

KOFOLA S.A.

Registered auditor's report on the audit of the financial statements for the year ended 31 December 2012

Translation note:

This version of our report is a translation from the original, which was prepared in Polish language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

**Registered auditor’s report on the audit of the financial statements
for the financial year ended 31 December 2012**

**To the General Shareholders’ Meeting and the Supervisory Board of
KOFOLA S.A.**

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I. General information about the Company

- a. KOFOLA S.A. ("the Company") has its seat in Kutno, Wschodnia Street 5.
- b. The Company was formed on the basis of a notarial deed drawn up on 10 September 1997 at the Notary Public's Office of Janusz Rudnicki in Warsaw and registered with Rep. No. 4588/97. On 15 October 2002, the Company was entered in the Register of Businesses maintained by the District Court in Warsaw, XII Business Department of the National Court Register, with the reference number KRS 0000134518.
- c. The Company was assigned a tax identification number (NIP) 527-00-08-818 for the purpose of making tax settlements and a REGON number 012771739 for statistical purposes.
- d. As at 31 December 2012 the Company's share capital amounted to PLN 26,173 thousand and consisted of 26,172,602 shares, with a nominal value of PLN 1 each. Total equity as at that date amounted to PLN 958,621 thousand.
- e. As at 31 December 2012, the Company's shareholders were:

Shareholder's name	Number of shares held	Par value of shares held	Type of shares held	Votes (%)
KSM Investment S.A.	13,395,373	13,395,373	ordinary	51.18
CED GROUP S. a r.l.	11,283,153	11,283,153	ordinary	43.11
René Musila	687,709	687,709	ordinary	2.63
Tomáš Jendřejek	687,660	687,660	ordinary	2.63
Other	118,707	118,707	ordinary	0.45
Total	26,172,602	26,172,602		100.00

- f. During the year the Company's operations comprised supervision and acting as a holding company for all the companies from Kofola S.A. Group.
- g. During the year the Management Board of the Company comprised:
- Janis Samaras Chairman of the board
 - Bartosz Marczuk Member of the board
 - Martin Mateáš Member of the board
 - Tomáš Jendřejek Member of the board
 - René Musila Member of the board
- h. Related parties to the Company are all the subsidiaries and associates from Kofola S.A. Group.

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- i. The Company is an issuer of securities admitted for trading on the Warsaw Stock Exchange. In accordance with the choice of selecting accounting policies permitted by the Accounting Act, the Company has decided to prepare its financial statements in accordance with IFRS as adopted by the European Union.

The decision to prepare the Company's financial statements in accordance with these standards was made by the General Shareholders' Meeting in their Resolution No. 1 passed on 20 December 2007.

- j. As the parent company of the Group, the Company has also prepared consolidated financial statements according to IFRS as adopted by the European Union as at 18 March 2013. To better understand the Company's financial position and its results of operations as the Parent Company, the financial statements should be read in conjunction with the consolidated financial statements.

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II. Information about the audit

- a) The audit of the financial statements for the year ended 31 December 2012 was conducted by PricewaterhouseCoopers Sp. z o.o. with its seat in Warsaw, Al. Armii Ludowej 14, registered audit company no. 144. The audit was conducted on behalf of the registered audit company under the supervision of the key registered auditor Tomasz Reinfuss (no. 90038).
- b) PricewaterhouseCoopers Sp. z o.o. was appointed registered auditor to the Company by Resolution of the the Supervisory Board dated 20 April 2012 in accordance with paragraph § 18.8.(p) of the Company's Memorandum of Association.
- c) PricewaterhouseCoopers Sp. z o.o. and the key registered auditor conducting the audit are independent of the audited entity within the meaning of art. 56, clauses 2-4 of the Act dated 7 May 2009 on registered auditors and their self-government, registered audit companies and on public supervision (Journal of Laws No. 77, item 649, as amended).
- d) The audit was conducted in accordance with an agreement dated 20 May 2012, in the following periods:
- interim audit from 26 to 30 November 2012;
 - final audit from 17 January to 18 March 2013.

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III. The Company's results, financial position and significant items of financial statements

BALANCE SHEET as at 31 December 2012 (selected lines)

	31.12.2012 PLN '000	31.12.2011 PLN '000	Change		Structure	
			PLN '000	(%)	31.12.2012 (%)	31.12.2011 (%)
ASSETS						
Non-current assets	1 040 944	1 005 494	35 450	3.5	99.9	96.7
Current assets	1 455	34 720	(33 265)	(95.8)	0.1	3.3
Total assets	1 042 339	1 040 214	2 185	(0.2)	100.0	100.0
EQUITY AND LIABILITIES						
Equity	958 621	970 229	(11 608)	(1.1)	92.0	93.3
Liabilities	83 778	69 985	13 793	19.7	8.0	6.7
Total liabilities and equity	1 042 339	1 040 214	2 185	(0.2)	100.0	100.0

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2012 (selected lines)

	2012 PLN '000	2011 PLN '000	Change		Structure	
			PLN '000	(%)	2012 (%)	2011 (%)
Revenues	9 162	14 807	(5 645)	(38.1)	100.0	100.0
Gross profit	8 208	27 359	(19 151)	(70.0)	89.6	184.7
Total comprehensive income	11 755	22 614	(10 859)	(48.0)	128.3	152.7

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III. The Company's results, financial position and significant items of financial statements (cont.)

