

Kofola S.A.
ul. Wschodnia 5
99-300 Kutno

Audit Opinion and Report
on the financial statements
for the period from 1 January to 31 December 2011

AUDIT OPINION

for the Shareholders and Supervisory Board of Kofola S.A.

We have audited the accompanying financial statements of Kofola S.A. with its registered office in Kutno, ul. Wschodnia 5, consisting of:

- the balance sheet prepared as at 31 December 2011, showing total assets and liabilities of **1.040.214** thousand zł;
- the profit and loss account for the period from 1 January to 31 December 2011, showing a net profit of **22.614** thousand zł;
- the statement of comprehensive income for the period from 1 January to 31 December 2011, showing a total comprehensive income of **22.614** thousand zł;
- the statement of changes in shareholders' equity for the period from 1 January to 31 December 2011, showing an increase in shareholders' equity of **6.387** thousand zł;
- the cash flow statement for the period from 1 January to 31 December 2011, showing a net cash increase of **24.078** thousand zł;
- notes to the financial statements.

The Company's Management Board is responsible for the preparation in accordance with binding regulations of the financial statements and the Directors' Report on the Company's activities.

The Company's Management Board and members of its Supervisory Board are responsible for ensuring that the financial statements and the Directors' Report meet the requirements of the Accounting Act of 29 September 1994 (2009 Journal of Laws No. 152, item 1223 with subsequent amendments), hereinafter referred to as "the Accounting Act".

Our responsibility was to audit the financial statements and to express an opinion on the consistency of these financial statements with the applicable accounting policies, and on whether the financial statements give a true and fair view, in all material respects, of the Company's financial result and financial position, as well as on the accuracy of the books of account constituting the basis for their preparation.

We performed the audit in accordance with:

- 1/ Chapter 7 of the Accounting Act,
- 2/ the auditing standards issued by the National Council of Certified Auditors in Poland.

We planned and performed the audit to obtain reasonable assurance that the financial statements are free of material misstatements. In particular, our audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The audit also included assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that our audit provided a reasonable basis for our opinion.

In our opinion, the audited financial statements, in all material respects:

- a) give a true and fair view of the financial position of Kofola S.A. as at 31 December 2011, as well as of its financial result for the period from 1 January to 31 December 2011;
- b) have been prepared in accordance with International Accounting Standards, International Financial Reporting Standards and the related interpretations issued in the form of regulations by the European Commission, and in issues not regulated by these standards - in accordance with the requirements of the Accounting Act and the related implementing provisions, as well as on the basis of properly kept books of account;
- c) are consistent with the applicable laws and regulations, and with the Company's Statute.

In its financial statements the Company discloses 13.767 thousand zł in goodwill and related shares of the subsidiary Hoop Polska Sp. z o.o. valued at acquisition cost in the amount of 359.750 thousand zł. Based on the results of an impairment test performed by the Company, the Company's Management did not perform a revaluation write down of the goodwill or shares, which has been described in point 5.12 of the financial statements.

The recoverable amount of the goodwill and shares depends on the realization of financial plans, including operating result assumptions. Because the assumptions adopted in previous years had not been realized, and the negative deviations from the adopted values were significant, there is an uncertainty with regard to the realization of the adopted assumptions, and in consequence the recoverable amount of the goodwill and shares.

The Directors Report on the Company's activities includes all information required by Article 49 of the Accounting Act and by the Minister's of Finance Decree of 19 February 2009 on the current and periodic information submitted by the issuers of securities and on the conditions for recognizing as equally valid the information required by the regulations of a state that is not a member state (2009 Journal of Laws No. 33, item 259), and the information contained therein is consistent with the information presented in the audited financial statements.

Warsaw, 15 March 2012

BDO Sp. z o.o.
ul. Postępu 12
02-676 Warszawa
Authorized Audit Company No. 3355

Auditor in charge:

On behalf of BDO Sp. z o.o.:

Katarzyna Iwuć, PhD
Certified Auditor No. 11771
(signed on the Polish original)

André Helin, PhD
Senior Partner & CEO
Certified Auditor No. 90004
(signed on the Polish original)

This document is a translation.
The Polish original should be referred to in matters of interpretation.

