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kofola

drinks. life. emotion.

half-year report

kofola s.a. group

I half-year 2011

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1 The Directors' Report on the activities of the KOFOLA S.A. Group

1.1 Description of the KOFOLA S.A. Group

The KOFOLA GROUP is one of the leading producers of non-alcoholic beverages in Central Europe. The Group operates in Czech Republic, Slovakia, in Poland and in Russia.

OUR MISSION AND OUR GOAL

Our mission is to passionately and enthusiastically create new brand name products that offer to our clients functional and emotional values which allow our products to become an important part of their lives.

WE ARE PROUD OF OUR ACHIEVEMENTS

2011 awards:

The ***"Zlatý Louskáček"*** award in the category of the most creative ad was given to the Kofola brand for the Kofola 50 TV spot prepared in the form of film chronicle from the sixties.

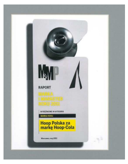
Three ***"Louskáček"*** awards were given to the Rajec brand – for the Frozen artwork project (Images – "frost on glass"), receiving silver in the Outdoor category, silver in the Media category and bronze for the Parking project in the Media category.

The "Media i Marketing Polska" monthly once again showed its appreciation of our marketing activities. In the chronicle summarizing the year 2010, it awarded to us the title of an ***"ambient pearl"*** for our Hooptimistic Windoow to the World.

Rajec spring water once again turned out to be a pioneer. It was the first spring water on the Czech market to obtain the ***"Water that goes with wine"*** certificate. The certificate was introduced by the Czech Republic Wine Institute in 2010 to be awarded to only those waters that meet the highest quality standards.

Czech TOP 100 – Kofola a.s. fourth most admired company in the Czech Republic.

The staff of the oldest marketing monthly – Media i Marketing Polska – have given an honorable mention to the Hoop Cola brand in the ***„Brand of the Year"*** category.



The advertising campaign of **Rajec** was awarded third place in the second edition of the Prague International Advertising Festival **(PIAF)**.

At this year's **ADC*E Awards** European competition the **Rajec** brand was awarded gold in the Film&Radio category.

In the national **Public Relations** competition sponsored by **APRA** and **PR Klub**, Kofola a.s. (CZ) was awarded second place in the internal communications category for the **KOFOLA 1960 project**.



COMPANIES OF THE KOFOLA GROUP

Holding companies:

- **Kofola S.A.** – Warszaw (PL)
- **Kofola Holding a.s.** – Ostrava (CZ)

Production and trading companies:

- **Kofola a.s.** – Krnov, Mnichovo Hradiště, Praha (CZ)
- **Kofola a.s.** – Rajecká Lesná, Senec, Malý Šariš, Zvolen (SK)
- **Hoop Polska Sp. z o.o.** – Warszaw, Kutno, Bielsk Podlaski, Grodzisk Wielkopolski (PL)
- **OOO Megapack** – Moscow, Widnoje, Moscow Region (RU)
- **Kofola Sp. z o.o.** – Kutno (PL)
- **Pinelli spol. s r.o.** – Krnov (CZ)

Distribution companies:

- **PCD Hoop Sp. z o. o.** – Koszalin (PL)
- **OOO Trading House Megapack** – Moscow, Widnoje, Moscow Region (RU)

Transport companies:

- **Santa-Trans s. r. o.** – Krnov (CZ)
- **Santa-Trans.SK s. r. o.** – Rajec (SK)
- **Transport Spedycja Handel Sulich Sp. z o. o.** – Bielsk Podlaski (PL)

OUR BRANDS IN 2011

The Group's structure and changes therein in the reporting period

As at 30 June 2011 the Group comprised the following entities:

	Company name	Headquarters	Range of activity	Consolidation method	% part in share capital	% part in voting rights
1.	KOFOLA S.A.	Poland, Warszawa	holding	acquisition accounting		
2.	Kofola Holding a.s.	Czech Republic, Ostrava	holding	acquisition accounting	100,00%	100,00%
3.	Hoop Polska Sp. z o.o.	Poland, Warszawa	production of non-alcoholic beverages	acquisition accounting	100,00%	100,00%
4.	Kofola a.s.	Czech Republic, Krnov	production and distribution of non-alcoholic beverages	acquisition accounting	100,00%	100,00%
5.	Kofola a.s.	Slovakia, Rajecká Lesná	production and distribution of non-alcoholic beverages	acquisition accounting	100,00%	100,00%
6.	Kofola Sp. z o.o.	Poland, Kutno	rent of production assets	acquisition accounting	100,00%	100,00%
7.	Santa-Trans s.r.o.	Czech Republic, Krnov	road cargo transport	acquisition accounting	100,00%	100,00%
8.	Santa-Trans.SK s.r.o.	Slovakia, Rajec	road cargo transport	acquisition accounting	100,00%	100,00%
9.	OOO Megapack	Russia, Widnoje	production of non-alcoholic and low-alcoholic beverages	acquisition accounting	50,00%	50,00%
10.	OOO Trading House Megapack	Russia, Widnoje	sale and distribution of non-alcoholic and low-alcoholic beverages	acquisition accounting	50,00%	50,00%
11.	Pomorskie Centrum Dystrybucji HOOP Sp. z o.o.	Poland, Koszalin	wholesale of non-alcoholic and low-alcoholic beverages	acquisition accounting	100,00%	100,00%
12.	Transport Spedycja Handel Sulich Sp. z o.o.	Poland, Bielsk Podlaski	road cargo transport, spedition	equity accounting	50,00%	50,00%
13.	Pinelli spol. s r.o.	Czech Republic, Krnov	production of energetic beverages	acquisition accounting	100,00%	100,00%
14.	Kofola Zrt.	Hungary, Budapest	in liquidation	acquisition accounting	100,00%	100,00%

The holding company – **KOFOLA S.A.** ("the Company", "the Issuer") with its registered office in Warsaw, 01-102, ul. Jana Olbrachta 94, formed as a result of the 30 May 2008 merger of HOOP S.A and Kofola SPV Sp. z o.o. Effective with the merger's registration, the name HOOP S.A. was changed to Kofola - HOOP S.A and since 23 December to KOFOLA S.A. At this time the Company's functions consist primarily of management and control of all of the entities belonging to the KOFOLA S.A. Group.

The subsidiary **Hoop Polska Sp. z o.o**. with its registered office in Warsaw, 01-102, ul. Jana Olbrachta 94, of which KOFOLA S.A. holds 100%. The company's main area of activities is the production and sale of non-alcoholic beverages.

The subsidiary **Kofola Holding a.s.** is the company that manages the Group and at the same time the holding company of the Kofola Holding a.s. Group, with its registered office in Ostrava, Nad Porubkou 2278/31A, 708 00 Ostrawa - Poruba, CZECH REPUBLIC, of which KOFOLA S.A. holds 100%.

The Kofola Holding a.s. Group comprises the following entities:

- Kofola Holding a.s. – the holding company – registered in the Czech Republic, performing management and control of the other entities comprising the KOFOLA S.A. Group,
- Kofola a.s. (CZ) – a company registered in the Czech Republic, with main activities consisting of the production and distribution of beverages on the territory of the Czech Republic,
- Kofola a.s. (SK) – a company registered in Slovakia, with main activities consisting of the production and distribution of beverages on the territory of Slovakia,
- Kofola Sp. z o.o. – a company registered in Poland, with main activities consisting of renting out the production line in Kutno to the company Hoop Polska Sp. z o.o., which conducts its production there,
- Santa-Trans s.r.o. (CZ) – a company registered in the Czech Republic, with main activities consisting of road cargo transport provided mainly to Kofola a.s. (Czech Republic),
- Santa-Trans.SK s.r.o. (SK) – a company registered in Slovakia, with main activities consisting of road cargo transport provided mainly Kofola a.s. (Slovakia),
- Pinelli spol. s r.o. (CZ) – a company registered in the Czech Republic, of which Kofola a.s. (CZ) holds 100%. The company's main area of activities is the production of the Semtex and Erektus energy drinks. Owing to the fact that from the acquisition of control on 22 April 2011 to 30 April 2011 no significant operations had been recorded with an effect on the Group's financial position, the present financial statements include

the results of Pinelli spol. s r.o. for the period beginning 1 May 2011,

- Kofola Zrt. (HU) – a company registered in Hungary, which does not conduct business operations. Currently in liquidation.

The subsidiary **Megapack Group**, with its holding company OOO Megapack with its registered office in Promozno, Widnoje, Leninskiy District, Moscow Region, the Russian Federation, of which KOFOLA S.A. holds 50%. The activities of the Megapack Sp. z o.o. Group consist of the provision of services consisting of bottling beverages for third parties, production of own beverages, as well as their distribution on the territory of the Russian Federation. The KOFOLA S.A. Group is able to control the financial and operating policies of the Megapack Group, and as such it consolidates its financial statements using acquisition accounting. In accordance with the binding Statute, the Director General of Megapack is selected by the Shareholders Meeting, with KOFOLA S.A. having the deciding vote in this matter. The Director General is Megapack's one-man executive and representative organ.

The subsidiary **Pomorskie Centrum Dystrybucji HOOP Sp. z o.o.** with its registered office in Koszalin, 75-209, ul. BoWiD 9e, of which KOFOLA S.A. holds 100% and has 100% of votes at Shareholders Meeting. The activities of PCD HOOP Sp. z o.o. consist of the wholesale of beverages. Since April 2011 the company has been selling its assets, thereby significantly limiting its operating activities with an intention of a future liquidation. For the purposes of these financial statements the net value of the company's assets was tested for impairment.

The co-subsidiary **Transport – Spedycja – Handel - Sulich Sp. z o. o.** with its registered office in Bielsk Podlaski, of which KOFOLA S.A. holds 50% and has 50% of votes at Shareholders Meeting. The company's activities consist of road transport of cargo.

Bobmark International Sp. z o.o. with its registered office in Warsaw, of which KOFOLA S.A. held 100%. The activities of Bobmark International Sp. z o.o. consisted of the wholesale of beverages. In accordance with a conditional agreement of 8 July 2010, the shares of Bobmark were sold at the moment of the registration of a share capital increase(18 October 2010), whereas control over the company was lost already at the signing of the conditional agreement and appointment of a new management. Due to the above the data of Bobmark International Sp. z o.o. have been included only in the comparatives.

KLIMO s.r.o. – a company registered in the Czech Republic. In 2007 it distributed beverages on the Czech market. No operating activities since the beginning of 2008. The company's liquidation process was completed in January 2011. Due to the above the company's data have been included only in the comparatives.

1.2 Description of operating results and financial position

Presented below is a description of the financial position and results of the Kofola Group for the first half-year of 2011. It should be reviewed along with the consolidated financial statements and with other financial information presented in other sections of the present report.

In the first half-year of 2011 and 2010 the Group's results were not affected by one-off events, which is why the Group is presenting its financial results without adjustments by one-off events.

One-off items constitute all extraordinary items, exceptional items, non-recurring or unusual in nature, including in particular costs not arising out of ordinary operations, such as those associated with impairment write downs, relocation costs and the costs of group layoffs, etc.

To better present the Group's financial position, in addition to the audited consolidated financial statements prepared in accordance with the accounting methods arising out of International Financial Reporting Standards, the Management is also presenting the consolidated financial results prepared for Group management purposes, translated using the same foreign exchange rates.

Due to differences in the exchange rates of the CZK, EUR and RUB to the Polish zloty between the first half-year of 2011 and the first half-year of 2010, to obtain better comparability of data, the financial statements of the Czech, Slovak and Russian companies for the first half-year of 2010 have been translated into the Polish zloty using the exchange rates from the first half-year of 2011. Information about the exchange rates used for valuation purposes is shown in Note 4.3. The consolidated financial statements presenting data translated using the exchange rates for the given period are presented in the second portion of the present report.

Selected financial highlights	Reported 1.1.2010 - 30.6.2010	Translated 1.1.2010 - 30.6.2010
Revenue	564 660	571 682
Cost of sales	(323 952)	(329 172)
Gross profit	**240 708**	**242 510**
Selling, marketing and distribution costs	(180 847)	(183 973)
Administrative costs	(38 779)	(39 795)
Other operating income / (expenses) net	(725)	(717)
Operating result	**20 357**	**18 025**
Net financial expenses	(6 710)	(6 257)
Income tax	(3 804)	(3 844)
Net profit for the period	**9 843**	**7 924**

Summary of operating results in the period of six months ended 3O June 2011

When assessing the financial results of the Kofola Group for the first half of 2011 it is important to consider market conditions, which had an effect on the Group's results. The consumers continued to have a high level of uncertainty and thus looked for savings in their shopping cart. High unemployment and high energy costs had a negative effect on free income, reducing the contents of the shopping cart, increasing the need to look for promotions and intensifying the promotional activities of our competitors and shopping chains in all the markets on which we operate.

The rise in the prices of raw materials (so-called commodities), such as oil, sugar, isoglucose, fruit concentrates and paper, started in the second half of 2010, continued into 2011, translating into a significant increase in the cost of producing beverages. In the first half of 2011 the prices of sugar, isoglucose and PET bottle granules reached their highest level yet. As a result of the above, the Group's production companies were forced to buy materials at much higher prices than in the first half of 2010. The Group's Management reacted to the rise in prices by increasing the product prices, optimizing processes, looking for less expensive packaging and reducing fixed costs, the effect of which can be seen in the results for the second quarter of 2011.

When analyzing the results for the first half it is also important to remember the seasonality of sales in the beverages sector. The Kofola Group's revenues for the first half of 2010 accounted for only 45,6% of its annual consolidated revenues generated in the entire year 2010.

Described below are the changes that took place in the main items of the consolidated financial statements.

Consolidated revenue is up by 120 541 thousand PLN, i.e. by 21,1% compared to the first half of 2010. This was caused primarily by the 104 206 thousand PLN increase in the revenue of the Megapack Group, 26 024 thousand PLN increase in the revenue of Hoop Polska Sp. z o.o., the 2 322 thousand PLN decrease in the revenue of Kofola a.s. in Slovakia, as well as the discontinuation of consolidation of the company Bobmark International Sp. z o.o. sold in the first half of 2010, whose revenue in the first half of 2010 had amounted to 8 101 thousand PLN after excluding intra-group transactions. The Megapack Group achieved the rise in revenue primarily as a result of being able to acquire more orders for the production of low-alcohol beverages as part of co-packing, as well as higher revenue from the sale of beverages under its own brands.

Gross profit margin is down from 42,4% to 33,5%, due mainly to an increase in the prices of the basic raw materials used in the production of beverages, pricing pressure in colas and waters, as well as higher revenue from the sale of low-margin co-packing services. The drop in gross sales profitability was felt by all of the Group's beverage companies.

- Despite the fact that sales revenue went up by more than 120,5 million PLN, for reasons described above (and mainly arising out of an increase in the price of raw materials), the gross sales profit achieved in the first half of 2011 amounted to 231 784 thousand PLN, which constitutes a decline by 10 726 thousand PLN from the first half of 2010, from 242 510 thousand PLN.
- At the end of 2010 we began the process of optimizing our sales and distribution services, which along with an increase in revenue made it possible to reduce our **selling, marketing and distribution costs** calculated as a percentage of sales from 32,2% to 25,0%. Total sales costs are down from 183 973 thousand PLN to 173 134 thousand PLN, i.e. by 10 839 thousand PLN, or 5,9%.
- As a result of optimizing the costs of the support function within the Group, accompanied by a rise in revenue, we were able to lower the percentage of **administrative costs** in sales from 7,0% to 5,3%. Total general administrative costs amounted to 36 859 thousand PLN in the first half of 2011, which constitutes a drop from 39 795 thousand PLN in the first half of 2010 by 2 936 thousand PLN.
- **Other net operating income / (expenses)** amounted to 3 037 thousand PLN compared to (717) thousand PLN in the first half of 2010, which constitutes a change by 3 754 thousand PLN in the two periods. The main item positively affecting the results of the first half of 2011 was a VAT refund received by Hoop Polska Sp. z o.o. in the amount of 3 037 thousand PLN.
- The total savings achieved on sales and administrative costs turned out to be higher than the recorded drop in gross sales profit, leading to a rise in **operating result (EBIT)** by 6 803 thousand PLN, from 18 025 thousand PLN in the first half of 2010 to 24 828 thousand PLN in the first half of 2011, with the EBIT margin in the current and comparative periods amounting to 3,6% and 3,2%, respectively.
- **EBITDA** (operating result plus depreciation) went up from 59 113 thousand PLN to 61 895 thousand PLN, i.e. by 2 782 thousand PLN (or 4,7%). Whereas the EBITDA margin, due to a more than 21% rise in revenue, fell from 10,3% in the first half of 2010 to 8,9% in the first half of 2011.
- In the reporting period we recorded an increase in the **consolidated net profit** attributable to the holding company's shareholders to 8 493 thousand PLN from 8 117 thousand PLN in the first half of 2010, which constitutes a rise of 376 thousand PLN (or 4,6%). The increase in net profit was lower than the increase in operating profit was caused by the fact that financial revenue was lower by 2 706 thousand PLN (the effect of a high base from the first half of 2010, when we had recognized 2 328 thousand PLN in profit on the sale of the shares of BOMI S.A.), whilst interest and banking fees higher.
- Following an improvement in the net result attributable to the holding company's shareholders, a rise was recorded in the net profit per share of Kofola S.A. from 0,3102 PLN to 0,3245 PLN in the reporting period.
- **Net debt** is down from 304 446 thousand PLN at the end of December 2010 to 257 649 thousand

PLN as at 30 June 2011, i.e. by 46 797 thousand PLN, or 15,4%, due mainly to the repayment of long-term credits and leases, as well as further improvements in the management of working capital. As at 30 June 2011 the debt rate (total short- and long-term liabilities to total assets) amounted to 62,8% (compared to 60,1% at the end of December 2010). The Group's net debt counted as a multiple of the 12-month adjusted EBITDA amounted to 2,2 times at the end of June 2011 compared to 2,6 times at the end of December 2010.

- The Group's companies continued to optimize the utilization of **net working capital**, the amount of which decreased from 40 863 thousand PLN as at 31 December 2010 to 2 110 thousand PLN as at 30 June 2011. The effect of the improvement will be even greater if we compare it with the end of the first half of 2010, when the engagement of working capital was as high as 63 871 thousand PLN. The improvement in the ratio of net working capital to annualized sales revenue from 3,3% as at 31 December 2010 to 0,2% as at 30 June 2011 is primarily the result of being able to negotiate better payment terms with suppliers, as well as more effective debt collection.

