



**KOFOLA S.A. GROUP
9M/2015 RESULTS**

**Investor presentation
2 November 2015**



- **Kofola Group**
- **Summary of results and market conditions**
- **Markets, trends and strategy**
- **Profile and history**
- **Shares and shares' price**
- **Contact**



Kofola Group key highlights

- One of the leading soft drinks producers and distributors in the Central and Eastern Europe
- Diversified portfolio of strong and awards winning brands
- Operations in the Czech Republic, Slovakia, Poland, Slovenia; a production associate in Russia
- Achieving successes in the market for 20 years
- 1 900 employees mainly in the Czech Republic and Poland



Kofola Group

Key financial data [mCZK]

Segment revenues*	9M/2015	%
Carbonated beverages	2 668.1	48%
Waters	1 496.0	27%
Syrups	706.6	12%
Non-carbonated beverages	367.8	7%
Other	321.4	6%
Total	5 559.9	100%

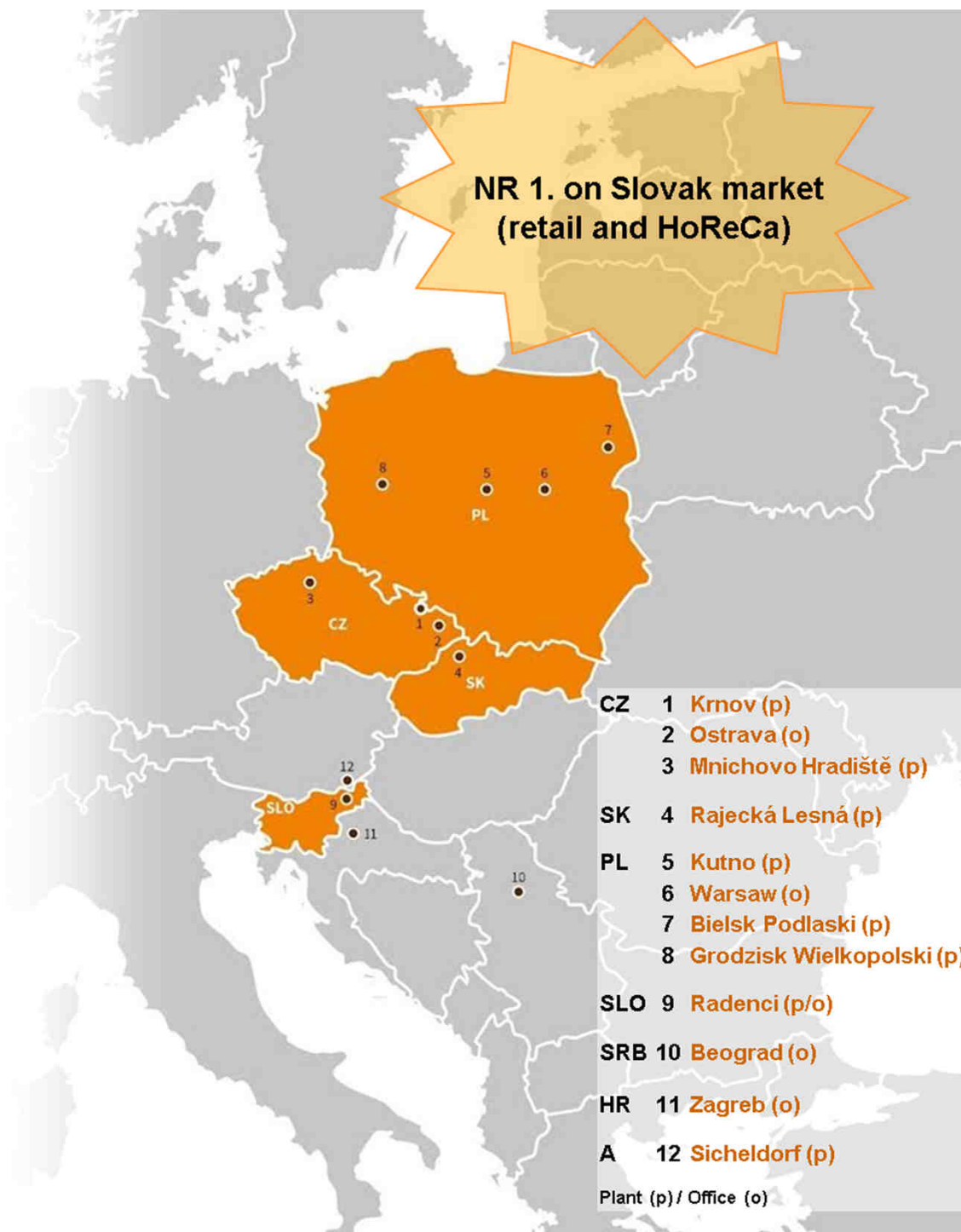
EBITDA*	988.5
Total assets	8 495.6
Equity	2 908.4
Net debt	1 315.4
Net debt/EBITDA**	1.16
Net debt/Equity	0.45

EPS attributable to the shareholders of parent company [CZK/share]	13.61
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* adjusted for one-offs (see slide 15)

** 12-month adjusted EBITDA, including Radenska

Kofola Group results in 9M/2015
Investor presentation



Our main brands



New products in 9M/2015



Hoop Cola Coconut 2l limited edition

New interesting coconut taste for HOOP cola. Product is available on Polish market in PET bottles of 2.0l.

Markets



Jupí Cherry

New taste of popular Jupí syrups will support strong position of this brand on the Czech and Slovak market. Syrup is produced on the hot bottling line without using preservatives. Product is available in PET bottles of 0.7l in the Czech and Slovak market.



Kofola Apricot 0.5l

Kofola family has new member. The apricot joins the original, citrus, cherry, extra herbs, vanilla and guarana flavours. The product is available in PET bottles of 0.5l on the Czech and Slovak market.



Top Topic Orange + Raspberry 1.5l, 0.5l, KEG

Popular Top Topic has new refreshing taste – orange and raspberry. The products are available in PET bottles of 1.5l, 0.5l and in KEGs on the Czech and Slovak market.



New products in 9M/2015



Hoop Cola Cherry 1l – new format

New format of the cherry Hoop Cola that is now available in 1l PET bottles on the Polish market

Markets



Kofola 0.2l – new design

New design of the original taste Kofola glass, mainly for gastro segment. Product is available on the Czech and Slovak market.



Arctic – new design

New design of natural and flavoured Arctic water PET bottles is now available on the Polish market.



Rajec Elderberry 1.5l, 0.75l

New taste flavoured water in PET bottles is now available on the Czech and Slovak market.



All Rajec products are now without preservatives.



New products in 9M/2015



Rajec infant water – new format

New format of the Rajec baby water is now available in 0.75l PET bottles on the Czech and Slovak market



Rauch products

Exclusive distribution of Rauch products in the Czech Republic and Slovakia.



and more...



Successes and awards in 2015



Czech TOP 100 – Kofola a.s. is the third most admired company in the Czech Republic in 2014. Continuously in top 5 since 2007.

Best Buy award - Radenska Classic received the Slovenian consumers award for the best balance between price and quality in the category of sparkling water.



AGRA 2014 – Radenska's products were awarded golden medal at the 18th International Assessment of fruit juice drinks and bottled water on 52. International Agricultural Fair AGRA.