Audit Report
on the financial statements of
Kofola S.A.
for the period from 1 January to 31 December 2011

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I. GENERAL INFORMATION

1. Information about the Company

1.1. Name and legal status

The Company does business as Kofola Spółka Akcyjna [joint-stock company].

The Company's abbreviated name is Kofola S.A.

1.2. Registered office

99-300 Kutno, ul. Wschodnia 5.

1.3. Areas of activity

The Company is the holding company of the Kofola S.A. Group and acts as the Group's holding company. In the year 2011 the Company's revenue came primarily from investment activities - dividends from subsidiary companies and interest on a loan granted to a subsidiary company.

1.4. Legal bases for the Company's operations

Kofola S.A. operates on the basis of:

- the Company's Statute prepared in the form of a notarial deed on 31 March 2008 (Rep. A/3092/2008), with subsequent amendments,
- the Code of Commercial Partnerships and Companies.

1.5. Registration at Business Court

On 15 October 2002 the Company was entered in the National Court Register at the Regional Court in Warsaw - XII Business Division Registration Section, in number KRS 0000134518.

1.6. Registration at Tax Office and Voivodship Statistical Office

NIP	527-00-08-818
NIP EU	PL 527-00-08-818
REGON	012771739

1.7. The Company's share capital and equity

As at 31 December 2011 the Company's share capital amounted to 26.173 thousand zł and consisted of 26.172.602 shares with a nominal value of 1 zł per share.

No changes were made in the Company's share capital in the year 2011 or before the end of the audit.

The Company's shareholders as at 31 December 2011 as per the information provided by the Management Board:

Shareholder	Number of shares	% of votes at General Meeting
KSM Investment S.A.	13.395.373	51,18%
CED Group S. a r.l.	11.283.153	43,11%
René Musila	687.709	2,63%
Tomáš Jendřejek	687.660	2,63%
Other	118.707	0,45%
Total	26.172.602	100,00%

In addition, as at 31 December 2011 the Company's equity consisted of:

- other reserves 861.253 thousand zł
- accumulated profits from previous years 22.614 thousand zł

As at 31 December 2011 the Company's equity totaled 910.040 thousand zł.

1.8. The Company's Management

As at 31 December 2011 and at the signing of the financial statements the Company's Management Board comprised:

- Mr. Janis Samaras - President of the Management Board
- Mr. Bartosz Marczuk - Member of the Management Board
- Mr. Martin Mateáš - Member of the Management Board
- Mr. René Musila - Member of the Management Board
- Mr. Tomáš Jendřejek - Member of the Management Board

No changes were made in the composition of the Company's Management Board in the audited period or before the end of the audit.

1.9. The Company's Supervisory Board

As at 31 December 2011 and at the signing of the financial statements the Company's Supervisory Board comprised:

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

The following changes were made in the Company's Supervisory Board in the audited period and before the end of the audit:

On 26 January 2011 Mr. Ireneusz Stolarski, member of the Supervisory Board, rendered his resignation from the post effective 26 January 2011.

On 4 March 2011 Mr. René Sommer, who acts as Chairman of the Company's Supervisory Board, was appointed to the position of member of the Supervisory Board.

1.9. Information about related parties

Kofola S.A. is the holding company of the Kofola S.A. Group and prepares consolidated financial statements.

Considered to be related to the Company are the following companies comprising the Kofola S.A. Group:

Related company name	Nature of relationship	Direct or indirect % in share capital
Kofola Holding a.s. (Czech Republic)	subsidiary	100%
Kofola a.s. (Czech Republic)	subsidiary	100%
Kofola a.s. (Slovak Republic)	subsidiary	100%
Hoop Polska Sp. z o.o.	subsidiary	100%
Kofola Sp. z o.o.	subsidiary	100%
Santa-Trans s.r.o. (Czech Republic)	subsidiary	100%
Santa-Trans.SK s.r.o. (Slovak Republic)	subsidiary	100%
OOO Megapack (Russia)	subsidiary	50%
OOO Trading House Megapack (Russia)	subsidiary	50%
Pinelli spol. s.r.o. (Czech Republic)	subsidiary	100%
Transport Spedycja Handel Sulich Sp. z o.o.	associate	50%
Pomorskie Centrum Dystrybucji HOOP Sp. z o.o.	subsidiary	100%
Kofola Zrt. (Hungary)	subsidiary	100%

