THIS DOCUMENT IS A TRANSLATION. THE POLISH ORIGINAL SHOULD BE REFERRED TO IN MATTERS OF INTERPRETATION.

QUARTERLY REPORT

KOFOLA S.A. GROUP

III. quarter 2010

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

1.1 Consolidated income statement

	Note	1.1.2010 - 30.9.2010	1.7.2010 - 30.9.2010	1.1.2009 - 30.9.2009	1.7.2009 - 30.9.2009
Continuing operations					
Revenue from the sale of finished products and services	4.1,4.2	917 139	365 539	1 075 191	381 492
Revenue from the sale of goods and materials	4.1,4.2	19 879	6 819	80 872	29 799
Revenue		937 018	372 358	1 156 063	411 291
Cost of products and services sold	4.3	(540 762)	(224 387)	(649 767)	(221 660)
Cost of goods and materials sold	4.3	(17 581)	(6 725)	(72 042)	(26 691)
Total cost of sales		(558 343)	(231 112)	(721 809)	(248 351)
Gross profit		**378 675**	**141 246**	**434 254**	**162 940**
Selling, marketing and distribution costs	4.3	(276 441)	(95 594)	(271 238)	(84 386)
Administrative costs	4.3	(55 113)	(19 613)	(61 179)	(17 580)
Other operating income		2 037	324	7 348	3 679
Other operating expenses		(3 050)	(612)	(6 077)	(1 737)
Operating result		**46 108**	**25 751**	**103 108**	**62 916**
Financial income	4.4	4 710	1 282	2 199	933
Financial expense	4.5	(15 434)	(5 296)	(25 240)	(3 498)
Profit before tax		**35 384**	**21 737**	**80 067**	**60 351**
Income tax	4.8	(9 146)	(5 342)	(18 613)	(10 184)
Net profit on continued activity		**26 238**	**16 395**	**61 454**	**50 167**
Discontinued activity					
Net profit on discontinued activity		-	-	-	-
Net profit for the financial year		**26 238**	**16 395**	**61 454**	**50 167**
Assigned to:					
Shareholders of the parent company		24 694	14 658	56 205	47 479
Non-controlling interests shareholders		1 544	1 737	5 249	2 688
Earnings per share (in PLN)					
- basic earnings per share	4.10	0,9435	0,5600	2,1475	1,8141
- basic earnings per share from continuing operations	4.10	0,9435	0,5600	2,1475	1,8141
- diluted earnings per share	4.10	0,9399	0,5579	2,1475	1,8141
- diluted earnings per share from continuing operations	4.10	0,9399	0,5579	2,1475	1,8141

1.2 Consolidated statement of comprehensive income

	Note	1.1.2010-30.9.2010	1.7.2010 - 30.9.2010	1.1.2009 - 30.9.2009	1.7.2009 - 30.9.2009
Net profit for the financial year		**26 238**	**16 395**	**61 454**	**50 167**
Other comprehensive income (gross)					
Currency differences from translation of foreign subsidiaries		4 023	(14 270)	3 628	(8 278)
Fair value gains on available-for-sale financial assets		-	-	4 772	1 942
Cash flow hedges		80	58	(162)	836
Other		-	-	(165)	-
Income tax relating to components of other comprehensive income	4.8	(15)	(10)	(874)	(526)
Other comprehensive income for the period (net)		**4 088**	**(14 222)**	**7 199**	**(6 026)**
Total comprehensive income for the period	1.5	**30 326**	**2 173**	**68 653**	**44 141**
Assigned to:					
Shareholders of the parent company	1.5	28 506	5 380	64 799	43 245
Non-controlling interests shareholders	1.5	1 820	(3 207)	3 854	896

1.3 Consolidated balance sheet

ASSETS	Note	30.9.2010	31.12.2009	30.9.2009
Fixed assets		**918 785**	**946 812**	**990 982**
Tangible fixed assets		547 953	574 576	618 532
Goodwill		112 065	111 693	112 372
Intangible fixed assets		221 821	223 536	227 359
Investment in subsidiaries and associates		-	-	-
Financial assets available for sale	4.13	-	11 522	14 436
Other financial assets		6 278	2 085	1 080
Deferred tax assets		30 668	23 400	17 203
Current assets		**477 439**	**444 997**	**458 612**
Inventories		142 352	107 840	138 741
Trade receivables and other receivables		251 337	266 408	254 966
Income tax receivables		5 176	2 339	3 802
Cash and cash equivalents		58 001	50 503	42 038
Other financial assets		69	1 500	-
Assets (group of assets) held for sale	4.14	20 504	16 407	19 065
TOTAL ASSETS		**1 396 224**	**1 391 809**	**1 449 594**
LIABILITIES AND EQUITY				
Equity assigned to the shareholders of the parent company		**530 722**	**526 210**	**525 652**
Share capital	1.5	26 173	26 173	26 173
Other capital	1.5	486 769	502 951	499 880
Retained earnings	1.5	17 780	(2 914)	(401)
Equity assigned to the non-controlling interests shareholders	1.5	**39 922**	**42 882**	**38 313**
Total equity		**570 644**	**569 092**	**563 965**
Long-term liabilities		**205 270**	**200 179**	**233 635**
Bank credits and loans		81 920	76 152	103 887
Financial leasing liabilities		33 088	37 601	41 092
Provisions	4.6	125	165	228
Other liabilities		16 193	21 956	26 988
Deferred tax reserve		73 944	64 305	61 440
Short-term liabilities		**620 310**	**622 538**	**651 994**
Bank credits and loans		182 525	261 486	250 899
Financial leasing liabilities		13 808	20 466	23 137
Trade liabilities and other liabilities		365 771	306 237	307 146
Income tax liabilities		112	2 707	4 661
Other financial liabilities	4.7	25 126	-	17 435
Provisions	4.6	31 912	31 642	42 428
Liabilities (group of liabilities) related to assets held for sale	4.14	1 056	-	6 288
Total liabilities		**825 580**	**822 717**	**885 629**
TOTAL LIABILITIES AND EQUITY		**1 396 224**	**1 391 809**	**1 449 594**

1.4 Consolidated cash flow statement

	Note	1.1.2010 - 30.9.2010	1.7.2010 - 30.9.2010	1.1.2009 - 30.9.2009	1.7.2009 - 30.9.2009
Cash flow on operating activity					
Gross profit		35 384	21 737	80 067	60 351
Adjustments for the following items:					
Depreciation	4.3	59 832	19 465	79 165	26 124
Net interest and dividends	4.4,4.5	12 448	3 968	14 160	3 191
Net foreign exchange differences	4.4,4.5	(692)	(646)	7 049	(1 952)
(Profit)/loss on investment activity		(2 138)	(519)	(833)	(817)
Change in the balance of receivables		10 141	38 811	40 514	70 892
Change in the balance of inventories		(35 696)	(7 754)	(20 864)	27 620
Change in the balance of liabilities		88 205	3 168	18 078	(72 787)
Change in the balance of provisions		(805)	-	972	(100)
Paid income tax		(11 494)	-	(11 963)	(2 504)
Other		997	83	813	(62)
Other currency differences from translation		(14 962)	(503)	(5 707)	2 570
Net cash flow on operating activity		**141 220**	**77 810**	**201 451**	**112 526**
Cash flow on investing activity					
Sale of intangible assets and fixed assets		1 467	410	898	71
Purchase of intangible assets and fixed assets	4.11, 4.12	(32 679)	(10 203)	(78 985)	(13 189)
Sale of financial assets (shares BOMI S.A.)	4.13	13 844	-	-	-
Dividends and interest received		908	295	-	(1 146)
Other		-	-	-	-
Net cash flow on investing activity		**(16 460)**	**(9 498)**	**(78 087)**	**(14 264)**
Cash flow on financial activity					
Repayment of financial leasing liabilities		(18 943)	(9 035)	(17 849)	(3 951)
Proceeds from loans and bank credits received		97 919	4 272	38 011	(7 052)
Repayment of loans and bank credits		(178 304)	(33 721)	(118 150)	(65 470)
Dividends paid to the shareholders of the parent company	4.7	-	-	-	-
Dividends paid to the non-controlling interests shareholders		(5 040)	(5 040)	(9 676)	-
Interest paid	4.5	(12 894)	(3 622)	(15 275)	(3 817)
Other		-	-	-	-
Net cash flow on financing activity		**(117 262)**	**(47 146)**	**(122 939)**	**(80 290)**
Total net cash flow		7 498	21 166	425	17 972
Cash at the beginning of the period		**50 503**	**36 835**	**41 613**	**24 066**
Cash at the end of the period		**58 001**	**58 001**	**42 038**	**42 038**
Cash with limited ability to use		-	-	-	-

1.5 Consolidated statement of changes in equity

	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 1.1.2009		**26 172**	**491 049**	**29 606**	**(39 619)**	**477 602**	**45 211**	**522 813**
Increase of share capital		1	-	-	-	1	-	1
Total comprehensive income for the period	1.2	**-**	**8 594**	**5 023**	**56 205**	**64 799**	**3 854**	**68 653**
Dividends payment	4.7	-	-	-	(16 750)	(16 750)	(10 752)	(27 502)
Profit distribution		-	237	-	(237)	-	-	-
As at 30.9.2009		**23 173**	**499 880**	**34 629**	**(401)**	**525 652**	**38 313**	**563 965**
As at 1.1.2009		**26 172**	**491 049**	**29 606**	**(39 619)**	**477 602**	**45 211**	**522 813**
Increase of share capital		1	-	-	-	1	-	1
Capital relating to subscription warrant allocation program		-	424	-	-	424	-	424
Total comprehensive income for the period		**-**	**2 661**	**(6 198)**	**62 272**	**64 933**	**8 423**	**73 356**
Dividends payment		-	-	-	(16 750)	(16 750)	(10 752)	(27 502)
Profit distribution		-	8 817	-	(8 817)	-	-	-
As at 31.12.2009		**26 173**	**502 951**	**23 408**	**(2 914)**	**526 210**	**42 882**	**569 092**
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		-	1 366	-	-	1 366	-	1 366
Total comprehensive income for the period	1.2	**-**	**3 812**	**3 747**	**24 694**	**28 506**	**1 820**	**30 326**
Dividends payment	4.7	-	(23 510)	-	(1 616)	(25 126)	(4 780)	(29 906)
Profit distribution		-	2 150	-	(2 384)	(234)	-	(234)
As at 30.9.2010		**26 173**	**486 769**	**27 155**	**17 780**	**530 722**	**39 922**	**570 644**
As at 1.7.2010		**26 173**	**495 592**	**36 479**	**3 122**	**524 887**	**47 909**	**572 796**
Capital relating to subscription warrant allocation program		-	455	-	-	455	-	455
Total comprehensive income for the period	1.2	**-**	**(9 278)**	**(9 325)**	**14 658**	**5 380**	**(3 207)**	**2 173**
Dividends payment	4.7	-	-	-	-	-	(4 780)	(4 780)
Profit distribution		-	-	-	-	-	-	-
As at 30.9.2010		**26 173**	**486 769**	**27 154**	**17 780**	**530 722**	**39 922**	**570 644**

2 General information

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

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

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

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.

In the reporting period the Company lost control over its subsidiary Bobmark International Sp. z o.o. (Note 4.14).

The Group's consolidated financial statements cover the period of 9 months ended 30 th of September 2010 and include comparatives for the period of 9 months ended 30 th of September 2009.

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

As at 30 th of September 2010 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.	Hoop Polska Sp. z o.o.	Poland, Warszawa	production of non-alcoholic beverages	acquisition accounting	100,00%	100,00%
3.	Kofola Holding a.s.	Czech Republic, Ostrava	holding	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 plant	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.	Klimo s.r.o.	Czech Republic, Krnov	in liquidation	acquisition accounting	100,00%	100,00%
10.	Kofola Zrt.	Hungary, Budapest	in liquidation	acquisition accounting	100,00%	100,00%
11.	OOO Megapack	Russia, Widnoje	production of non-alcoholic and low-alcoholic beverages	acquisition accounting	50,00%	50,00%
12.	OOO Trading House Megapack	Russia, Widnoje	sale and distribution of non-alcoholic and low-alcoholic beverages	acquisition accounting	50,00%	50,00%
13.	Pomorskie Centrum Dystrybucji HOOP Sp. z o.o.	Poland, Koszalin	wholesale of alcoholic and non-alcoholic beverages	acquisition accounting	75,00%	75,00%
14.	Transport Spedycja Handel Sulich Sp. z o.o.	Poland, Bielsk Podlaski	road cargo transport, spedition	equity accounting	50,00%	50,00%

The holding company – **KOFOLA S.A.** 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. On 24 December 2008 the Company's name was changed 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.** The company Kofola Holding a.s. is a direct subsidiary, which is the holding company of the Kofola Holding a.s. Group, with its registered office in Ostrava, Nad Porubkou 2278/31A, 708 00 Ostrava - 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 plant 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,
- Santa-Trans.SK s.r.o. (SK) – a company registered in Slovakia, with main activities consisting of road cargo transport,
- 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. Company is in liquidation,
- Kofola Zrt. (HU) – a company registered in Hungary, which is 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 main area of activities of the Megapack Group is the provision of services consisting of bottling beverages, production of own beverages, including the HOOP, Arctic, Hooch, Tiamo Tanto and Dieviatka trademarks, 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 Managing Director of Megapack is selected by the Shareholders Meeting, with KOFOLA S.A. having the deciding vote in this matter. The Managing Director 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 75% and has 75% of votes at Shareholders Meeting. The activities of PCD HOOP Sp. z o.o. consist of the wholesale of beverages. The Company is currently in a bankruptcy open to arrangements proceeding (note 4.19).

The co-subsidiary **Transport – Spedycja – Handel - Sulich Sp. z o. o.** with its registered office in Bielsk Podlaski. The company's activities consist of road transport of cargo.