Poland

- Despite the slight 0,4% increase in revenue recorded in the first half of 2011 on the entire non-alcoholic beverages market in Poland, Hoop Polska Sp. z o.o. generated an increase in sales by 11,7%, or 26 024 thousand PLN. This increase was achieved primarily in the carbonated beverages segment (Hoop Cola) and in mineral waters and syrups, especially in the modern channel.
- The rise in sales was achieved due to a much better efficiency of a reduced sales department under a new management, and consistent focus on key brands and clients.
- In the first half of the year a new product was introduced – sugar free Hoop Cola, as well as new Paola syrup flavors: orange, lemon and peach.

Czech Republic

- In the first half of 2011 the Czech non-alcoholic beverages market increased by 4,9% (compared to the first half of 2010). On this growing market we recorded an increase of 0,4% in the local currency. This rise related mainly to the carbonated beverages segment (cola type beverages).
- In the first half of 2011 the Czech restaurant segment recorded a 4,0% rise in revenue compared to the same period of 2010. The Kofola Group's share in this market went up by only one percentage point, which constitutes a strengthening of its position in this strongest of segments.
- The Jupi syrups continue to be the market leader in the Czech Republic with a nearly 39,0% share due high quality and innovative products.
- In 2011 we introduced a series of new products to the Czech market: new Rajec flavored waters (Stokrotka and Brzoza), cherry flavored Kofola, Vinea carbonated drinks in 1,5 liter bottles in the retail segment, and Jupi syrups in sachets. In addition, starting in April 2011, following the acquisition of the company Pinelli spol. s r.o. we began the sale of the Semtex and Erektus energy drinks, as well as of Green Tea ice tea.

Slovakia

- On the growing Slovak market we recorded a drop in sales from year to year by 2,0% in the local currency. The drop occurred in the traditional and modern channels. In the most profitable restaurant channel revenue increased by 2,2% compared to the first half of 2010.
- The Group's Rajec brand products have strengthened their position of market leader in the bottled water category. Also the grape flavored Vinea drink can boast a strong position on the local carbonated beverages market. As in the Czech Republic, we have introduced new Rajec flavored waters and cherry flavored Kofola to the Slovak market.

Russia

- In the analyzed period a significant rise occurred in sales revenue in Russia – by 156,8% in the local currency, which in Polish zloty gives an increase of 104 206 thousand PLN compared to the first half of 2010. This is caused by two factors: firstly the low base from the first half of 2010 – when the clients of Megapack sold their stock acquired in the fourth quarter of 2009 at the old, lower excise tax rate.

The second factor was the acquisition of a high number of orders for service production (so called co-packing) for both low-alcohol and non-alcoholic beverages. This was possible after some of the entities operating on the Russian market lost their licenses for the production of alcohol. Being licensed, the Megapack Group was able to take over the orders previously filled by other entities.

CONSOLIDATED INCOME STATEMENT

The six month period ended 30 June 2011 compared to the six month period ended 30 June 2010

Selected financial highlights	**1.1.2011 - 30.6.2011**	**1.1.2010 - 30.6.2010***	**Change 2011/2010**	**Change 2011/2010 (%)**
Revenue	692 223	571 682	120 541	21,1%
Cost of sales	(460 439)	(329 172)	(131 267)	39,9%
Gross profit	**231 784**	**242 510**	**(10 726)**	**(4,4%)**
Selling, marketing and distribution costs	(173 134)	(183 973)	10 839	(5,9%)
Administrative costs	(36 859)	(39 795)	2 936	(7,4%)
Other operating income/(expense)	3 037	(717)	3 754	(523,3%)
Operating result	**24 828**	**18 025**	**6 803**	**37,7%**
EBITDA	**61 895**	**59 113**	**2 782**	**4,7%**
Net financial expense	(10 115)	(6 257)	(3 858)	61,6%
Income tax	(3 939)	(3 844)	(95)	2,5%
Net profit for the period	**10 774**	**7 924**	**2 850**	**36,0%**
- assigned to the shareholders of the parent company	8 493	8 117	376	4,6%

	1.1.2011 - 30.6.2011	**1.1.2010 - 30.6.2010***
Earnings per share	0,3245	0,3102
Net profitability	1,2%	1,4%
Profitability EBIT %	3,6%	3,2%
Profitability EBITDA %	8,9%	10,3%
Gross profit margin %	33,5%	42,4%

** for conversion used exchange rates from the first half-year of 2011*

Calculation principles:

Earnings per share *– net earnings attributable to shareholders of the parent company / weighted average number of ordinary shares in a given period*
Net profitability *– Net profit attributable to shareholders of the parent company / net revenues from the sales of products, services, goods and materials in a given period*
Profitability EBIT% *– operating profit for a given period / net revenues from sales of products, services, goods and materials in a given period*
Profitability EBITDA% *– (operating profit + depreciation for a given period) / net revenues from sales of products, services, goods and materials in a given period*
Gross profit margin % *– operating result for a given period / net revenues from sales of products, services, goods and materials in a given period*

Net revenue

The consolidated net sales revenue of the KOFOLA Group for the first half of 2011 amounted to 692 223 thousand PLN, which constitutes a rise of 120 541 thousand PLN (or 21,1%) compared to the same period of the previous year. Revenue from the sale of finished products amounted to 679 606 thousand PLN, which constitutes 98,2% of total revenues. The rise in the Group's revenues in the first half of 2011 compared to the first half of 2010 was caused primarily by: higher (by 104 206 thousand PLN) revenue of the Megapack Group and higher (by 26 024 thousand PLN) revenue of Hoop Polska Sp. z o.o. On the other hand, the revenue was affected by the discontinuation of consolidation of the revenue of Bobmark International Sp. z o.o., which was sold in the second half of 2010. In the first half of 2010 the revenue of this company had been consolidated and after eliminating intra-group transactions had amounted to 8 101 thousand PLN. The Group's revenue was also affected by the lower revenue of Kofola a.s. in the Slovak Republic (down by 2 322 thousand PLN).

The activities of the KOFOLA S.A. Group concentrate on five market segments: carbonated beverages, non-carbonated beverages, mineral water, syrups and low-alcohol drinks. Together these segments account for around 97,5% of the Group's sales revenues. The revenue structure has not changed considerably compared to the same period of last year, except for a rise in revenues in the low-alcohol segment in Russia (5,5% of the Group's revenue in the first half of 2010 compared to 18,8% of the Group's revenues in the same period of 2011). The largest among the revenue of the first half of 2011 was the sale of carbonated beverages, as was the case in the comparative period (39,7% and 44,7% of revenue in the first half of 2011 and 2010, respectively).

Net revenues of the Group's most significant entities

Net revenues from the sales of products, services, goods and materials ***	**1.1.2011 - 30.6.2011**	**1.1.2010 - 30.6.2010***	**Change**	**% Change**
Hoop Polska Sp. z o.o.	247 529	221 505	26 024	11,7%
Kofola a.s. (CZ)	186 227	186 964	(737)	0,0%
Kofola a.s. (SK)	114 252	116 574	(2 322)	(2,0%)
Megapack Group (RU)**	170 567	66 361	104 206	156,8%

* *Data converted using exchange rates from the first half-year of 2011*
** *The Megapack Group (the companies OOO Megapack and OOO Trading House Megapack) is shown in aggregate due to the need to maintain two legal entities arising out of the need to have separate licenses for the production and storage of and sale of alcohol*
*** *Standalone data without consolidation adjustments*

The revenue realized in the first half of 2011 by HOOP Polska Sp. z o.o. was by 11,7% higher than in the comparative period. This increase was especially clear in the key brand segment in the traditional channel, and was caused by a change in sales department management, focusing on most perspective clients, and as a result, higher efficiency of the restructured sales department.

The revenue of Kofola a.s. (CZ) realized in the first half of 2011 was by 737 thousand PLN lower than in the comparative period in the local currency. This drop was caused by a decrease in revenue, especially in the carbonated and non-carbonated beverages segment, as well as strong price competition in the cola segment, which resulted in a sales price that was lower than planned.

The revenue of Kofola a.s. (SK) realized in the first half of 2011 was lower than in the comparative period by 2,0% in the local currency. The drop in revenue was caused by a drop in revenue from cola drinks in the modern and traditional channels.

In the first half of 2011 the Megapack Group increased its sales revenue in local currency by 156,8% compared to the same period of 2010. The main reason leading to the increase in revenue was the acquisition of orders for commissioned production of low alcohol beverages from firms outside the Group. This rise in caused by structural changes on the Russian market, where some of the manufactures have lost their licenses for the production of alcohol.

Costs of sale

In the first half of 2011 the Kofola Group's consolidated costs of sales increased by 131 267 thousand PLN, i.e. by 39,9%, to 460 439 thousand PLN from 329 172 thousand PLN in the same period of 2010. This means that they grew more quickly than sales revenue, which increased by 21,1% in the same period. In percentages, in the first half of 2011 consolidated costs of sales increased to 66,5% of net sales revenue, compared to 57,6% in the same period of the year 2010. Such a significant rise in costs of sales was caused primarily by the record high prices of raw materials, the high share of low margin revenues from co-packing in Russia, as well as pricing competition in colas and waters.

Selling, marketing and distribution costs

In the first half of 2011 the Group's consolidated sales costs decreased by 10 839 thousand PLN, i.e. by 5,9% to 173 134 thousand PLN from 183 973thousand PLN in the same period of 2010.

In percentages, in the first half of 2011 our sales costs decreased to 25,0% of net sales revenue, compared to 32,2% in the same period of 2010. This means a drop in the share of sales costs by nearly 7,2 percentage points. This decrease was on one hand the result of optimizing sales departments, raising the efficiency of logistics, and on the other increasing the efficiency of the sales force, and thus obtaining higher revenues.

The greatest improvement in sales costs occurred in Poland, by 10,0%, and in the Czech Republic – by 2,2%. On the other hand, these decreases were partly offset by a rise in sales costs in Slovakia arising out of increasing direct distribution to end users. The direct distribution platform is used to service smaller stores, pubs and restaurants.

Administrative costs

In the first half of 2011 the consolidated administrative costs amounted to 36 859 thousand PLN, which constitutes a drop from 39 795 thousand PLN in the first half of 2010. The ratio of consolidated administrative costs to sales is down from 7,0% to 5,3% in the analyzed periods. The lowering of administrative costs is the result of the actions undertaken by the Management of KOFOLA S.A. aimed at increasing the cost discipline in the entire Group, optimizing employment and focusing only on the most important projects and activities.

Operating result

Operating profit (EBIT) is up by 6 803 thousand PLN, from 18 025 thousand PLN in the first half of 2010 to 24 828 thousand PLN in the reporting period. The operating profit margin (EBIT margin) in the first half of 2011 amounted to 3,6% compared to 3,2% in the same period of 2010.

The rise was caused primarily by the fact that the pace of reducing selling and administrative costs was quicker than the drop in sales profit.

EBITDA

EBITDA (operating profit plus depreciation) increased from 59 113 thousand PLN in the first half of 2010 to 61 895 thousand PLN, i.e. by 2 782 thousand PLN (i.e. by 4,7 %) in the first half of 2011. The increase in the EBITDA of the KOFOLA Group in this period was caused primarily by the higher EBITDA at Hoop Polska Sp. z o.o. in Poland and Megapack in Russia, which offset the decreases recorded by Kofola a.s. in the Czech Republic and Kofola a.s. in the Slovak Republic.

The EBITDA margin is down from 10,3% in the first half of 2010 to 8,9% in the same period of 2011. The main reason for the decline in the EBITDA margin was the high share of low-margin revenue from co-packing services in Russia, high pricing competition in colas and waters, and high prices of raw materials, which translated into a decline in sales margin.

Net financial expense

In the first half of 2011 the Group incurred net financial costs of 10 115 thousand PLN compared to 6 257 thousand PLN in the same period of 2010. The rise in financial costs in the period was caused primarily by 2 706 thousand PLN decrease in financial revenue (due mainly to a high base in the first half of 2010 when the Group recognized 2 328 thousand PLN in profit from the sale of BOMI S.A. shares), as well as the 1 042 thousand PLN increase in financial costs (interest and banking charges).

Summary of operating results in the period of II. quarter 2011

Selected financial highlights	1.4.2011 - 30.6.2011	1.4.2010 - 30.6.2010*	Change 2011/2010	Change 2011/2010 (%)
Revenue	415 321	332 500	82 821	24,9%
Cost of sales	(268 353)	(191 281)	(77 072)	40,3%
Gross profit	**146 968**	**141 219**	**5 749**	**4,1%**
Selling, marketing and distribution costs	(98 843)	(107 172)	8 329	-7,8%
Administrative costs	(18 676)	(20 959)	2 283	-10,9%
Other operating income/(expense)	242	(404)	646	-159,9%
Operating result	**29 691**	**12 684**	**17 007**	**134,1%**
EBITDA	**48 380**	**33 613**	**14 767**	**43,9%**
Net financial expense	(4 617)	(3 083)	(1 534)	49,7%
Income tax	(4 027)	(3 142)	(885)	28,2%
Net profit for the period	**21 047**	**6 459**	**14 588**	**225,9%**
- assigned to the shareholders of the parent company	17 847	5 559	12 288	221,0%

	1.4.2011 - 30.6.2011	1.4.2010 - 30.6.2010*
Earnings per share	0,6819	0,2124
Net profitability	5,1%	1,9%
Profitability EBIT %	7,1%	3,8%
Profitability EBITDA %	11,6%	10,1%
Gross profit margin %	35,4%	42,5%

** for conversion used exchange rates from the first half-year of 2011*

To provide a better understanding of the results achieved by the Group in a very dynamic environment in the first half of 2011, we are presenting the Group’s consolidated results for the second quarter of 2011.

The results for the second quarter of 2011 were affected by several factors, both external and internal, including in particular:

- good weather conditions compared to the second quarter of 2010,
- high prices of raw materials (PET bottle moulds, sugar, isoglucose and fruit concentrates)
- successful raising of the prices of our products (we were able to raise them for nearly all of our clients)
- clear successes in reducing the Group’s fixed costs

In the second quarter of 2011 the Group’s consolidated sales revenue amounted to 415 321 thousand PLN and was by 82 821 thousand PLN higher than in the same quarter of 2010, when it had amounted to 332 500 thousand PLN (an increase of 24,9%).

The increase in sales revenue in the second quarter was the result of increased sales at OOO Megapack (increase in revenue by 64 580 thousand PLN due mainly to high sales of low-alcohol beverage bottling services as part of so-called co-packing), Hoop Polska (increase in revenue by 17 821 thousand PLN as a result of a more effective realization of sales plans in both the modern and traditional channels), Kofola a.s. Czech Republic (increase in revenue by 4 717 thousand PLN). At the same time we recorded a slight drop in revenue at Kofola a.s. Slovakia (by 1 126 thousand PLN), as well as a decrease in revenue arising out of the discontinuation of consolidation of the company Bobmark that was sold in the second half of 2010. After eliminating intra-group sales, Bobmark's revenue in the second quarter of 2010 had amounted to 2 605 thousand PLN.

In the second quarter of 2011 the Group continued to feel the record high prices of the basic production materials. As a result, in the second quarter of 2011 the costs of sales went up to 268 353 thousand PLN from 191 281 thousand PLN in the second quarter of 2010, i.e. by 77 072 thousand PLN, or 40,3%.

Due to the pace and scale of the increases in the prices of raw materials, it was not possible to transfer them entirely onto the end client, which is why we recorded a drop in the gross sales margin compared to the second quarter of 2010 (by 7,1 percentage points from 42,5% to 35,4%).

Due, however, to our consistent raising of prices in all of the sales channels we were able to improve the gross sales margin, which in the second quarter of 2011 alone amounted to 35,4% compared to 30,6% in the first quarter of this year.

The raising of prices and increased sales resulted in a rise in gross sales profit, which in the second quarter of 2011 amounted to 146 968 thousand PLN compared to 141 219 thousand PLN in the second quarter of 2010 (up by 4,1%).

The Group's companies tried to offset the inability to transfer the entire rise in the costs of raw materials onto the end clients with a much increased cost discipline and reductions in fixed costs, as well as with increasing the effectives of sales and logistics processes. As a result, in the second quarter of 2011 we were able to lower sales costs by 8 329 thousand PLN (from 107 172 thousand PLN in the second quarter of 2010 to 98 843 thousand PLN in the same quarter of 2011), i.e. by 7,8%, and general administrative costs by 2 283 thousand PLN (from 20 959 thousand PLN in the second quarter of 2010 to 18 676 thousand PLN in the second quarter of 2011), i.e. by 10,9%.

Due to an increase in operating profit an increase was recorded in EBITDA to 48 380 thousand PLN in the second quarter of 2011 from 33 613 thousand PLN in the second quarter of 2010 (i.e. by 14 767 thousand PLN or 43,9%). This rise translated into an increase in the EBITDA margin from 10,1% in the second quarter of 2010 to 11,6% in the second quarter of 2011.

In the second quarter of 2011 the operating profit margin amounted to 7,1% compared to 3,8% in the same quarter of 2010.

Despite a rise in the analyzed quarters in net financial costs by 1 534 thousand PLN and in income tax by 885 thousand PLN, the net profit for the second quarter of 2011 went up to 21 047 thousand PLN from 6 459 thousand PLN in the second quarter of 2010. This constitutes an increase of 14 588 thousand PLN or 225,9% counting from quarter to quarter. The net profit margin in the second quarter of 2011 amounted to 5,1% compared to 1,9% in the second quarter of 2010.

Following an improvement in the net financial result attributable to the holding company's shareholders, the net profit per share of KOFOLA S.A. went up from 0,2124 PLN in the analyzed quarter of last year to 0,6819 PLN in the second quarter of 2011.