2. Information about the audited financial statements

We have audited the financial statements of Kofola S.A. prepared for the period from 1 January to 31 December 2011, consisting of:

- the balance sheet prepared as at 31 December 2011, showing total assets and liabilities of **1.040.214** thousand zł;
- the profit and loss account for the period from 1 January to 31 December 2011, showing a net profit of **22.614** thousand zł;
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- the cash flow statement for the period from 1 January to 31 December 2011, showing a net cash increase of **24.078** thousand zł;
- notes to the financial statements.

3. Information about the entity authorized to conduct audits and the certified auditor performing the audit

The financial statements of Kofola S.A. for the year 2011 have been audited by BDO Sp. z o.o. with its registered office in Warsaw, ul. Postępu 12, an entity authorized to audit financial statements, registered with the National Chamber of Certified Auditors in number 3355.

The auditor was selected by the Company's Supervisory Board in Resolution No. 4/2011.

The audit was conducted based on an audit agreement signed on 2 July 2009, and performed in the period from 30 January 2012 to the issue of the audit opinion by Katarzyna Iwuć, PhD, Certified Auditor No. 11771. It was preceded with a review of the financial statements for the first half of 2011, as well as an interim audit.

We hereby declare that BDO Sp. z o.o., members of its management, the certified auditor and team performing the audit of the above-described financial statements meet the conditions required to issue an objective and independent opinion on the audited financial statements - as provided for in Article 56 par. 3 and 4 of the Act on certified auditors and their self-government, entities authorized to audit financial statements and on public supervision (2009 Journal of Laws No. 77, item 649).

The audit was performed on a going concern basis - on the assumption that the Company would continue its operations unchanged in the foreseeable future. No events or circumstances were uncovered in the course of the audit indicating a breach of this assumption.

The Company provided the auditor with access to all of the requested data and provided all the information and explanations necessary to perform the audit, as well as informed of the absence of any significant post-balance sheet events.

The auditor was not limited in selecting the appropriate auditing methods.

4. Information about the financial statements for the previous financial year

The books of account were opened based on the financial statements prepared for the period from 1 January to 31 December 2010, which had been audited by BDO Sp. z o.o. and given an unqualified opinion.

The Company's financial statements for the period from 1 January to 31 December 2010 were approved in Resolution No. 3 passed by the Ordinary General Meeting of 29 June 2011.

In its Resolution No. 17 the General Meeting of 29 June 2011 selected to distribute the Company's net profit for the period from 1 January to 31 December 2011, amounting to 25.186.525,32 zł, in the following manner:

- 8.959.512,08 zł to other reserves (dividend fund),
- 16.227.013,24 zł for the payment of a dividend.

The financial statements for the year 2010 were filed with the National Court Register on 12 July 2011, and on 13 July 2011 submitted for publication in Polish Monitor B.

II. FINANCIAL ANALYSIS

Presented below are selected balance sheet and profit and loss account items, as well as key financial ratios, compared to analogical amounts for the years 2010 and 2009.

1. Main balance sheet items

(in '000 zł)