Selected ratios characterising the Company's financial position and results

The following ratios characterise the Company's financial results during the year compared with previous years:

	2012	2011	2010
Profitability ratios			
- net profit margin	128.3 %	152.7 %	144.2 %
- gross margin	89.6 %	184.8 %	158.5 %
- return on capital employed	1.2 %	2.3 %	2.8 %

The above ratios have been calculated on the basis of the financial statements. Our audit did not cover detailed comparative data constituting the basis for calculating the ratios for the previous years.

The financial statements do not take into account the effects of inflation. The consumer price index (on a December to December basis) amounted to 2,4 % in the audited year (4,6 % in 2011).

The following comments are based on information obtained during the audit of the financial statements.

- Non current assets as of 31 December 2012 comprised mainly investments in subsidiaries and associates (PLN 867,336 thousand) and loans granted to the related entities in amount of PLN 158,996 thousand.
- Liabilities consisted of long term bonds (PLN 45,369 thousand) and other long term liabilities (PLN 25,706 thousand).
- Total revenues from dividends amounted to PLN 9,162 thousand, which constituted a 38.1% decrease compared with the previous year. Company presents in this line dividends received from subsidiaries.
- Return on capital employed amounted to 1.2% compared to 2.3 % in the previous year. This was a result of decrease in the dividends obtained in 2012 compared to 2011.

The financial statements have been prepared on the assumption that the Company will continue in operation as a going concern.

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IV. The independent registered auditor's statement

- a. The Management Board of the Company provided all the information, explanations, and representations requested in the course of the audit and provided a representation letter confirming the completeness of the data included in the accounting records and the disclosure of all contingent liabilities and post balance-sheet events which occurred up to the date on which that letter was signed.
- b. The scope of the audit was not limited.
- c. The Company has up-to-date documentation of its accounting policies, approved by the Management Board. The Company's accounting policies were tailored to its needs and ensured the recognition of all events having a material effect on the assessment of its financial position and results, taking into consideration the prudence principle. Changes to accounting policies were properly disclosed in additional notes and explanations.
- d. The closing balances as at the end of the previous year were correctly brought forward as the opening balances of the current financial year in all material respects.
- e. The stocktaking of assets and liabilities were carried out and reconciled in accordance with the Accounting Act, and the results were included in the accounting records for the audited year.
- f. The financial statements of the Company for the year ended 31 December 2011 were approved by resolution No. 3 passed by the General Shareholders' Meeting on 25 June 2012, filed with the National Court Register on 17 July 2012 and published in Monitor Polski B No. 2538 on 17 October 2012.
- g. In accordance with the resolution no 17 of the General Shareholders' Meeting of 25 June 2012, the net profit for the prior year of PLN 22,614 thousand was paid out as dividend.
- h. The financial statements for the previous financial year were audited by BDO Sp. z o.o. The registered auditor issued unqualified opinion with an explanatory paragraph.
- i. We have assessed the operation of the accounting system. Our assessment covered in particular:
 - the accuracy of the documentation relating to business transactions;
 - the fairness, accuracy and verifiability of the books of account, including computerised books of account;
 - the methods used for controlling access to data and the computerised data processing system;
 - the safeguarding of the accounting documentation, books of account, and financial statements.

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IV. The independent registered auditor's statements (cont.)

This assessment, together with our verification of individual items of the financial statements, provides the basis for expressing an overall and comprehensive opinion on these financial statements. The audit was not intended to provide a comprehensive opinion on the operations of the said system.

- j. The notes to the financial statements present all significant information required by IFRS as adopted by the European Union.
- k. The information in the Directors' Report for the year ended 31 December 2012 has been prepared in accordance with the provisions of the Decree of the Minister of Finance dated 19 February 2009 concerning the publication of current and periodic information by issuers of securities and the conditions of acceptance as equal information required by the law of other state, which is not a member state (Journal of Laws of 2009, No. 33, item 259, as amended) and is consistent with that presented in the financial statements.

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V. Final information

This report has been prepared in connection with our audit of the financial statements of KOFOLA S.A., Wschodnia Street 5, Kutno. The financial statements were signed by the Company's Management Board and the person entrusted with maintaining the books of account on 18 March 2013.

This report should be read in conjunction with the Independent Registered Auditor's unqualified Opinion to the General Shareholders' Meeting and the Supervisory Board of KOFOLA S.A. dated 18 March 2013, concerning the said financial statements. The opinion on the financial statements expresses a general conclusion drawn from the audit and involves assessing the materiality of individual audit findings rather than being a sum of all the evaluations of individual financial statement components. This assessment takes account of the impact of the facts noted on the truth and fairness of the financial statements as a whole.

Person conducting the audit on behalf of PricewaterhouseCoopers Sp. z o.o., Registered Audit Company No. 144:

Tomasz Reinfuss

Key Registered Auditor
No. 90038

Warsaw, 18 March 2013

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