CONSOLIDATED BALANCE SHEET

Selected financial highlights	30.6.2011	31.12.2010*	30.6.2010*	Change from 12.2010 (%)	Change from 6.2010 (%)
Total assets	**1 364 348**	**1 289 342**	**1 367 897**	**5,8%**	**(0,3%)**
Fixed assets, out of which:	882 745	874 972	923 239	0,9%	(4,4%)
Tangible fixed assets	*529 238*	*548 531*	*562 366*	*(3,5%)*	*(5,9%)*
Intangible fixed assets	*210 669*	*189 178*	*223 475*	*11,4%*	*(5,7%)*
Goodwill	*117 355*	*112 176*	*112 176*	*4,6%*	*4,6%*
Financial assets available for sale	*21 923*	*20 332*	*24 701*	*0,0%*	*(11,2%)*
Current assets, out of which:	481 603	414 370	444 658	16,2%	8,3%
Inventories	*162 237*	*129 538*	*133 702*	*25,2%*	*21,3%*
Trade receivables and other receivables	*256 885*	*209 355*	*246 940*	*22,7%*	*4,0%*
Cash and cash equivalents	*44 461*	*55 996*	*35 564*	*(20,6%)*	*25,0%*
Total equity and liabilities	**1 364 348**	**1 289 342**	**1 367 897**	**5,8%**	**(0,3%)**
Equity assigned to the shareholders of the parent company	469 067	436 010	513 441	7,6%	(8,6%)
Non-controlling capital	38 721	41 188	47 909	(6,0%)	(19,2%)
Total equity	507 788	514 816	561 351	(1,4%)	(9,5%)
Long-term liabilities	214 384	264 649	209 607	(19,0%)	2,3%
Short-term liabilities	642 176	509 877	596 939	25,9%	7,6%

	30.6.2011	31.12.2010*	30.6.2010*
Current ratio	0,75	0,81	0,74
Quick ratio	0,50	0,56	0,52
Total debt ratio	62,8%	60,1%	59,0%
Net debt	257 649	304 446	311 060
Net debt /EBITDA**	2,2	2,6	1,7

** for conversion used exchange rates as at 30 June 2011*
*** based on annualized value of EBITDA (ratio for 2010 adjusted by one-off events described in the Report for the year 2010)*

Calculation principles:

Current ratio *– current assets at the end of a given period / current liabilities at the end of a given period,*
Quick ratio *– current assets less inventory at the end of a given period / current liabilities at the end of a given period,*
Total debt ratio - *current and non-current liabilities at the end of a given period / total assets at the end of a given period,*
Net debt *- long-term and short-term credits, loans and other sources of financing less cash and cash equivalents.*

Assets

At the end of June 2011 the Group's fixed assets equaled 882 745 thousand PLN. Compared to 31 December 2010 the value of fixed assets increased by 7 773 thousand PLN (0,9%) due to an increase in intangibles by 21 491 thousand PLN, or 11,4% (mainly due to the purchase along with the company Pinelli of the Semtex and Erektus trademarks as well as of computer software). At the same time, due to depreciation charges, the net value of tangible fixed assets went down by 19 293 thousand PLN. At the end of June 2011 fixed assets account for 64,7% of total assets and has declined compared to the end of December 2010, when it had amounted to 67,9%.

Thus far goodwill has comprised three items: the goodwill resulting from the merger of the HOOP S.A. Group with the Kofola SPV Sp. z o.o. Group, the goodwill of the Megapack Group and the value of the production operations of Klimo taken over in 2006 by Kofola a.s. Czech Republic. The rise in the value of goodwill compared to December 2010 has to do with the acquisition of the company Pinelli by Kofola a.s. (Czech Republic). The settlement of the transaction is presented in note 5.18 of the present report.

Intangible assets consist primarily of trademarks acquired by the Group, as well as, to a lesser extent, the acquired software licenses.

As at 30 June 2011 the Group's current assets amounted to 481 603 thousand PLN. At the end of June 2011 they consisted primarily of: trade and other receivables – 53,3% of current assets, and inventory – 33,7%. Compared to the end of December 2010, the value of current assets increased by 67 233 thousand PLN (where the greatest increase was recorded in receivables – by 47 530 thousand PLN, and in inventory - by 32 699 thousand PLN). Due to the cyclical nature of the business it is more reliable to compare the balances of current assets with their balance as at the end of June 2010. In such a comparison, the value of receivables increases by 9 945 thousand PLN, i.e. 4,0%, where revenue growth in the analyzed period equaled to 21,1% and inventory went up by 28 535 thousand PLN, i.e. by 21,3% proportionately to the rise in revenue.

The value of net working capital calculated as the sum of inventory, trade receivables less short-term trade payables and other payables as at 30 June 2011 was 2 110 thousand PLN compared to 40 863 thousand PLN as at 31 December 2010 and 63 871 thousand PLN as at 30 June 2010. This improvement is primarily the result of better payment terms negotiated with the Group's suppliers and by all of the Group's beverage companies.

The ratio of working capital to annualized sales revenue amounts to 0,2% as at 30 June 2011, compared to 3,3% at the end of December 2010.

Liabilities

As at 30 June 2011 the Group's liabilities (long-and short-term together) amounted to 856 560 thousand PLN, which constitutes a rise by 82 034 thousand PLN compared to the end of December 2010. The increase in short-term liabilities pertains mainly to trade payables.

As at 30 June 2011 the debt rate (short- and long-term liabilities to total assets) amounted to 62,8% and has gone up compared to the end of December 2010 when it had amounted to 60,1%.

The Group's net debt calculated as the sum of long- and short-term payables relating to credits, loans and other debt instruments less cash and cash equivalents amounted to 257 649 thousand PLN as at 30 June 2011 after decreasing by 46 797 thousand PLN from the end of December 2010 (decrease by 15,4%).

The ratio of net debt to the rolled 12-month EBITDA increased from 2,6 times at the end of December 2010 to 3,0 times at the end of March 2011. The rise in short-term liabilities pertains primarily to the upcoming repayment of selected bank loans

Net debt based on annualized adjusted EBITDA is down from 2,6 times at the end of December 2010 to 2,2 times at the end of June 2011.

CONSOLIDATED CASH FLOW

In the first half of 2011 the value of net consolidated cash flows was (10 802) thousand PLN and was by 2 866 thousand PLN higher compared to the net consolidated cash flows in the first half of 2010, when it had amounted to (13 668) thousand PLN. The improvement is due to the 21 662 thousand PLN increase in operating cash flows, 1 946 thousand PLN decrease in financing cash flows, accompanied by the 20 742 thousand PLN increase in investment cash flows.

The value of consolidated operating cash flows generated in the first half of 2011 was 85 072 thousand PLN compared to 63 410 thousand PLN in the first half of 2010. The improvement was caused by better management of trade and other payables and the fact that the income tax paid in the first half of year was lower by 10 317 thousand PLN.

In the first half of 2011 the value of consolidated investment cash flows was (27 704) thousand PLN compared to (6 962) thousand PLN in the first half of 2010. The expenses are higher in the current period compared to the same period of the previous year due to the acquisition of Pinelli spol. s r.o. in April 2011, investments in a hot bottling line at Kofola a.s. (Czech Republic), a new filling machine and a water treatment station at the plant in Kutno (Hoop Polska Sp. z o.o.). In addition, in the comparative period the Group sold the shares of the company BOMI, from which it had received an income in the amount of 13 844 thousand PLN.

The value of consolidated financing cash flows was negative in both the first half of 2011 and the first half of 2010, amounting to (68 170) thousand PLN and (70 116) thousand PLN, respectively. Expenses were lowered as a result of lower credit and lease payments. The reduction in expenses was possible even as a dividend was paid out to non-controlling shareholders in the amount of 5 439 thousand PLN.

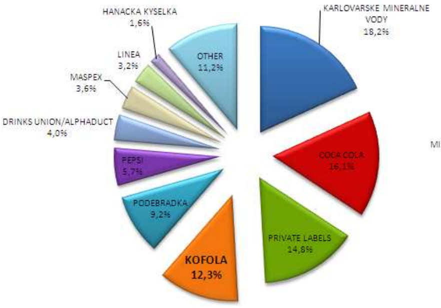
1.3 Operating segments

Market position of the KOFOLA S.A. Group

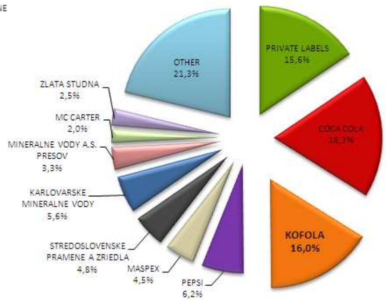
According to AC Nielsen, as at 30 June 2011 the companies of the KOFOLA S.A. Group rank third on the non-alcoholic beverages market in the Czech Republic (of which first when it comes to syrups, second in colas, second in children's drinks, third in non-carbonated beverages in PET packaging and fifth in mineral waters), rank second on the Slovak non-alcoholic beverages market (first in mineral water, first in children's drinks, second in colas, second in syrups and fifth in non-carbonated beverages in PET packaging), and seventh on the Polish market (of which: second in syrups, third in colas, fifth in children's beverages and fifth on the entire non-carbonated beverages market (all types of packaging)).

In Russia the company Megapack was until now visible primarily on the local Moscow market. Due to the size of the Russian market, data relating to the company do not appear in market statistics, which makes it difficult to determine its market position.

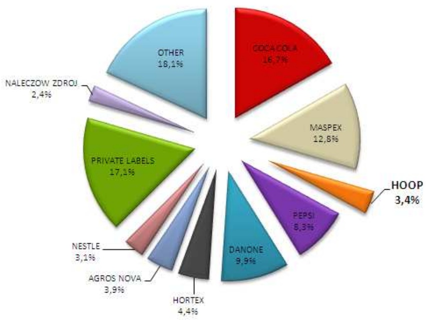
CZECH REPUBLIC



SLOVAKIA



POLAND



Products

The KOFOLA S.A. offers its products in Poland, the Czech Republic, Slovakia and in Russia, as well as exports them to other countries, mainly in Europe.

KOFOLA GROUP BRANDS IN 2011

CARBONATED BEVERAGES	Kofola, RC Cola, Citrocola, Hoop Cola, Top Topic, Vinea, Orangina, Chito, Citronela, Fruti, Mr. Max
NATURAL SPRING WATERS	Rajec, Arctic
NON-CARBONATED BEVERAGES	Jupí Fruit Drink, Top Topic
100% FRUIT JUICES AND NECTARS	Snipp
SYRUPS AND CONCENTRATES	Jupí, Paola
CHILDRENS' DRINKS	Jupík, Jupík Aqua, Jumper
ICE TEA	Pickwick Just Tea, Green Tea
ENERGY DRINKS	R20, Semtex, Erektus
LOW ALCOHOL BEVERAGES (Russia)	Hooper`s Hooch, Dieviatka

In 2011 the Group's beverage assortment was broadened to include new Rajec flavored waters ("Daisy", "Birch"), cherry flavored Kofola drink and new format of Jupí syrups in sachets. In addition, starting in April 2011, following the acquisition of the company Pinelli spol. s r.o. the Group added the Semtex and Erektus energy drinks and Green Tea ice tea to its product portfolio.

In addition, the KOFOLA S.A. Group makes waters, carbonated and non-carbonated beverages and syrups at the commission of other firms, mainly store chains. These firms offer products to consumers under their own brand using the distribution capabilities of their own stores.

The company Megapack, which operates on the Russian market, sells drink bottling services on commission. This relates to both low alcohol beverages and non-alcoholic beverages.

The Group conducts activities as part of the following operating segments:

- Carbonated beverages
- Non-Carbonated beverages
- Mineral waters
- Syrups
- Low alcohol drinks
- Other

The "Other" segment includes beverage (goods for resale) sales made by distribution companies, sales of own energy drink R20 (product), ice coffee Nescafe Xpress (good for resale) and ice tea Green Tea, as well as transport activities performed for entities from outside the Group.

In January 2011 the Group discontinued the sale of Nescafe Xpress ice coffee.

Financial revenue and costs, as well as taxes, have not been disclosed by segment, as these values are monitored at Group level and no such information is forwarded to segment-level decision makers.

The Group applies the same accounting methods for all of the segments. Transactions between segments are eliminated in the consolidation process.

As part of presenting its segments, the Group identified one client, who generates more than 10% of the segment's revenues. In the first half-year of 2011 the Group's revenues from this client amounted to 123 434 ths. PLN and related to carbonated beverages, non-carbonated beverages, mineral waters and syrups.

Due to the use of joint asset resources as part of operating segments and because of difficulties in allocating these resources to separate segments, the Group does not present to the decision making organ its data on the assets, liabilities, investment spending and depreciation charges allocated to the various segments, and does not present these data in the financial statements.

Reporting segment results for the six months period ended 30 June 2011 and for the six months period ended 30 June 2010:

Segmenty operacyjne

1.1.2011 - 30.6.2011	Carbonated beverages	Non-Carbonated beverages	Mineral waters	Syrups	Low alcohol drinks	Other	Total
Revenue	292 629	66 950	117 070	68 279	130 053	17 242	692 223
Operating expenses	(273 399)	(65 726)	(122 705)	(62 845)	(123 554)	(19 166)	(667 395)
Operating result of the segment	**19 230**	**1 224**	**(5 635)**	**5 434**	**6 499**	**(1 924)**	**24 828**
Result on financial activity							(10 115)
Profit before tax							14 713
Income tax							(3 939)
Net profit							**10 774**

1.1.2010 - 30.6.2010	Carbonated beverages	Non-Carbonated beverages	Mineral waters	Syrups	Low alcohol drinks	Other	Total
Revenue	267 510	81 079	101 225	62 612	30 942	21 292	564 660
Operating expenses	(246 186)	(86 572)	(104 100)	(55 862)	(30 747)	(20 836)	(544 303)
Operating result of the segment	**21 324**	**(5 493)**	**(2 875)**	**6 750**	**195**	**456**	**20 357**
Result on financial activity							(6 710)
Profit before tax							13 647
Income tax							(3 804)
Net profit							**9 843**

1.4 Geographical segments

The Group's activities are generally concentrated on the following markets:

- Poland
- Czech Republic
- Russia
- Slovakia

Presented below are the data for the above geographical segments.

1.1.2011 - 30.6.2011	Poland	Czech Republic	Russia	Slovakia	Other (export)	Eliminations (consolidation adjustments)	Total
Revenue	269 572	193 133	170 896	115 980	1 372	(58 730)	692 223
Sales to external customers	257 252	169 082	170 567	93 950	1 372	-	692 223
Inter-segment sales	12 320	24 051	329	22 030	-	(58 730)	-
Operating expenses	(263 250)	(179 470)	(165 536)	(115 295)	(1 350)	57 506	(667 395)
Related to third party sales	(251 307)	(156 265)	(165 207)	(93 265)	(1 350)	-	(667 395)
Related to inter-segment sales	(11 943)	(23 205)	(329)	(22 030)	-	57 506	-
Operating result of the segment	**6 322**	**13 663**	**5 360**	**685**	**22**	**(1 224)**	**24 828**
Result on financial activity	17 650	2 192	804	(1 181)	1	(29 581)	(10 115)
within segment	(6 876)	(2 863)	804	(1 181)	1	-	(10 115)
between segments	24 526	5 055	-	-	-	(29 581)	-
Profit /(loss) before tax	23 972	15 855	6 164	(496)	23	(30 805)	14 713
Income tax	(3 464)	21	(1 602)	(36)	-	1 142	(3 939)
Net profit /(loss)	**20 508**	**15 876**	**4 562**	**(532)**	**23**	**(29 663)**	**10 774**
Assets and liabilities							
Segment assets	790 587	510 067	148 208	204 793	73	(289 380)	1 364 348
Total assets	**790 587**	**510 067**	**148 208**	**204 793**	**73**	**(289 380)**	**1 364 348**
Segment liabilities	422 432	498 299	70 764	146 759	(138)	(281 555)	856 560
Equity							507 788
Total liabilities and equity							**1 364 348**
Other information concerning segment							
Investment expenditure :							
Tangibles and intangibles	12 700	6 306	3 421	1 266	-	(1 815)	21 878
Depreciation and amortization	11 956	12 555	4 973	7 584	-	-	37 067

1.1.2010 - 30.6.2010	Poland	Czech Republic	Russia	Slovakia	Other (export)	Eliminations (consolidation adjustments)	Total
Revenue	239 011	185 579	68 422	120 090	1 898	(50 340)	564 660
Sales to external customers	231 336	164 590	68 422	98 414	1 898	-	564 660
Inter-segment sales	7 675	20 989	-	21 676	-	(50 340)	-
Operating expenses	(240 334)	(170 356)	(68 247)	(108 649)	(1 897)	45 180	(544 303)
Related to third party sales	(233 385)	(151 090)	(68 247)	(89 684)	(1 897)	-	(544 303)
Related to inter-segment sales	(6 949)	(19 266)	-	(18 965)	-	45 180	-
Operating result of the segment	**(1 323)**	**15 224**	**175**	**11 441**	**1**	**(5 160)**	**20 357**
Result on financial activity	19 094	1 911	505	(1 381)	-	(26 840)	(6 710)
within segment	(2 755)	(3 079)	505	(1 381)	-	-	(6 710)
between segments	21 849	4 991	-	-	-	(26 840)	-
Profit /(loss) before tax	17 771	17 135	679	10 061	1	(32 000)	13 647
Income tax	(461)	(1 287)	(875)	(2 024)		843	(3 804)
Net profit /(loss)	**17 310**	**15 848**	**(196)**	**8 037**	**1**	**(31 157)**	**9 843**
Assets and liabilities							
Segment assets	809 289	483 272	128 765	251 514	622	(272 964)	1 400 498
Total assets	**809 289**	**483 272**	**128 765**	**251 514**	**622**	**(272 964)**	**1 400 498**
Segment liabilities	405 317	483 970	30 157	182 593	16 260	(290 595)	827 702
Equity							572 796
Total liabilities and equity							**1 400 498**
Other information concerning segment							
Investment expenditure :							
Tangibles and intangibles	4 801	4 247	193	14 435	-	(1 200)	22 476
Depreciation and amortization	12 485	15 430	4 771	7 681	-	-	40 367

1.5 Most significant events at the KOFOLA S.A. Group in the period from 1 January 2011 to the preparation of the present financial statements

Credit agreements

On 28 February 2011 annexes were signed to the credit agreements between the subsidiary Hoop Polska Sp. z o.o. and Bank Consortium, where KOFOLA S.A. played the role of guarantor. In accordance with the provisions of the annexes, changes were made in the financial ratios required by the lenders and in the financial terms of the granted credits.

Changes in Supervisory Board and Audit Committee

On 26 January 2011 Mr. Ireneusz Stolarski, member of the Company's Supervisory Board who was also the Chairman of the Supervisory Board, resigned from the position of member of the Supervisory Board effective 26 January 2011.

Mr. René Sommer was appointed to the Supervisory Board of KOFOLA S.A. on 4 March 2011, and will serve in the position of Chairman of the Supervisory Board.