	31.12.2011	% of balance sheet total	31.12.2010	% of balance sheet total	31.12.2009	% of balance sheet total
ASSETS						
Fixed assets	1 005 494	96,7	996 773	98,5	1 005 690	98,6
Tangible fixed assets	372	0,0	372	0,0	402	0,0
Goodwill	13 767	1,3	13 767	1,4	13 767	1,4
Intangible fixed assets	-	-	10	0,0	131	0,0
Investments in subsidiaries, co-subsidiaries and associates	854 137	82,2	854 137	84,4	854 219	83,8
Financial assets available for sale	-	-	-	-	11 522	1,1
Loans granted to subsidiaries	137 218	13,2	127 736	12,6	121 518	11,9
Other financial assets	-	-	-	-	1 562	0,1
Deferred income tax assets	-	-	751	0,1	2 569	0,3
Current assets	34 720	3,3	15 549	1,5	13 913	1,4
Trade receivables and other receivables	1 833	0,1	6 740	0,6	13 768	1,4
Cash and cash equivalents	32 887	3,2	8 809	0,9	145	0,0
TOTAL ASSETS	1 040 214	100,0	1 012 322	100,0	1 019 603	100,0
LIABILITIES AND EQUITY						
Equity	910 040	87,5	903 653	89,3	903 675	88,6
Long-term liabilities	112 408	10,8	76 243	7,5	73 523	7,2
Bonds	31 808	3,1	-	-	-	-
Other liabilities	17 336	1,6	16 054	1,6	13 334	1,3
Provision for deferred income tax	63 264	6,1	60 189	5,9	60 189	5,9
Short-term liabilities	17 766	1,7	32 426	3,2	42 405	4,2
Credits and loans	-	-	-	-	5 306	0,5
Bonds	82	0,0	-	-	-	-
Trade payables and other payables	2 380	0,2	16 277	1,6	16 813	1,7
Income tax payables	359	0,0	122	0,0	-	-
Accruals	14 945	1,5	16 027	1,6	20 286	2,0
TOTAL LIABILITIES AND EQUITY	1 040 214	100,0	1 012 322	100,0	1 019 603	100,0

2. Main profit and loss account items

(in '000 zł)

Item	<u>2011</u>	% of previous year	<u>2010</u>	% of previous year	<u>2009</u>
Sales revenue	-	-	-	-	1 289
Operating costs	(3 737)	163,3	(2 288)	50,0	(4 575)
Profit/loss on other operating activities	1 056	145,9	724	61,3	1 181
Operating profit (loss)	(2 681)	171,4	(1 564)	74,3	(2 105)
Profit/loss on financial activities	30 040	102,7	29 247	342,7	8 534
Gross profit (loss)	27 359	98,8	27 683	430,6	6 429
Income tax	(4 745)	190,0	(2 497)	51,9	(4 812)
Net profit (loss)	<u>22 614</u>	89,8	<u>25 186</u>	1 557,6	<u>1 617</u>

3. Key financial ratios

In the audited period Kofola S.A. acted as the holding company of the Kofola S.A. Group and conducted no other activities. Chosen for the ratio analysis were those ratios that correspond to the nature of the Company's activities.

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Liquidity ratios			
Current ratio			
<u>total current assets</u> short-term liabilities	2,0	0,5	0,3
Profitability ratios			
Return on assets			
<u>net profit/loss</u> total assets	2,2%	2,5%	0,2%
Return on equity			
<u>net profit/loss</u> equity	2,5%	2,8%	0,2%
Debt rate			
<u>liabilities and cost provisions</u> total liabilities and equity	12,5%	10,7%	11,4%
Share efficiency ratios			
Book value per share in zł			
<u>equity</u> number of shares	34,8	34,5	34,5
Net profit/loss per share in zł			
<u>net profit/loss</u> number of shares	0,8640	0,9623	0,0618

4. Remarks

The Company's assets consist primarily of fixed assets, which as at 31 December 2011 accounted for 96,7% of the balance sheet total. The main fixed assets items are: investments in subsidiaries, co-subsidiaries and associates, constituting 82,2% of the balance sheet total, a long-term loan granted to a subsidiary (13,2% of the balance sheet total) and goodwill (1,3% of the balance sheet total).

The Company's current assets, which account for 3,3% of the balance sheet total, consist primarily of cash and cash equivalents.

Equity, which at the end of the audited period amounted to 87,5% of the balance sheet total, is the main source of the Company's financing. The Company's long-term liabilities constitute 10,8% of total liabilities and equity, and are made up primarily of a provision for deferred income tax, which accounts for 6,1% of the balance sheet total as at 31 December 2011.