On 8 December 2009 KOFOLA S.A sold its shares of the subsidiary **Maxpol Sp. z o.o.** The activities of Maxpol Sp. z o.o., of which KOFOLA S.A. held 100%, consisted primarily of the wholesale of beverages. In view of the above, the data of Maxpol have only been included in comparatives.

The subsidiary **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. As per a contingent agreement dated 8 July 2010 the shares of Bobmark were sold at the moment of registration of an increase in share capital, whereas control over the company was lost already at the signing of the said contingent agreement and the appointment of a new management board, as a result of which the reporting period includes the company's data for the period until 30 June 2010. The assets and liabilities of Bobmark International Sp. z o.o. are presented as at 30 September 2010 as held for sale (Note 4.14).

THE COMPANY'S BOARD OF DIRECTORS

As at 30 th of September 2010 the Company's Board of Directors of the holding company KOFOLA S.A. comprised:

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

On 7 April 2010 Ms. Simona Nováková, Member of the Board of Directors, resigned from the position of Member of the Board of Directors effective 30 April 2010. The Supervisory Board appointed Mr. Bartosz Marczuk to the position of Member of the Board of Directors effective 1 May 2010.

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

THE COMPANY'S SUPERVISORY BOARD

As at 30 th of September 2010 the Company's Supervisory Board comprised:

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

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

THE AUDIT COMMITTEE

As at 30 September 2010 the Audit Committee comprised:

- Mr. Raimondo Eggink – Chairman,
- Mr. Jacek Woźniak,
- Mr. Dariusz Prończuk,
- Mr. Ireneusz Stolarski,
- Mr. Martin Dokoupil,
- Mr. Anthony Brown.

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

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

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

The present condensed interim consolidated financial statements ("the consolidated financial statements") have been prepared in accordance with the requirements of IAS 34 "Interim Reporting", as well as 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 (Journal of Laws No. 33, item 259) ("the Decree"), and present the Group's financial position as at 30 September 2010 and 31 December 2009, the results of its operations for the period of 9 months ended 30 September 2010 and 30 September 2009, as well as cash flows for the period of 9 months ended 30 September 2010 and 30 September 2009.

The financial statements have been prepared on the assumption that the Group will continue as a going concern in the foreseeable future. As at the date of approval of these financial statements we were aware of no circumstances indicating a threat to the Group's going concern.

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 unaudited 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 2009.

The 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.

New standards, changes in accounting standards and interpretations binding as at 1 January 2010

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 2010:

- Updated IFRS 3 "Business Combinations",
- Updated IAS 27 "Consolidated and Separate Financial Statements",
- Changes to IAS 39 "Financial Instruments: Items eligible for hedge accounting",
- IFRIC 17 "Distribution of Non-Cash Assets to Owners",
- 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 2010,
- Changes to IFRS 2 "Share-based Payment"– intra-group payment transactions in the form of shares settled in cash.

With the exception of the updated IFRS 3 and the updated IAS 27, the adoption of the above standards and interpretations did not result in significant changes in the Group's accounting policies, or presentation of financial statements.

Primary changes arising out of the application of the updated IFRS 3 "Business Combinations":

- the addition of an option that allows the recognition of 100% of the goodwill arising from the business combination, rather than only a portion of the goodwill attributable to the acquirer; this option is available for each business combination transaction separately;
- change in the recognition of contingent payment and subsequent changes thereto;
- the costs associated with acquisition will be recognized separately from the acquisition price, generally they will be recognized in the profit and loss account at the moment they are incurred;
- in the case of multi-stage acquisitions, previously held shares of the acquiree will be subject to restatement to fair value. Any gains and losses arising out of the restatement will be recognized in the profit and loss account.

As a result of the adoption of the updated IAS 27 the Group changed its accounting policy relating to the recognition of increases or decreases in the Group's ownership interests in related parties. In previous years, in the absence of detailed IFRS guidelines, an increase in the ownership interest in a subsidiary company was recognized in the same manner as an acquisition of a subsidiary – with goodwill being recognized in applicable cases. In previous years no decreases in the ownership interest in a subsidiary that did not result in a loss of control took place at the Kofola S.A. Group. Since 2010 increases or decreases in the ownership interests in existing subsidiaries, which will not result in a loss of control, will be recognized in accordance with the updated IAS 27, as a capital transaction, and will have no effect on goodwill or the profit and loss account.

The updated standards apply prospectively to business combination transactions where the transaction date is 1 January 2010 or later. No business combination transaction occurred in the period of 9 months ended 30 September 2010.

Standards and interpretations that have been published, but no yet adopted:

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):

- Changes to IAS 32 "Financial Instruments: Presentation", apply to annual periods beginning on or after 1 February 2010,
- Changes to IAS 24 "Related Party Disclosures" apply to annual periods beginning on or after 1 January 2011. The changes have not been approved 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,
- IFRIC 19 "Extinguishing Financial Liabilities with Equity" applies to annual periods begging on or after 1 July 2010. The interpretation has not been approved by the European Union,
- Changes to IFRIC 14 "The Limit on a Defined Benefit Asset, Minimum Funding Requirements" apply to annual periods beginning on or after 1 January 2011. The interpretation has 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.

3.2 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.

3.3 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	**30.9.2010**	**31.12.2009**	**30.9.2009**
PLN/USD	2,9250	2,8503	2,8852
PLN/EUR	3,9870	4,1082	4,2226
PLN/RUB	0,0956	0,0950	0,0962
PLN/CZK	0,1621	0,1554	0,1676

Average currency rates, calculated as arithmetical mean of currencies on last day of each month in period	**1.1.2010 - 30.9.2010**	**1.1.2009 - 31.12.2009**	**1.1.2009 - 30.9.2009**
PLN/USD	3,0556	3,1236	3,2243
PLN/EUR	4,0027	4,3406	4,3993
PLN/RUB	0,1008	0,0982	0,0989
PLN/CZK	0,1576	0,1639	0,1658

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 except for the Equity items that are translated to PLN at the historical rate;

- 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 "Other currency differences from translation" item of the cash flow statement.

3.4 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.

3.5 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 Group's Consolidated Report for the year 2009, published on 19 March 2010. Presented in that 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 period of 9 months ended 30 September 2009, with the exception of the following presentation changes:

Consolidated profit and loss account

	30.09.2009		
	published financial statements	comparatives	change
Revenue	1 157 755	1 156 063	(1 692)
Cost of products and services sold	(647 265)	(649 767)	(2 502)
Selling, marketing and distribution costs	(269 637)	(271 238)	(1 601)
Administrative costs	(66 974)	(61 179)	5 795

The adjustment reducing sales revenue by 1 692 thousand PLN relates primarily to bonuses and rebates granted to customers in the form of cost invoices for marketing services, which irrespective of the transaction's legal content, are currently listed in accordance with the economic substance of the transaction as a reduction in sales revenue, whilst in previous years they had been charged to sales costs. A portion of the costs of wages of production and sales employees, which in previous years had been recognized under general administrative costs, is now presented under costs of goods sold (2 502 thousand PLN) and under sales costs (3 293 thousand PLN).

Consolidated balance sheet

To standardize the presentation of equity items, at the start of the reporting period the Group reclassified as reserve capital a portion of the result designated for the coverage of losses in the amount of 8 117 thousand PLN, previously presented (in accordance with local regulations applicable to some of the Group companies) under retained earnings.

Consolidated cash flow statement

In the consolidated financial statements for the comparative period an adjustment was made to the presentation of assets held for sale (tangible fixed assets) in the amount of 12 777 thousand PLN in correspondence with the "acquired tangible and intangible fixed assets item".

Consolidated segments

In addition, a change has been made in the comparative data with regard to the presentation of operating segments, consisting of the allocation of the previously separate „non-allocated operating costs item" to the various operating segments. In addition, the "eliminations (consolidation adjustments)" item has been added to the presentation of geographical segments, which eliminates transactions between the various geographical segments.

3.6 Correction of error

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

3.7 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 respects.

As at 30 September 2010 the Management's professional judgment relates to provisions for claims and court cases, impairment of assets 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.

3.8 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 September 2010 may be changed in the future. The main estimates pertain to the following matters:

- revaluation write downs on trade receivables and inventory,
- income tax,
- employee benefits and share-based payments,
- provisions,
- the economic useful lives of tangible and intangible fixed assets.

3.9 Approval of financial statements

The Board of Directors approved the present consolidated financial statements for publication on 8th of November 2010.

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

4.1 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
- Other

The "Other" segment includes sales of beverages (goods for resale) made by distribution companies, sales of the R20 energy drinks (product) and of the Nescafe Xpress frozen coffee (good for resale), as well as transport activities performed for entities from outside the Group.

Financial income and expense, 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.

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 this data in the financial statements.

Reporting segment results for the period 9 months ended 30 th of September 2010 and for the period 9 months ended 30 th of September 2009:

Operating segments

1.1.2010 - 30.9.2010	Carbonated beverages	Non-Carbonated beverages	Mineral waters	Syrups	Low alcohol drinks	Other	Eliminations (consolidation adjustments)	Total
Revenue	424 157	125 946	160 803	100 044	94 288	31 780	-	937 018
Sales to external customers	424 157	125 946	160 803	100 044	94 288	31 780	-	937 018
Inter-segment sales	-	-	-	-	-	-	-	-
Operating expenses	(380 256)	(135 642)	(162 991)	(86 753)	(93 363)	(31 905)	-	(890 910)
Result of the segment	**43 901**	**(9 696)**	**(2 188)**	**13 291**	**925**	**(125)**	**-**	**46 108**
Result on financial activity								(10 724)
Profit before tax								35 384
Income tax								(9 146)
Net profit								**26 238**

1.1.2009 - 30.9.2009	Carbonated beverages	Non-Carbonated beverages	Mineral waters	Syrups	Low alcohol drinks	Other	Eliminations (consolidation adjustments)	Total
Revenue	453 845	169 860	173 757	102 923	171 580	84 098	-	1 156 063
Sales to external customers	453 845	169 860	173 757	102 923	171 580	84 098	-	1 156 063
Inter-segment sales	-	-	-	-	-	-	-	-
Operating expenses	(362 284)	(169 867)	(179 374)	(90 318)	(165 990)	(85 122)	-	(1 052 955)
Result of the segment	**91 561**	**(7)**	**(5 617)**	**12 605**	**5 590**	**(1 024)**	**-**	**103 108**
Result on financial activity								(23 041)
Profit before tax								80 067
Income tax								(18 613)
Net profit								**61 454**

4.2 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.

1.1.2010 - 30.9.2010	**Poland**	**Czech Republic**	**Russia**	**Slovakia**	**Other**	**Eliminations (consolidation adjustments)**	**Total**
Revenue	373 229	303 495	148 827	191 456	2 757	(82 745)	937 019
Sales to external customers	358 565	269 569	148 827	157 301	2 757	-	937 019
Inter-segment sales	14 664	33 926	-	34 155	-	(82 745)	-
Operating expenses	(374 332)	(270 851)	(143 518)	(176 592)	(2 409)	76 791	(890 911)
relating to third party sales	(359 807)	(242 440)	(143 518)	(142 737)	(2 409)	-	(890 911)
relating to inter-segment sales	(14 525)	(28 411)	-	(33 855)	-	76 791	-
Result of the segment	**(1 103)**	**32 643**	**5 309**	**14 864**	**348**	**(5 954)**	**46 108**
Result on financial activity	24 842	(2 054)	542	(1 665)	-	(32 389)	(10 724)
within segment	(4 922)	(4 679)	542	(1 665)	-	-	(10 724)
between segments	29 764	2 625	-	-	-	(32 389)	-
Profit before tax	23 739	30 589	5 851	13 199	348	(38 343)	35 384
Income tax	(1 995)	(3 670)	(1 259)	(3 121)		899	(9 146)
Net profit /(loss)	**21 744**	**26 919**	**4 592**	**10 078**	**348**	**(37 444)**	**26 238**
Assets and liabilities							
Segment assets	822 354	478 078	139 220	232 644	714	(276 786)	1 396 224
Total assets	**822 354**	**478 078**	**139 220**	**232 644**	**714**	**(276 786)**	**1 396 224**
Segment liabilities	411 005	486 081	62 274	161 329	543	(295 651)	825 580
Equity							570 644
Total liabilities and equity							**1 396 224**
Other information concerning segment							
Investment expenditure :							
tangibles and intangibles	7 500	9 281	483	15 415	-	-	32 679
Depreciation and amortization	19 153	23 070	5 971	11 638	-	-	59 832

1.1.2009 - 30.9.2009	Poland	Czech Republic	Russia	Slovakia	Other	Eliminations (consolidation adjustments)	Total
Revenue	472 676	330 697	219 347	215 550	6 090	(88 297)	1 156 063
Sales to external customers	461 011	290 967	219 347	178 648	6 090	-	1 156 063
Inter-segment sales	11 665	39 730	-	36 902	-	(88 297)	-
Operating expenses	(464 028)	(282 369)	(206 908)	(175 689)	(5 195)	81 234	(1 052 955)
relating to third party sales	(453 296)	(245 818)	(206 908)	(141 739)	(5 195)	-	(1 052 955)
relating to inter-segment sales	(10 732)	(36 551)	-	(33 950)	-	81 234	-
Result of the segment	**8 648**	**48 328**	**12 439**	**39 861**	**895**	**(7 063)**	**103 108**
Result on financial activity	18 029	(8 720)	104	(3 460)	(63)	(28 931)	(23 041)
within segment	(8 451)	(11 171)	104	(3 460)	(63)	-	(23 041)
between segments	26 480	2 451	-	-	-	(28 931)	-
Profit before tax	26 677	39 608	12 543	36 401	832	(35 994)	80 067
Income tax	(3 816)	(4 730)	(2 621)	(7 445)	-	-	(18 613)
Net profit /(loss)	**22 861**	**34 878**	**9 922**	**28 956**	**832**	**(35 994)**	**61 454**
Assets and liabilities							
Segment assets	825 260	491 903	106 229	272 711	900	(247 409)	1 449 594
Total assets	**825 260**	**491 903**	**106 229**	**272 711**	**900**	**(247 409)**	**1 449 594**
Segment liabilities	390 385	509 348	59 280	182 526	17 345	(273 255)	885 629
Equity							563 965
Total liabilities and equity							**1 449 594**
Other information concerning segment							
Investment expenditure :							
tangibles and intangibles	21 388	16 500	1 054	40 043	-	-	78 985
Depreciation and amortization	23 110	34 639	6 427	14 974	15	-	79 165

Products

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

KOFOLA GROUP BRANDS

CARBONATED BEVERAGES	Kofola, RC Cola, Citrocola, Hoop Cola, Top Topic, Vinea, Orangina, Chito, Citronela, Fruti, Mr. Max, Sentino
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, Jupík Shake, Capri-Sonne
ICE COFFEE	Nescafé Xpress
ICE TEA	Pickwick Just Tea
ENERGY DRINKS	R20
COMPOTES	Paola
LOW ALCOHOL BEVERAGES (Russia)	Hooch, Dieviatka, Tiamo Tanto

Since the beginning of 2010 the assortment of beverages was broadened to include the Pickwick Just Tea frozen tea, new Rajec flavored waters, new flavors of drinks from the Top Topic family, as well as the citrus beverage Orangina (product of Orangina Schweppes International). In addition, in April 2010 the Group started the introduction of a new product under the Paola brand – Domowe Kompoty [Homemade Compotes]. Thus the Group has created a new market category – Compotes.