Trusted Brand – Radenska received a Trusted Brand award in the category of bottled waters. This prize is awarded based on European consumer research, organized by magazine Reader's Digest worldwide for 15 years; in Slovenia for 9 years.



Product of the Year – Radenska IN received Product of the Year award – research made by company Nielsen; they have selected a total of 22 innovative products and services.

Successes and awards in 2015



Product of the Year – children beverages Jupik and syrups Paola were awarded the prestigious title Product of the Year by consumers in Poland.

CFO of the year – Daniel Buryš, Group Chief Financial Officer, was awarded CFO of the year in the Czech Republic by The Club of Financial Directors.



Kofola a.s. Czech Republic awarded **TOP employer** in FMCG business sector by the Association of Students and Graduates.

Golden Dolphin – Jiří Vlasák, Marketing Director of Kofola CS obtained the Golden dolphin award from the Czech marketing society for projects supporting successful strategy by developing marketing tools



Successes and awards in 2015



ARCTIC+ functional water brand from Hoop Polska became a Finalist of **2015 Global Bottled Water Awards**. Our functional water was appreciated as a Finalist in two categories: Best Functional and Best Label. The awards were a highlight of the 12th Global Bottled Water Congress.



Kofola Group results in 9M/2015
Investor presentation

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Key events in 2015

Group restructuring

In October 2015, Kofola ČeskoSlovensko a.s., a Czech-based company, became a parent company of Kofola S.A. and of the whole Kofola Group. Kofola ČeskoSlovensko currently prepares IPO at the Prague Stock Exchange.

Acquisition of Radenska

The Group acquired 97.62% share in Radenska d.d., Slovenian nr. 1 producer of mineral and spring water products.

The transaction constitutes great opportunity for the Group to establish its presence in another European region. The Group will utilise the synergies coming from use of its know-how, efficient processes and innovations and is looking forward to develop and further build the Radenska brand. Also the Group anticipates that the acquisition of Radenska will support its expansion possibilities in the Adriatic region.

Acquisition of WAD GROUP

The Group concluded sales and purchase agreement to acquire 100% share in WAD GROUP a.s., owner of 40% share in WATER HOLDING a.s., one of the leaders on Slovak bottled water market. Key brands of the group are Budiš, Fatra, Gemerka and Zlatá Studňa. The transaction is subject to antimonopoly office approval that is currently in progress.

Distribution of Rauch products

Since the beginning of 2015, the Group is the exclusive distributor of Rauch products in the Czech Republic and Slovakia, which enhanced Group's comprehensive and high-quality portfolio.

Direct distribution in the Czech Republic

Direct distribution launched in the Czech Republic in October 2014 brings positive implications resulting from the utilisation of know-how gained in Slovakia where the direct distribution started in 2009.



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Market conditions in 2015

Macroeconomics

- increasing household consumption
- decreasing household unemployment and increasing real wages
- stabilization of raw material prices

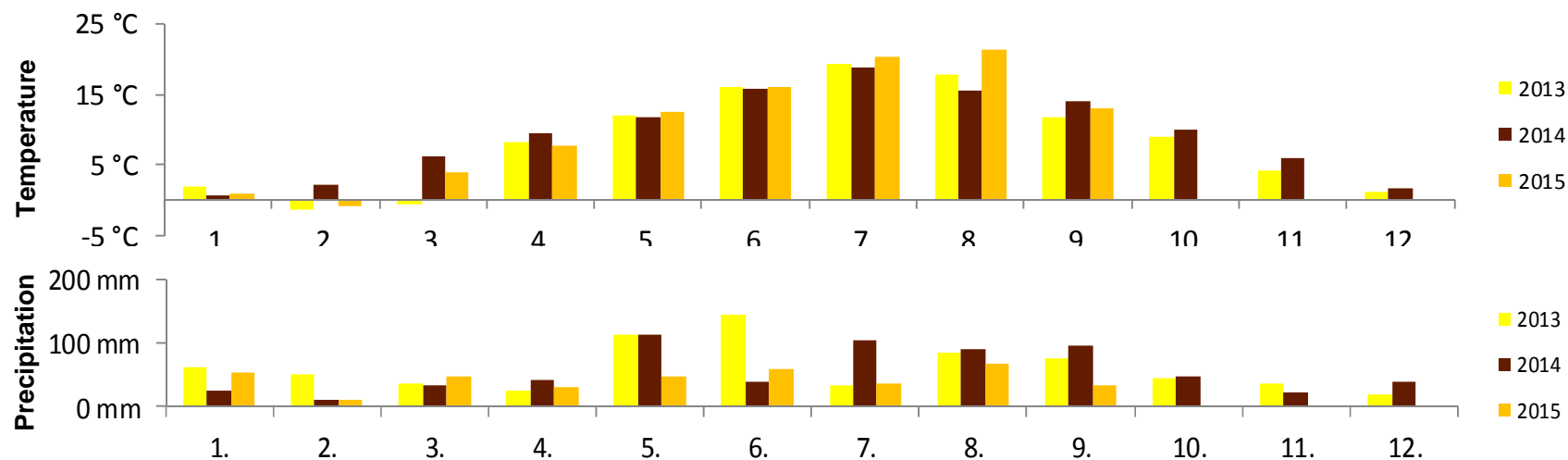
Market / competition

- stabilisation of consumption in the most profitable gastro segment
- faster increase of turnover in discount chains

Regulation

- stable environment

Weather in the Central Europe



Financial results of KOFOLA Group 9M/2015 [mCZK]

9M/2015 one-offs	IFRS	One-off transactions		Adjusted
Revenue	5 524,8	35,1	*	5 559,9
Cost of sales	(3 243,8)	(22,2)	*	(3 266,0)
Gross profit	2 281,0	12,9		2 293,9
Selling, marketing and distribution costs	(1 402,3)	3,8	*	(1 398,5)
Administrative costs	(329,1)	16,6	**	(312,5)
Other operating income/(expense), net	(62,9)	88,9	*	26,0
Operating result	486,7	122,2		608,9
EBITDA	866,3	122,2		988,5
Finance costs, net	(74,2)	-		(74,2)
Income tax	(54,6)	(23,2)		(77,8)
Net profit for the period	357,9	99,0		456,9
- attributable to shareholders of the parent	355,9	99,0		454,9

Comment:

One-off transactions 9M15

- * HOOP Polska Sp. z o.o. incurred net costs of CZK 85.6 million relating to qualitative product complaints connected with the poor quality of packaging material. Tax applies at 19%.
- ** Kofola S.A. incurred costs of CZK 10.6 million relating to group restructuring advisory. Tax applies at 19%.
- ** Kofola a.s. (SK) incurred costs of CZK 6.0 million relating to advisory for WAD Group acquisition. Tax applies at 19%.
- * Kofola CS a.s. recorded a provision of CZK 20.0 million for costs relating to court litigation against a competitor of the Group for protection against unfair competition and infringement of Kofola trademarks. Tax applies at 19%.

No items treated as one-off in 9M14.

Please note that only adjusted results are commented in the whole presentation, unless stated otherwise.