On 4 April 2011 the Supervisory Board appointed Mr. René Sommer to the position of Member of the Audit Committee, after dismissing Mr. Martin Dokoupil from the Committee.

Acquisition of the company PINELLI spol. s r.o.

On 22 April 2011 Kofola a.s (Czech Republic), a subsidiary of KOFOLA S.A., acquired 100% of the shares of the Czech company Pinelli spol. s r.o., the producer of the Semtex and Erektus energy drinks and ice tea Green Tea.

Resolution to pay out a dividend and to form a dividend fund

In its Resolution No. 17 the Ordinary General Meeting of KOFOLA S.A. of 29 June 2011 decided to form from the Company's accumulated profits from previous years a capital reserve in the amount of 20 583 thousand PLN designated for the payment of dividends (dividend fund). In its resolution the Ordinary Shareholders Meeting designated 8 959 thousand PLN of the Company's profit for the year 2010, amounting to 25 186 thousand PLN, to increase the dividend fund, and 16 227 thousand PLN for the payment of a dividend. The dividend will amount to 0,62 PLN per share, and the shares of all series A, B, C, D, E, F and G will participate. The dividend date has been set at 29 September 2011, and the dividend payment date at 6 December 2011.

Change in the registered office of KOFOLA S.A.

In its Resolution No. 18 the Ordinary General Meeting of KOFOLA S.A. of 29 June 2011 decided to amend the Company's statute indicating the city of Kutno as the registered office of KOFOLA S.A. The resolution will become effective 25 September 2011. Formally the registered office of KOFOLA S.A. will not be moved until the change in the Statute is entered in the National Court Register.

1.6 Shareholders holding directly or indirectly significant packets of shares along with the number of shares held, their percentage of share capital, the resulting number of votes and percentage in the total number of votes at general meeting

According to the Company's information as at the date of the preparation of the present report (i.e. 29 August 2011), the following entities held at least 5% of the total number of votes at General Shareholders Meeting of KOFOLA S.A.:

KSM Investment S.A. with its registered office in Luxembourg

- 13 395 373 shares or 51,18% of share capital of KOFOLA S.A.
- 13 395 373 shares or 51,18% of total votes at General Meeting of KOFOLA S.A.

CED GROUP S. a r.l. with its registered office in Luxembourg

- 11 283 153 shares or 43,11% of share capital of KOFOLA S.A.
- 11 283 153 shares or 43,11% of total votes at General Meeting of KOFOLA S.A.

As at 30 June 2011 the share capital amounted to 26 172 602 PLN and consisted of 26 172 602 shares entitling to 26 172 602 votes at General Shareholders Meeting.

1.7 Changes in the ownership of major KOFOLA S.A. share packages in the period since the previous quarterly report

According to the Company's information, no changes were made in the ownership of major share packages in the period since the submission of the previous quarterly report.

SHARE CAPITAL STRUCTURE

Name of entity	Share capital (value)	% in share capital	% in voting power
KSM Investment S.A.	13 395 373	51,18%	51,18%
CED GROUP S. a r.l.	11 283 153	43,11%	43,11%
Other	1 494 076	5,71%	5,71%
Total	**26 172 602**	**100,00%**	**100,00%**

1.8 Statement of changes in the ownership of KOFOLA S.A. shares or rights to such shares (options) by management and supervisory staff

According to the Company's information as at the date of approval of the report for the six months ended 30 June 2011, no changes occurred in the ownership of KOFOLA S.A. shares by management and supervisory staff compared to the date of submission of the report for the 1st quarter of 2011 (i.e. 13 May 2011).

Shareholder	Share capital (value)		% in share capital		% in voting power	
	29.8.2011	13.5.2011	29.8.2011	13.5.2011	29.8.2011	13.5.2011
René Musila	687 709	687 709	2,63%	2,63%	2,63%	2,63%
Tomáš Jendřejek	687 660	687 660	2,63%	2,63%	2,63%	2,63%

1.9 Ongoing proceedings before courts, arbitration organs or public administration organs

Fructo-Maj Sp. z o.o.

KOFOLA S.A. holds debts of Fructo-May Sp. z o.o., a company in a state of bankruptcy. As at 30 June 2011 the total value of these receivables is 10 851 ths. PLN, the balance sheet value of this item after revaluation is 3 625 ths. PLN. The debts are secured with mortgages on all of the significant properties of Fructo-Maj Sp. z o.o., as well as a registered pledge on its movables.

At this time the assets of Fructo-Maj Sp. z o.o. are being sold by the bankruptcy estate receiver. According to the Management, based on the current legal status and types of collateral, there is no need to write down the assets associated with Fructo-Maj Sp. z o.o.

Pomorskie Centrum Dystrybucji HOOP Sp. z o.o.

The subsidiary Pomorskie Centrum Dystrybucji Hoop Sp. z o.o. is currently in the process of realizing the provisions of an arrangement, which has no effect on its going concern.

Except for the matters described above, the companies of the KOFOLA S.A. Group are not involved in any other cases (disputes), which could have a material effect on Group's financial position.

1.10 Information about the conclusion of material contracts that do not meet the criteria of significant contract

On 22 April 2011 Kofola a.s (Czech Republic), a subsidiary of KOFOLA S.A., acquired 100% of the shares of the Czech company Pinelli spol. s r.o., the producer of the Semtex and Erektus energy drinks and ice tea Green Tea.

1.11 Information about significant contracts

No significant contract was concluded in the period covered by the financial statements.

1.12 Information about relationships with other Group entities

Transactions between related parties were conducted on market terms generally applied for a given type of transaction.

A description of the transactions concluded between related parties is presented in Note 5.17 to the financial statements.

1.13 Information on the granting by the issuer or its subsidiary of credit or loan guarantees or sureties

Entity providing guarantees/ sureties	Entity receiving guarantees/sureties	Credit value on balance sheet day which were subject to guarantee/sureties		The period for providing guarantees/ sureties	The entity for which liabilities guarantees/ sureties were provided	Kind of relationship between the entity providing guarantees/sureties and one on behalf of which it was provided
		in currency	in ths. PLN			
Kofola a.s., ČR / Kofola Holding	UNICREDIT BANK	6 821 T EUR	27 194	6/2012	Kofola a.s., SR	subsidiary
Kofola Holding	VÚB BANKA	10 417 T EUR	41 528	3/2014	Kofola a.s., SR	subsidiary
Kofola Holding	ČSOB a.s.	293 T EUR	1 169	2/2015	Kofola a.s., SR	subsidiary
Kofola Holding	Raiffeisen-Leasing	38 898 T CZK	6 383	10/2015	Kofola a.s., ČR	subsidiary
Kofola S.A.	Bank Zachodni WBK S.A.	50 398 T PLN	50 398	12/2015	Hoop Polska Sp z o.o.	subsidiary
Kofola S.A.	Bank Pekao S.A.	1 537 T PLN	1 537	12/2015	Hoop Polska Sp z o.o.	subsidiary
Kofola S.A.	Deutsche Leasing	2 887 T EUR	11 511	2/1014	Hoop Polska Sp z o.o.	subsidiary
Kofola S.A.	ING Commercial Finance	4 536 T PLN	4 536	till termination of the contract	Hoop Polska Sp z o.o.	subsidiary
Kofola S.A.	Komerční banka a.s., Praha	136 334 T CZK	22 372	12/2016	Kofola a.s., ČR	subsidiary
Kofola S.A.	Komerční banka a.s., Praha	205 873 T CZK	33 784	10/2011	Kofola a.s., ČR	subsidiary
Kofola S.A.	Komerční banka a.s., Praha	28 156 T CZK	4 620	10/2011	Kofola Holding a.s.	subsidiary
Total sureties for loans or guarantees issued			**205 032**	**ths. PLN**		

In the reporting period the companies of the KOFOLA S.A. Group received no remuneration for guaranteeing the liabilities of other Group companies.

1.14 Information on issuing securities

No issue of securities took place in the presented period.

1.15 The Management's standpoint on the feasibility of realizing previously published profit/loss forecasts for a given year, compared to the forecast results

The Group published no financial result forecasts for the year 2011.

1.16 The factors and unusual events that had an effect on the Group's result

The Group's net result for the reporting period was significantly affected by the rise in the prices of basic raw materials, especially sugar, isoglucose, granules used in the production of PET bottles and fruit concentrates. The majority of the basic raw materials are so-called commodities that are subject to significant fluctuations on world markets. The prices of sugar are at their 30-year highs, the prices of granules for the production of PET bottles are also at their highest in several years, as are the prices of fruit concentrates.

In reaction to the growing prices of raw materials in the first quarter of 2011 our companies began to raise the sales prices of our products.

1.17 The factors that could have a significant effect on the Group's future financial results

The Kofola Group's competitive position has to do with basic market factors, such as: the strength of its brands, innovation, production costs, production quality, the scale effect, swiftness and market position, as well as the ability to acquire raw materials at good prices. In the Management's opinion, the Group's current financial position, its production potential and market position pose no threats to its continued growth. There are, however, several factors, especially external that will, either directly or indirectly, affect the Group's financial results in the coming periods.

In the coming periods the main risk factors with a significant effect on the Group's financial results will include in particular:

- the prices of raw production materials, of which the majority is based on so-called commodities (the prices of raw materials such as oil, sugar, isoglucose, granules for the production of PET bottles, fruit concentrates, foil or paper – which in recent times went up quickly and in many cases are at highest price levels in years),

- the pricing policies of competitors, in particular those in the carbonated beverages segment (such as colas), mineral waters and syrups,
- the ability to transfer increasing prices of raw materials onto the end client,
- the level of unemployment and people's willingness to consume outside of home and purchase brand name food products,
- weather conditions (temperature, precipitation),
- changes in foreign exchange rates (PLN, CZK, EUR and RUB) and effectiveness of protection against such changes – so called hedging,
- increases in VAT rates like the ones in Poland and Slovak Republic effective 1 January 2011 (and the planned increase in VAT in the Czech Republic in the year 2012),
- increase in excise tax on low alcohol beverages in Russia,
- the risk of not getting an extension from the second half of the year on the license to produce and sell alcohol by the Megapack Group,
- interest rates,
- impairment of goodwill or brand value.

1.18 Subsequent events

On 27 July 2011 the Management of Kofola a.s. (CZ), an indirect subsidiary of KOFOLA S.A., passed a resolution to restructure its sales department in order to raise the effectiveness of the department's operations. The resulting employment reductions are being developed and are to be prepared and implemented by 31 August 2011.

On 10 August 2011 the Management of Kofola a.s. (SK), an indirect subsidiary of KOFOLA S.A. passed a resolution to restructure its sales department in order to raise the effectiveness of the department's operations. The resulting employment reductions are being developed and are to be prepared and implemented by 30 August 2011.

On 16 August 2011 the Management of Kofola a.s. (CZ), an indirect subsidiary of KOFOLA S.A. passed a resolution to restructure its production department in order to raise the effectiveness of the department's operations. The resulting employment reductions are being developed and are to be prepared and implemented by 31 October 2011.

As at the preparation of the present report the Group is in the process of determining the costs of the above actions and thus is unable to estimate their effect on the Group's results.

SIGNATURES OF THE COMPANY'S REPRESENTATIVES:

29.8.2011	**Janis Samaras**	**Chairman of the Board of Directors**	....
date	*name and surname*	*position*	*signature*
29.8.2011	**Bartosz Marczuk**	**Member of the Board of Directors**	....
date	*name and surname*	*position*	*signature*
29.8.2011	**Martin Mateáš**	**Member of the Board of Directors**	....
date	*name and surname*	*position*	*signature*
29.8.2011	**René Musila**	**Member of the Board of Directors**	....
date	*name and surname*	*position*	*signature*
29.8.2011	**Tomáš Jendřejek**	**Member of the Board of Directors**	....
date	*name and surname*	*position*	*signature*

SIGNATURE OF PERSON RESPONSIBLE FOR BOOKKEEPING:

29.8.2011	**Katarzyna Balcerowicz**	**Chief Accountant**	....
date	*name and surname*	*position*	*signature*

Document signed on the Polish original.

2 Condensed interim consolidated financial statements KOFOLA S.A. Group

2.1 Consolidated income statement

for the six months period ended 30 June 2011 and the six months period ended 30 June 2010.

	Note	1.1.2011 - 30.6.2011	1.1.2010 - 30.6.2010
Continuing operations			
Revenue from the sale of finished products and services	5.1,5.2	679 606	551 600
Revenue from the sale of goods and materials	5.1,5.2	12 617	13 060
Revenue		692 223	564 660
Cost of products and services sold	5.3	(448 667)	(313 096)
Cost of goods and materials sold	5.3	(11 772)	(10 856)
Total cost of sales		(460 439)	(323 952)
Gross profit		**231 784**	**240 708**
Selling, marketing and distribution costs	5.3	(173 134)	(180 847)
Administrative costs	5.3	(36 859)	(38 779)
Other operating income		5 446	1 713
Other operating expenses		(2 409)	(2 438)
Operating result		**24 828**	**20 357**
Financial income	5.4	1 532	3 428
Financial expense	5.5	(11 538)	(10 138)
Share in result received from subsidiaries and associates	5.6	(109)	-
Profit / (Loss) before tax		**14 713**	**13 647**
Income tax	5.9	(3 939)	(3 804)
Net profit / (loss) on continued activity		**10 774**	**9 843**
Discontinued activity			
Net profit on discontinued activity		-	-
Net profit / (loss) for the financial year		**10 774**	**9 843**
Assigned to:			
Shareholders of the parent company		8 493	10 036
Non-controlling interests shareholders		2 281	(193)
Earnings per share (in PLN)			
- basic earnings per share	5.11	0,3245	0,3835
- basic earnings per share from continuing operations	5.11	0,3245	0,3835
- diluted earnings per share	5.11	0,3244	0,3820
- diluted earnings per share from continuing operations	5.11	0,3244	0,3820

2.2 Consolidated statement of comprehensive income

for the six months period ended 30 June 2011 and the six months period ended 30 June 2010.

	Note	1.1.2011 - 30.6.2011	1.1.2010 - 30.6.2010
Net profit / (loss) for the financial year		**10 774**	**9 843**
Other comprehensive income (gross):			
Currency differences from translation of foreign subsidiaries		5 890	18 293
Fair value gains on available-for-sale financial assets		-	-
Cash flow hedges		-	23
Income tax relating to components of other comprehensive income	5.9	-	(5)
Other comprehensive income for the period (net)		**5 890**	**18 311**
Total comprehensive income for the period	2.5	**16 664**	**28 154**
Assigned to:			
Shareholders of the parent company	2.5	13 692	23 127
Non-controlling interests shareholders	2.5	2 972	5 027

2.3 Consolidated balance sheet

as at 30 June 2011, as at 31 December 2010 and as at 30 June 2010.

ASSETS	Note	30.6.2011	31.12.2010	30.6.2010
Fixed assets		**882 745**	**863 203**	**929 141**
Tangible fixed assets	5.12	529 238	540 072	566 398
Goodwill	5.13	117 355	111 836	111 998
Intangible fixed assets	5.13	210 669	186 869	225 886
Financial assets available for sale		-	-	-
Other financial assets		3 560	4 756	521
Deferred tax assets		21 923	19 670	24 338
Current assets		**481 603**	**405 311**	**471 357**
Inventories		162 237	127 106	134 598
Trade receivables and other receivables		256 885	203 700	271 362
Income tax receivables		8 020	9 242	7 912
Cash and cash equivalents		44 461	55 263	36 835
Other financial assets		-	-	146
Assets (group of assets) held for sale	5.14	10 000	10 000	20 504
TOTAL ASSETS		**1 364 348**	**1 268 514**	**1 400 498**
LIABILITIES AND EQUITY				
Equity assigned to the shareholders of the parent company		**469 067**	**471 597**	**524 887**
Share capital	2.5	26 173	26 173	26 173
Other capital	2.5	497 972	482 870	495 592
Retained earnings	2.5	(55 078)	(37 446)	3 122
Equity assigned to the non-controlling interests shareholders	2.5	**38 721**	**41 188**	**47 909**
Total equity		**507 788**	**512 785**	**572 796**
Long-term liabilities		**214 384**	**258 192**	**209 524**
Bank credits and loans		104 208	149 283	89 522
Financial leasing liabilities		19 429	29 279	35 660
Provisions	5.7	69	215	125
Other liabilities		21 735	17 408	18 783
Deferred tax reserve		68 943	62 007	65 434
Short-term liabilities		**642 176**	**497 537**	**618 178**
Bank credits and loans		167 272	161 997	205 805
Financial leasing liabilities		11 200	13 707	16 694
Trade liabilities and other liabilities		417 012	290 658	338 673
Income tax liabilities		1 346	703	129
Other financial liabilities	5.8	16 228	33	25 126
Provisions	5.7	29 118	30 439	30 695
Liabilities (group of liabilities) related to assets held for sale		-	-	1 056
Total liabilities		**856 560**	**755 729**	**827 702**
TOTAL LIABILITIES AND EQUITY		**1 364 348**	**1 268 514**	**1 400 498**

2.4 Consolidated cash flow statement

for the six months period ended 30 June 2011 and the six months period ended 30 June 2010.

	Note	1.1.2011 - 30.6.2011	1.1.2010 - 30.6.2010
Cash flow on operating activity			
Gross profit		14 713	13 647
Adjustments for the following items:			
Depreciation	5.3	37 067	40 367
Net interest and dividends	5.4,5.5	8 387	8 480
Net foreign exchange differences	5.4,5.5	374	46
(Profit)/loss on investment activity		581	(1 619)
Change in the balance of receivables		(55 157)	(28 670)
Change in the balance of inventories		(33 063)	(27 942)
Change in the balance of liabilities		112 087	85 037
Change in the balance of provisions		(1 467)	(805)
Paid income tax		(1 177)	(11 494)
Impairment of fixed assets		-	-
Other		800	914
Other currency differences from translation		1 927	(14 551)
Net cash flow on operating activity		**85 072**	**63 410**
Cash flow on investing activity			
Sale of intangible assets and fixed assets		2 500	1 057
Purchase of intangible assets and fixed assets	5.12,5.13	(21 878)	(22 476)
Acquisition of subsidiaries (including cash acquired)		(9 757)	-
Sale of financial assets (BOMI S.A.)		-	13 844
Interest received		1 431	613
Other		-	-
Net cash flow on investing activity		**(27 704)**	**(6 962)**
Cash flow on financial activity			
Repayment of financial leasing liabilities		(7 770)	(9 908)
Proceeds from loans and bank credits received		17 523	93 647
Repayment of loans and bank credits		(62 817)	(144 583)
Dividends paid to the shareholders of the parent company	5.8	-	-
Dividends paid to the non-controlling interests shareholders	5.8	(5 439)	-
Interest paid	5.5	(9 667)	(9 272)
Other		-	-
Net cash flow on financing activity		**(68 170)**	**(70 116)**
Total net cash flow		(10 802)	(13 668)
Cash at the beginning of the period		**55 263**	**50 503**
Cash at the end of the period		**44 461**	**36 835**
Cash with limited ability to use		-	-

2.5 Consolidated statement of changes in equity

for the six months period ended 30 June 2011, for the twelve months period ended 31 December 2010 and the six months period ended 30 June 2010.