In addition, the KOFOLA S.A. Group makes beverages and syrups at the commission of external companies, mainly shopping chains. These companies offer these products to their customers under their own brand, using their own stores to distribute them.

In addition, the company Megapack, which operates on the Russian market, sells drink bottling services, relating to both low alcohol beverages and non-alcoholic beverages

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

Seasonality, associated with periodic deviations in demand and supply, is of certain significance in the shaping of the KOFOLA 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 2009 and 2008, approximately 21% of revenue from the sale of finished products and services was earned in the 1st quarter, with 28% (29% in 2008), 27% (27% in 2008) and 24% (23% in 2008) of total annual revenues earned in the 2nd, 3rd and 4th quarters, respectively – including the revenues of the HOOP S.A. Group until the merger in 2008. The Management is expecting similar seasonality in the year 2010.

4.3 Expenses by type

	1.1.2010 - 30.9.2010	1.1.2009 - 30.9.2009
Depreciation of fixed assets and intangible assets	59 832	79 165
Employee benefits costs	128 168	134 633
Consumption of materials and energy	498 390	586 911
Services	181 925	176 174
Taxes and fees	8 349	7 319
Property and life insurance	1 829	1 834
Other costs, including:	22 258	23 949
- change in revaluation write-off of inventory	639	(1 098)
- change in revaluation write-off of receivables	3 738	2 260
- other operating costs	17 881	22 787
Total expenses by type	**900 751**	**1 009 985**
Change in the balance of products, production in progress, prepayments and accruals	(28 435)	(23 738)
Cost of manufacturing products for the entity's proprietary needs	-	(4 063)
Reconciliation of expenses by type to expenses by function	**872 316**	**982 184**
Costs of sales, marketing and distribution	276 441	271 238
Administrative costs	55 113	61 179
Cost of products sold	540 762	649 767
Total costs of product sold, merchandise and materials, sales costs and overhead costs	**872 316**	**982 184**

Costs of employee benefits

	1.1.2010 - 30.9.2010	1.1.2009 - 30.9.2009
Cost of salary	103 232	108 778
Social security and other benefits costs	24 936	25 959
Reserves costs for pension, jubilee award and other employee benefit	-	(104)
Total costs of employee benefits	**128 168**	**134 633**

4.4 Financial income

	1.1.2010 - 30.9.2010	1.1.2009 - 30.9.2009
Financial interest income from:		
- bank deposits	908	125
- credits and loans granted	20	-
- interest on receivables	230	1 917
Net financial income from realized FX differences	1 167	90
Profit on disposal of shares and other securities	2 328	-
Other financial income	57	67
Total financial income	**4 710**	**2 199**

4.5 Financial expense

	1.1.2010 - 30.9.2010	1.1.2009 - 30.9.2009
Financial interest expense from:		
- credits and financial leases	13 606	17 324
Net financial losses from realized FX differences	475	7 139
Bank costs and charges	1 353	777
Other financial expense	-	-
Total financial expense	**15 434**	**25 240**

4.6 Changes in reserves and provisions

	Receivables	Inventories	Tangible assets	Intangible assets	Financial assets	Provisions
As at 1.1.2010	**21 790**	**7 825**	**26 177**	**196**	**10 083**	**31 807**
Currency differences from translation	3 324	(57)	(11)	-	-	579
Increase due to creation	4 390	805	-	-	-	3 568
Decrease due to release and use	(652)	(166)	(1 575)	-	-	(3 917)
As at 30.9.2010	**28 852**	**8 407**	**24 591**	**196**	**10 083**	**32 037**

	Receivables	Inventories	Tangible assets	Intangible assets	Financial assets	Provisions
As at 1.7.2010	**27 360**	**6 793**	**24 591**	**196**	**10 083**	**30 820**
Currency differences from translation	(468)	1 055	-	-	-	(168)
Increase due to creation	2 188	633	-	-	-	2 026
Decrease due to release and use	(228)	(74)	-	-	-	(641)
As at 30.9.2010	**28 852**	**8 407**	**24 591**	**196**	**10 083**	**32 037**

The decrease in the value of the write down of tangible fixed assets by 1 500 thousand PLN was caused by the use of the write down in the 1st quarter of 2010 in connection with the sale of the Iwiny plant.

4.7 Dividends paid and declared

	1.1.2010- 30.9.2010	1.1.2009 - 30.9.2009
Dividends declared in the given period	25 126	16 750
Dividends on common shares:		
paid out in the given period	-	-
Dividends declared	**25 126**	**16 750**

In its Resolution No. 16 the Ordinary General Meeting of KOFOLA S.A. of 30 June 2010 designated the net profit generated by the KOFOLA S.A. in the period from 1 January 2009 to 31 December 2009, amounting to 1 616 thousand PLN, as well as a portion of the reserve capital created from the Company's accumulated profits from previous years, amounting to 23 510 thousand PLN, for the payment of a dividend.

The shares of all series (A,B,C,D,E,F,G) will partake in the dividend amounting to 0,96 PLN per share. The dividend date was set for 30 September 2010, and the dividend payment date for 2 November 2010. The amount of the declared dividend, equal to 25 126 thousand PLN, is presented under short-term liabilities in the "Other financial liabilities" item.

In the reporting period KOFOLA S.A. recorded a dividend received from the subsidiary Kofola Holding a.s. in the amount of 12 680 thousand PLN, as well as from OOO Megapack in the amount of 4 780 thousand PLN net. In the reporting period Kofola Holding a.s. recorded dividends received from the subsidiaries Kofola a.s. (Slovakia) and Kofola a.s (Czech Republic) totalling 17 573 thousand PLN. The above revenues have been excluded from the Group's financial revenue as part of consolidation adjustments.

4.8 Income tax

Main tax elements for the period of 9 months ended 30 September 2010 and for the period of 9 months ended 30 September 2009:

	1.1.2010 - 30.9.2010	1.1.2009 - 30.9.2009
Profit and loss		
Current income tax	**5 890**	**15 725**
Current Income tax charge	5 814	15 725
Adjustments of current income tax from previous years	76	-
Deferred income tax	**3 256**	**2 888**
Related with arising and reversing of temporary differences	3 256	2 888
Related with tax losses	-	-
Income tax charge recorded in consolidated profit and loss	**9 146**	**18 613**

Statements of changes in equity		
Current income tax	-	-
Tax effect of changes in share capital	-	
Deferred income tax	**15**	**874**
Tax from Fair value gains on available-for-sale financial assets	-	842
Tax from Cash flow hedges	15	32
Tax benefit / tax burdens shown in equity	**15**	**874**

4.9 Discontinued operations

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

4.10 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:

	1.1.2010 - 30.9.2010	1.7.2010 - 30.9.2010	1.1.2009 - 30.9.2009	1.7.2009 - 30.9.2009
Net profit assigned to the shareholders of the parent company	24 694	14 658	56 205	47 479

	1.1.2010 - 30.9.2010	1.7.2010 - 30.9.2010	1.1.2009 - 30.9.2009	1.7.2009 - 30.9.2009
Weighted average number of issued common shares used to calculate the regular earnings per share ratio	26 172 602	26 172 602	26 172 381	26 172 381
Impact of dilution:				
Subscription warrants	101 500	101 500	-	-
Adjusted weighted average number of common shares used to calculate diluted earnings per share	**26 274 102**	**26 274 102**	**26 172 381**	**26 172 381**

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:

	1.1.2010 - 30.9.2010	1.7.2010 - 30.9.2010	1.1.2009 - 30.9.2009	1.7.2009 - 30.9.2009
Net profit assigned to the shareholders of the parent company	24 694	14 658	56 205	47 479
Weighted average number of issued common shares	26 172 602	26 172 602	26 172 381	26 172 381
Regular earnings per share (PLN/share)	**0,9435**	**0,5600**	**2,1475**	**1,8141**

	1.1.2010 - 30.9.2010	1.7.2010 - 30.9.2010	1.1.2009 - 30.9.2009	1.7.2009 - 30.9.2009
Net profit assigned to the shareholders of the parent company, used to calculate diluted earnings per share	24 694	14 658	56 205	47 479
Adjusted weighted average number of common shares used to calculate diluted earnings per share	26 274 102	26 274 102	26 172 381	26 172 381
Diluted earnings per share (PLN/share)	**0,9399**	**0,5579**	**2,1475**	**1,8141**

4.11 Tangible fixed assets

In the reporting period of 9 months ended 30 September 2010 the companies of the KOFOLA S.A. Group incurred 31 316 thousand PLN in expenses for increasing the value of tangible fixed assets. The investment projects realized in this period pertain primarily to entities belonging to the Kofola Holding a.s. Group.

The highest cash flows from the acquisition of tangible fixed assets realized in the period of 9 months ended 30 September 2010 consist of the additional payment of 11 232 thousand PLN on the warehouse and production hall built in 2009 at Kofola s.a. (Slovakia), as well as the reconstruction of an administrative building in Mnichovo Hradiště at Kofola a.s. (Czech Republic) in the amount of 2 055 thousand PLN.

4.12 Intangible fixed assets

In the reporting period of nine months ended 30 September 2010 the companies of the KOFOLA S.A. Group incurred 1 363 thousand PLN in expenses to increase the value of intangible fixed assets; they related primarily to the purchase of a license for the ERP system at the company Kofola Holding a.s.

The goodwill item consists of the goodwill created on the merger with the Hoop Group, as well as the goodwill relating to the company KLIMO s.r.o. The change in the value of goodwill compared to the comparative period is solely the result of taking into account the foreign exchange differences on the recalculation of the goodwill of KLIMO s.r.o.

The value of trademarks consists of, among others, the values of the following trademarks: Kofola, Vinea, Arctic, Hoop, R20, Paola and Hoopers Hooch.

4.13 Shares and interests in subsidiaries and financial assets available for sale

Financial assets available for sale

	30.9.2010	31.12.2009
Shares of the company BOMI S.A	-	11 522

Shares of BOMI are traded on the Warsaw Stock Exchange. In accordance with IFRS 7, the shares are included in Level 1, determined based on the degree of the observerbility of the source data used to determine the fair value. The shares of BOMI are valued based on stock exchange quotes.

In the 9 month period ended 30 September 2010 KOFOLA S.A sold all of its shares of BOMI S.A. After commission, the income from this transaction amounted to 13 844 thousand PLN, and the profit on the transaction amounted to 2 328 thousand PLN.

4.14 Assets (group of assets) held for sale

Assets (groups of assets) held for sale include the held for sale fixed assets of the subsidiary Hoop Polska Sp. z o.o. with a balance sheet value of 14 795 thousand PLN (fixed assets from a plant in Tychy), as well as the following asset components of the sold subsidiary Bobmark International Sp. z o.o., with a balance sheet value of 5 709 thousand PLN as at 30 September 2010:

Tangible fixed assets	671
Receivables	2 093
Inventories	1 184
Loans provided and other assets	1 761
Total	**5 709**

As at 30 September 2010 liabilities to third parties and provisions of the company Bobmark International Sp. z o.o. amount to 1 056 thousand PLN.

In accordance with IFRS 5 the entity classifies a fixed asset (or group of fixed assets) as held for sale if its balance sheet value will be recovered through a sale transaction rather than through continued use. The above listed fixed assets with a balance sheet value of 20 504 thousand PLN were available for immediate sale.

On 8 July 2010 a contingent agreement was signed (and on 13 August annexed) for the sale of shares of Bobmark International Sp. z o.o. by KOFOLA S.A. to PPHU Specjał Sp. z o.o., and the assets and liabilities of Bobmark International Sp. z o.o. were presented in the financial statements as the above described items held for sale. The shares of Bobmark International Sp. z o.o. were sold once on 8 October 2010 the Court issued a decision to enter the new value of share capital in the National Court Register (Note 4.19).

The revenue from the sale of the shares of Bobmark International Sp. z o.o. will cover the value of the net assets associated with that company and presented in the present financial statements.

The plant in Iwiny, listed as at 31 December 2009 as an asset held for sale at a total balance sheet value of 633 thousand PLN, was sold in the course of the reporting period.

4.15 Credits and loans

As at 30 September 2010 the Group's total credit and loan debt amounts to 264 445 thousand PLN after decreasing by 73 193 thousand PLN compared to the end of the year 2009.