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Financial results of KOFOLA Group 9M/2015 [mCZK]

	9M/2015*	9M/2014**	Change	Change
Revenue	5 559,9	4 781,6	778,3	16,3%
Cost of sales	(3 266,0)	(2 978,4)	(287,6)	9,7%
Gross profit	2 293,9	1 803,2	490,7	27,2%
Selling, marketing and distribution costs	(1 398,5)	(1 185,6)	(212,9)	18,0%
Administrative costs	(312,5)	(226,6)	(85,9)	37,9%
Other operating income, net	26,0	5,2	20,8	400,0%
Operating result	608,9	396,2	212,7	53,7%
EBITDA	988,5	734,2	254,3	34,6%
Finance costs, net	(74,2)	(54,7)	(19,5)	35,6%
Income tax	(77,8)	(68,9)	(8,9)	12,9%
Net profit for the period	456,9	272,6	184,3	67,6%
- attributable to shareholders of the parent company	454,9	272,7	182,2	66,8%

Highlights:

- Gross profit increased by 27.2 %
- EBIT increased by 53.7 %
- EBITDA increased by 34.6 %



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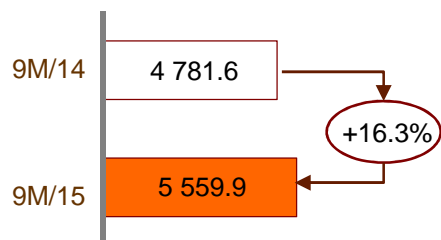


Kofola Group results in 9M/2015
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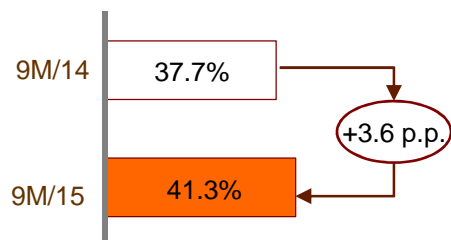
* adjusted for one-offs
** data for 2014 translated into the Czech crown
using the exchange rates from 2015

Financial results* of KOFOLA Group 9M/2015 [MCZK]

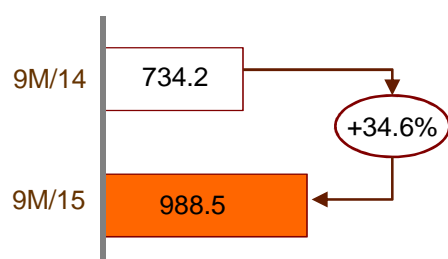
Revenues



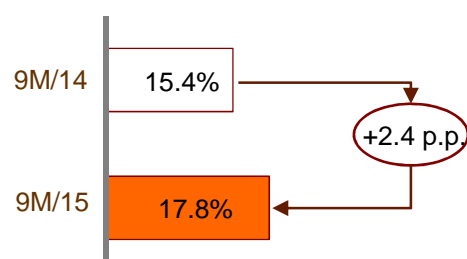
Gross margin



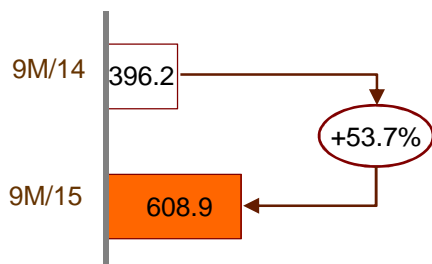
EBITDA



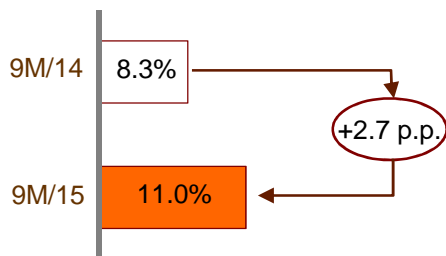
EBITDA margin



EBIT



EBIT margin



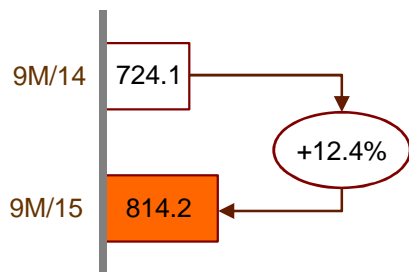
Comments on 9M/15 results

- All elements positively influenced by Radenska acquired in March and Rauch products distributed in the Czech Republic and Slovakia since the beginning of 2015.
- Continuous focus on the development of profitable products and customers.
- Gross margin improved as a result of favourable product mix and direct distribution introduced in the Czech Republic at the end of 2014.
- Awards-winning marketing campaigns made impact.
- Radenska performed above expectations and generated 17% of the Group's 9M15 EBIT.
- UGO fresh and salad bars increased revenue by 65.4%.

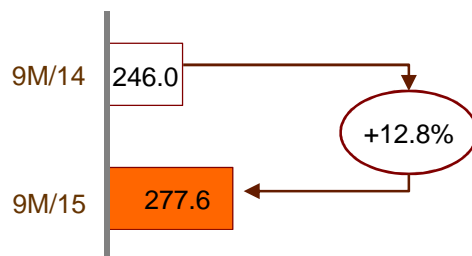


Financial results* of KOFOLA Group 9M/2015 [MCZK]

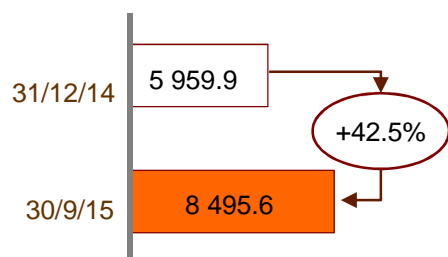
Cash flow from operations



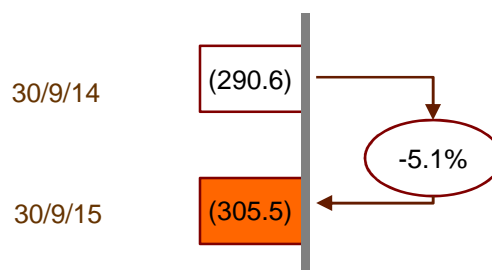
CapEx



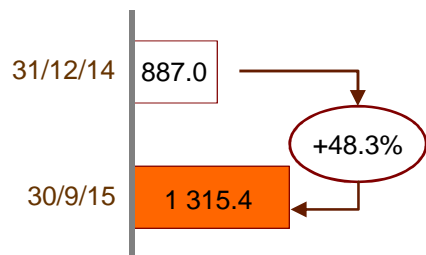
Total assets



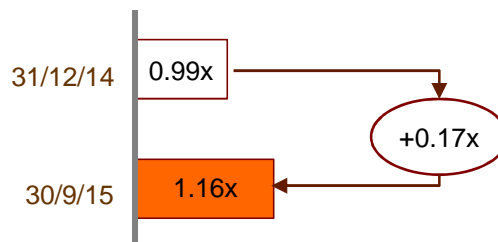
Working capital



Net debt



Net debt/EBITDA**



Cash flow and net debt

- Cash flow from operations increased by 12.4% mainly due to improved profit before tax.
- Strong cash inflow from core business along with its Y/Y increase confirms a robust cashflow performance of the Group.
- With CapEx increased by 13% the Group shows consistent approach to invest and innovate.
- Increase of Net debt and Net debt/EBITDA mainly due to loan to acquire Radenska.