In the audited period Kofola S.A. acted as the holding company of the Kofola S.A. Group and did not earn any sales revenue.

The 30.040 thousand zł profit on financial activities was earned from dividends received from subsidiaries, interest received on a loan granted to the related party Kofola Holding a.s., as well as foreign exchange gains on that loan. As a result, the Company was able to generate a gross profit of 27.359 thousand zł. After income tax the Company closed the year 2011 with a net profit of 22.614 thousand zł.

The current ratio has improved and at the end of 2011 amounted to 2,0, whereas in 2010 it had amounted to 0,5.

At the end of the audited period the return on assets ratio amounted to 2,2% compared to 2,5% at the end of 2010.

As at 31 December 2011 the return on equity ratio amounted to 2,5% compared to 2,8% the year before.

The debt rate has grown to 12,5% as at 31 December 2011 from 10,7% in the previous year.

The book value per share has changed slightly from the year 2010 and amounts to 34,8 zł.

At the end of the audited period the net profit per share was 0,8640 zł.

In the course of the audit we found no indications that as a result of discontinuing or significantly limiting its operations the Company will not be able to continue as a going concern in at least the next reporting period.

III. DETAILED INFORMATION

1. Assessment of the Company's accounting and internal control systems

The Company has documentation describing its accounting methods, as set forth in Article 10 of the Accounting Act. The methods used by the Company to value assets and liabilities and determine the financial result are consistent with the European Union approved version of International Financial Reporting Standards, as well as with the provisions of the Accounting Act.

The Company's books of account are computerized using the SAP software.

Access to the Company's data and data processing system is limited to authorized persons.

The Company's books of account were opened as at 1 January 2011 based on the financial statements prepared as at 31 December 2010.

The books of account reflect the Company's actual economic position. Data are entered completely and correctly based on documents classified for booking. Continuity of entries and correctness of procedures have been assured.

The Company's accounting records are chronological. The Company performs monthly closings of its books of account by preparing trial balances of the subsidiary accounts and journals that make it possible to reconcile the journals with the trial balances of the general ledger accounts.

The documents based on which entries are made contain the necessary data required by the Accounting Act.

The Company's inventory count of its assets and liabilities, conducted in accordance with the scope, due date and frequency requirements of the Accounting Act, was performed correctly, and the resulting differences have been settled in the books of account of the audited period.

The Company's internal control system was audited to the extent, to which it relates to the financial statements, and not to obtain assurance on the accuracy of the Company's internal control system.

2. Information about selected significant balance sheet and profit and loss account items

The most significant balance sheet and profit and loss account items have been described in the notes to the financial statements and in the Directors' Report on the Company's activities.

3. Additional information

Additional information on the Company's accounting policies and other information has been prepared completely and correctly, in accordance with the requirements of IFRS, and in matters not regulated by these standards - in accordance with the requirements of the Accounting Act.

4. Statement of changes in shareholders' equity

The data shown in the statement of changes in shareholders' equity are consistent with the balance sheet and the books of account, and show truly and fairly the changes made in the Company's equity.

5. Cash flow statement

The cash flow statement has been prepared in accordance with IAS 7, using the indirect method, and is consistent with the balance sheet, the profit and loss account and the books of account.

6. Directors' Report

In accordance with the requirements of Article 49 of the Accounting Act and of the Minister's of Finance Decree of 19 February 2009 on the current and periodic information submitted by the issuers of securities and the conditions for recognizing as equally valid the information required by the regulations of a state that is not a member state (2009 Journal of Laws No. 33, item 259 with subsequent amendments), the Company's Management Board prepared a Directors' Report on the Company's activities.

The information presented in the Directors' Report is consistent with the information presented in the Company's audited financial statements.

7. Management's Declaration

The Company's Management submitted a written declaration about the completeness of the books of account and disclosure of all contingent liabilities and significant post-balance sheet events.

Warsaw, 15 March 2012

BDO Sp. z o.o.
ul. Postępu 12
02-676 Warszawa
Authorized Audit Company No. 3355

Auditor in charge:

On behalf of BDO Sp. z o.o.:

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