On 22 March 2010 the company HOOP Polska Sp. z o.o. concluded with a consortium formed by Bank Zachodni WBK S.A., Kredyt Bank S.A. and Bank Polska Kasa Opieki S.A. the following two credit agreements:

1. an agreement for a term credit in the amount of 57 000 thousand PLN designated to refinance current debt and to finance the Company's current operations – variable interest of 3M WIBOR and bank margin, repayment date set for 22 March 2014,
2. an agreement for an overdraft account in the amount of 57 000 thousand PLN designated to refinance current debt and to finance the Company's current operations – variable interest of 1M WIBOR and bank margin, repayment date set for 22 March 2012.

The above credit agreements are secured with: a registered pledge on a group of items and rights constituting an economic whole (up to 171 000 thousand PLN), a mortgage on real properties of Hoop Polska Sp. z o.o. (totaling 171 000 thousand PLN) and a guarantee by KOFOLA S.A. for the benefit of the banks comprising the Consortium, for the amount of 171 000 thousand PLN (with an expiration date of 31 December 2015).

The conclusion of the above credit agreements by Hoop Polska Sp. z o.o. replaced all of the existing credit agreements, thereby improving the organization and servicing of Hoop Polska Sp. z o.o. external debt. The credit agreements will cover the external financing needs of HOOP Polska Sp. z o.o. for the next few years, whereas any other credit needs will be the subject of separate negotiations with the Consortium. KOFOLA S.A informed of the conclusion of the above credit agreements in its Current Report No. 5/2010.

Credit terms

Based on credit agreements, the companies of the Group are required to meet specified financial ratios, so-called covenants. In the presented period problems arose with the fulfillment of some of the covenants in the credit agreements of Hoop Polska Sp. z o.o. In the Management's opinion, difficulties in meeting these ratios are caused primarily by the non-realization of sales goals and insufficient marching of costs to the level of sales. In this context, work has been undertaken to restructure operations to on one hand adapt costs to the volume of sales, and on the other to provide optimal conditions for increasing sales and achieving continued growth. As a reaction for being unable to meet some of the bank required ratios, the Group's Management along with the Management of HOOP Polska Sp z o.o. started to develop a recovery plan to rebuild sales and improve the profitability of HOOP Polska Sp. z o.o. The Management of HOOP Polska Sp. z o.o. started talks with the crediting banks to agree a plan for reaching the ratios specified in the credit agreements. In accordance with the requirements of IAS 1, a breach of credit terms that may potentially lead to limits being placed on unconditional access to credits in the nearest year makes it necessary to classify such liabilities as short-term. As at 30 September 2010, the total value of credits reclassified from long- to short-term liabilities due to failure to meet credit terms was 48 979 thousand PLN.

4.16 Contingent assets and liabilities

	Contingent asset	Contingent liability
As at 1.1.2010	**-**	**628**
Increase	-	-
Decrease	-	(306)
As at 30.9.2010	**-**	**322**

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
		in currency	in ths. PLN.	
Hoop Polska Sp. z o.o.	Cargill	322 ths. PLN	322	till termination of the contract
Total Sureties for Loans or Guarantees Issued			**322**	**ths. PLN**

4.17 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	1.1.2010 - 30.9.2010	
	revenues on the sale of products and services	revenues on the sale of merchandise and materials
- to affiliates (TSH Sulich Sp.z o.o.)	6	-
- to other related companies	-	-
Total revenues from the sale to related companies	**6**	**-**

Purchases from related companies	1.1.2010 - 30.9.2010	
	purchase of services	purchase of merchandise and materials
- from affiliates (TSH Sulich Sp.z o.o.)	13 257	-
- from other related companies	-	-
Total purchases from related companies	**13 257**	**-**

Receivables from related companies	30.9.2010	31.12.2009	30.9.2009
- from affiliates (TSH Sulich Sp.z o.o.)	10	3	66
- from other related companies (KSM Investment)	4 098	3 507	-
Total receivables from related companies	**4 108**	**3 510**	**66**

Liabilities towards related companies	30.9.2010	31.12.2009	30.9.2009
- towards affiliates (TSH Sulich Sp.z o.o.)	899	957	1 073
- towards other related companies (KSM Investment)	5 161	4 948	5 417
Total liabilities towards related companies	**6 060**	**5 905**	**6 490**

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

In the reporting period Kofola Sp. z o.o. sold production properties located in Kutno to Hoop Polska Sp. z o.o. The income from the above transaction amounted to 28 000 thousand PLN, and the profit realized by Kofola Sp. z o.o. in the amount of 2 041 thousand PLN was excluded in the consolidated financial statements as part of consolidation adjustments.

4.18 Significant court cases

Fructo-Maj Sp. z o.o.

KOFOLA S.A. is a party in the bankruptcy proceeding of the entity Fructo-Maj. On 6 August 2007, HOOP S.A (currently doing business as KOFOLA S.A.) concluded an engagement letter with Fructo-Maj Sp. z o.o., in which it expressed its interest in investing in Fructo-Maj for the purposes of its financial restructuring and enabling the payment of debts. As part of realizing this agreement HOOP S.A. acquired Fructo-Maj's debts, among others concluded a debt assignment agreement with Kredyt Bank S.A., based on which Kredyt Bank S.A transferred onto HOOP S.A. all the debt from a credit agreement, which as at 30 June 2010 amounted to 3 546 thousand PLN and is presented in the financial statements of KOFOLA S.A. as short-term credit payables due by 31 August 2010, and as receivables from the company Fructo-Maj. As at 30 June 2010 the total value of the receivables from Fructo-Maj relating to the acquired debt is 13 354 thousand PLN, the balance sheet value of this item, after revaluation, is 5 677 thousand PLN. The receivables are secured with mortgages on all of the significant real properties of Fructo-Maj, and with a registered pledge on the entity's movables.

Fructo-Maj was declared bankrupt open to arrangements in a decision issued on 27 September 2007, and then based on a decision issued on 24 June 2008 the type of proceedings was changed from an arrangement to a liquidation proceeding relating to the assets of Fructo-Maj Sp. z o.o. KOFOLA S.A has its representative in the Committee of Creditors of Fructo-Maj Sp. z o.o. The assets of Fructo-Maj are currently being sold. The Board believes that given the current state of affairs and type of collateral, no revaluation is needed with regard to the assets associated with Fructo-Maj.

Pomorskie Centrum Dystrybucji HOOP Sp. z o.o.

On 28 May 2010 the Regional Court in Koszalin, VII Business Division for Bankruptcy and Recovery Cases, issued a decision on the liquidation bankruptcy of the subsidiary Pomorskie Centrum Dystrybucji HOOP Sp. z o.o. („the Company") at the petition of the Company's then Management. On 17 June 2010 the Regional Court in Koszalin, VII Business Division for Bankruptcy and Recovery Cases issued a decision changing the proceeding from a liquidation bankruptcy to a bankruptcy open to arrangements. At the same time, by virtue of this decision the Regional Court in Koszalin returned to the Company the management over its assets. The 17 June 2010 decision of the Regional Court in Koszalin was issued at the petition of the Company's new management. It is the intention of the main shareholder and the current Management for the Company to continue as a going concern, thus the company's current legal status has no effect on the assumption of going concern, and in consequence on the valuation and presentation of the company's assets.

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 their financial position.

4.19 Subsequent events

Purchase of shares of Pomorskie Centrum Dystrybucji Hoop Sp. z o.o.

On 7 October 2010 KOFOLA S.A purchased a 25% package of the shares of its subsidiary Pomorskie Centrum Dystrybucji Hoop Sp.z o.o., thereby becoming its sole shareholder. It is the intention of KOFOLA S.A. to reach an arrangement, and then sell the company as part of organizing the Group and focusing on core operations. An arrangement is expected to be reached in November 2010.

Sale of the subsidiary Bobmark International Sp. z o.o.

On 18 October 2010 the Court issued a decision to enter in the National Court Register an increase in the share capital of Bobmark International Sp. z o.o.; the entry was a condition precedent for the sale of 100% of the shares of Bobmark International Sp. z o.o., so the shares of the company were sold (Nota 4.14).

Orangina

On 25 October 2010 the subsidiaries of the KOFOLA S.A. Group – Kofola Holding a.s., Kofola a.s. from Slovakia and Kofola a.s. from the Czech Republic – signed license agreements with Schweppes International Limited, based on which they obtained an exclusive license to use the trademarks and industrial designs of the Orangina brand on the territory of the Czech and Slovak Republics with regard to the production and sale of the Orangina fruit drinks.

Change of Chairman of the Board at HOOP Polska Sp. z o.o.

On 2 November 2010 Mr. Krzysztof Grudziński – Chairman of the Board of Directors of HOOP Polska sp. z o.o. was dismissed as member and Chairman of the Board of HOOP Polska Sp. z o.o.; the responsibilities of Chairman of the Board of Directors of HOOP Polska Sp. z o.o. were taken over by Martin Mateáš, who until now was in charge of sales and marketing at the Kofola Group.

Dividend payment

In accordance with a resolution passed by the Ordinary General Meeting of KOFOLA S.A., on 2 November 2010 a dividend was paid out in the amount of 25 126 thousand PLN (Note 4.7).

SIGNATURES OF THE COMPANY'S REPRESENTATIVES:

8.11.2010 r.	**Janis Samaras**	**Chairman of the Board of Directors**	....
date	*name and surname*	*position*	*signature*
8.11.2010 r.	**Bartosz Marczuk**	**Member of the Board of Directors**	....
date	*name and surname*	*position*	*signature*
8.11.2010 r.	**Martin Mateáš**	**Member of the Board of Directors**	....
date	*name and surname*	*position*	*signature*
8.11.2010 r.	**René Musila**	**Member of the Board of Directors**	....
date	*name and surname*	*position*	*Signature*
8.11.2010 r.	**Tomáš Jendřejek**	**Member of the Board of Directors**	....
date	*name and surname*	*position*	*Signature*

SIGNATURE OF PERSON RESPONSIBLE FOR BOOKKEEPING:

8.11.2010 r.	**Katarzyna Balcerowicz**	**Chief Accountant**	....
date	*name and surname*	*position*	*Signature*

Document signed on the Polish original.

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

5.1 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 the 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

2010 awards:

- Marketer of the year 2009 – Martin Mateáš, Kofola Holding Sales & Marketing Director
- Czech TOP 100 – Kofola a.s. third most admired company in the Czech Republic
- Best TV ad – the 50 years of Kofola campaign (CR)
- Zlatý klinec 2010 – silver for the Kofola and Vinea campaigns (SR)
- FMCG hit of the year – the OOkulary OOtwartości campaign (PL)
- MAGELLAN AWARD - „Hug Day" (PL)
- PROTON awards – best PR people – Edyta Bach, PR Manager (PL)



COMPANIES OF THE KOFOLA GROUP

Companies, plants and representative office:

- **Kofola S.A.** – Warsaw (PL)
- **Kofola Holding a.s.** – Ostrava (CZ)
- **Kofola a.s.** – Krnov, Mnichovo Hradiště, Prague (CZ)
- **Kofola a.s.** – Rajecká Lesná, Senec, Malý Šariš, Zvolen (SK)
- **Hoop Polska Sp. z o.o.** – Warsaw, Kutno, Bielsk Podlaski, Grodzisk Wielkopolski (PL)
- **OOO Megapack** – Moscow, Widnoje, Moscow Region (RU)
- **Kofola Sp. z o.o.** – Kutno (PL)

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

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

As at 30 th of September 2010 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.	Hoop Polska Sp. z o.o.	Poland, Warszawa	production of non-alcoholic beverages	acquisition accounting	100,00%	100,00%
3.	Kofola Holding a.s.	Czech Republic, Ostrava	holding	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 plant	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.	Klimo s.r.o.	Czech Republic, Krnov	in liquidation	acquisition accounting	100,00%	100,00%
10.	Kofola Zrt.	Hungary, Budapest	in liquidation	acquisition accounting	100,00%	100,00%
11.	OOO Megapack	Russia, Widnoje	production of non-alcoholic and low-alcoholic beverages	acquisition accounting	50,00%	50,00%
12.	OOO Trading House Megapack	Russia, Widnoje	sale and distribution of non-alcoholic and low-alcoholic beverages	acquisition accounting	50,00%	50,00%
13.	Pomorskie Centrum Dystrybucji HOOP Sp. z o.o.	Poland, Koszalin	wholesale of alcoholic and non-alcoholic beverages	acquisition accounting	75,00%	75,00%
14.	Transport Spedycja Handel Sulich Sp. z o.o.	Poland, Bielsk Podlaski	road cargo transport, spedition	equity accounting	50,00%	50,00%

The holding company – **KOFOLA S.A.** 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. On 24 December 2008 the Company's name was changed 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.** The company Kofola Holding a.s. is a direct subsidiary, which is the holding company of the Kofola Holding a.s. Group, with its registered office in Ostrava, Nad Porubkou 2278/31A, 708 00 Ostrava - 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 plant 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,
- Santa-Trans.SK s.r.o. (SK) – a company registered in Slovakia, with main activities consisting of road cargo transport,
- 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. Company is in liquidation,

- Kofola Zrt. (HU) – a company registered in Hungary, which is 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 main area of activities of the Megapack Group is the provision of services consisting of bottling beverages, production of own beverages, including under the HOOP, Arctic, Hooch, Tiamo Tanto and Dieviatka trademarks, 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 Managing Director of Megapack is selected by the Shareholders Meeting, with KOFOLA S.A. having the deciding vote in this matter. The Managing Director 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 75% and has 75% of votes at Shareholders Meeting. The activities of PCD HOOP Sp. z o.o. consist of the wholesale of beverages. The Company is currently in a bankruptcy open to arrangements proceeding (Note 5.16).

The co-subsidiary **Transport – Spedycja – Handel - Sulich Sp. z o. o.** with its registered office in Bielsk Podlaski. The company's activities consist of road transport of cargo.