Net debt/EBITDA 1.16x



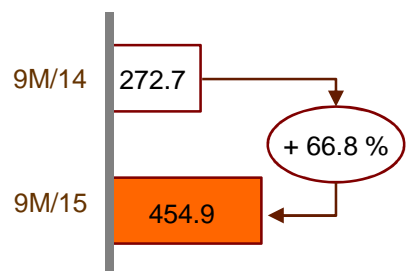
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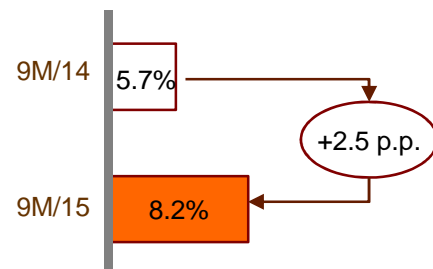
* adjusted for one-offs; data for 2014 translated into the Czech crowns using historical rates
** 12-month adjusted EBITDA, including Radenska

Financial results* of KOFOLA Group 9M/2015 [MCZK]

Net profit attributable to shareholders of parent company



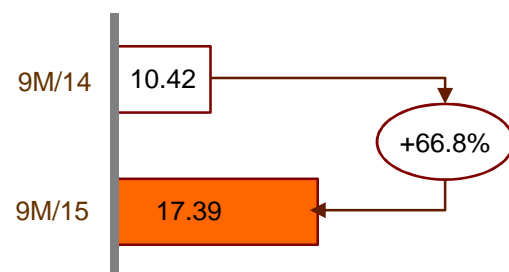
Net margin



Comments on net result for 9M/2015

- Increase of Net margin by 2.5 p.p.
- Increase of Net profit attributable to shareholders of parent company by CZK 182.2 million.
- EPS 17.39 CZK/share.

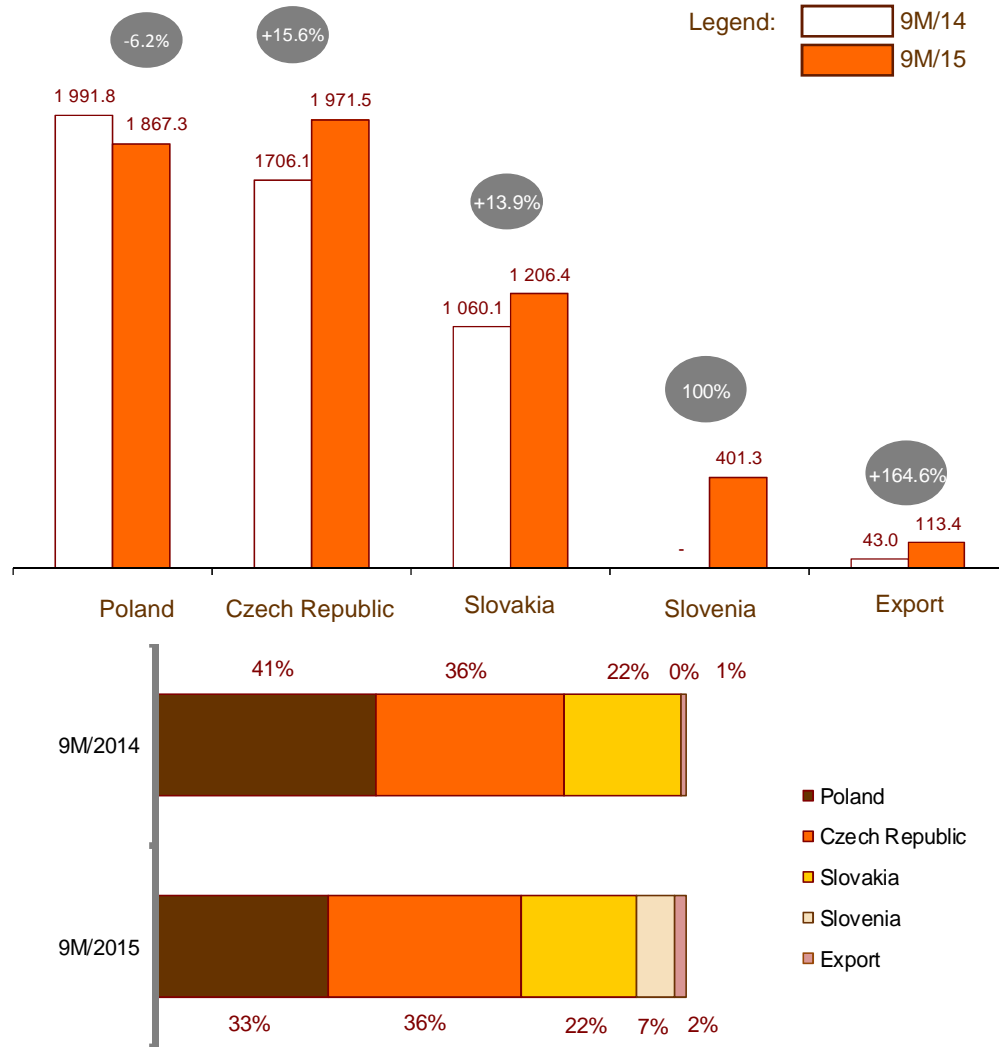
EPS attributable to shareholders of parent company [in CZK/share]



Net profit attributable to shareholders of parent company CZK 454.9 million



Sales in individual geographical segments* 9M/2015 [MCZK]



Geographical segments

• Poland

Revenue decrease by 6.2% caused by lower sales of private labels and underperformance of brands in Traditional channel. Focus on improving the margins on our products in Poland despite the possibility of losing some part of the volume sold persists.

• Czech Republic

Revenues increased by 15.6%. Increase driven mainly by distribution of Rauch products and strengthening the position in Impulse segment. UGO fresh and salad bars increased revenue by 65.4%.

In 9M15, the Group was the vice-leader in the soft drinks market and continues to strengthen its position (both in retail and HoReCa channel).

• Slovakia

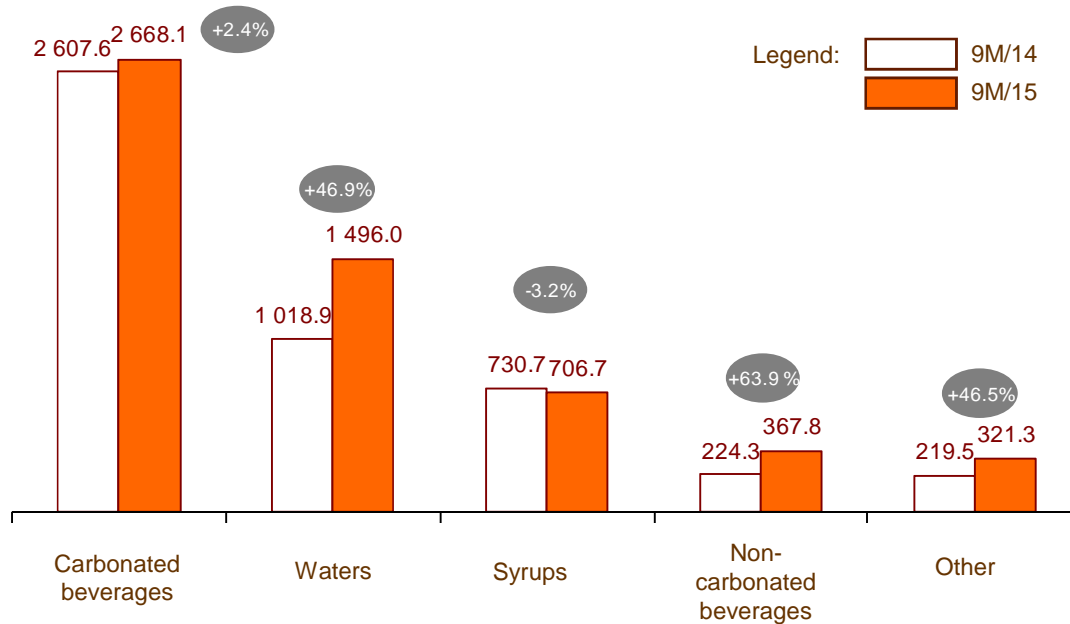
Revenues in CZK increased by 13.9% (14.4% in local currency). Increase driven by distribution of Rauch products and improved sales in Gastro segment.