	Note	Assigned to the shareholders of the parent company					Assigned to the non-controlling interests shareholders	Total equity
			Other capital					
		Share capital	Total other capital	including: Currency differences from translation of foreign subsidiaries	Retained earnings	Total		
As at 1.1.2010		**26 173**	**502 951**	**23 408**	**(2 914)**	**526 210**	**42 882**	**569 092**
Capital relating to subscription warrant allocation program		-	911	-	-	911	-	911
Total comprehensive income for the period	2.2	**-**	**13 090**	**13 071**	**10 036**	**23 127**	**5 027**	**28 154**
Dividends payment	5.8	-	(23 510)	-	(1 616)	(25 126)	-	(25 126)
Profit distribution		-	2 150	-	(2 385)	(235)	-	(235)
As at 30.6.2010		**26 173**	**495 592**	**36 479**	**3 122**	**524 887**	**47 909**	**572 796**
As at 1.1.2010		**26 173**	**502 951**	**23 408**	**(2 914)**	**526 210**	**42 882**	**569 092**
Capital relating to subscription warrant allocation program		-	(82)	-	-	(82)	-	(82)
Total comprehensive income for the period		**-**	**1 361**	**1 361**	**(30 532)**	**(29 171)**	**3 086**	**(26 085)**
Dividends payment		-	(23 510)	-	(1 616)	(25 126)	(4 780)	(29 906)
Profit distribution		-	2 150	-	(2 384)	(234)	-	(234)
As at 31.12.2010		**26 173**	**482 870**	**24 769**	**(37 446)**	**471 597**	**41 188**	**512 785**
As at 1.1.2011		**26 173**	**482 870**	**24 769**	**(37 446)**	**471 597**	**41 188**	**512 785**
Capital relating to subscription warrant allocation program		-	-	-	-	-	-	-
Total comprehensive income for the period	2.2	**-**	**5 199**	**5 199**	**8 493**	**13 692**	**2 972**	**16 664**
Dividends payment	5.8	-	-	-	(16 227)	(16 227)	(5 439)	(21 666)
Profit distribution		-	9 903	-	(9 898)	5	-	5
As at 30.6.2011		**26 173**	**497 972**	**29 968**	**(55 078)**	**469 067**	**38 721**	**507 788**

3 General information

Information about the holding company of the KOFOLA Group ("the Group", "the KOFOLA S.A. Group", "the Issuer"):

Name: KOFOLA Spółka Akcyjna [joint-stock company] ("the Company")

Registered office: ul. Jana Olbrachta 94, 01-102 Warszaw

Main areas of activity: the activities of head offices and holdings, excluding financial holdings (PKD 2007) 7010Z (the activities of holdings in accordance with PKD 2004). The classification of the Warsaw Stock Exchange places the Company in the food sector.

Registration organ: the Regional Court for the capital city of Warsaw, XII Business Division of the National Court Register, KRS 0000134518.

The Company has been formed for an unspecified time.

The Group's consolidated financial statements cover the 6-month period ended 30 June 2011, and contain comparatives for the 6-month period ended 30 June 2011 2010.

The Group's structure and changes therein in the reporting period

As at 30 June 2011 the Group comprised the following entities:

	Company name	Headquarters	Range of activity	Consolidation method	% part in share capital	% part in voting rights
1.	KOFOLA S.A.	Poland, Warszawa	holding	acquisition accounting		
2.	Kofola Holding a.s.	Czech Republic, Ostrava	holding	acquisition accounting	100,00%	100,00%
3.	Hoop Polska Sp. z o.o.	Poland, Warszawa	production of non-alcoholic beverages	acquisition accounting	100,00%	100,00%
4.	Kofola a.s.	Czech Republic, Krnov	production and distribution of non-alcoholic beverages	acquisition accounting	100,00%	100,00%
5.	Kofola a.s.	Slovakia, Rajecká Lesná	production and distribution of non-alcoholic beverages	acquisition accounting	100,00%	100,00%
6.	Kofola Sp. z o.o.	Poland, Kutno	rent of production assets	acquisition accounting	100,00%	100,00%
7.	Santa-Trans s.r.o.	Czech Republic, Krnov	road cargo transport	acquisition accounting	100,00%	100,00%
8.	Santa-Trans.SK s.r.o.	Slovakia, Rajec	road cargo transport	acquisition accounting	100,00%	100,00%
9.	OOO Megapack	Russia, Widnoje	production of non-alcoholic and low-alcoholic beverages	acquisition accounting	50,00%	50,00%
10.	OOO Trading House Megapack	Russia, Widnoje	sale and distribution of non-alcoholic and low-alcoholic beverages	acquisition accounting	50,00%	50,00%
11.	Pomorskie Centrum Dystrybucji HOOP Sp. z o.o.	Poland, Koszalin	wholesale of non-alcoholic and low-alcoholic beverages	acquisition accounting	100,00%	100,00%
12.	Transport Spedycja Handel Sulich Sp. z o.o.	Poland, Bielsk Podlaski	road cargo transport, spedition	equity accounting	50,00%	50,00%
13.	Pinelli spol. s r.o.	Czech Republic, Krnov	production of energetic beverages	acquisition accounting	100,00%	100,00%
14.	Kofola Zrt.	Hungary, Budapest	in liquidation	acquisition accounting	100,00%	100,00%

The holding company – **KOFOLA S.A.** ("the Company", "the Issuer") with its registered office in Warsaw, 01-102, ul. Jana Olbrachta 94, formed as a result of the 30 May 2008 merger of HOOP S.A and Kofola SPV Sp. z o.o. Effective with the merger's registration, the name HOOP S.A. was changed to Kofola - HOOP S.A and since 23 December to KOFOLA S.A. At this time the Company's functions consist primarily of management and control of all of the entities belonging to the KOFOLA S.A. Group.

The subsidiary **Hoop Polska Sp. z o.o**. with its registered office in Warsaw, 01-102, ul. Jana Olbrachta 94, of which KOFOLA S.A. holds 100%. The company's main area of activities is the production and sale of non-alcoholic beverages.

The subsidiary **Kofola Holding a.s.** is the company that manages the Group and at the same time the holding company of the Kofola Holding a.s. Group, with its registered office in Ostrava, Nad Porubkou 2278/31A, 708 00 Ostrawa - Poruba, CZECH REPUBLIC, of which KOFOLA S.A. holds 100%.

The Kofola Holding a.s. Group comprises the following entities:

- Kofola Holding a.s. – the holding company – registered in the Czech Republic, performing management and control of the other entities comprising the KOFOLA S.A. Group,
- Kofola a.s. (CZ) – a company registered in the Czech Republic, with main activities consisting of the production and distribution of beverages on the territory of the Czech Republic,
- Kofola a.s. (SK) – a company registered in Slovakia, with main activities consisting of the production and distribution of beverages on the territory of Slovakia,
- Kofola Sp. z o.o. – a company registered in Poland, with main activities consisting of renting out the production line in Kutno to the company Hoop Polska Sp. z o.o., which conducts its production there,
- Santa-Trans s.r.o. (CZ) – a company registered in the Czech Republic, with main activities consisting of road cargo transport provided mainly to Kofola a.s. (Czech Republic),
- Santa-Trans.SK s.r.o. (SK) – a company registered in Slovakia, with main activities consisting of road cargo transport provided mainly Kofola a.s. (Slovakia),
- Pinelli spol. s r.o. (CZ) - a company registered in the Czech Republic, of which Kofola a.s. (CZ) holds 100%. The company's main area of activities is the production of the Semtex and Erektus energy drinks. Owing to the fact that from the acquisition of control on 22 April 2011 to 30 April 2011 no significant operations had been recorded with an effect on the Group's financial position, the present financial statements include the results of Pinelli spol. s r.o. for the period beginning 1 May 2011,
- Kofola Zrt. (HU) – a company registered in Hungary, which does not conduct business operations. Currently in liquidation.

The subsidiary **Megapack Group**, with its holding company OOO Megapack with its registered office in Promozno, Widnoje, Leninskiy District, Moscow Region, the Russian Federation, of which KOFOLA S.A. holds 50%. The activities of the Megapack Sp. z o.o. Group consist of the provision of services consisting of bottling beverages for third parties, production of own beverages, as well as their distribution on the territory of the Russian Federation. The KOFOLA S.A. Group is able to control the financial and operating policies of the Megapack Group, and as such it consolidates its financial statements using acquisition accounting. In accordance with the binding Statute, the Director General of Megapack is selected by the Shareholders Meeting, with KOFOLA S.A. having the deciding vote in this matter. The Director General is Megapack's one-man executive and representative organ.

The subsidiary **Pomorskie Centrum Dystrybucji HOOP Sp. z o.o.** with its registered office in Koszalin, 75-209, ul. BoWiD 9e, of which KOFOLA S.A. holds 100% and has 100% of votes at Shareholders Meeting. The activities of PCD HOOP Sp. z o.o. consist of the wholesale of beverages. Since April 2011 the company has been selling its assets, thereby significantly limiting its operating activities with an intention of a future liquidation. For the purposes of these consolidated financial statements the net value of the company's assets was tested for impairment.

The co-subsidiary **Transport – Spedycja – Handel - Sulich Sp. z o. o.** with its registered office in Bielsk Podlaski, of which KOFOLA S.A. holds 50% and has 50% of votes at Shareholders Meeting. The company's activities consist of road transport of cargo.

Bobmark International Sp. z o.o. with its registered office in Warsaw, of which KOFOLA S.A. held 100%. The activities of Bobmark International Sp. z o.o. consisted of the wholesale of beverages. In accordance with a conditional agreement of 8 July 2010, the shares of Bobmark were sold at the moment of the registration of a share capital increase(18 October 2010), whereas control over the company was lost already at the signing of the conditional agreement and appointment of a new management. Due to the above the data of Bobmark International Sp. z o.o. have been included only in the comparatives.

KLIMO s.r.o. – a company registered in the Czech Republic. In 2007 it distributed beverages on the Czech market. No operating activities since the beginning of 2008. The company's liquidation process was completed in January 2011. Due to the above the company's data have been included only in the comparatives.

MANAGEMENT BOARD

As at 30 June 2011 the Management Board ("MB") of the holding company KOFOLA S.A. comprised:

- Mr. Janis Samaras – Chairman of the MB,
- Mr. Bartosz Marczuk – Member of the MB,
- Mr. Martin Mateáš – Member of the MB,
- Mr. Tomáš Jendřejek – Member of the MB,
- Mr. René Musila – Member of the MB.

No changes were made in the composition of the Management Board of the holding company KOFOLA S.A. before the publication of the present report.

SUPERVISORY BOARD

As at 30 June 2011 the Supervisory Board comprised:

- Mr. René Sommer – Chairman,
- Mr. Jacek Woźniak – Vice-Chairman,
- Mr. Dariusz Prończuk,
- Mr. Raimondo Eggink,
- Mr. Martin Dokoupil,
- Mr. Anthony Brown.

On 26 January 2011 Mr. Ireneusz Stolarski, member of the Company's Supervisory Board who was also the Chairman of the Supervisory Board, resigned from the position of member of the Supervisory Board effective 26 January 2011.

Mr. René Sommer was appointed to the Supervisory Board of KOFOLA S.A. on 4 March 2011, and will serve in the position of Chairman of the Supervisory Board.

No changes were made in the composition of the Supervisory Board before the publication of the present report.

AUDIT COMMITTEE

As at 30 June 2011 the Audit Committee comprised:

- Mr. Raimondo Eggink – Chairman,
- Mr. Jacek Woźniak,
- Mr. Dariusz Prończuk,
- Mr. René Sommer,
- Mr. Anthony Brown.

On 4 April 2011 the Supervisory Board appointed Mr. René Sommer to the position of Member of the Audit Committee, after dismissing Mr. Martin Dokoupil from the Committee.

No changes were made in the composition of the Audit Committee before the publication of the present report.

4 Information about the methods used to prepare the condensed interim consolidated financial statements of the KOFOLA S.A. Group

4.1 Basis for the preparation of the condensed interim consolidated financial statements

The present reviewed condensed consolidated financial statements ("consolidated financial statements") have been prepared in accordance with the laws binding in the Republic of Poland and with International Financial Reporting Standards ("IFRS"), as well as the interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") adopted by the European Union, and therefore comply with Article 4 of the E.U. Directive on the application of international accounting standards. The consolidated financial statements have been prepared on a going concern basis and in accordance with the historical cost method, with the exception of assets and financial liabilities stated at amortized cost, financial assets stated at fair value, and the assets, liabilities and contingent liabilities of the acquiree, which were stated at fair value as at the date of the merger of the Kofola Group and Hoop Group, as required by IFRS 3. As at the date of approval of these financial statements we were aware of no circumstances indicating a threat to the going concern of the Group or a significant entity comprising the Group.

In accordance with § 83 par. 1 of the Decree, the present financial statements include financial information of the Holding Company, containing: the separate statement of financial position, the separate statement of comprehensive income, the separate cash flow statement and the separate statement of changes in shareholders' equity.

The present reviewed financial statements are to be read along with the audited annual consolidated financial statements of the Kofola S.A. Group prepared in accordance with International Financial Reporting Standards (IFRS), containing notes ("the consolidated financial statements prepared in accordance with IFRS") for the year ended 31 December 2010.

The condensed interim consolidated financial statements consist of the consolidated balance sheet, the consolidated profit and loss account, the consolidated statement of comprehensive income, the statement of changes in consolidated shareholders' equity, the consolidated cash flow statement, and selected notes.

The consolidated financial statements are presented in Polish zlotys ("PLN"), and all values, unless stated otherwise, are listed in thousands PLN.

<u>New standards, changes in accounting standards and interpretations binding as at 1 January 2011</u>

The following standards, changes in binding standards and interpretations (adopted or in the process of being adopted by the European Union) are binding as at 1 January 2011:

- Changes to IAS 32 "Financial Instruments: Presentation",
- Changes to IAS 24 "Related Party Disclosures",
- IFRIC 19 "Extinguishing Financial Liabilities with Equity",
- Changes to IFRIC 14 "The Limit on a Defined Benefit Asset, Minimum Funding Requirements",
- Improvements to International Financial Reporting Standards – a set of changes to International Financial Reporting Standards, the majority of the changes apply to annual periods beginning on or after 1 January 2011.

The adoption of the above standards and interpretations did not result in significant changes in the Group's accounting policies, or presentation of data in the financial statements.

<u>Standards and interpretations that have been published, but no yet adopted</u>

The Management has not opted for early application of the following standards and interpretations (adopted or in the process of being adopted by the European Union):

- IFRS 9 "Financial Instruments" applies to annual periods beginning on or after 1 January 2013. The standard has not been approved by the European Union,
- Changes to IFRS 7 "Financial Instruments - Disclosures", apply to annual periods beginning on or after 1 July 2011. The changes have not been approved by the European Union.

The Management is currently analyzing the consequences and effect of the above new standards and interpretations on the financial statements.

4.2 Functional currency and presentation currency

The Polish zloty is the functional currency of the holding company and the presentation currency of the consolidated financial statements.

4.3 Translation of amounts expressed in foreign currencies

The methods used to recognize and value transactions expressed in foreign currencies have been specified in IAS 21 "The Effects of Changes in Foreign Exchange Rates". Transactions expressed in foreign currencies are translated by the companies comprising the Group into their functional currencies using the exchange rates as at the date of the transaction. Financial assets and liabilities expressed as at the balance sheet date in foreign currencies are translated using the average exchange rate announced by the National Bank of Poland for the end of the reporting period, and all foreign exchange gains or losses are recognized in the profit and loss account under:

- operating income and expense – for trading operations,
- financial income and expense – for financial operations.

Non-financial assets and liabilities recognized at historical cost expressed in a foreign currency are listed at the historical rate as at the date of the transaction. Non-financial assets and liabilities recognized at fair value expressed in a foreign currency are translated at the exchange rate as at the date on which they were stated at fair value.

Foreign exchange differences on loans granted to consolidated related parties are transferred as part of consolidation adjustments from the profit and loss to other capital as foreign exchange differences on currency translation.

The following rates were used in the balance sheet valuation:

Currency rates at the end of period	**30.6.2011**	**31.12.2010**	**30.6.2010**
PLN/USD	2,7517	2,9641	3,3946
PLN/EUR	3,9866	3,9603	4,1458
PLN/RUB	0,0987	0,0970	0,1086
PLN/CZK	0,1641	0,1580	0,1609

Average currency rates, calculated as arithmetical mean of currencies on last day of each month in period	**1.1.2011 - 30.6.2011**	**1.1.2010 - 31.12.2010**	**1.1.2010 - 30.6.2010**
PLN/USD	2,7888	3,0402	3,0573
PLN/EUR	3,9673	4,0044	4,0042
PLN/RUB	0,0983	0,0998	0,1013
PLN/CZK	0,1628	0,1585	0,1556

The financial statements of foreign entities are translated into PLN in the following manner:

- corresponding balance sheet items at the average exchange rate announced by the National Bank of Poland for the balance sheet date;
- corresponding income statement items at the rate constituting the arithmetical mean of the average exchange rates announced by the National Bank of Poland for each day ending a reporting month. The resulting foreign exchange differences are recognized directly under equity as a separate component.
- corresponding cash flow statement items (investment and financing activities) at the rate constituting the arithmetical mean of the average exchange rates announced by the National Bank of Poland for each day ending a reporting period. The resulting foreign exchange differences are recognized under the "Foreign exchange differences from translation of foreign entities" item of the cash flow statement.

4.4 Consolidation methods

The financial statements of the subsidiaries are prepared for the same period as the financial statements of the holding company, using consistent accounting policies, based on the same accounting methods applied to similar transactions and economic events. Adjustments have been made to eliminate any differences in accounting methods.