On 8 December 2009 KOFOLA S.A sold its shares of the subsidiary **Maxpol Sp. z o.o.** The activities of Maxpol Sp. z o.o., of which KOFOLA S.A. held 100%, consisted primarily of the wholesale of beverages. In view of the above, the data of Maxpol have only been included in comparatives.

The subsidiary **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. As per a contingent agreement dated 8 July 2010 the shares of Bobmark were sold at the moment of registration of an increase in share capital, whereas control over the company was lost already at the signing of the said contingent agreement and the appointment of a new management board, as a result of which the reporting period includes the company's data for the period until 30 June 2010. The assets and liabilities of Bobmark International Sp. z o.o. are presented as at 30 September 2010 as held for sale (Note 4.14).

5.2 Description of operating results and financial position

Presented below is a description of the financial position and results of the Kofola Group for the period of nine months ended 30 September 2010. It should be reviewed along with the consolidated financial statements and with other financial information presented in other sections of the present report.

Summary of operating results in the period of nine months ended 30 September 2010

When assessing the financial results of the Kofola Group for the nine months ended 30 September 2010 it is important to consider market conditions, which had an effect on the Group's results. Firstly, the consumers continued to have a high level of uncertainty and thus looked for savings in their shopping cart. A trend was visible whereby consumption at restaurants was being replaced with consumption at home. Unemployment was high and affecting shopping habits in all the countries in which we operate. On the Russian market, the government continued activities to limit alcohol consumption by introducing limitations on advertising of alcoholic beverages and raising excise tax on alcohol effective January 2010. Another factor affecting the willingness of consumers to make purchases (not only of beverages) was the fact that weather conditions were worse than in the year before (large amounts of snow fall and freezing temperatures in January and February, exceptionally rainy April and May and lower average temperatures). Favorable was the heat wave of July and August. The drop in market demand resulted in increased competition manufacturers and in price reductions as part of a battle for sales and market share.

The environment of the companies from the Kofola Group was highly affected by the activities of their competitors. The first quarter saw an increased advertising activity from Pepsi Cola, arising out of the rebranding of the brand. In the second quarter active advertising campaigns were conducted by Coca Cola, who was the main sponsor of the Football World Cup in South Africa.

At the end of the second quarter a rise could be felt in the prices of raw materials (oil, paper and sugar), which translated into a rise in prices of PET bottle moulds, caps, foils, packaging and the beverage itself. The third quarter was a continuation of this increasing trend. As contracts for the purchase of sugar expired it was necessary to buy this material in spot transactions. The year's harvest of fruit and vegetables turned out lower than in 2009, which resulted in a gradual rise in the price of fruit concentrates (mainly from oranges and apples), which are a component of fruit beverages and juices.

The above factors had a negative effect on the financial results achieved by the Group in the period of nine months ended 30 September 2010. Despite the above described factors, an improvement was recorded in gross sales profitability.

- The drop in **consolidated sales revenues** by 219 045 thousand PLN, or 19 % compared to period of nine months ended 30 September 2009 was caused primarily by the 70 487 thousand PLN decrease in revenues of the Megapack Group (customers buying low-alcohol beverages stock up on them in the fourth quarter of 2009 to protect themselves against the 2010 increase in excise tax on alcohol; demand for low-alcohol beverages did not return until the third quarter, when reserves were exhausted), the discontinuation of consolidation of the company Maxpol following its sale in the fourth quarter of 2009 (in period of 9 months ended 30 September 2009 Maxpol's revenues amounted to 48 270 thousand PLN excluding intra-group transactions), a real drop in revenues at all of the Group's key companies, and 35 890 thousand PLN in differences on the exchange rates of the Polish zloty to the Euro and the Czech crown (in the nine months ended 30 September 2009 and 2010, respectively) applied to translate the profit and loss accounts of Czech and Slovak entities.

- Despite a drop in consolidated sales of the entire Group from the period of nine months ended 30 September 2010 compared to the same period of 2009, we were able to improve **gross sales profitability** from 37,6% to 40,4%, mainly due to favorable purchase prices on main production materials in the first half of the year, focusing sale efforts on the most profitable markets, a rise in sales in the restaurant sector in the Czech Republic, the start up of direct distribution to small clients in Slovakia (which made it possible to take over a large portion of the wholesalers' margin), lower production costs by closing Hoop Polska Sp. z o.o.'s production plant in Tychy in the third quarter of 2009, and reducing employment at production plants in the year 2010.
- As sales revenue declined by 19%, the gross sales margin went down by 55 579 thousand PLN from 434 254 thousand PLN in the period of nine months ended 30 September 2009 to 378 675 thousand PLN in the same period of 2010, i.e. by 13%. We were unable to offset this drop with the improvement in gross sales profitability from 37,6% in the first nine months of 2009 to 40,4% in the first nine months of 2010. The effect of changes in foreign exchange rates on the gross sales margin was negative 21 087 thousand PLN.
- In the analyzed period the costs of sales went up from 271 238 thousand PLN to 276 441 thousand PLN, i.e. by 5 203 thousand PLN, or 2%. The rise was caused by an increased sales force, the start of new distribution channels, the introduction of direct distribution to clients in Slovakia, and the need to short-term rent logistics centers at the start of the season to ensure product availability. Sales related investments increased the share of sales costs in sales from 23,5 % to 29,5 %.
- By optimizing support functions the Group was able to reduce its administrative costs from 61 179 thousand PLN to 55 113 thousand PLN, i.e. by 6 066 thousand PLN, or 10%. The drop in administrative costs was, however, slower than the drop in sales revenues.
- Due to a drop in sales revenue with investments into sales, distribution and marketing, the Group's operating profit (EBIT) fell from 103 108 thousand PLN in the period of nine months ended 30 September 2009 to 46 108 thousand PLN in the period of nine months ended 30 September 2010, i.e. by 57 000 thousand PLN, or 55%. During this time, the EBIT margin decreased from 8,9 to 4.9%.
- In the analyzed period EBITDA (operating profit plus depreciation) fell from 182 273 thousand PLN to 105 941 thousand PLN, and the EBITDA margin from 15,8% to 11,3%.
- The drop in **consolidated net profit** corresponding to the holding company's shareholders amounted to 31 511 thousand PLN, or 57%, from 56 205 thousand PLN in the period of nine months ended 30 September 2009 to 24 694 thousand PLN in the period of nine months ended 30 September 2010. The drop in net profit was lower than the drop in operating profit due to an increase in financial revenue and a decrease in financial costs (by 12 317 thousand PLN in total), and lower corporate income tax (9 467 thousand PLN).
- As a result of the above drop in net profit corresponding to the holding company's shareholders, the net profit per share is down from 2,1475 grosz to 0,9435 grosz in the comparative period. The diluted net profit per share has also decreased (diluted due to an issue of subscription warrants) from 2,1475 grosz per share to 0,9399 grosz per share.
- The Group was able to lower its **working capital** from 86 561 thousand PLN as at 30 September 2009 and 68 011 thousand PLN as at 31 December 2009 to 27 917 thousand PLN as at 30 September 2010. The ratio of working capital to sales revenue (on an annualized basis) has improved from 5,7% as at 30 September 2009 to 2,1% as at 30 September 2010 due to having negotiated new payment due dates with the Group's suppliers.
- **Debt** reduction. In the analyzed period the Group repaid a portion of its credits and leases, thereby lowering its net debt from 345 202 thousand PLN at the end of December 2009 to 253 339 thousand PLN as at 30 September 2010, i.e. by 91 863 thousand PLN, or 27%. As at 30 September 2010 the debt rate amounted to 59% (compared to 59% at the end of December 2009 and 61% as at 30 September 2009). Due to a drop in operating profit plus depreciation (EBITDA) the ratio of net debt to annualized EBITDA increased from 1,7 times at the end of September 2009 to 1,9 times at the end of September 2010.

Poland

- The 99 448 thousand PLN (21%) drop in sales in Poland in the analyzed period was caused primarily by the discontinuation of consolidation of the company Maxpol Sp. z o.o. (whose revenue in nine months ended 30 September 2009 after excluding intra-group transactions amounted to 48 270 thousand PLN), the concentration of sales and marketing support on the most perspective brands (as other, unsupported brands suffered). This drop was especially apparent in the traditional channel of the water and non-carbonated beverages sector. Bad weather conditions, which decreased demand for beverages, played a significant role for 2010 sales. The sales team that was being built throughout the first quarter at Hoop Polska did not reach the planned efficiency. The closing of the Tychy plant in the second half of 2009 made it possible to lower operating costs.

Czech Republic

- On the falling Czech market in the current period we recorded a 6% drop in sales in the local currency (which translates into a drop of 10% in Polish zloty). We were unable to make up for the drop using traditional and modern channels with a rise in sales from the restaurant sector. Noteworthy is the fact that the 6% increase in comparative periods in sales in the restaurant segment was reached in difficult macroeconomic conditions (despite a drop in consumption in this channel). The decrease in sales in traditional channels was partially the effect of very aggressive price promotions offered by our main competitors in the cola segment, and of defending margins. The drop in sales revenue on the Czech market is also caused by lower sales of transport services to entities from outside the Group by Santa-Trans s.r.o. (CZ).
- In the reporting period in the Czech Republic an improvement occurred in the profitability of the syrups segment, resulting primarily from lower prices of sugar and the closing in the year 2009 of one of the three production lines used to make syrups. In the Czech Republic the Jupi syrups have retained the position of market leader with a market share of nearly 40% due to high quality and innovative products.
- In 2010 we introduced a series of new products to the Czech market: the Pickwick Just Tea frozen teas, Snipp juices and fruit drinks, new Rajec flavored waters and oxygenated Rajec water, the well-known Orangina carbonated drink, as well as continued the introduction of the Jupik Shake children's drink.
- In March 2010 the Kofola Group began its celebration of the 50th anniversary of the Kofola brand on the Czech and Slovak market, which translated into an increased visibility of Kofola brand in the media, and more exposure at stores.

Slovakia

- On the Slovak market we recorded a slight drop in sales in comparative periods by 5% in the local currency (or 13% after translation into Polish zloty). Despite this we were able to increase our market share by 3,2%. This was possible due to consistent work on the position of our products in the waters, colas and carbonated beverages segments, and a decrease in the restaurants segment that was half as slow as the entire market

Russia

- The 32% drop in sales revenue in Russia was the result of several factors: the introduction of restrictions on advertising of alcoholic beverages, the raising of excise tax on alcoholic beverages effective 1 January 2010 (as a result of which the customers' purchases were partially moved from the first quarter of 2010 to the fourth quarter of 2009), as well as lower revenues from co-packing services (production commissioned by third parties – of to a large extent low-alcohol drinks). As the margins earned on co-packing services are low, the drop in the sale of these services had little effect on the operating profit (5 309 thousand PLN and 12 439 thousand PLN in the analyzed periods of 201 and 2009, respectively). At the end of third quarter of 2010 the volume of sales of low-alcohol beverages was partially rebuild as distributors exhausted their reserves (from as far back as the 4th quarter of 2009).

CONSOLIDATED INCOME STATEMENT

The 9 month period ended 30 September 2010 compared to the 9 month period ended 30 September 2009

Selected financial highlights	1.1.2010 - 30.9.2010	1.1.2009 - 30.9.2009	Change 2010/2009	Change 2010/2009 (%)
Revenue	937 018	1 156 063	(219 045)	(19%)
Cost of sales	(558 343)	(721 809)	163 466	(23%)
Gross profit	378 675	434 254	(55 579)	(13%)
Selling, marketing and distribution costs	(276 441)	(271 238)	(5 203)	2%
Administrative costs	(55 113)	(61 179)	6 066	(10%)
Operating result	46 108	103 108	(57 000)	(55%)
EBITDA	105 941	182 273	(76 332)	(42%)
Financial expense, net	(10 724)	(23 041)	12 317	(66%)
Income tax	(9 146)	(18 613)	9 467	(51%)
Net profit for the period	26 238	61 454	(35 216)	(57%)
- assigned to the shareholders of the parent company	24 694	56 205	(31 511)	(56%)

	1.1.2010 - 30.9.2010	1.1.2009 - 30.9.2009
Earnings per share	0,9435	2,1475
Net profitability	2,8%	5,4%
Profitability EBIT %	4,9%	9,1%
Profitability EBITDA %	11,3%	16,0%

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*

Net sales revenue

The consolidated net sales revenues of the KOFOLA Group for the nine month period ended 30 September 2010 amounted to 937 018 thousand PLN, which constitutes a drop of 219 045 (or 19% compared to the same period of the previous year. Revenue from the sale of finished products amounted to 917 139 thousand PLN, which constitutes 98% of total revenues. The drop in the Group's revenues in the nine month period ended 30 September 2010 compared to the nine month period ended 30 September 2009 was caused primarily by: lower (by 70 487 thousand PLN) revenue of the Megapack Group, the sale of the company Maxpol Sp. z o.o. in December 2009 (in the period of nine months ended 30 September 2009 the company's revenue was consolidated and amounted to 48 270 thousand PLN after excluding intra-group transactions), lower revenues of the company Hoop Polska Sp. z o.o. (decrease by 31 217 thousand PLN excluding intra-group transactions), and a change in the exchange rates used to translate the financial statements of foreign entities (effect of approx. 35 890 thousand PLN).

The activities of the KOFOLA S.A. Group concentrate on the production of beverages in five market segments: carbonated beverages, non-carbonated beverages, mineral water, syrups and low-alcohol drinks. Together these segments account for around 95% of the Group's sales revenues. The revenue structure has not changed considerably compared to the same period of last year, except for a drop in revenue in the low-alcohol segment in Russia (15% of revenue in the period of nine months ended 30 September 2009 compared to 5% of revenue in the same period of 2010). The largest among the revenues of the nine month period ended 30 September 2010 was the sale of carbonated beverages, as was the case in the comparative period (45% and 39% of revenues in the nine month periods ended 30 September 2010 and 30 September 2009).

