

CURRENT REPORT

KOFOLA-HOOP S.A.

October 3rd 2008

Current Report No. 37/2008

Subject: Management Board's Position Concerning the Tender Offer for All Shares in KOFOLA-HOOP S.A.

Legal basis: Art. 80 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies, dated July 29th 2005.

POSITION OF THE MANAGEMENT BOARD OF KOFOLA-HOOP S.A. CONCERNING THE TENDER OFFER FOR ALL SHARES IN THE COMPANY ANNOUNCED ON SEPTEMBER 29TH 2008

Acting pursuant to Art. 80 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies, dated July 29th 2005 (the “**Act**”), the Management Board of KOFOLA-HOOP S.A. of Warsaw (the “**Company**”) hereby presents its position concerning the tender offer for all shares in the Company (the “**Tender Offer**”), announced on September 29th 2008 by the following entities acting in agreement: KSM Investment S.A. – a company operating under the Luxemburg law with registered office in Luxemburg, Mr Rene Musila – a citizen of the Czech Republic, Mr Tomas Jendrejek – a citizen of the Czech Republic, and CED GROUP S.a.r.l. – a limited-liability company under the Luxemburg law with registered office in Luxemburg, established as an investment vehicle (SPV) for the purpose of investment in KOFOLA-HOOP S.A. shares by its parent company – Polish Enterprise Fund VI, L.P. with registered office in Ugland House, South Church Street, George Town, Grand Cayman, The Cayman Islands (jointly referred to as the “**Bidders**”).

The Tender Offer has been announced in connection with the fact that the Bidders, acting under an agreement which meets the requirements provided for in Art. 87.1.5 of the Act based on the Shareholder Agreement concluded by them on September 29th 2008, which specifies their rights and obligations as well as the rules governing their cooperation as the Company shareholders (the “**Agreement**”), intend to exceed jointly the threshold of 66% of the total vote at the General Shareholders Meeting of the Company as a result of acquisition of the Company shares by CED GROUP S.a.r.l. (the “**Acquiring Investor**”) in the Tender Offer. The Acquiring Investor intends to acquire 43.0086% of the total vote at the Company's General Shareholders Meeting, by purchasing 11,256,176 Company shares in the Tender Offer.

Following the Tender Offer, the Bidders (as parties to the Agreement) intend to hold jointly 26,171,918 shares which – as at the date when the Tender Offer was announced – represent 100% of the total vote at the General Shareholders Meeting of the Company.

As specified in the Tender Offer, the Tender Offer was announced under a legal condition of the Acquiring Investor obtaining the approval of the President of the Polish Office of Competition and

Consumer Protection for a business concentration consisting in the acquisition of control over KOFOLA-HOOP S.A., or the ineffective lapse of the statutory deadline for granting such consent. The Acquiring Investor assumes that the legal condition will be met by the date until which declarations by the shareholders concerning sale of shares in the Tender Offer will be accepted. However, even if the legal condition is not satisfied by that date, the Acquiring Investor has reserved the right to acquire shares in the Tender Offer under Art. 98 of the Act on Competition and Consumer Protection dated February 16th 2007 (Dz.U. No. 50, item 331 and No. 171, item 1206). The Acquiring Investor notified the intended business concentration consisting in the takeover of control over KOFOLA-HOOP S.A. through the acquisition of the Company shares in the Tender Offer to the President of the Office of Competition and Consumer Protection on September 11th 2008.

In order to meet its obligation under Art. 80 of the Act, the Management Board of the Company, having read the terms and conditions of the Tender Offer and having analysed the market valuations of the Company shares in the six-month period preceding the announcement of the Tender Offer, hereby presents its position concerning the Tender Offer with regard to the following:

- 1) the implications of the Tender Offer for the Company's interests;
- 2) the price of the Company shares proposed in the Tender Offer.