In 9M15, Kofola SK had a clear leading position in the retail segment as well as HoReCa segment in terms of market share and became the market leader in the cola beverages segment keeping its leading position in Waters segment.

• Slovenia

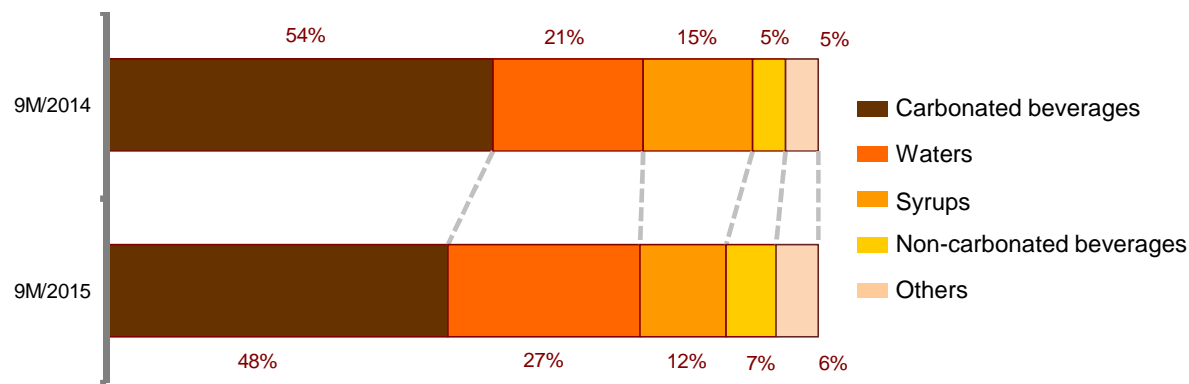
Radenska acquired in March exceeded expectations and generated about 17% of the Group's 9M15 EBIT keeping its clear leading position in Waters segment.

Sales in individual product segments* 9M/2015 [MCZK]



Segment reporting by product groups

- Increased Carbonated beverages segment in the Czech Republic, Slovakia, Slovenia, decreased in Poland.
- Growing Water segment driven mainly by Slovenian Radenska. The Group is a leader of this segment in Slovakia and Slovenia.
- Strong position in the Syrups segment – first position in the Czech Republic, second in Slovakia and Poland. Higher competition in syrups segment following the increased marketing activities of competitors mainly in the Czech Republic.
- Strengthening position in the non-carbonated beverages segment driven mainly by distribution of Rauch products and innovations.
- Significant increase in the Other segment mainly from growing revenues of both UGO fresh and salad bars and energy drink Semtex.



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Estimated position of the Group in the main segments on the retail soft drinks market

Legend:

○ Leader ○ Viceleader

	PL	CZ	SK	SI
Cola beverages	3	2	1	3
Carbonated beverages	-	3	2	2
Waters	-	5	1	1
Syrups and concentrates	2	1	2	-
Beverages for children	4	2	2	-
Energy drinks	-	4	5	-

Comment

- Strong second position on Czech market and leading position on Slovak market.
- Strong position in carbonated beverages segment in Slovakia was achieved due to acquisition of Vinea brand in 2008.
- Nr. 1 in the natural spring waters in Slovakia and Slovenia. Position achieved due to innovations.
- Jupi is clear leader in the syrup segment in the Czech Republic and viceleader in Slovakia thanks to introduced innovations. Second place of Paola syrup in Poland.
- Inovative activities in the segment of beverages for children on Czech and Slovak markets (Jupík, Jupík Aqua).
- Energy drink Semtex since acquisition in 2011 strengthens its position in the Czech Republic and Slovakia.



Approach to market trends and development

HEALTHY FOOD AND BEVERAGES

- More healthy beverages (waters, children beverages) with lower sugar content compared to other competitors and beverages with herbs and trees extracts
- First drinks with stevia (natural sweetener - without calories) - Kofola bez cukru (Sugar free), Jupík with stevia
- UGO juices, fresh drinks and salad bars
- Hot filling line introduced in 2011 allowed us to introduce many new products without preservatives (syrups, aloe vera drinks, ice teas, beverages for children)
- Promotion of healthy life style (www.hravezijzdrave.cz, www.hravozizdravo.sk, www.trzymajforme.pl)

INCREASING SHARE OF OUTDOOR ACTIVITIES

- Entrance to „on-the-go” market (kiosks, vending machines, gyms, schools, work places etc.)
- Increasing share of small formats in the product
- Increasing number of restaurants supplied by Kofola Group (direct distribution in Slovakia since 2009, in the Czech Republic since 2014)
- Dedicated sales team for gastronomy clients in the Czech Republic

CUSTOMERS LOOK FOR THE VALUE

- Systematical decreasing of production and logistics costs
- Dedicated team to handle the food discount stores and products "Private label"
- Focus on value added for customers

PRICES OF RAW MATERIALS

- Search for alternative suppliers
- Bottle weight reduction
- Healthy drinks with lower sugar content
- Increasing the share of recycled granules

GLOBALIZATION AND GROWING INDIVIDUALISM

- Using production/distribution licenses, introduction of global brands in CEE markets (e.g Rauch, Pepsi, Orangina, Pickwick Ice Tea, RC Cola, Evian, Badoit)
- Innovations acceptable for the majority of customers
- Engaging the customers in the promotion of positive emotions related to Kofola Group's brands



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Mission and vision






Mision:

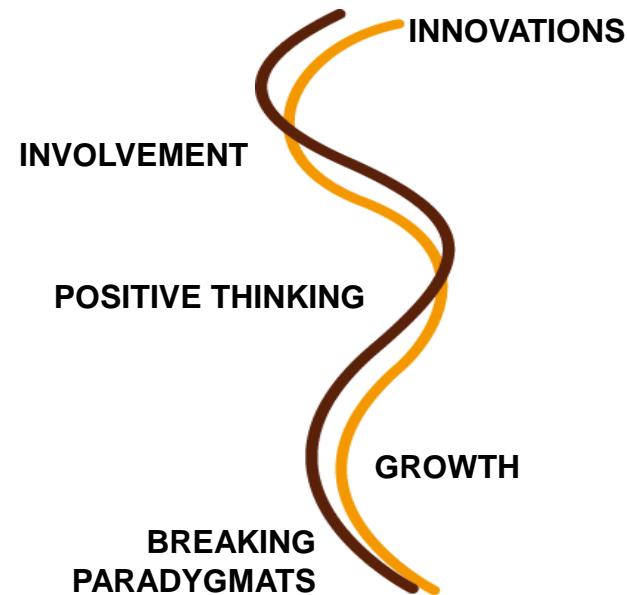
We are Kofola. With enthusiasm we strive for what is truly important in life: to love, to live healthy and always look for new ways.