Net revenues of the Group's most significant entities

Net revenues from the sales of products, services, goods and materials *	1.1.2010 - 30.9.2010	1.1.2009 - 30.9.2009	Change	% Change
Hoop Polska Sp. z o.o.	345 101	392 798	(47 697)	(12%)
Kofola a.s. (CZ)	293 431	326 951	(33 520)	(10%)
Kofola a.s. (SK)	188 726	217 211	(28 485)	(13%)
Megapack Group	148 860	219 347	(70 487)	(32%)

* *Standalone data without consolidation adjustments*

The revenues realized in the nine month period ended 30 September 2010 by the company HOOP Polska were by 12% lower than in the comparative period. This decrease was especially visible in the traditional channel of the water and non-carbonated beverages segment and was caused by a change in the business model, the company's gradual withdrawal from the sale of less perspective brands, low effectiveness of a newly formed sales department, temporary difficulties with availability of trucks in the summer season, and changes at the turn of 2009 and 2010 in the company's management staff. To raise its revenues the company used incentives in the form of additional retroactive bonuses for shopping chains and distributors, which did not, however, lead to achieving planned sales.

The revenues of Kofola a.s. (CZ) realized for the nine month period ended 30 September 2010 were by 6% lower than in the comparative period in the local currency (a drop of 10% after translation into Polish zloty). This drop, equivalent to the drop on the market, was caused by decreased demand, especially in the waters and non-carbonated beverages segment, as well as strong price competition in the cola segment, translating into sales prices that were lower than in the previous year.

The revenues of Kofola a.s. (SK) realized for the nine month period ended 30 September 2010 were lower than in the comparative period by 5% in the local currency (a drop of 13% after translation into Polish zloty), which nonetheless allowed the company to increase its market share by 3,2%. The decrease in revenue was caused by a dynamic drop in the restaurant market in Slovakia, the loss of one of the shopping chains, as well as the competitive pressure to reduce prices in the cola segment.

In the nine month period ended 30 September 2010 the Megapack Group decreased the value of its sales revenue by 33% in the local currency compared to the same period of the year 2009 (a drop by 32% after translation into Polish zloty). The main reason for the drop in revenue was a decreased volume of sales of alcoholic beverages (since 1 January 2010 subject to higher excise tax), and lower revenues from co-packing.

Costs of sales

In the nine month period ended 30 September 2010 the Kofola Group's consolidated costs of goods sold decreased by 163 466 thousand PLN, or 23%, to 558 343 thousand PLN from 721 809 thousand PLN in the same period of 2009. The decrease in the Group's cost of goods sold was caused primarily by lower consumption of production products caused by a drop in sales revenues, as well as the Group's ability to get better prices on main production materials due to the centralizing of purchasing at the Group, lower commodities prices in the first half of 2010, as well as the strengthening of the Polish zloty and the Czech crown with respect to the Euro (as a result of which imported raw materials became cheaper). Another factor that lowered the cost of goods sold was the closing of the Tychy plant in the 3rd quarter of 2009.

In the nine month period ended 30 September 2010 the consolidated costs of goods sold went down to 60 % of net sales revenues, compared to 62% in the same period of the year 2009.

Had the foreign exchange rates from the same period of 2009 been used, the costs of goods sold for the nine month period ended 30 September 2010 would have been higher by 14 803 thousand PLN.

Selling, marketing and distribution costs

In the nine month period ended 30 September 2010 the Group's consolidated sales costs went up by 5 203 thousand PLN, i.e. by 2% to 276 441 thousand PLN from 271 238 thousand PLN in the same period of 2009.

In percentages, in the nine month period ended 30 September 2010 our sales costs increased to 30,0% of net sales revenues, compared to 24% in the same period of 2009. This means a rise in the share of sales costs by 6 percentage points. This rise consisted primarily of investments in market development. We increased the number of sales representatives in all countries, which made it possible to reach more stores and restaurants, but due to a drop in demand increased distribution did not translate into a rise in sales revenues. A significant rise was recorded in sales costs in Slovakia due to the start up in October 2009 of direct distribution to the end users (which meant the formation of four new distribution centers and increased logistics costs). As part of direct distribution we started to deliver our products directly to smaller stores, pubs and restaurants.

In Russia we started to build distribution outside of the Moscow region. At the end of March 2010 we were able to begin sales in the area of Omsk, and in June 2010 in Rostow on the river Don.

Had the foreign exchange rates from same period of 2009 been used, the sales costs in the nine month period ended 30 September 2010 would have been higher by 20 343 thousand PLN, which corresponds to the additional sales force and logistics costs.

Administrative costs

In the nine month period ended 30 September 2010 the consolidated administrative costs went down by 6 066 thousand PLN, i.e. by 10% to 55 113 thousand PLN from 61 179 thousand PLN in the same period of 2009. The decline in the general administrative costs of the KOFOLA Group for this period was caused primarily by a reduction in wages and employment and at the Group's companies.

In percentages, in the nine month period ended 30 September 2010 the consolidated administrative costs reached nearly 6% of net sales revenues, compared to slightly more than 5% in the same period of 2009.

Had the foreign exchange rates from the same period of 2009 been used, the Group's general administrative costs in the nine month period ended 30 September 2010 would have been higher by 2 893 thousand PLN, but still lower than in the nine month period ended 30 September 2009.

Operating profit

Operating profit is down by 57 000 thousand PLN, i.e. by 55 % to 46 108 thousand PLN in the nine month period ended 30 September 2010 from 103 108 thousand PLN in the same period of 2009, which after taking into account the change in the exchange rates used to translate foreign entities gives a drop of 53 944 thousand PLN. In the nine month period ended 30 September 2010 the profit margin on operating activities decreased to 4,9% from 8,9% in the same period of 2009.

This drop was mainly the result of a decrease in gross sales profit, caused by a decrease in sales that was greater than the reductions in selling and general administrative costs (which, to a great extent, constitute fixed costs). Operating profit was also adversely affected by a rise in the ratio of sales costs to net sales revenues, caused by a rise in the number of sales representatives and the start in October 2009 of direct distribution to end users in Slovakia, which thus far has not translated into an increase in sales revenues or operating profit.

In the course of the year 2009, in accordance with the requirements of International Financial Reporting Standards, the Management performed an analysis of the useful lives of the Group's assets (with particular attention given to production lines). Due to high work culture of operations services and very good condition of the production lines it turned out that their useful lives are longer than originally planned. In view of this, the Management decided to verify upwards the anticipated useful lives of the main assets. At the same time the Group's depreciation rates were also standardized. As a result of these changes, in the period of nine months ended 30 September 2010 depreciation is by approximately 11 515 thousand PLN lower than it would have been had the previous useful lives and depreciation rates been applied.

EBITDA

EBITDA, calculated as the operating profit plus depreciation for a given period, fell from 182 273 thousand PLN in the nine month period ended 30 September 2009 to 105 941 thousand PLN, i.e. by 76 332 thousand PLN (by 42%) in the nine month period ended 30 September 2010. The decrease in the EBITDA of the KOFOLA Group in this period was caused primarily by a lower EBITDA at the company Kofola a.s. SK (drop in EBITDA by 22 975 thousand PLN due to significantly lower sales and higher administrative costs) and at the Megapack Group (decline in EBITDA by 10 191 thousand PLN caused by a significant drop in sales revenue), and a lower EBITDA due to a change in the exchange rates used to translate the financial statements of foreign entities (effect of approximately 5 318 thousand PLN).

As a result of the above changes, the EBITDA margin went down to 11,3% from 15,8% in the same period of 2009.

Net financial expenses

In the nine month period ended 30 September 2010 the Group recorded net financial expenses of 10 724 thousand PLN compared to 23 041 thousand PLN in the same period of 2009. The financial expenses of the KOFOLA S.A. Group decreased in this period due primarily to: 692 thousand PLN in foreign exchange gains compared to 7 049 thousand PLN in foreign exchange losses incurred in the same period of 2009, a drop in interest on credits and leases by 3 718 thousand PLN from 17 324 thousand PLN in the analyzed period of 2009 to 13 606 thousand PLN in the nine month period ended 30 September 2010, and 2 328 thousand PLN in profit earned on the sale of the shares of BOMI S.A.

A significant drop in financial expenses occurred at Kofola a.s. (CZ) – by 4 910 thousand PLN, and at Kofola Sp. z o.o. – by 2 124 thousand PLN (following the repayment of a credit in December 2009).

The Group's financial expenses are down mainly due to the payment of a portion of long-term credits denominated in EURO and better foreign exchange risk management. A large portion of foreign exchange losses in the nine month period ended 30 September 2009 consisted of unrealized foreign exchange differences arising out of loans, credits and leases denominated in EUR. Also of significance was the drop in interest costs by 3 718 thousand PLN, arising out of a decrease in the Group's net debt by 123 638 thousand PLN compared to 30 September 2009.

Income tax

In the nine month period ended 30 September 2010 we recognized income tax in the amount of 9 146 thousand PLN compared to 18 613 thousand PLN in the same period of 2009. The decrease in income tax is caused by a drop in gross profit.

The effective tax rate has increased in the comparative period from 23% to nearly 26%

Net profit for the period

The consolidated net profit for the nine month period ended 30 September 2010 amounted to 26 238 thousand PLN, of which 24 694 thousand PLN corresponded to the holding company's shareholders, compared to consolidated net profit of 61 454 thousand PLN in the same period of 2009, of which 56 205 thousand PLN corresponded to the shareholders of the holding company.

CONSOLIDATED BALANCE SHEET

Selected financial highlights	30.9.2010	31.12.2009	30.9.2009	Change from 12.2009 (%)	Change from 6.2009 (%)
Total assets	**1 396 224**	**1 391 809**	**1 449 594**	**0%**	**(4%)**
Fixed assets, out of which:	918 785	946 812	990 982	(3%)	(7%)
Tangible fixed assets	*547 953*	*574 576*	*618 532*	(5%)	(11%)
Intangible fixed assets	*221 821*	*223 536*	*227 359*	(1%)	(2%)
Goodwill	*112 065*	*111 693*	*112 372*	(0%)	(0%)
Financial assets available for sale	-	*11 522*	*14 436*	*(100%)*	*(100%)*
Current assets, out of which:	477 439	444 998	458 612	7%	4%
Inventories	*142 352*	*107 840*	*138 741*	32%	3%
Trade receivables and other receivables	*251 337*	*266 408*	*254 966*	(6%)	(1%)
Cash and cash equivalents	*58 001*	*50 503*	*42 038*	15%	38%
Equity assigned to the shareholders of the parent company	530 722	526 210	525 652	1%	1%
Non-controlling capital	39 922	42 882	38 313	(7%)	4%
Total equity and liabilities	**1 396 224**	**1 391 809**	**1 449 594**	**0%**	**(4%)**
Total equity	570 644	569 092	563 965	0%	1%
Long-term liabilities	205 270	200 179	233 635	3%	(12%)
Short-term liabilities	620 310	622 538	651 994	0%	(5%)

	30.9.2010	31.12.2009	30.9.2009
Current ratio	0,77	0,71	0,70
Quick ratio	0,54	0,54	0,49
Total debt ratio	59%	59%	61%
Net debt	253 339	345 201	376 977
Net debt /EBITDA *	1,9	1,7	1,7

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*

* based on annualized value of EBITDA

Assets

At the end of September 2010 the Group’s fixed assets equaled 918 785 thousand PLN. Compared to 31 December 2009 the value of fixed assets decreased by 28 027 thousand PLN (3%). The greatest decrease was recorded in tangible fixed assets, whose value went down by 26 623 thousand PLN, or 5 %, compared to December 2009, and in financial assets available for resale, the value of which went down by 11 522 thousand PLN following the sale of the shares of BOMI S.A. The decrease in the value of tangible fixed assets was caused by lower investment spending incurred by the Group’s companies compared to the value of depreciation. Fixed assets account for 66% of total assets (at the end of 2009: 68 %).

Goodwill was created as a result of the merger of the HOOP S.A. Group with the Kofola SPV Sp. z o.o. Group and includes the goodwill of the Megapack Group and Klimo. Intangible assets consist primarily of trademarks.

As at 30 September 2010 the Group’s current assets amounted to 477 439 thousand PLN. They consisted primarily of: trade and other receivables – 53% of current assets, and inventory – 30%. Compared to the end of December 2009, the value of current assets increased by 32 442 thousand PLN (where the greatest rise was recorded in inventory – by 34 512 thousand PLN). Compared to the end of September 2009 the value of current assets is up by 18 827 thousand PLN (with the biggest rise recorded in cash and cash equivalents – by 15 963). The rise in the value of inventory compared to the end of the year 2009 is a result of lower than planned sales revenues in the month of September, and the inventory buffers in the Czech Republic due to the planned modernization of a production line in the 4^{th} quarter of 2010.

The value of working capital calculated as the sum of inventory, trade receivables less short-term trade payables and other payables as at 30 September 2010 was 27 917 thousand PLN compared to 68 011 thousand PLN as at 31 December 2009 and 86 561 thousand PLN as at 30 September 2009. This improvement is primarily the result of being able to negotiate new payment due dates with the suppliers of raw materials.

The ratio of working capital to sales revenue (on an annualized basis) amounted to 2,1% as at 30 September 2010, compared to 4,4% at the end of December 2009 and 5,7% as at 30 September 2009.

Liabilities

As at 30 September 2010 the Group's liabilities (long- and short-term together) amounted to 825 580 thousand PLN, which constitutes an increase by 2 863 thousand PLN compared to the end of December 2009. The increase in liabilities was caused primarily by a rise in the value of trade payables and other payables (by 59 534 thousand PLN, or 19% - resulting mainly from longer payment terms), and was almost entirely offset by a drop in credit and loan payables in the amount of 73 193 thousand PLN. Compared to 30 September 2009 a drop may be seen in the Group's liabilities by 60 049 thousand PLN, or 7%, mainly under credits and loans (decrease by 90 341 thousand PLN, or 25 %).