All material balances and transactions between the Group's entities, including unrealized profits arising out of transactions within the Group, have been fully eliminated. Unrealized losses are eliminated unless they prove impairment.

The subsidiaries are consolidated in the period from the date on which the Group began to exercise control, to the date on which such control ceases. Control is exercised by the holding company whenever it holds, directly or indirectly through its subsidiaries, more than half of the votes in a given company, unless it is possible to prove that such holding does not constitute control. Control is also exercised when the Group is able to influence the entity's financial and operating policies.

4.5 Accounting methods and changes in presentation

No changes have been made in the accounting methods in the presented period compared to the methods used in the Kofola Group's Consolidated Report for the year 2010, published on 18 March 2011. Presented in this Report is detailed information on the methods used to value assets and liabilities, measure the financial result and prepare the financial statements and comparatives.

The accounting methods based on which the present financial statements have been prepared have not changed compared to the methods used in the consolidated financial statements for the three months period ended 30 June 2010, with the exception of the following presentation changes:

Consolidated profit and loss account

	1.1.2010 - 30.6.2010		
	published financial statements	comparatives	change
Cost of products and services sold	(316 375)	(313 096)	3 279
Administrative costs	(35 500)	(38 779)	(3 279)

The adjustment increasing administrative costs was caused by the fact that a portion of the costs of employee wages previously listed under the costs of goods and services sold is now presented under administrative costs in the amount of 3 279 thousand PLN.

Consolidated balance sheet

In the comparative periods the sales revenue reducing bonuses for clients had been recognized as liabilities, whilst now they are presented as a receivables reducing item.

	31.12.2010		
	published financial statements	comparatives	change
Trade receivables and other receivables	216 287	203 700	12 587
Trade liabilities and other liabilities	303 245	290 658	12 587

	30.06.2010		
	published financial statements	comparatives	change
Trade receivables and other receivables	292 985	271 362	21 623
Trade liabilities and other liabilities	360 296	338 673	21 623

Consolidated cash flow statement

In the financial statements for the comparative period an adjustment was made between the "Change in receivables" and "Change in liabilities" operating cash flows items, arising out of a difference in the recognition of the client bonuses as described in the above point relating to the balance sheet.

Consolidated segments

The item "Other (export)" in geographical segments shows export to countries other than those in which the Group currently operates. In the consolidated report for the period of six months ended 30 June 2010 the item "Other" shows sales on the Hungarian market, and export to other countries was included as part of the country, from which the export was realized.

The data relating to operating segments for the period of six months ended 30 June 2010, in the "Carbonated beverages" and "Non-carbonated beverages" items reflect a change in the classification of products in Russia. As part of this reclassification, the revenue disclosed under „Non-carbonated beverages" in the amount of 15 310 thousand PLN, as well as the corresponding operating costs in the amount of 15 687 thousand PLN are presented in these financial statements under the "Carbonated beverages" item.

4.6 Correction of error

No adjustments of errors have been made in the financial statements for the year.

4.7 Professional judgment

When a given transaction is not regulated in any standard or interpretation, the Management, based on its subjective judgment, develops and applies accounting policies that will ensure that the financial statements contain proper and reliable information, and that they:

- present truly and fairly the Company's financial position, financial result and cash flows,
- reflect the economic substance of transactions,
- are objective,
- are prepared in accordance with the prudence principle,
- are complete in all material aspects.

As at 30 June 2011 the Management's professional judgment relates to provisions for claims and court cases, as well as to contingent liabilities. It is also used in assessing the risk associated with the repayment of overdue receivables – the Group verifies its provisions for doubtful debts as at each balance sheet date, taking into account the potential risk of significant delays in their repayment.

4.8 Uncertainty of estimates

Since some of the information contained in the financial statements cannot be measured precisely, to prepare the financial statements the Group's Management must perform estimates. The Management verifies the estimates based on changes in the factors taken into account at their calculation, new information or past experiences. For this reason the estimates performed as at 30 June 2011 may be changed in the future. The main estimates pertain to the following matters:

Estimates
Impairment of trade receivables
Write down of slow moving and obsolete inventory items
Income tax
Employee benefits
Provisions
Economic useful lives of tangible and intangible fixed assets

4.9 Approval of financial statements

The Board of Directors approved the present consolidated financial statements for publication on 29 August 2011.

5 Notes to the condensed consolidated financial statements of the KOFOLA S.A. Group

5.1 Operating segments

An operating segment is a component of an entity:

A) which engages in business activities as a result of which it may earn revenue and incur costs (including revenue and costs associated with transactions with other components of the same entity),

B) whose results are regularly reviewed by the main body in charge of making operating decisions at the entity, which uses those results to decide on the allocation of resources to the segment and to assess the segment's results, as well as

C) for which separate financial information is available.

Change in the presentation of information about operating segments

Due to the new segment reporting requirements introduced effective 1 January 2009 by IFRS 8 Operating Segments, the KOFOLA S.A. Group presents a new breakdown by segment. The Group has performed an analysis to identify potential operating segments. The Group conducts activities as part of the following operating segments:

- Carbonated beverages
- Non-Carbonated beverages
- Mineral waters
- Syrups
- Low alcohol drinks

The "Other" segment includes beverage (goods for resale) sales made by distribution companies, sales of own energy drink R20 (product), ice coffee Nescafe Xpress (good for resale) and ice tea Green Tea, as well as transport activities performed for entities from outside the Group.

In January 2011 the Group discontinued the sale of Nescafe Xpress ice coffee.

Financial revenue and costs, as well as taxes, have not been disclosed by segment, as these values are monitored at Group level and no such information is forwarded to segment-level decision makers.

The Group applies the same accounting methods for all of the segments. Transactions between segments are eliminated in the consolidation process.

As part of presenting its segments, the Group identified one client, who generates more than 10% of the segment's revenues. In the first half-year 2011 the Group's revenues from this client amounted to 123 434 ths. PLN and related to carbonated beverages, non-carbonated beverages, mineral waters and syrups.

Due to the use of joint asset resources as part of operating segments and because of difficulties in allocating these resources to separate segments, the Group does not present to the decision making organ its data on the assets, liabilities, investment spending and depreciation charges allocated to the various segments, and does not present these data in the financial statements.

Reporting segment results for the six months period ended 30 June 2011 and for the six months period ended 30 June 2010:

Segmenty operacyjne

1.1.2011 - 30.6.2011	Carbonated beverages	Non-Carbonated beverages	Mineral waters	Syrups	Low alcohol drinks	Other	Total
Revenue	292 629	66 950	117 070	68 279	130 053	17 242	692 223
Operating expenses	(273 399)	(65 726)	(122 705)	(62 845)	(123 554)	(19 166)	(667 395)
Operating result of the segment	**19 230**	**1 224**	**(5 635)**	**5 434**	**6 499**	**(1 924)**	**24 828**
Result on financial activity							(10 115)
Profit before tax							14 713
Income tax							(3 939)
Net profit							**10 774**

1.1.2010 - 30.6.2010	Carbonated beverages	Non-Carbonated beverages	Mineral waters	Syrups	Low alcohol drinks	Other	Total
Revenue	267 510	81 079	101 225	62 612	30 942	21 292	564 660
Operating expenses	(246 186)	(86 572)	(104 100)	(55 862)	(30 747)	(20 836)	(544 303)
Operating result of the segment	**21 324**	**(5 493)**	**(2 875)**	**6 750**	**195**	**456**	**20 357**
Result on financial activity							(6 710)
Profit before tax							13 647
Income tax							(3 804)
Net profit							**9 843**

5.2 Geographical segments

The Group’s activities are generally concentrated on the following markets:

- Poland
- Czech Republic
- Russia
- Slovakia

Presented below are the data for the above geographical segments.

1.1.2011 - 30.6.2011	**Poland**	**Czech Republic**	**Russia**	**Slovakia**	**Other (export)**	**Eliminations (consolidation adjustments)**	**Total**
Revenue	269 572	193 133	170 896	115 980	1 372	(58 730)	692 223
Sales to external customers	257 252	169 082	170 567	93 950	1 372	-	692 223
Inter-segment sales	12 320	24 051	329	22 030	-	(58 730)	-
Operating expenses	(263 250)	(179 470)	(165 536)	(115 295)	(1 350)	57 506	(667 395)
Related to third party sales	(251 307)	(156 265)	(165 207)	(93 265)	(1 350)	-	(667 395)
Related to inter-segment sales	(11 943)	(23 205)	(329)	(22 030)	-	57 506	-
Operating result of the segment	**6 322**	**13 663**	**5 360**	**685**	**22**	**(1 224)**	**24 828**
Result on financial activity	17 650	2 192	804	(1 181)	1	(29 581)	(10 115)
within segment	(6 876)	(2 863)	804	(1 181)	1	-	(10 115)
between segments	24 526	5 055	-	-	-	(29 581)	-
Profit /(loss) before tax	23 972	15 855	6 164	(496)	23	(30 805)	14 713
Income tax	(3 464)	21	(1 602)	(36)	-	1 142	(3 939)
Net profit /(loss)	**20 508**	**15 876**	**4 562**	**(532)**	**23**	**(29 663)**	**10 774**
Assets and liabilities							
Segment assets	790 587	510 067	148 208	204 793	73	(289 380)	1 364 348
Total assets	**790 587**	**510 067**	**148 208**	**204 793**	**73**	**(289 380)**	**1 364 348**
Segment liabilities	422 432	498 299	70 764	146 759	(138)	(281 555)	856 560
Equity							507 788
Total liabilities and equity							**1 364 348**
Other information concerning segment							
Investment expenditure :							
Tangibles and intangibles	12 700	6 306	3 421	1 266	-	(1 815)	21 878
Depreciation and amortization	11 956	12 555	4 973	7 584	-	-	37 067

1.1.2010 - 30.6.2010	Poland	Czech Republic	Russia	Slovakia	Other (export)	Eliminations (consolidation adjustments)	Total
Revenue	239 011	185 579	68 422	120 090	1 898	(50 340)	564 660
Sales to external customers	231 336	164 590	68 422	98 414	1 898	-	564 660
Inter-segment sales	7 675	20 989	-	21 676	-	(50 340)	-
Operating expenses	(240 334)	(170 356)	(68 247)	(108 649)	(1 897)	45 180	(544 303)
Related to third party sales	(233 385)	(151 090)	(68 247)	(89 684)	(1 897)	-	(544 303)
Related to inter-segment sales	(6 949)	(19 266)	-	(18 965)	-	45 180	-
Operating result of the segment	**(1 323)**	**15 224**	**175**	**11 441**	**1**	**(5 160)**	**20 357**
Result on financial activity	19 094	1 911	505	(1 381)	-	(26 840)	(6 710)
within segment	(2 755)	(3 079)	505	(1 381)	-	-	(6 710)
between segments	21 849	4 991	-	-	-	(26 840)	-
Profit /(loss) before tax	17 771	17 135	679	10 061	1	(32 000)	13 647
Income tax	(461)	(1 287)	(875)	(2 024)		843	(3 804)
Net profit /(loss)	**17 310**	**15 848**	**(196)**	**8 037**	**1**	**(31 157)**	**9 843**
Assets and liabilities							
Segment assets	809 289	483 272	128 765	251 514	622	(272 964)	1 400 498
Total assets	**809 289**	**483 272**	**128 765**	**251 514**	**622**	**(272 964)**	**1 400 498**
Segment liabilities	405 317	483 970	30 157	182 593	16 260	(290 595)	827 702
Equity							572 796
Total liabilities and equity							**1 400 498**
Other information concerning segment							
Investment expenditure :							
Tangibles and intangibles	4 801	4 247	193	14 435	-	(1 200)	22 476
Depreciation and amortization	12 485	15 430	4 771	7 681	-	-	40 367

Products

The KOFOLA S.A. offers its products in Poland, the Czech Republic, Slovakia and in Russia, as well as exports them to other countries, mainly in Europe.

KOFOLA GROUP BRANDS IN 2011

CARBONATED BEVERAGES	Kofola, RC Cola, Citrocola, Hoop Cola, Top Topic, Vinea, Orangina, Chito, Citronela, Fruti, Mr. Max
NATURAL SPRING WATERS	Rajec, Arctic
NON-CARBONATED BEVERAGES	Jupí Fruit Drink, Top Topic
100% FRUIT JUICES AND NECTARS	Snipp
SYRUPS AND CONCENTRATES	Jupí, Paola
CHILDRENS' DRINKS	Jupík, Jupík Aqua, Jumper
ICE TEA	Pickwick Just Tea, Green Tea
ENERGY DRINKS	R20, Semtex, Erektus
LOW ALCOHOL BEVERAGES (Russia)	Hooper`s Hooch, Dieviatka

In 2011 the Group's beverage assortment was broadened to include new Rajec flavored waters ("Sedmikráska", "Bříza"), cherry flavored Kofola drink and new format of Jupí syrups in sachets. In addition, starting in April 2011, following the acquisition of the company Pinelli spol. s r.o. the Group added the Semtex and Erektus energy drinks and ice tea Green Tea to its product portfolio.

In addition, the KOFOLA S.A. Group makes waters, carbonated and non-carbonated beverages and syrups at the commission of other firms, mainly store chains. These firms offer products to consumers under their own brand using the distribution capabilities of their own stores.

The company Megapack, which operates on the Russian market, sells drink bottling services on commission. This relates to both low alcohol beverages and non-alcoholic beverages.

Seasonal and cyclical nature of the operations of the KOFOLA S.A. Group

Seasonality

Seasonality, associated with periodic deviations in demand and supply, is of certain significance in the shaping of the KOFOLA S.A. Group's general sales trends. Beverage sales peak in the 2nd and 3rd quarter of the year. This is caused by increased drink consumption in the spring and summer months. In the years ended 31 December 2010 and 2009, approximately 19% (21% in 2009) of revenue from the sale of finished products and services was earned in the 1st quarter, with 27% (28% in 2009), 30% (27% in 2009) and 24% (24% in 2009) of total annual consolidated revenues earned in the 2nd, 3rd and 4th quarters. The Management is expecting similar seasonality in the year 2011.

Cyclical nature

The Group's results depend on economic cycles, in particular on fluctuations in demand and in the prices of raw materials – the so-called "commodities".

5.3 Expenses by type

	1.1.2011 - 30.6.2011	1.1.2010 - 30.6.2010
Depreciation of fixed assets and intangible assets	37 067	40 367
Employee benefits costs	89 671	86 123
Consumption of materials and energy	418 174	304 288
Services	114 458	104 222
Taxes and fees	3 947	7 202
Property and life insurance	1 676	1 400
Other costs, including:	13 617	15 879
- change in revaluation write-off of inventory	(669)	(1 047)
- change in revaluation write-off of receivables	2 459	1 366
- other operating costs	11 827	15 560
Total expenses by type	**678 610**	**559 481**
Change in the balance of products, production in progress, prepayments and accruals	(19 950)	(26 759)
Reconciliation of expenses by type to expenses by function	**658 660**	**532 722**
Sales, marketing and distribution costs	173 134	180 847
Administrative costs	36 859	38 779
Cost of products sold	448 667	313 096
Total costs of product sold, selling, marketing and distribution costs and administrative costs	**658 660**	**532 722**

Costs of employee benefits

	1.1.2011 - 30.6.2011	1.1.2010 - 30.6.2010
Cost of salary	69 577	68 762
Social security and other benefits costs	19 837	17 361
Reserves costs for pension, jubilee award and other employee benefit	257	-
Total costs of employee benefits	**89 671**	**86 123**

5.4 Financial income

	1.1.2011 - 30.6.2011	1.1.2010 - 30.6.2010
Financial interest income from:		
- bank deposits	1 129	613
- credits and loans granted	151	174
- interest on receivables	-	5
Net financial income from realized FX differences	246	253
Profit on disposal of shares and other securities	-	2 328
Other financial income	6	55
Total financial income	**1 532**	**3 428**

5.5 Financial expense

	1.1.2011 - 30.6.2011	1.1.2010 - 30.6.2010
Financial interest expense from:		
- credits and financial leases	9 667	9 272
Net financial losses from realized FX differences	620	207
Bank costs and charges	1 251	648
Other financial expense	-	11
Total financial expense	**11 538**	**10 138**

5.6 Share in result received from subsidiaries and associates

The item includes the result of TSH Sulich Sp. z o.o. corresponding in the current period to KOFOLA S.A. Owing to the fact that KOFOLA S.A. holds 50 % of the company's share capital, TSH Sulich Sp. z o.o. is not consolidated by acquisition accounting.

5.7 Changes in reserves and provisions

	Receivables	Inventories	Tangible assets	Intangible assets	Financial assets	Provisions
As at 1.1.2011	**19 564**	**8 995**	**24 514**	**34 120**	**800**	**30 654**
Currency differences from translation	3 582	18	(20)	-	-	259
Increase due to creation	4 468	793	922	5	-	12 946
Decrease due to release and use	(2 009)	(1 462)	(1 645)	-	-	(14 672)
As at 30.6.2011	**25 605**	**8 344**	**23 771**	**34 125**	**800**	**29 187**

5.8 Dividends paid and declared

	1.1.2011 - 30.6.2011	**1.1.2010 - 30.6.2010**
Dividends declared in the given period	16 227	25 126
Dividends on common shares:	-	-
paid out in the given period	-	-
Dividends declared	**16 227**	**25 126**

In its Resolution No. 17 the Ordinary General Meeting of KOFOLA S.A. of 29 June 2011 designated a portion of the net profit generated by KOFOLA S.A in the year 2010, amounting to 16 227 thousand PLN, for the payment of a dividend.

The shares of all series (A, B, C, D, E, F, G) will participate in the dividend amounting to 0,62 PLN per share. The dividend date has been set at 29 September 2011, and the dividend payment date at 6 December 2011. The value of the declared dividend, amounting to 16 227 thousand PLN, is presented in short-term liabilities as "Other financial liabilities".

In the reporting period KOFOLA S.A. recorded as financial revenue a dividend received from the subsidiaries OOO Megapack in the gross amount of 5 439 thousand PLN and Kofola Holding a.s. in the gross amount of 9 369 thousand PLN. The above revenues have been eliminated from the Group's financial revenue as part of consolidation adjustments.