Vision:

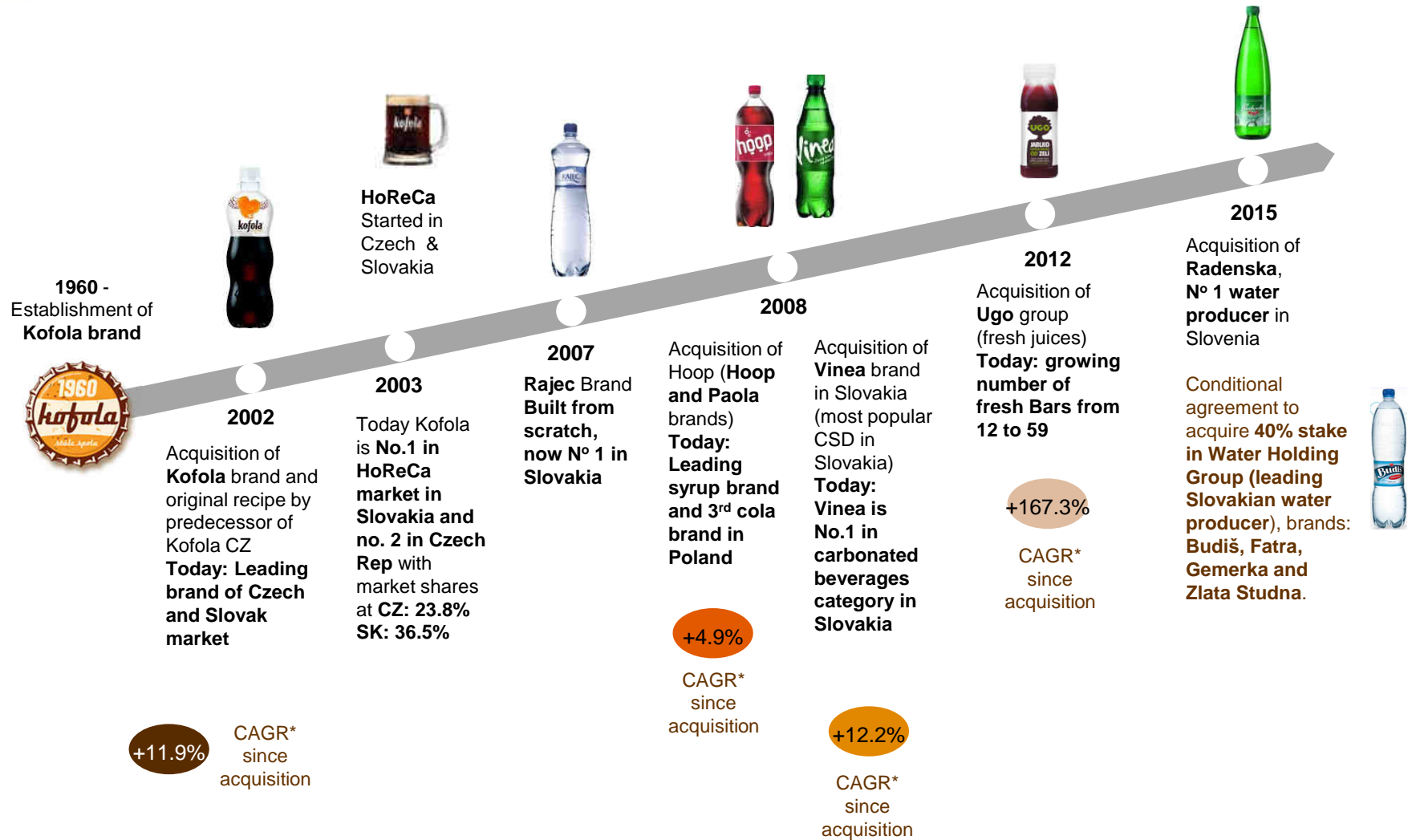
By 2018 we want to become the soft drinks market leader in CzechoSlovakia, the fastest growing soft drink company in Poland, the market leader in Slovenia and successfully enter other Adriatic countries. We want to anchor UGO as the leader and creator of fresh juices and develop neew leg of fresh food business.

Our core competences are our DNA:

-  We aim to be one step ahead
-  We are constantly looking for new opportunities to grow
-  Our business is created by our consumers, customers, suppliers and employees
-  We are bringing emotions
-  We work where we are at home and we know the local culture