The ratio of net debt to annualized EBITDA is up from 1,7 times at the end of the end of September 2009 to 1,9 times at the end of September 2010. Compared to the end of 2009 the ratio of net debt to annualized EBITDA went up by 0,2 (the effect of a greater decrease in the value of EBITDA than in the decrease in the value of financial liabilities).

The debt ratio (short- and long-term liabilities to total assets) amounted to 59% as at 30 September 2010 (59% at the end of December 2009 and 61% as at 30 September 2009). The Group's consolidated net debt calculated as total long- and short-term liabilities relating to credits, loans and other debt instruments less cash and cash equivalents amounted to 253 339thousand PLN as at 30 September 2010 after decreasing by 91 863 thousand PLN (27%) compared to the end of December 2009 and by 123 638 thousand PLN (33%) compared to the end of September 2009. The decrease was caused by the repayment of a portion of credits and lease installments, as well as use of credit lines due to an improvement in the management of working capital.

The current ratio, calculated as the ratio of total current assets to total short-term liabilities amounted to 0,77 as at 30 September 2010 (0,71 at the end of 2009, 0,70 as at 30 September 2009), whilst the quick ratio equaled to 0,54 (0,54 at the end of 2009 and 0,49 as at 30 September 2009).

CONSOLIDATED CASH FLOW

In the period of nine months ended 30 September 2010 the value of net cash flows was 7 498 thousand PLN. Compared to the same period of the previous year the Group generated cash flows that were by 7 073 thousand PLN higher. Operating cash flows amounted to 141 220 thousand PLN and were by 60 231 thousand PLN lower than those generated in the period from January to September 2009 due to a drop in profit before tax, lower depreciation write downs, higher foreign exchange losses on the translation of foreign entities and lower interest charges paid (due to a drop in debt). The increase in the value of liabilities, and other changes in working capital are described above.

The excess of investment expenses over income from the sale of fixed assets and financial assets amounted to 16 460 thousand PLN and was by 61 627 thousand PLN lower than in the same period of 2009. In the current period the value of investment cash flows was affected primarily by the acquisition of tangible and intangible fixed assets in the amount of 32 679 thousand PLN, and the sale of the shares of BOMI S.A., resulting in an income of 13 844 thousand PLN. Lower investment expenses incurred by the Group's companies compared to the previous year are caused by a lack of a significant need to invest in production assets in the reporting period.

In both of the analyzed periods the Group showed negative financing cash flows amounting to 122 939 thousand PLN in the nine months of 2009 and 117 262 thousand PLN in the nine months of 2010. Expenses were lower due to a drop in debt. In the analyzed period of 2010 the highest income and at the same time repayment of credits and loans was recorded by Hoop Polska Sp. z o.o. further to its conclusion with a bank consortium formed by Bank Zachodni WBK S.A., Kredyt Bank S.A., Bank Polska Kasa Opieki S.A. of two credit agreements, which replaced all of the company's existing credit agreements (repaid in the first quarter of 2010).

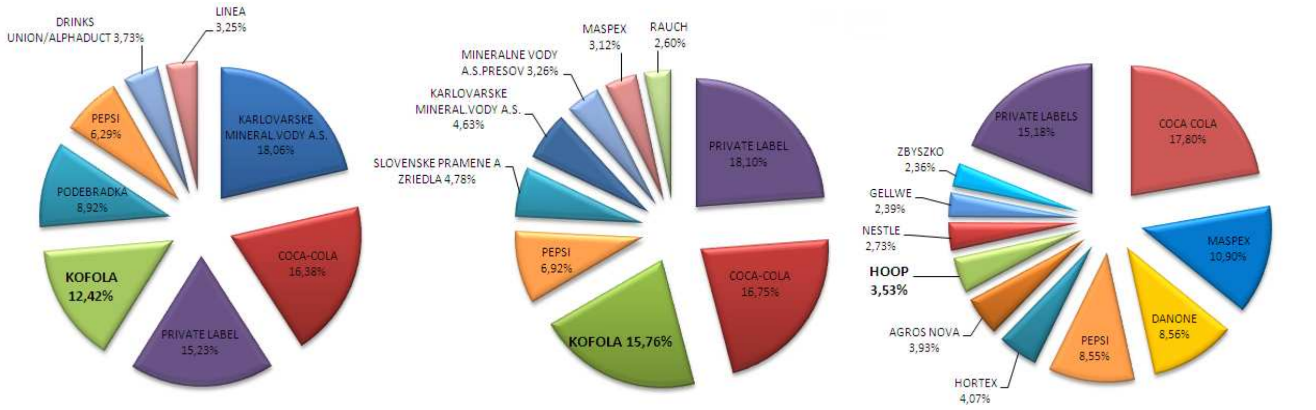
5.3 Operating segments

Market position of the KOFOLA S.A. Group

According to AC Nielsen, as at 30 September 2010 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, first on the market of children's drinks, second in colas and second for non-carbonated beverages in PET packaging), 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 second 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, seventh in energy drinks, tenth in mineral water, and fourth on the entire non-carbonated beverages market (all types of packaging) – second in non-carbonated beverages in PET 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



Source: AC Nielsen

Products

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

KOFOLA GROUP BRANDS

CARBONATED BEVERAGES	Kofola, RC Cola, Citrocola, Hoop Cola, Top Topic, Vinea, Chito, Orangina, Citronela, Fruti, Mr. Max, Sentino
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, Jupík Shake, Capri-Sonne
ICE COFFEE	Nescafé Xpress
ICE TEA	Pickwick Just Tea
ENERGY DRINKS	R20
COMPOTES	Paola
LOW ALCOHOL BEVERAGES (Russia)	Hooch, Dieviatka, Tiamo Tanto

Since the beginning of 2010 the Group's assortment of beverages was broadened to include the Pickwick Just Tea frozen tea, new Rajec flavored waters, new flavors of drinks from the Top Topic family, as well as the citrus beverage Orangina (product of Orangina Schweppes International). The KOFOLA S.A. Group also makes beverages and syrups at the commission of external companies, mainly shopping chains, under their own brand.

In addition, the company Megapack, which operates on the Russian market, sells drink bottling services, relating to both low alcohol beverages and non-alcoholic beverages. Their clients are both multinationals and the largest Russian beverage companies.

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 sales of beverages (goods for resale) made by distribution companies, sales of the R20 energy drinks (product) and of the Nescafe Xpress frozen coffee (good for resale), as well as transport activities performed for entities from outside the Group.

Financial income and expense, 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.

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 this data in the financial statements.

Reporting segment results for the period 9 months ended 30 th of September 2010 and for the period 9 months ended 30 th of September 2009:

Operating segments

1.1.2010 - 30.9.2010	**Carbonated beverages**	**Non-Carbonated beverages**	**Mineral waters**	**Syrups**	**Low alcohol drinks**	**Other**	**Eliminations (consolidation adjustments)**	**Total**
Revenue	424 157	125 946	160 803	100 044	94 288	31 780	-	937 018
Sales to external customers	424 157	125 946	160 803	100 044	94 288	31 780	-	937 018
Inter-segment sales	-	-	-	-	-	-	-	-
Operating expenses	(380 256)	(135 642)	(162 991)	(86 753)	(93 363)	(31 905)	-	(890 910)
Operating result of the segment	**43 901**	**(9 696)**	**(2 188)**	**13 291**	**925**	**(125)**	**-**	**46 108**
Result on financial activity								(10 724)
Profit before tax								35 384
Income tax								(9 146)
Net profit								**26 238**

1.1.2009 - 30.9.2009	**Carbonated beverages**	**Non-Carbonated beverages**	**Mineral waters**	**Syrups**	**Low alcohol drinks**	**Other**	**Eliminations (consolidation adjustments)**	**Total**
Revenue	453 845	169 860	173 757	102 923	171 580	84 098	-	1 156 063
Sales to external customers	453 845	169 860	173 757	102 923	171 580	84 098	-	1 156 063
Inter-segment sales	-	-	-	-	-	-	-	-
Operating expenses	(362 284)	(169 867)	(179 374)	(90 318)	(165 990)	(85 122)	-	(1 052 955)
Operating result of the segment	**91 561**	**(7)**	**(5 617)**	**12 605**	**5 590**	**(1 024)**	**-**	**103 108**
Result on financial activity								(23 041)
Profit before tax								80 067
Income tax								(18 613)
Net profit								**61 454**

5.4 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.

1.1.2010 - 30.9.2010	Poland	Czech Republic	Russia	Slovakia	Other	Eliminations (consolidation adjustments)	Total
Revenue	373 229	303 495	148 827	191 456	2 757	(82 745)	937 019
Sales to external customers	358 565	269 569	148 827	157 301	2 757	-	937 019
Inter-segment sales	14 664	33 926	-	34 155	-	(82 745)	-
Operating expenses	(374 332)	(270 851)	(143 518)	(176 592)	(2 409)	76 791	(890 911)
relating to third party sales	(359 807)	(242 440)	(143 518)	(142 737)	(2 409)	-	(890 911)
relating to inter-segment sales	(14 525)	(28 411)	-	(33 855)	-	76 791	-
Operating result of the segment	**(1 103)**	**32 643**	**5 309**	**14 864**	**348**	**(5 954)**	**46 108**
Result on financial activity	24 842	(2 054)	542	(1 665)	-	(32 389)	(10 724)
within segment	(4 922)	(4 679)	542	(1 665)	-	-	(10 724)
between segments	29 764	2 625	-	-	-	(32 389)	-
Profit before tax	23 739	30 589	5 851	13 199	348	(38 343)	35 384
Income tax	(1 995)	(3 670)	(1 259)	(3 121)		899	(9 146)
Net profit /(loss)	**21 744**	**26 919**	**4 592**	**10 078**	**348**	**(37 444)**	**26 238**
Assets and liabilities							
Segment assets	822 354	478 078	139 220	232 644	714	(276 786)	1 396 224
Total assets	**822 354**	**478 078**	**139 220**	**232 644**	**714**	**(276 786)**	**1 396 224**
Segment liabilities	411 005	486 081	62 274	161 329	543	(295 651)	825 580
Equity							570 644
Total liabilities and equity							**1 396 224**
Other information concerning segment							
Investment expenditure :							
tangibles and intangibles	7 500	9 281	483	15 415	-	-	32 679
Depreciation and amortization	19 153	23 070	5 971	11 638	-	-	59 832

1.1.2009 - 30.9.2009	Poland	Czech Republic	Russia	Slovakia	Other	Eliminations (consolidation adjustments)	Total
Revenue	472 676	330 697	219 347	215 550	6 090	(88 297)	1 156 063
Sales to external customers	461 011	290 967	219 347	178 648	6 090	-	1 156 063
Inter-segment sales	11 665	39 730	-	36 902	-	(88 297)	-
Operating expenses	(464 028)	(282 369)	(206 908)	(175 689)	(5 195)	81 234	(1 052 955)
relating to third party sales	(453 296)	(245 818)	(206 908)	(141 739)	(5 195)	-	(1 052 955)
relating to inter-segment sales	(10 732)	(36 551)	-	(33 950)	-	81 234	-
Operating result of the segment	**8 648**	**48 328**	**12 439**	**39 861**	**895**	**(7 063)**	**103 108**
Result on financial activity	18 029	(8 720)	104	(3 460)	(63)	(28 931)	(23 041)
within segment	(8 451)	(11 171)	104	(3 460)	(63)	-	(23 041)
between segments	26 480	2 451	-	-	-	(28 931)	-
Profit before tax	26 677	39 608	12 543	36 401	832	(35 994)	80 067
Income tax	(3 816)	(4 730)	(2 621)	(7 445)	-	-	(18 613)
Net profit /(loss)	**22 861**	**34 878**	**9 922**	**28 956**	**832**	**(35 994)**	**61 454**
Assets and liabilities							
Segment assets	825 260	491 903	106 229	272 711	900	(247 409)	1 449 594
Total assets	**825 260**	**491 903**	**106 229**	**272 711**	**900**	**(247 409)**	**1 449 594**
Segment liabilities	390 385	509 348	59 280	182 526	17 345	(273 255)	885 629
Equity							563 965
Total liabilities and equity							**1 449 594**
Other information concerning segment							
Investment expenditure :							
tangibles and intangibles	21 388	16 500	1 054	40 043	-	-	78 985
Depreciation and amortization	23 110	34 639	6 427	14 974	15	-	79 165

5.5 Most significant events at the KOFOLA S.A. Group in the period from 1 January 2010 to the preparation of the present financial statements

Credit agreements

On 22 March 2010 the company HOOP Polska Sp. z o.o. concluded with a consortium formed by Bank Zachodni WBK S.A., Kredyt Bank S.A. and Bank Polska Kasa Opieki S.A. two credit agreements. An agreement for a term credit in the amount of 57 000 thousand PLN designated to refinance current debt and to finance the Company's current operations – variable interest of 3M WIBOR and bank margin, repayment date set for 22 March 2014. An agreement for an overdraft account in the amount of 57 000 thousand PLN designated to refinance current debt and to finance the Company's current operations – variable interest of 1M WIBOR and bank margin, repayment date set for 22 March 2012. The above credit agreements are secured with: a registered pledge on a group of items and rights constituting an economic whole (up to 171 000 thousand PLN), a mortgage on real properties of Hoop Polska Sp. z o.o. (totaling 171 000 thousand PLN) and a guarantee by KOFOLA S.A. for the benefit of the banks comprising the Consortium, for the amount of 171 000 thousand PLN (with an expiration date of 31 December 2015). The conclusion of the above credit agreements by Hoop Polska Sp. z o.o. replaced all of the existing credit agreements, thereby improving the organization and servicing of Hoop Polska Sp. z o.o. external debt. The credit agreements will cover the external financing needs of HOOP Polska Sp. z o.o. for the next few years, whereas any other credit needs will be the subject of separate negotiations with the Consortium. KOFOLA S.A informed of the conclusion of the above credit agreements in its Current Report No. 5/2010.

