

## CURRENT REPORT

### HOOP S.A.

June 13th 2007

Current Report No. 25/2007

### **Assessment of the Company by the Supervisory Board**

The Management Board of HOOP S.A. hereby publishes the Supervisory Board's assessment of the Company's standing in 2006.

#### ASSESSMENT OF HOOP S.A.'S STANDING IN 2006 BY SUPERVISORY BOARD

In accordance with Rule 18 of "Best Practices in Public Companies 2005", on June 11th 2007 the Supervisory Board of HOOP S.A. assessed the Company's standing in 2006.

The year 2006 saw a continuation of the efforts aimed at further improvement of the Company's operations. HOOP S.A. achieved the performance targets assumed in the budget for 2006. Especially worthy of notice is the increase in sales value, as well as better control of operating expenses. This improvement followed from the completion in 2006 of the restructuring programme launched in 2004/2005.

In 2006, the Company expanded its distribution network by acquiring key distributors in Warsaw and southern Poland, which also helped to solve the problem of past due receivables from related companies.

HOOP S.A.'s brands achieved higher market shares. The Company reported higher operating profitability despite an unexpected rise in the costs of transport, materials and production inputs. The growth in sales was driven by the overall economic revival, growing beverage consumption trends as well as the weather conditions.

Positive results were also recorded by the subsidiary OOO MEGAPACK of Moscow. Similarly to HOOP S.A., the subsidiary achieved higher sales and net profit, which directly contributed to increasing its value.

A great success in 2006 was the finalisation of the purchase of shares in PAOLA S.A., a leading syrup manufacturer. The transfer of production of PAOLA brands to HOOP S.A.'s Production Plant in Grodzisk Wielkopolski and combination of the two companies' marketing and sales efforts will enhance HOOP S.A.'s sales and margins in 2007.

An important event in the Company's operations was negotiations held during 2006 with potential strategic investors. As a result, it has been decided this year that the Company would merge with KOFOLA Holding A.S. During the negotiations, the Company presented a coherent development

plan for the coming years, providing for organic development of the Company and increasing its value through acquisitions of smaller players from the drinks and juices industry. The expected finalisation of the agreement on merger between HOOP S.A. and KOFOLA Holding A.S. will change the Company's management processes.

The good financial performance of the Company and OOO MEGAPACK, the acquisition of PAOLA S.A., as well as the closing of negotiations with the strategic investor had a direct impact on increasing the Company's value. The Supervisory Board perceives HOOP S.A.'s overall standing as very good.