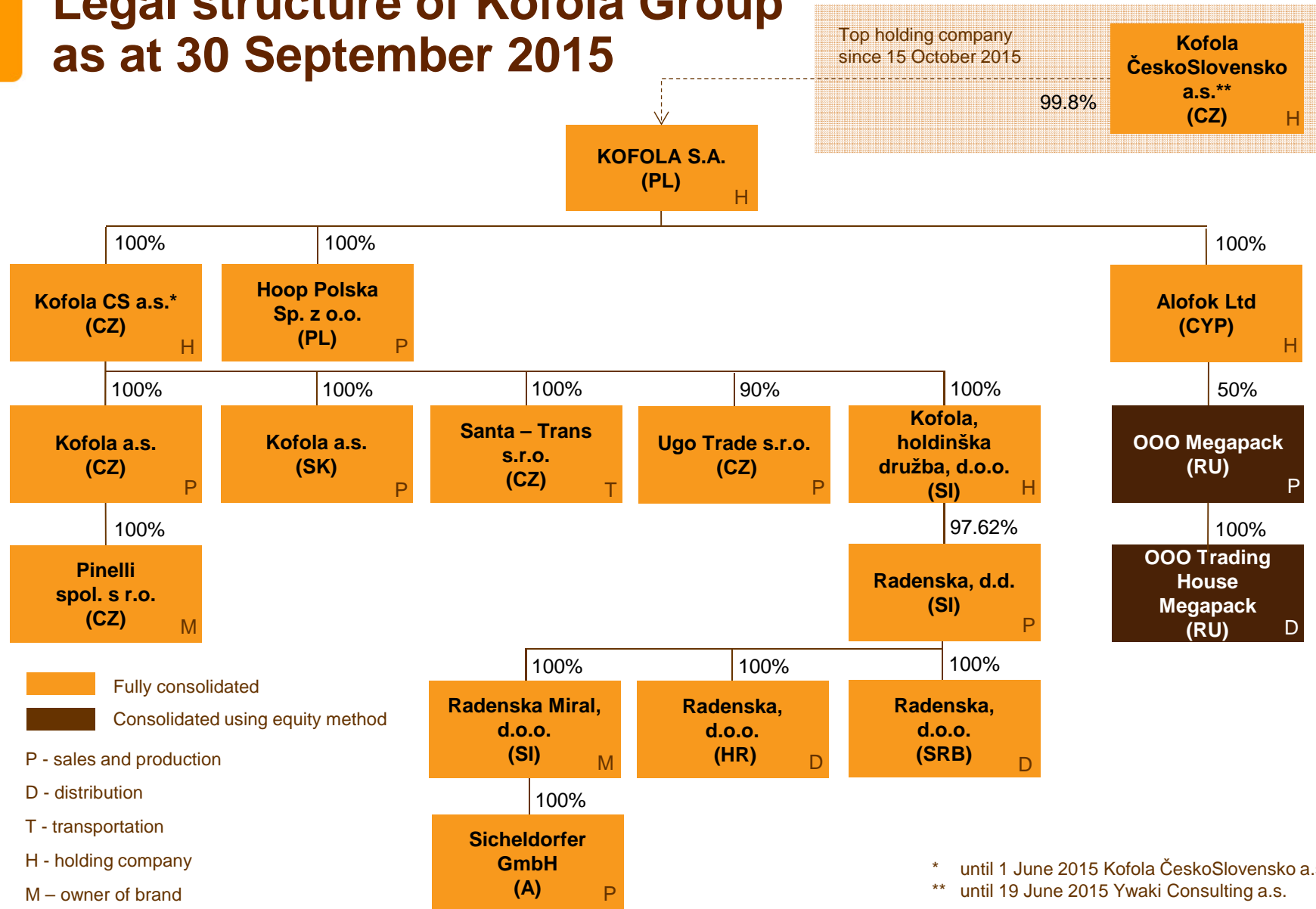


History of Kofola Group



* given brand sales CAGR since brand acquisition till 2014
 ** market figures according to AC Nielsen and Data Servis (2014)

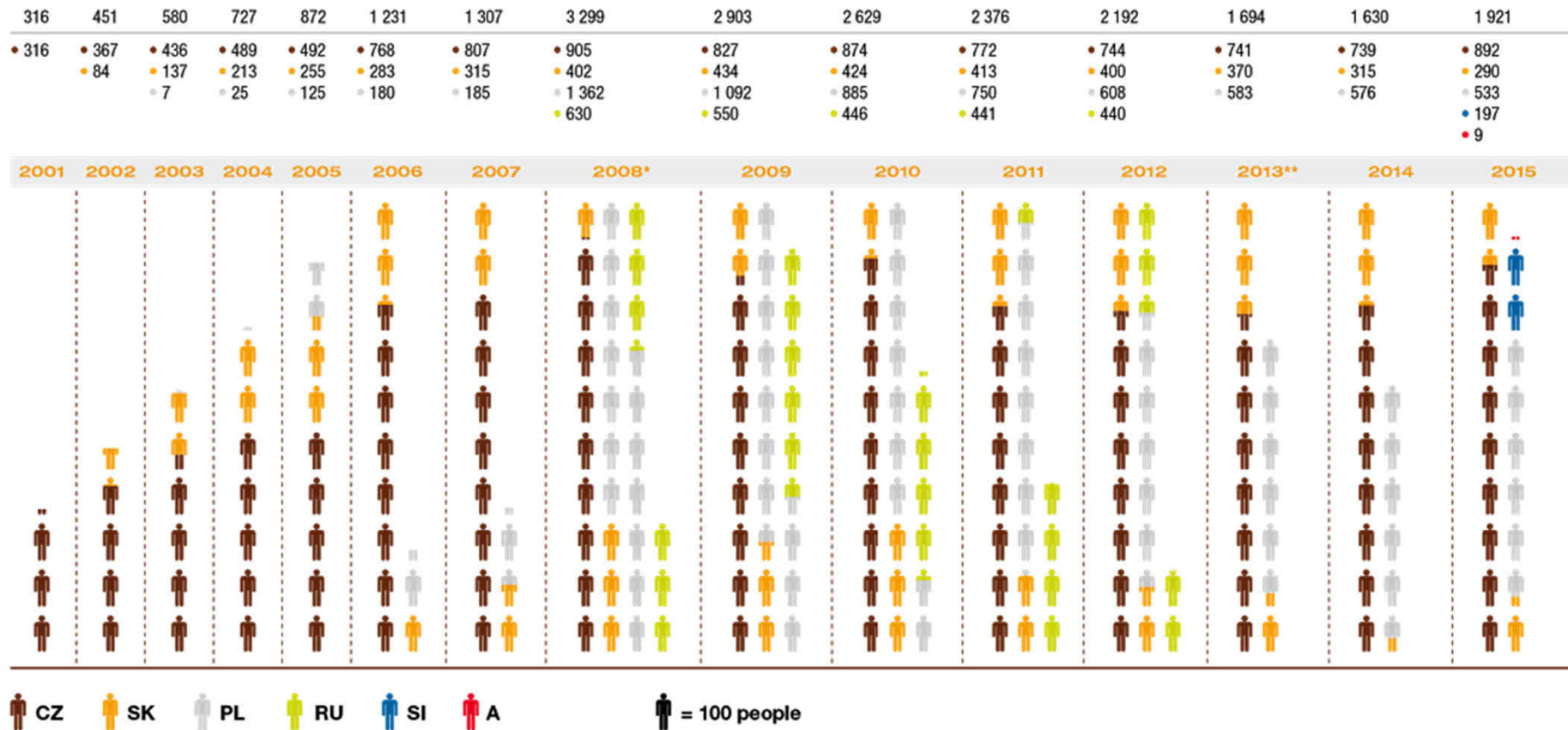
Legal structure of Kofola Group as at 30 September 2015



* until 1 June 2015 Kofola ČeskoSlovensko a.s.

** until 19 June 2015 Ywaki Consulting a.s.

Number of employees



* merger of Kofola Group and HOOP Group in 2008

** since 2013 the Group accounts for Russian operation as an investment in associate and so the number of employees of the Russian operation is not included in total employees number

Distribution channels

	PL	CZ	SK	SI
Modern channels (retail chains)	●	●	●	●
Traditional channels (wholesalers and distributors)	●	●	●	●
HoReCa		●	●	●
B2B (private labels, co-packing, toll-manufacturing)	●			●
Direct distribution		●	●	
Vending machines		●	●	●
Fresh Bars		●	●	

Comment
<ul style="list-style-type: none"> ▪ Kofola Group has a strong position in modern channels (in both supermarkets and discount stores in all countries). ▪ Although, the sales activity slowly moving to modern distribution channels, traditional channels remains the second strongest channel. ▪ Very strong position of HoReCa channel in Czech and Slovakia where Kofola is sold from kegs. Increasing market share in Slovenia. ▪ Segment B2B requires unique knowledge. We produce and sell private labels for our strategic partners as well as products of global beverages producers. Toll-manufacturing contract with the worldwide Top beverages manufacturer. ▪ Direct distribution (DD) was fully launched in Slovakia since 4Q/2009 and in the Czech Republic from 4Q/2014. ▪ UGO fresh bars operated since 2012, expanded by acquisition of Mangaloo group in 2014. Number of own fresh bars and salad bars increased from the beginning of 2015 from 23 to 28 (22%) and franchised fresh bars from 27 to 31 (15%). First new-generation restaurant „Na Grilu“ launched in 8/2015.

