENUES	2,445	6,440	163.36%
Positive exchange rate differential	1,475	5,154	249.55%
Interest and other financial revenue	971	1,286	32.47%

FINANCIAL EXPENSES	6,681	11,941	78.72%
Negative exchange rate differential	1,182	3,547	200.02%
Interest and other financial expenses	5,499	8,394	52.65%
EXTRAORDINARY REVENUES	46,530	0	-100.00%
EXTRAORDINARY EXPENSES	546	0	-100.00%
PROFIT OR LOSS BEFORE TAXES	57,848	12,962	-77.59%
Taxes on profit	0	1	400.00%
PROFIT OR LOSS AFTER TAXES	57,848	12,961	-77.59%
Minority interest	-706	65	-109.25%
NET PROFIT / LOSS	58,554	12,896	-77.98%

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