Concurrently, the Management Board of the Company:

- (a) informs that it has not ordered any additional analyses or valuations of the Company in connection with the Tender Offer;
- (b) informs that, except with respect to the information sourced from the Company, it accepts no responsibility whatsoever for the reliability, accuracy, completeness and adequacy of the information on the basis of which its position has been formulated;
- (c) emphasises that its position should under no circumstances be treated as a recommendation to purchase or sell financial instruments referred to in Art. 42 of the Act on Trading in Financial Instruments of July 29th 2005;
- (d) is of the opinion that when taking the investment decision whether to respond to the Tender Offer, a shareholder should on its own should assess the investment risks connected with the sale of the Company shares, based on all the information made available by the Company as part of its fulfilling the disclosure requirements, and in particular assess the attractiveness of the share price proposed in the Tender Offer,
- (e) currently holds no inside information within the meaning of the Act on Trading in Financial Instruments of July 29th 2005 which should be disclosed, and, to the best of its knowledge, except for the information revealed in its position, holds no information which is or could be deemed inside information material for the assessment of the Tender Offer.

Re 1) Management Board's Position Concerning the Implications of the Tender Offer for the Company's Interests

The Management Board believes that the purchase of the Company shares by the Acquiring Investor as part of the Tender Offer is beneficial from the perspective of the Company's interests. The rationale and intentions presented by the Bidders in the Tender Offer are in keeping with the principal assumptions of the Company's development strategy, prepared by the Management Board and announced on September 26th 2008 (Current Report No. 34/2008).

The Management Board of the Company believes that the purchase of the Company shares in the Tender Offer will not adversely affect the implementation of the Company's key strategic objectives, which are as follows:

- (a) development of the existing portfolio of non-alcoholic brands, while increasing – where viable – the size of the brand portfolio through acquisitions;
- (b) business development on those markets where the Company is already present, i.e. the Czech Republic, Slovakia and Poland;
- (c) reinforcement of its presence in selected segments of the market of non-alcoholic beverages, especially the segments of colas, waters, fruit drinks and syrups.

Based on the information contained in the Tender Offer according to which Polish Enterprise Fund VI, L.P. decided to invest in the Company with a view to enhancing its value through market investments and introducing the highest management standards, the Management Board is of the opinion that the objectives pursued by the Bidders and the Acquiring Investor should be viewed as coinciding with the interests of the Company, its staff, business partners and the other shareholders.

In the Management Board's view the Tender Offer will not affect the Company's employment structure. In the Tender Offer the Bidders have not declared any intention to relocate the Company, and the Management Board does not have any such intention in connection with the Tender Offer, either.

Re 2) Management Board's Position Concerning the Price of the Company Shares Proposed in the Tender Offer

The Management Board of the Company has not consulted any external entities about the price of the shares proposed in the Tender Offer. The Management Board's opinion on the matter has been formulated taking into account in particular:

- (a) the current economic and financial standing of the Company, including factors related to the restructuring the Kofola-Hoop Group following the merger of the Hoop Group with the Kofola Group;
- (b) the historical and current prices of the Company shares on the Warsaw Stock Exchange;
- (c) the average market price of the shares for the six-month period preceding the Tender Offer announcement date, calculated as the arithmetic mean of the daily volume-weighted average prices of the Company shares traded in the continuous trading system, and, additionally
- (d) the average market price of the shares for the three-month period preceding the Tender Offer announcement date, calculated as the arithmetic mean of the daily volume-weighted average prices of the Company shares traded in the continuous trading system.

The Management Board of the Company is of the opinion that the share price proposed in the Tender Offer – of no less than the average market price of the Company shares respectively for the six and three months preceding the Tender Offer announcement date – is a good price, reflecting the current fair value of the Company.

In fulfilment of the requirement stipulated by the second sentence in Art. 80.1 of the Act, the Management Board will communicate its position concerning the Tender Offer along with the terms and conditions of the Tender Offer directly to the Company employees, in accordance with the rules governing internal information flow applicable at the Company.