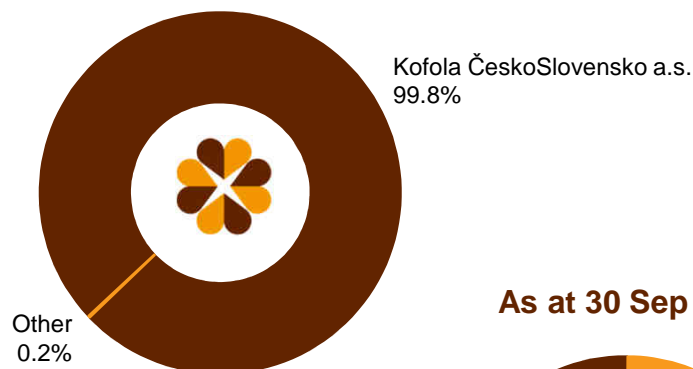


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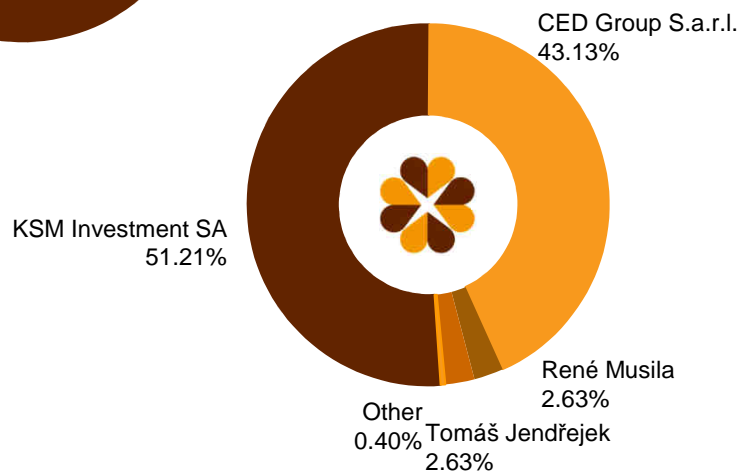


Shareholders structure

Since 15 Oct 2015



As at 30 Sep 2015



Share capital comprises 26 159 806 shares in following structure:

13 075 780 shares in series A-E approved for trading

13 084 026 shares in series F-G not in trading



Equity

Shares buy back

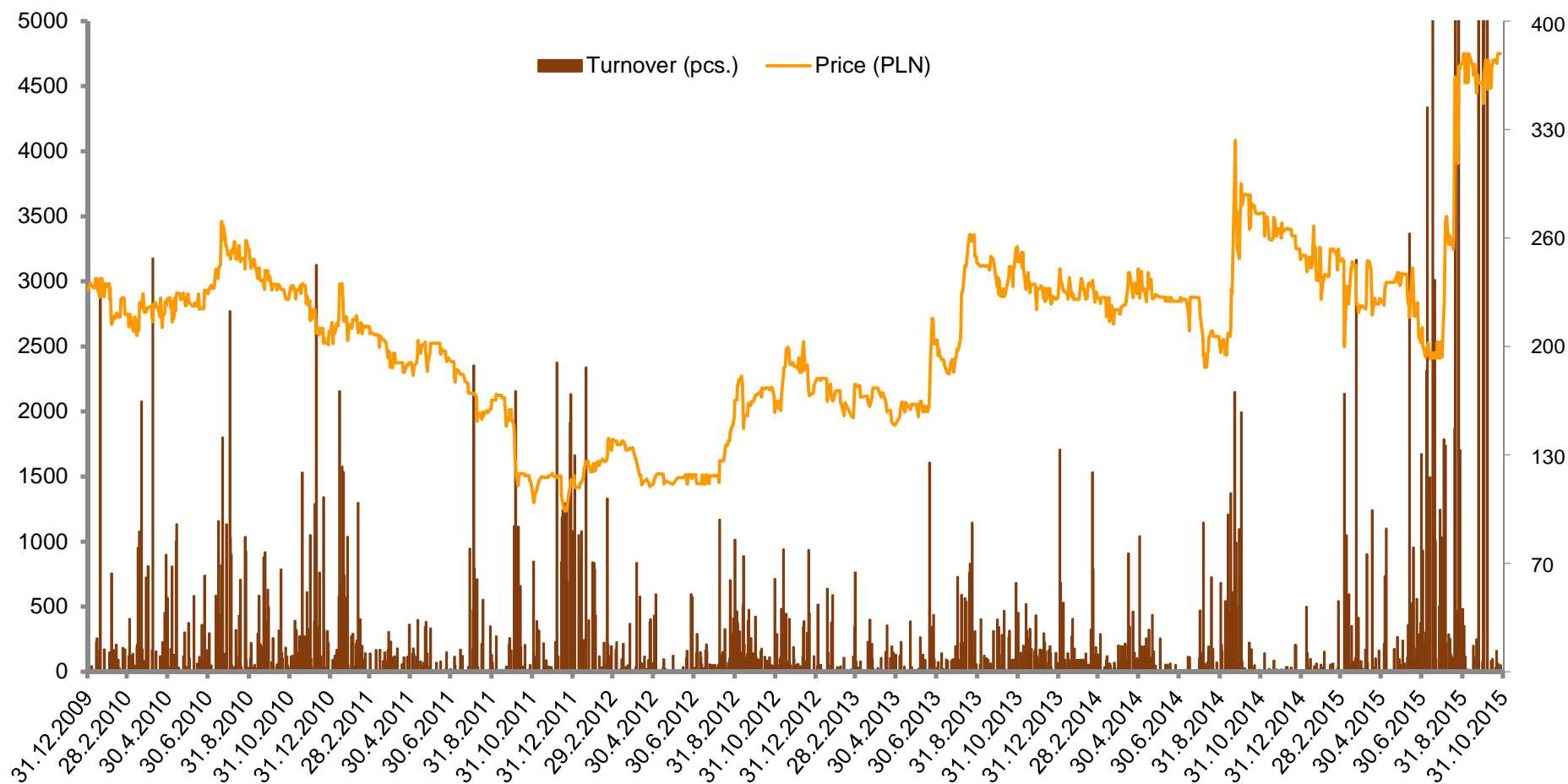
- On 2 April 2014 and 26 May 2014 the Company acquired 9 624 shares representing 0.0368 % of share capital, for CZK 2 383 thousand. Reduction of the share capital was registered by the Court on 7 January 2015.
- On 13 August 2014 and 22 May 2015 the Company acquired in total 573 own shares representing 0.0022 % of share capital, for CZK 146 thousand. Reduction of the share capital was registered by the Court on 26 August 2015.
- On 19 August 2015 and 24 August 2015 the Company acquired in total 53 985 own shares representing 0.2064 % of share capital for CZK 19 708 thousand.

Events after 30 September 2015

- On 12 October 2015, the Company sold 53 985 own shares to Kofola ČeskoSlovensko a.s. for 366 CZK per share.
- On 15 October 2015, KSM Investment S.A., CED Group S.a. r.l., Mr. René Musila and Mr. Tomáš Jendřejek transferred shares they held in Kofola S.A. to Kofola ČeskoSlovensko a.s. as a contribution in kind for Kofola ČeskoSlovensko a.s.'s share capital increase.
- As such, **Kofola ČeskoSlovensko a.s. became a parent company of Kofola S.A. with 99.8% share on share capital.**

Share price and turnover

	9M/2015	2014
Average share price	262.0 CZK*	237.0 CZK*
Average daily transaction activity	584.7 pcs	162.6 pcs



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Should you have any question related to Kofola Group do not hesitate to contact our investor relations office:

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