5.9 Income tax

Main income tax elements for the six months period ended 30 June 2011 and for the six months period ended 30 June 2010:

	1.1.2011 - 30.6.2011	**1.1.2010 - 30.6.2010**
Profit and loss		
Current income tax	**2 461**	**3 618**
Current Income tax charge	3 500	3 528
Adjustments of current income tax from previous years	(1 039)	90
Deferred income tax	**1 478**	**186**
Related with arising and reversing of temporary differences	1 723	2 846
Related with tax losses	(245)	(2 660)
Income tax charge recorded in consolidated profit and loss	**3 939**	**3 804**
Statements of changes in equity		
Current income tax	-	-
Tax effect of changes in share capital	-	-
Deferred income tax	**-**	**5**
Tax from Fair value gains on available-for-sale financial assets	-	-
Tax from Cash flow hedges	-	5
Tax benefit / tax burdens shown in equity	**-**	**5**

5.10 Discontinued operations

The Group did not discontinue any operations in the reporting period.

5.11 Earnings per share

The basic profit per share is calculated by dividing the net profit for the period attributable to the holding company's ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

The diluted profit per share is calculated by dividing the net profit for the period attributable to ordinary shareholders (after deducting the interest on redeemable preferred shares convertible to ordinary shares) by the weighted average number of ordinary shares outstanding during the period (adjusted by the effect of diluting options and diluting redeemable preferred shares convertible to ordinary shares).

Presented below are the data relating to the profits and shares used to calculate basic and diluted profit per share:

	1.1.2011 - 30.6.2011	1.1.2010 - 30.6.2010
Net profit assigned to the shareholders of the parent company	8 493	10 036

	1.1.2011 - 30.6.2011	1.1.2010 - 30.6.2010
Weighted average number of issued common shares used to calculate the regular earnings per share ratio	26 172 602	26 172 602
Impact of dilution:		
Subscription warrants	6 099	101 500
Adjusted weighted average number of common shares used to calculate diluted earnings per share	**26 178 701**	**26 274 102**

No other transactions involving ordinary shares or potential ordinary shares took place in the period from the balance sheet date to the preparation of the financial statements.

Based on the above information, the basic and diluted profit per share amounts to:

	1.1.2011 - 30.6.2011	1.1.2010 - 30.6.2010
Net profit assigned to the shareholders of the parent company	8 493	10 036
Weighted average number of issued common shares	26 172 602	26 172 602
Regular earnings per share (PLN/share)	**0,3245**	**0,3835**

	1.1.2011 - 30.6.2011	1.1.2010 - 30.6.2010
Net profit assigned to the shareholders of the parent company, used to calculate diluted earnings per share	8 493	10 036
Adjusted weighted average number of common shares used to calculate diluted earnings per share	26 178 701	26 274 102
Diluted earnings per share (PLN/share)	**0,3244**	**0,3820**

5.12 Tangible fixed assets

In the reporting period of six months ended 30 June 2011 the companies of the KOFOLA S.A. Group incurred 21 324 thousand PLN in expenses to increase the value of tangible fixed assets. The investment projects realized in this period pertain primarily to Hoop Polska Sp. z o.o. (replacement of filling machine on the production line) and Kofola a.s. (Czech Republic) (beverage bottling line using the so-called hot filling technology).

5.13 Intangible fixed assets

Goodwill consists of the goodwill resulting from the merger of the Kofola Group with the Hoop Group (including the goodwill of Megapack), the goodwill relating to the company Pinelli acquired in April 2011, as well as the value of production portion of Klimo acquired in 2006 by Kofola a.s. (Czech Republic). The change in the value of the goodwill compared to the comparative period is the result of the inclusion in the reporting period of the goodwill resulting from the acquisition of Pinelli, as well as from the inclusion of foreign exchange differences on the translation of the goodwill.

The value of trademarks includes, among others, the value of such trademarks as: Kofola, Vinea, Orangina, Hoop, Paola, Arctic, Hooper`s Hooch, Semtex and Erektus.

In the six month period ended 30 June 2011 the companies of the KOFOLA S.A. Group incurred 554 thousand PLN in expenses to increase the value of intangible fixed assets. The investment projects realized in this period consist primarily of computer software at Kofola Holding a.s.

5.14 Assets (group of assets) held for sale

Assets (groups of assets) held for sale include the available for immediate sale fixed assets of the subsidiary Hoop Polska Sp. z o.o. with a balance sheet value of 10 000 thousand PLN (the plant in Tychy along with office building).

In accordance with IFRS 5 the Issuer classifies a fixed asset (or group of fixed assets) as held for sale, if its balance sheet value will be recovered primarily through a sale transaction rather than through continued use.

5.15 Credits and loans

As at 30 June 2011 the Group's total credit and loan debt amounts to 271 480 thousand PLN after decreasing by 39 800 thousand PLN compared to the end of the year 2010.

On 28 February 2011 annexes were signed to the credit agreements between the subsidiary Hoop Polska Sp. z o.o. and Bank Consortium, where KOFOLA S.A. played the role of guarantor. In accordance with the provisions of the annexes, changes were made in the financial ratios required by the lenders and in the financial terms of the granted credits.

Credit terms

Based on credit agreements, the companies of the Group are required to meet specified financial ratios (so-called covenants). Credit agreements ended in the current reporting period have been extended. In accordance with the requirements of IAS 1, a breach of credit terms that may potentially limit unconditional access to credits in the nearest year makes it necessary to classify such liabilities as short-term.

In the first half of 2011 a breach of the terms of the credit agreements occurred at Kofola a.s (Slovakia), in particular with regard to the liquidity ratio (defined as short-term assets to short-term liabilities) and EBIT margin. Prior to the publication no confirming document was obtained from the bank, which is why its liability in the amount of 1 115 thousand PLN, which in accordance with the credit agreement is a long-term item, is presented in the present report, in accordance with IAS 1, as a short-term liability.

In the first half of 2011 a breach of the terms of the credit agreements occurred at Kofola a.s (Czech Republic), in particular with regard to the liquidity ratio (defined as short-term assets to short-term liabilities) and EBIT margin. Prior to the publication no confirming document was obtained from the bank, which is why its liability in the amount of 1 307 thousand PLN, which in accordance with the credit agreement is a long-term item, is presented in the present report, in accordance with IAS 1, as a short-term liability.

5.16 Contingent assets and liabilities

	Contingent assets	Contingent liabilities
As at 1.1.2011	**-**	**250**
Increase (+)	-	-
Decrease (-)	-	(250)
As at 30.6.2011	**-**	**-**

5.17 Information on transactions with related parties

Presented below are the total amounts of transactions concluded in a given financial year with non-consolidated related parties:

Revenues from the sale to related companies	**1.1.2011 - 30.6.2011**	
	revenues on the sale of products and services	revenues on the sale of merchandise and materials
- to affiliates (TSH Sulich)	14	1
- to other related companies (KSM Investment)	-	-
Total revenues from the sale to related companies	**14**	**1**

Purchases from related companies	**1.1.2011 - 30.6.2011**	
	purchase of services	purchase of merchandise and materials
- from affiliates (TSH Sulich)	3 587	3
- from other related companies (KSM Investment)	-	-
Total purchases from related companies	**3 587**	**3**

Receivables from related companies	30.6.2011	31.12.2010	30.6.2010
- from affiliates (TSH Sulich)	25	10	2
- from other related companies (KSM Investment)	4 469	3 488	4 188
Total receivables from related companies	**4 494**	**3 498**	**4 190**

Liabilities towards related companies	30.6.2011	31.12.2010	30.6.2010
- towards affiliates (TSH Sulich)	834	173	1 475
- towards other related companies (KSM Investment)	5 960	5 030	5 531
Total liabilities towards related companies	**6 794**	**5 203**	**7 006**

All transactions with related parties have been concluded on market terms.

5.18 Acquisition of subsidiary

On 22 April 2011 Kofola a.s. (Czech Republic) acquired 100 % of the shares of Pinelli Spol s r.o., producer of the Semtex and Erektus energy drinks and of the Green Tea ice tea.

The present consolidated financial statements contain a settlement of the transaction (using the acquisition method) and calculation of the goodwill constituting the excess of acquisition cost over the fair value of the identifiable assets, liabilities and contingent liabilities. For the purposes of the final settlement the acquisition price was determined in accordance with IFRS 3 based on the price contained in the share acquisition agreement, subject to the time value of money. Owing to the fact that from the acquisition of control on 22 April 2011 to 30 April 2011 no significant operations had been recorded with an effect on the valuation of the acquired company, its goodwill was determined using data as at 30 April 2011.

Presented in the table below is a comparison of the values of the main assets and liabilities as presented in the books of account of Pinelli as at the acquisition of control with the fair values determined for the purpose of the settlement of the acquisition:

	Net book value	Fair value
Tangible fixed assets	1 157	1 874
Intangible fixed assets	4 893	16 799
Inventories	1 846	2 034
Receivables	6 651	6 651
Cash and cash equivalents	3 132	3 132
Total assets	**17 679**	**30 490**
Liabilities and provisions	**3 443**	**6 885**
Net assets	**14 236**	**23 605**
Purchase price		**28 608**
Goodwill		**5 003**

Had the acquisition taken place at the start of 2011, the consolidated net profit attributable to the holding company's shareholders for the period of six months ended 30 June 2011 would have been higher by 481 thousand PLN, and sales revenue for the period would have been higher by 4 436 thousand PLN.

5.19 Significant court cases

Fructo-Maj Sp. z o.o.

KOFOLA S.A. holds debts of Fructo-May Sp. z o.o., a company in a state of bankruptcy. As at 30 June 2011 the total value of these receivables is 10 851 ths. PLN, the balance sheet value of this item after revaluation is 3 625 ths. PLN. The debts are secured with mortgages on all of the significant properties of Fructo-Maj Sp. z o.o., as well as a registered pledge on its movables.

At this time the assets of Fructo-Maj Sp. z o.o. are being sold by the bankruptcy estate receiver. According to the Management, based on the current legal status and types of collateral, there is no need to write down the assets associated with Fructo-Maj Sp. z o.o.

Pomorskie Centrum Dystrybucji HOOP Sp. z o.o.

The subsidiary Pomorskie Centrum Dystrybucji Hoop Sp. z o.o. is currently in the process of realizing the provisions of an arrangement, which has no effect on its going concern.

Except for the matters described above, the companies of the KOFOLA S.A. Group are not involved in any other cases (disputes), which could have a material effect on Group's financial position.

5.20 Headcount

The average headcount in the company was as follows:

	1.1.2011 - 30.6.2011	1.1.2010 - 30.6.2010
Management Board of the parent company	5	5
Management Boards of the Group entities	20	22
Sales, marketing and logistic departments	1 109	1 201
Production department	870	903
Administration	296	297
Other	197	209
Total	**2 497**	**2 637**

5.21 Subsequent events

On 27 July 2011 the Management of Kofola a.s. (CZ), an indirect subsidiary of KOFOLA S.A., passed a resolution to restructure its sales department in order to raise the effectiveness of the department's operations. The resulting employment reductions are being developed and are to be prepared and implemented by 31 August 2011.

On 10 August 2011 the Management of Kofola a.s. (SK), an indirect subsidiary of KOFOLA S.A. passed a resolution to restructure its sales department in order to raise the effectiveness of the department's operations. The resulting employment reductions are being developed and are to be prepared and implemented by 30 August 2011.

On 16 August 2011 the Management of Kofola a.s. (CZ), an indirect subsidiary of KOFOLA S.A. passed a resolution to restructure its production department in order to raise the effectiveness of the department's operations. The resulting employment reductions are being developed and are to be prepared and implemented by 31 October 2011.

As at the preparation of the present report the Group is in the process of determining the costs of the above actions and thus is unable to estimate their effect on the Group's results.

SIGNATURES OF THE COMPANY'S REPRESENTATIVES:

29.8.2011	**Janis Samaras**	**Chairman of the Board of Directors**	....
date	*name and surname*	*position*	*signature*
29.8.2011	**Bartosz Marczuk**	**Member of the Board of Directors**	....
date	*name and surname*	*position*	*signature*
29.8.2011	**Martin Mateáš**	**Member of the Board of Directors**	....
date	*name and surname*	*position*	*signature*
29.8.2011	**René Musila**	**Member of the Board of Directors**	....
date	*name and surname*	*position*	*signature*
29.8.2011	**Tomáš Jendřejek**	**Member of the Board of Directors**	....
date	*name and surname*	*position*	*signature*

SIGNATURE OF PERSON RESPONSIBLE FOR BOOKKEEPING:

29.8.2011	**Katarzyna Balcerowicz**	**Chief Accountant**	....
date	*name and surname*	*position*	*signature*

Document signed on the Polish original.

6 Condensed interim separate financial statements KOFOLA S.A.

6.1 Separate income statement

for the six months period ended 30 June 2011 and the six months period ended 30 June 2010.

	Note	1.1.2011 - 30.6.2011	1.1.2010 - 30.6.2010
Continuing operations			
Revenue from the sale of finished products and services		-	-
Revenue from the sale of goods and materials		-	-
Revenue		-	-
Cost of products and services sold		-	-
Cost of goods and materials sold		-	-
Total cost of sales		-	-
Gross profit		**-**	**-**
Selling, marketing and distribution costs	9.2	-	(68)
Administrative costs	9.2	(1 087)	(954)
Other operating income		1 142	1 117
Other operating expenses		(195)	-
Operating result		**(140)**	**95**
Financial income	9.3	24 275	23 786
Financial expense	9.4	(629)	(680)
Profit before tax		**23 506**	**23 201**
Income tax		(2 667)	(1 595)
Net profit on continued activity		**20 839**	**21 606**
Discontinued activity			
Net profit on discontinued activity		-	-
Net profit for the financial year		**20 839**	**21 606**
Earnings per share (in PLN)			
- basic earnings per share		0,7962	0,8255
- basic earnings per share from continuing operations		0,7962	0,8255
- diluted earnings per share		0,7960	0,8223
- diluted earnings per share from continuing operations		0,7960	0,8223

6.2 Separate statement of comprehensive income

for the six months period ended 30 June 2011 and the six months period ended 30 June 2010.

	Note	1.1.2011 - 30.6.2011	1.1.2010 - 30.6.2010
Profit for the period		**20 839**	**21 606**
Other comprehensive income (gross)			
Fair value gains on available-for-sale financial assets		-	-
Income tax relating to components of Other comprehensive income		-	-
Other comprehensive income for the period (net)		**-**	**-**
Total comprehensive income for the period	6.5	**20 839**	**21 606**

6.3 Separate balance sheet

as at 30 June 2011, as at 31 December 2010 and as at 30 June 2010.

ASSETS	Note	30.6.2011	31.12.2010	30.6.2010
Fixed assets		**1 005 222**	**996 773**	**1 00 438**
Tangible fixed assets		372	372	400
Goodwill		13 767	13 767	13 767
Intangible fixed assets		-	10	70
Investment in subsidiaries and associates	9.7	854 137	854 137	855 129
Financial assets available for sale		-	-	-
Loans provided to related parties	9.7	136 946	127 736	130 015
Other financial assets		-	-	-
Deferred tax assets		-	751	1 057
Current assets		**16 833**	**15 549**	**36 764**
Inventories		-	-	-
Trade receivables and other receivables		5 474	6 740	23 443
Income tax receivables		560	-	-
Cash and cash equivalents		10 799	8 809	13 321
TOTAL ASSETS		**1 022 055**	**1 012 322**	**1 037 202**
LIABILITIES AND EQUITY				
Equity		**908 265**	**903 653**	**901 066**
Share capital		26 173	26 173	26 173
Other capital		861 253	852 189	853 182
Retained earnings		20 839	25 291	21 711
Long-term liabilities		**78 304**	**76 243**	**71 996**
Provisions		-	-	-
Other liabilities		16 199	16 054	11 807
Deferred tax reserve		62 105	60 189	60 189
Short-term liabilities		**35 486**	**32 426**	**64 140**
Bank credits and loans		-	-	3 546
Trade liabilities and other liabilities		4 315	16 277	15 103
Income tax liabilities		-	122	79
Other financial liabilities		16 227	-	25 126
Provisions		14 944	16 027	20 286
Total Liabilities		**113 790**	**108 669**	**136 136**
TOTAL LIABILITIES AND EQUITY		**1 022 055**	**1 012 322**	**1 037 202**

6.4 Separate cash flow statement

for the six months period ended 30 June 2011 and the six months period ended 30 June 2010.

	Note	1.1.2011 - 30.6.2011	1.1.2010 - 30.6.2010
Cash flow on operating activity			
Gross profit (loss)		23 506	23 201
Adjustments for the following items:			
Depreciation	9.2	10	63
Net interest and dividends	9.3,9.4	(18 546)	(16 071)
Net foreign exchange differences		(5 101)	(4 638)
(Profit)/loss on investment activity		-	(2 325)
Change in the balance of receivables		2 811	4 768
Change in the balance of liabilities		(11 125)	(3 720)
Change in the balance of provisions		(1 083)	-
Paid income tax		(682)	-
Net cash flow on operating activity		**(10 210)**	**1 278**
Cash flow on investing activity		-	-
Purchase of intangible assets and fixed assets		-	-
Sale of financial assets (BOMI S.A.)		-	13 844
Purchase of financial assets		-	-
Dividends received		13 397	-
Proceeds from repaid loans		-	-
Loans granted		-	-
Net cash flow on investing activity		**13 397**	**13 844**
Cash flow on financial activity		-	
Proceeds from loans and bank credits received		-	-
Repayment of loans and bank credits		-	(1 760)
Dividends paid to the shareholders of the parent company		-	-
Interest paid	9.6	(1 197)	(186)
Net cash flow on financing activity		**(1 197)**	**(1 946)**
Total net cash flow		1 990	13 176
Cash at the beginning of the period		**8 809**	**145**
Cash at the end of the period		**10 799**	**13 321**
Cash with limited ability to use		-	-

6.5 Separate statement of changes in equity

for the six months period ended 30 June 2011, for the twelve months period ended 31 December 2010 and the six months period ended 30 June 2010.

	Note	Share capital	Other capital	Retained earnings	Total equity
As at 1.1.2010		**26 173**	**875 781**	**1 721**	**903 675**
Capital relating to subscription warrant allocation program		-	911	-	911
Total comprehensive income for the period	6.2	**-**	**-**	**21 606**	**21 606**
Dividends payment		-	(23 510)	(1 616)	(25 126)
Profit distribution		-	-	-	-
As at 30.6.2010		**26 173**	**853 182**	**21 711**	**901 066**
As at 1.1.2010		**26 173**	**875 781**	**1 721**	**903 675**
Capital relating to subscription warrant allocation program		-	(82)	-	(82)
Total comprehensive income for the period		**-**	**-**	**25 186**	**25 186**
Dividends payment		-	(23 510)	(1 616)	(25 126)
Profit distribution		-	-	-	-
As at 31.12.2010		**26 173**	**852 189**	**25 291**	**903 653**
As at 1.1.2011		**26 173**	**852 189**	**25 291**	**903 653**
Capital relating to subscription warrant allocation program		-	-	-	-
Total comprehensive income for the period	6.2	**-**	**-**	**20 839**	**20 839**
Dividends payment		-	-	(16 227)	(16 227)
Profit distribution		-	9 064	(9 064)	-
As at 30.6.2011		**26 173**	**861 253**	**20 839**	**908 265**

The Other capital item includes a capital reserve (dividend fund) in the amount of 29 541 thousand PLN, designated for the payment of a dividend. The fund was formed (in accordance with Resolution No. 17 (note 1.5) passed by the Ordinary General Meeting of KOFOLA S.A. of 29 June 2011) from the reserve capital created from 20 478 thousand PLN in retained earnings and 105 thousand PLN in undistributed profits from previous years, as well as 8 959 thousand PLN out of the result for the year 2010.

7 General information

Information about the company:

Name: KOFOLA Spółka Akcyjna [joint-stock company] ("the Company", "the Issuer")

Until 30 May 2008 KOFOLA SPV Sp. z o.o., from 31 May 2008 to 23 December 2008 KOFOLA-HOOP S.A., the Company has been using its current name since 24 December 2008.

Registered office: ul. Jana Olbrachta 94, 01-102 Warszaw

Main areas of activity: the activities of head offices and holdings, excluding financial holdings (PKD 2007) 7010Z (the activities of holdings in accordance with PKD 2004). The classification of the Warsaw Stock Exchange places the Company in the food sector.

Registration organ: the Regional Court for the capital city of Warsaw, XII Business Division of the National Court Register, KRS 0000134518.

Until 31 March 2009 the Company had the status of a protected labor entity granted based on decision No. D/01803 issued by the State Representative for Persons with Disabilities on 1 December 1997.

The Company has been formed for an unspecified time.

The Company's standalone financial statements cover the six months period ended 30 June 2011, and contain comparatives for the six months period ended 30 June 2010.

Change in the registered office of KOFOLA S.A.

In its Resolution No. 18 the Ordinary General Meeting of KOFOLA S.A. of 29 June 2011 decided to amend the Company's statute indicating the city of Kutno as the registered office of KOFOLA S.A. The resolution will become effective 25 September 2011. Formally the registered office of KOFOLA S.A. will not be moved until the change in the Statute is entered in the National Court Register.

The Group's structure and changes therein in the reporting period

The Company is the holding company of the KOFOLA S.A. group ("the Group") and prepares consolidated financial statements.

As at 30 June 2011 the Group comprised the following entities:

	Company name	Headquarters	Range of activity	Consolidation method	% part in share capital	% part in voting rights
1.	KOFOLA S.A.	Poland, Warszawa	holding	acquisition accounting		
2.	Kofola Holding a.s.	Czech Republic, Ostrava	holding	acquisition accounting	100,00%	100,00%
3.	Hoop Polska Sp. z o.o.	Poland, Warszawa	production of non-alcoholic beverages	acquisition accounting	100,00%	100,00%
4.	Kofola a.s.	Czech Republic, Krnov	production and distribution of non-alcoholic beverages	acquisition accounting	100,00%	100,00%
5.	Kofola a.s.	Slovakia, Rajecká Lesná	production and distribution of non-alcoholic beverages	acquisition accounting	100,00%	100,00%
6.	Kofola Sp. z o.o.	Poland, Kutno	rent of production assets	acquisition accounting	100,00%	100,00%
7.	Santa-Trans s.r.o.	Czech Republic, Krnov	road cargo transport	acquisition accounting	100,00%	100,00%
8.	Santa-Trans.SK s.r.o.	Slovakia, Rajec	road cargo transport	acquisition accounting	100,00%	100,00%
9.	OOO Megapack	Russia, Widnoje	production of non-alcoholic and low-alcoholic beverages	acquisition accounting	50,00%	50,00%
10.	OOO Trading House Megapack	Russia, Widnoje	sale and distribution of non-alcoholic and low-alcoholic beverages	acquisition accounting	50,00%	50,00%
11.	Pomorskie Centrum Dystrybucji HOOP Sp. z o.o.	Poland, Koszalin	wholesale of non-alcoholic and low-alcoholic beverages	acquisition accounting	100,00%	100,00%
12.	Transport Spedycja Handel Sulich Sp. z o.o.	Poland, Bielsk Podlaski	road cargo transport, spedition	equity accounting	50,00%	50,00%
13.	Pinelli spol. s r.o.	Czech Republic, Krnov	production of energetic beverages	acquisition accounting	100,00%	100,00%
14.	Kofola Zrt.	Hungary, Budapest	in liquidation	acquisition accounting	100,00%	100,00%

8 Information about the methods used to prepare the condensed interim separate financial statements of the KOFOLA S.A.

8.1 Basis for the preparation of the condensed interim separate financial statements

The present condensed separate financial statements have been prepared in accordance with the laws binding in the Republic of Poland and with International Financial Reporting Standards ("IFRS"), as well as the interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") adopted by the European Union, and therefore comply with Article 4 of the E.U. Directive on the application of international accounting standards. The separate financial statements have been prepared on a going concern basis and in accordance with the historical cost method, with the exception of assets and financial liabilities stated at amortized cost, financial assets stated at fair value, and the assets, liabilities and contingent liabilities of the acquiree, which were stated at fair value as at the date of the merger of the Kofola Group and Hoop Group, as required by IFRS 3.

The present condensed separate financial statements are to be read along with the audited annual separate financial statements of Kofola S.A. prepared in accordance with International Financial Reporting Standards (IFRS), containing notes ("the separate financial statements prepared in accordance with IFRS") for the year ended 31 December 2010.

The condensed separate financial statements consist of the balance sheet, the profit and loss account, the statement of comprehensive income, the statement of changes in shareholders' equity, the cash flow statement, and selected notes.

The condensed separate financial statements are presented in Polish zlotys ("PLN"), and all values, unless stated otherwise, are listed in thousands PLN.

8.2 Statement of compliance

The present condensed separate financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") approved by the E.U. IFRS consist of standards and interpretations approved by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC").

8.3 Functional currency and presentation currency

The Polish zloty is the functional currency of the Company and the presentation currency of the separate financial statements.

8.4 Translation of amounts expressed in foreign currencies

Transactions expressed in currencies other the Polish zloty are translated into the Polish zloty using the exchange rate as at the date of the transaction.

Financial assets and liabilities expressed as at the balance sheet date in currencies other than the Polish zloty are translated into the Polish zloty using the average exchange rate announced for a given currency by the National Bank of Poland for the end of the reporting period. The resulting foreign exchange differences are recognized under financial revenue (costs).

Non-financial assets and liabilities recognized at historical cost expressed in a foreign currency are listed at the historical rate as at the date of the transaction. Non-financial assets and liabilities recognized at fair value expressed in a foreign currency are translated at the exchange rate as at the date on which they were stated at fair value.

The following rates were used in the balance sheet valuation:

Currency rates at the end of period	**30.6.2011**	**31.12.2010**	**30.6.2010**
PLN/USD	2,7517	2,9641	3,3946
PLN/EUR	3,9866	3,9603	4,1458
PLN/RUB	0,0987	0,0970	0,1086
PLN/CZK	0,1641	0,1580	0,1609
Average currency rates, calculated as arithmetical mean of currencies on last day of each month in period	**1.1.2011 - 30.6.2011**	**1.1.2010 - 31.12.2010**	**1.1.2010 - 30.6.2010**
PLN/USD	2,7888	3,0402	3,0573
PLN/EUR	3,9673	4,0044	4,0042
PLN/RUB	0,0983	0,0998	0,1013
PLN/CZK	0,1628	0,1585	0,1556

8.5 Accounting methods and changes in presentation

The accounting methods based on which the financial statements contained in this report have been prepared have not changed compared to the methods used in the separate financial statements for the year 2010.

8.6 Correction of error

No adjustments of errors have been made in the financial statements for the year.

8.7 Approval of financial statements

The Board of Directors approved the present separate financial statements for publication on 29 August 2011.

9 Notes to the condensed separate financial statements of the KOFOLA S.A.

9.1 Operating segments

An operating segment is a component of an entity:

A) which engages in business activities as a result of which it may earn revenue and incur costs (including revenue and costs associated with transactions with other components of the same entity),

B) whose results are regularly reviewed by the main body in charge of making operating decisions at the entity, which uses those results to decide on the allocation of resources to the segment and to assess the segment's results, as well as

C) for which separate financial information is available.

The Company has performed an analysis aimed at identifying potential business segments.

The Company's activities are uniform when it comes to the type of products and services and significant clients, and therefore no operating segments have been separated.

9.2 Expenses by type

	1.1.2011 - 30.6.2011	1.1.2010 - 30.6.2010
Depreciation of fixed assets and intangible assets	10	63
Employee benefits costs	175	136
Consumption of materials and energy	6	11
Services	811	744
Taxes and fees	41	17
Property and life insurance	0	1
Other costs	44	50
Total expenses by type	**1 087**	**1 022**
Change in the balance of products, production in progress, prepayments and accruals	-	-
Reconciliation of expenses by type to expenses by function	**1 087**	**1 022**
Sales, marketing and distribution costs	-	68
Administrative costs	1 087	954
Total selling, marketing and distribution costs and administrative costs	**1 087**	**1 022**

Costs of employee benefits

	1.1.2011 - 30.6.2011	1.1.2010 - 30.6.2010
Cost of salary	155	132
Social security and other benefits costs	20	4
Total costs of employee benefits	**175**	**136**

9.3 Financial income

	1.1.2011 - 30.6.2011	1.1.2010 - 30.6.2010
Financial interest income from:		
- bank deposits	119	83
- credits and loans granted	4 246	4 057
Dividends received	14 807	12 680
Net financial income from realized FX differences	5 101	4 638
Profit on disposal of shares BOMI S.A.	-	2 328
Other financial income	2	-
Total financial income	**24 275**	**23 786**

9.4 Financial expense

	1.1.2011 - 30.6.2011	1.1.2010 - 30.6.2010
Financial interest expense from:		
- credits and financial leases	626	680
Net financial losses from realized FX differences	-	-
Bank charges	3	-
Total financial expense	**629**	**680**

9.5 Changes in reserves and provisions

	Receivables	Inventories	Financial assets	Provisions
As at 1.1.2011	**9 971**	**-**	**800**	**16 027**
Increase due to creation	144	-	-	-
Decrease due to release and use	(85)	-	-	(1 083)
As at 30.6.2011	**10 030**	**-**	**800**	**14 944**

9.6 Dividends paid and declared

	1.1.2011 - 30.6.2011	1.1.2010 - 30.6.2010
Dividends declared in the given period	16 227	25 126
Dividends on common shares:		
paid out in the given period	-	-
Dividends paid and declared	**16 227**	**25 126**

In its Resolution No. 17 the Ordinary General Meeting of KOFOLA S.A. of 29 June 2011 designated a portion of the net profit generated by KOFOLA S.A in the year 2010, amounting to 16 227 thousand PLN, for the payment of a dividend.

The shares of all series (A, B, C, D, E, F, G) will participate in the dividend amounting to 0,62 PLN per share. The dividend date has been set at 29 September 2011, and the dividend payment date at 6 December 2011. The value of the declared dividend, amounting to 16 227 thousand PLN, is presented in short-term liabilities as "Other financial liabilities".

In the reporting period KOFOLA S.A. recorded as financial revenue a dividend received from the subsidiaries OOO Megapack in the gross amount of 5 439 thousand PLN and Kofola Holding a.s. in the gross amount of 9 369 thousand PLN.

9.7 Information on transactions with related parties

Presented below are the total amounts of transactions concluded in a given financial year with related parties.

Revenues from the sale to related companies	**1.1.2011 - 30.6.2011**
	revenues
- to consolidated subsidiaries	-
- to affiliates	-
- to non-consolidated subsidiaries	-
Total revenues from the sale to related companies	**-**

Purchases from related companies	1.1.2011 - 30.6.2011
	purchase of services, merchandise and materials
- from consolidated subsidiaries	450
- from affiliates	-
- from non-consolidated subsidiaries	-
Total purchases from related companies	**450**

Receivables from related companies	30.6.2011	31.12.2010	30.6.2010
- from consolidated subsidiaries	1 672	373	14 275
- from affiliates	-	-	-
- from non-consolidated subsidiaries	-	-	-
Total receivables from related companies	**1 672**	**373**	**14 275**

Liabilities towards related companies	30.6.2011	31.12.2010	30.6.2010
- towards consolidated subsidiaries	20 296	31 896	26 646
- towards affiliates	-	-	-
- towards non-consolidated subsidiaries	-	-	-
Total liabilities towards related companies	**20 296**	**31 896**	**26 646**

All transactions with related parties have been concluded on market terms.

There have been no transactions with members of the Management and Supervisory Boards.

Loans granted to related parties

	30.6.2011	31.12.2010	30.6.2010
Long-term loan , including:			
Principal	106 973	102 996	104 887
Interest	29 973	24 740	25 367
Total	**136 946**	**127 736**	**130 254**

This item includes the loan granted to Kofola Holding in the amount of 651 875 thousand CZK. The contractual repayment due date is October 2036.

Investment in subsidiaries and associates

	Company Name	Headquarters	Range of activity	Consolidation method	% part in nominal capital	% part in voting rights	Net book value		
							30.6.2011	31.12.2010	30.6.2010
1.	Kofola Holding a.s.	Republika Czeska, Ostrava	holding	acquisition accounting	100,00%	100,00%	438 668	438 668	439 499
2.	Hoop Polska Sp. z o.o.	Polska, Warszawa	production of non-alcoholic beverages	acquisition accounting	100,00%	100,00%	359 570	359 570	359 731
3.	OOO Megapack	Rosja, Widnoje	production, sale and distribution of non-alcoholic and low-alcoholic beverages	acquisition accounting	50,00%	50,00%	55 899	55 899	55 899
4.	Pomorskie Centrum Dystrybucji HOOP Sp. z o.o.	Polska, Koszalin	wholesale of alcoholic and non-alcoholic beverages	acquisition accounting	100,00%	100,00%	-	-	-
5.	Transport Spedycja Handel Sulich Sp. z o.o.	Polska, Bielsk Podlaski	road cargo transport, spedition	equity accounting	50,00%	50,00%	-	-	-
	TOTAL						**854 137**	**854 137**	**855 129**

9.8 Contingent assets and liabilities

	Contingent assets	Contingent liabilities
As at 1.1.2011	**-**	**175 440**
Increase	-	-
Decrease	-	(46 681)
As at 30.6.2011	**-**	**128 759**

The above contingent liabilities consist primarily of off-balance sheet liabilities relating to guarantees granted by KOFOLA S.A. to companies from the Kofola S.A. Group.

Entity providing guarantees/ Sureties	Entity receiving guarantees/Sureties	Credit value on balance sheet day which were subject to guarantee/sureties		The period for providing guarantees/ sureties	The entity for which liabilities guarantees/ sureties were provided	Kind of relationship between the entity providing guarantees/ sureties and one on behalf of which it was provided
		in currency	in ths. PLN			
Kofola S.A.	Bank Zachodni WBK S.A.	50 398 T PLN	50 398	12/2015	Hoop Polska Sp z o.o.	subsidiary
Kofola S.A.	Bank Pekao S.A.	1 537 T PLN	1 537	12/2015	Hoop Polska Sp z o.o.	subsidiary
Kofola S.A.	Deutsche Leasing	2 887 T EUR	11 512	2/1014	Hoop Polska Sp z o.o.	subsidiary
Kofola S.A.	ING Commercial Finance	4 536 T PLN	4 536	till termination of the contract	Hoop Polska Sp z o.o.	subsidiary
Kofola S.A.	Komerční banka a.s., Praha	136 334 T CZK	22 372	12/2016	Kofola a.s., ČR	subsidiary
Kofola S.A.	Komerční banka a.s., Praha	205 873 T CZK	33 784	10/2011	Kofola a.s., ČR	subsidiary
Kofola S.A.	Komerční banka a.s., Praha	28 156 T CZK	4 620	10/2011	Kofola Holding a.s.	subsidiary
Total Sureties and Guarantees Issued			**128 759**	**ths. PLN**		

9.9 Significant court cases

Fructo-Maj Sp. z o.o.

KOFOLA S.A. holds debts of Fructo-May Sp. z o.o., a company in a state of bankruptcy. As at 30 June 2011 the total value of these receivables is 10 851 ths. PLN, the balance sheet value of this item after revaluation is 3 625 ths. PLN. The debts are secured with mortgages on all of the significant properties of Fructo-Maj Sp. z o.o., as well as a registered pledge on its movables.

At this time the assets of Fructo-Maj Sp. z o.o. are being sold by the bankruptcy estate receiver. According to the Management, based on the current legal status and types of collateral, there is no need to write down the assets associated with Fructo-Maj Sp. z o.o.

Pomorskie Centrum Dystrybucji HOOP Sp. z o.o.

The subsidiary Pomorskie Centrum Dystrybucji Hoop Sp. z o.o. is currently in the process of realizing the provisions of an arrangement, which has no effect on its going concern.

Except for the matters described above, the companies of the KOFOLA S.A. Group are not involved in any other cases (disputes), which could have a material effect on Group's financial position.

9.10 Subsequent events

No events significant to KOFOLA S.A. have occurred since the balance sheet date.

SIGNATURES OF THE COMPANY'S REPRESENTATIVES:

29.8.2011	**Janis Samaras**	**Chairman of the Board of Directors**	....
date	*name and surname*	*position*	*signature*
29.8.2011	**Bartosz Marczuk**	**Member of the Board of Directors**	....
date	*name and surname*	*position*	*signature*
29.8.2011	**Martin Mateáš**	**Member of the Board of Directors**	....
date	*name and surname*	*position*	*signature*
29.8.2011	**René Musila**	**Member of the Board of Directors**	....
date	*name and surname*	*position*	*signature*
29.8.2011	**Tomáš Jendřejek**	**Member of the Board of Directors**	....
date	*name and surname*	*position*	*signature*

SIGNATURE OF PERSON RESPONSIBLE FOR BOOKKEEPING:

29.8.2011	**Katarzyna Balcerowicz**	**Chief Accountant**	....
date	*name and surname*	*position*	*signature*

Document signed on the Polish original.