Bankruptcy proceeding at the company Pomorskie Centrum Dystrybucji HOOP Sp. z o.o.

On 28 May 2010 the Regional Court in Koszalin, VII Business Division for Bankruptcy and Recovery Cases, issued a decision on the liquidation bankruptcy of the subsidiary Pomorskie Centrum Dystrybucji HOOP Sp. z o.o. („the Company") at the petition of the Company's then Management. On 17 June 2010 the Regional Court in Koszalin, VII Business Division for Bankruptcy and Recovery Cases issued a decision changing the proceeding from a liquidation bankruptcy to a bankruptcy open to arrangements. At the same time, by virtue of this decision the Regional Court in Koszalin returned to the Company the management over its assets. The 17 June 2010 decision of the Regional Court in Koszalin was issued at the petition of the Company's new management. It is the intention of the main shareholder and the current Management for the Company to continue as a going concern, thus the company's current legal status has no effect on the assumption of going concern, and in consequence on the valuation and presentation of the company's assets.

Changes in the Board of Directors of the holding company KOFOLA S.A.

On 7 April 2010 Ms. Simona Nováková, Member of the Board of Directors, resigned from the position of Member of the Board of Directors effective 30 April 2010. The Supervisory Board appointed Mr. Bartosz Marczuk to the position of Member of the Board of Directors effective 1 May 2010. The Company informed of the changes in its Management Board in its Current Report No. 6/2010.

Sale of the shares of BOMI S.A.

In the reporting period KOFOLA S.A sold all of its shares of BOMI S.A. traded on the Warsaw Stock Exchange. After commission, the income from this transaction amounted to 13 844 thousand PLN, and the result on this transaction amounted to 2 328 thousand PLN.

Sale of the subsidiary Bobmark International Sp. z o.o.

On 8 July 2010 a contingent agreement was signed (and on 13 August annexed) for the sale of shares of Bobmark International Sp. z o.o. by KOFOLA S.A. to PPHU Specjał Sp. z o.o. At the same time, based on an agreement for the transfer of debts dated 12 August 2010 KOFOLA S.A. acquired from Hoop Polska Sp. z o.o. the undisputed debts of Bobmark International Sp. z o.o. to Hoop Polska Sp. z o.o. totaling 8 030 thousand PLN. The price for the acquisition of the debts will be paid by KOFOLA S.A. in installments. On 12 August 2010 KOFOLA S.A. as the sole shareholder of Bobmark International Sp. z o.o. passed a resolution to raise the share capital of Bobmark International Sp. z o.o. by 8 030 thousand PLN. The Management believes that control over Bobmark International Sp. z o.o. was lost with the signing of the contingent agreement and appointment of a new board, and thus the assets and liabilities of Bobmark International Sp. z o.o. are presented in the financial statements as the above described items held for sale. The sale of shares of Bobmark International Sp. z o.o. became effective once on 18 October 2010 the Court issued a decision to enter the new share capital in the National Court Register (Note 4.14).

Issue of subscription warrants

On 18 August 2010 Kofola S.A. issued 26 843 inscribed A-series subscription warrants, entitling members of the Company's and subsidiaries' management staff (eligible based on Resolution No. 15/2010 passed by the Supervisory Board on 31 May 2010) to take up a total of 26 843 ordinary H-series bearer's shares at an issue price of 43,20 PLN per share; in accordance with Resolution No. 4/2009 of the Company's Extraordinary Shareholders Meeting, the right to the shares may be realized by submitting a letter of intention to take up shares no sooner than after 12 months, and no later than within 3 years of the warrant issue date.

Orangina

On 25 October 2010 the subsidiaries of the KOFOLA S.A. Group – Kofola Holding a.s., Kofola a.s. from Slovakia and Kofola a.s. from the Czech Republic – signed license agreements with Schweppes International Limited, based on which they obtained an exclusive license to use the trademarks and industrial designs of the Orangina brand on the territory of the Czech and Slovak Republics with regard to the production and sale of the Orangina fruit drinks.

Change of Chairman of the Board at HOOP Polska Sp. z o.o.

On 2 November 2010 Mr. Krzysztof Grudziński – Chairman of the Board of Directors of HOOP Polska sp. z o.o. was dismissed as member and Chairman of the Board of HOOP Polska Sp. z o.o.; the responsibilities of Chairman of the Board of Directors of HOOP Polska Sp. z o.o. were taken over by Martin Mateáš, who until now was in charge of sales and marketing at the Kofola Group.

Start up of SAP at HOOP Polska Sp. z o.o.

At the start of the year 2010 the ERP SAP R/3 integrated system was started up at HOOP Polska Sp. z o.o. The implementation constitutes a roll-out of previous implementations in the Czech and Slovak Republics.

The offices of Kofola a.s. (Czech Republic) moved from distribution center in Prague to Mnichovo Hradiště plant

Effective 1 October 2010 the offices were moved from the rented distribution center in Prague to the company's own offices in Mnichovo Hradiště. This change will result in savings on rental fees and additional costs of transport from the production plant to the distribution center.

Sale of assets (an element of organizing the Group)

In the reporting period Kofola Sp. z o.o. sold to HOOP Polska Sp. z o.o. production properties located in Kutno. The income from this transaction amounted to 28 000 thousand PLN, and the profit realized by Kofola Sp. z o.o. in the amount of 2 041 thousand PLN has been excluded from the consolidated financial statements as part of consolidation adjustments.

5.6 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. 30 August 2010), 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.

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 September 2010 the share capital amounted to 26 172 602 PLN and consisted of 26 172 602 shares with a nominal value of 1 PLN per share, entitling to 26 172 602 votes at the Company's General Shareholders Meeting.

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

According to the Group's information, no changes have been made in the ownership of major share packages 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%
Pozostali	1 494 076	5,71%	5,71%
Total	**26 172 602**	**100,00%**	**100,00%**

5.7 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 submission of the report for the period of nine months ended 30 September 2010 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 half of 2010.

Shareholder	Share capital (value)		% in share capital		% in voting power	
	8.11.2010	30.8.2010	8.11.2010	30.8.2010	8.11.2010	30.8.2010
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%

5.8 Ongoing proceedings before courts, arbitration authorities or public administration authorities

Fructo-Maj Sp. z o.o.

KOFOLA S.A. is a party in the bankruptcy proceeding of the entity Fructo-Maj. On 6 August 2007, HOOP S.A (currently doing business as KOFOLA S.A.) concluded an engagement letter with Fructo-Maj Sp. z o.o., in which it expressed its interest in investing in Fructo-Maj for the purposes of its financial restructuring and enabling the payment of debts. As part of realizing this agreement HOOP S.A. acquired Fructo-Maj's debts, among others concluded a debt assignment agreement with Kredyt Bank S.A., based on which Kredyt Bank S.A transferred onto HOOP S.A. all the debt from a credit agreement, which as at 30 September 2010 amounted to 1 324 thousand PLN and is presented in the financial statements of KOFOLA S.A. as short-term credit payables due (as per an annex dated 20 September 2010) by 31 December 2010, and as receivables from the company Fructo-Maj. As at 30 September 2010 the total value of the receivables from Fructo-Maj relating to the acquired debt is 11 773 thousand PLN, the balance sheet value of this item, after revaluation, is 4 097 thousand PLN. The receivables are secured with mortgages on all of the significant real properties of Fructo-Maj, and with a registered pledge on the entity's movables.

Fructo-Maj was declared bankrupt open to arrangements in a decision issued on 27 September 2007, and then based on a decision issued on 24 June 2008 the type of proceedings was changed from an arrangement to a liquidation proceeding relating to the assets of Fructo-Maj Sp. z o.o. KOFOLA S.A has its representative in the Committee of Creditors of Fructo-Maj Sp. z o.o. The assets of Fructo-Maj are currently being sold. The Board believes that given the current state of affairs and type of collateral, no revaluation is needed with regard to the assets associated with Fructo-Maj.

Pomorskie Centrum Dystrybucji HOOP Sp. z o.o.

On 28 May 2010 the Regional Court in Koszalin, VII Business Division for Bankruptcy and Recovery Cases, issued a decision on the liquidation bankruptcy of the subsidiary Pomorskie Centrum Dystrybucji HOOP Sp. z o.o. („the Company") at the petition of the Company's then Management. On 17 June 2010 the Regional Court in Koszalin, VII Business Division for Bankruptcy and Recovery Cases issued a decision changing the proceeding from a liquidation bankruptcy to a bankruptcy open to arrangements. At the same time, by virtue of this decision the Regional Court in Koszalin returned to the Company the management over its assets. The 17 June 2010 decision of the Regional Court in Koszalin was issued at the petition of the Company's new management.

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 their financial position.

5.9 Information about significant contracts that do not meet the criteria of significant contract

- In the reporting period a contingent agreement was concluded for the sale of shares of Bobmark International Sp. z o.o. (Note 5.5).
- On 25 October 2010 the subsidiaries of the KOFOLA S.A. Group – Kofola Holding a.s., Kofola a.s. from Slovakia and Kofola a.s. from the Czech Republic – signed license agreements with Schweppes International Limited, based on which they obtained an exclusive license to use the trademarks and industrial designs of the Orangina brand on the territory of the Czech and Slovak Republics with regard to the production and sale of the Orangina fruit drinks.

5.10 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 4.17 to the financial statements.

5.11 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., CR / Kofola Holding	UNICREDIT BANK	6 666 T EUR	26 594	6/2012	Kofola a.s., SR	subsidiary
Kofola Holding	ČSOB a.s.	480 T EUR	1 981	3/2014	Kofola a.s., SR	subsidiary
Kofola Holding	VÚB BANKA	11 876 T EUR	49 009	2/2015	Kofola a.s., SR	subsidiary
Kofola S.A.	Bank Zachodni WBK S.A.	57 302 T PLN	57 302	12/2015	Hoop Polska Sp z o.o.	subsidiary
Kofola S.A.	Kredyt Bank S.A.	2 207 T PLN	2 207	12/2015	Hoop Polska Sp z o.o.	subsidiary
Kofola S.A.	Bank Pekao S.A.	4 670 T PLN	4 670	12/2015	Hoop Polska Sp z o.o.	subsidiary
Kofola S.A.	Deutsche Leasing*	15 993 T PLN	15 993	2/1014	Hoop Polska Sp z o.o.	subsidiary
Kofola S.A.	ING Commercial Finance	1 954 T PLN	1 954	till termination of the contract	Hoop Polska Sp z o.o.	subsidiary
Kofola S.A.	Komerční banka a.s., Praha	160 000 T CZK	25 937	12/2016	Kofola a.s., ČR	subsidiary
Kofola S.A.	Komerční banka a.s., Praha	240 000 T CZK	38 904	15.11.2011	Kofola a.s., ČR	subsidiary
Kofola S.A.	Komerční banka a.s., Praha	20 212 T CZK	3 276	10/2010	Kofola Holding a.s.	subsidiary
Hoop Polska Sp. z o.o.	Cargill	322 T PLN	322	till termination of the contract		
Total Sureties for Loans or Guarantees Issued			**228 149**	**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.

5.12 Information on issuing securities

On 18 August 2010 Kofola S.A. issued 26 843 inscribed A-series subscription warrants, entitling members of the Company's and subsidiaries' management staff (eligible based on Resolution No. 15/2010 passed by the Supervisory Board on 31 May 2010) to take up a total of 26 843 ordinary H-series bearer's shares at an issue price of 43,20 PLN per share; in accordance with Resolution No. 4/2009 of the Company's Extraordinary Shareholders Meeting, the right to the shares may be realized by submitting a letter of intention to take up shares no sooner than after 12 months, and no later than within 3 years of the warrant issue date.

5.13 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 2010.

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

The Group's net result in the reported period was affected mainly, but not only, by the strengthening of the exchange rate of the Polish zloty to the Czech crown and the euro adopted for the purposes of the balance sheet valuation of foreign entities (the average exchange rate of PLN to CZK strengthened by 5%, and of PLN to EUR by 10% in the nine months ended 30 September 2010 compared to the same period of the previous year).

In the period of nine months ended 30 September 2009 the Group recognized 7 049 thousand PLN in net foreign exchange losses, whereas in the same period of 2010 the Group recognized 692 thousand PLN in net foreign exchange gains. This was caused by lower variability of foreign exchange rates compared to the comparative period, and of better management of foreign exchange risk by the Group's companies. A large portion of the foreign exchange losses incurred in the analyzed period of 2009 related to unrealized foreign exchange differences arising primarily out of the valuation of loans, credits and lease payables denominated in EUR at the 30 September 2009 exchange rate.

In the reporting period of nine months ended 30 September 2010 KOFOLA S.A. sold all of its shares of BOMI S.A. The income from this transaction, after deducting commission, amounted to 13 844 thousand PLN, and the profit on the transaction to 2 328 thousand PLN.

In addition, in the year 2009 the Management analyzed the depreciation rates used at the Group in order to better standardize them. A detailed analysis was performed of the expected useful lives of the main asset groups. As a result of these two changes, depreciation in period of nine months ended 30 September 2010 is by around 11 515 thousand PLN lower than what it would have been had the previous depreciation rates and periods been applied to the main asset groups.

5.15 External and internal factors material to the Group's growth

The Kofola Group's competitive position has to do with the main market factors, such as brand strength, innovation, costs, product quality, the scale effect, the ability to act swiftly, market position. In the Management's opinion, the Group's 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 quarters.

The main factors that, in the Management's opinion, will determine the Group's financial results:

- macroeconomic situation, unemployment rate and the related willingness to consume,
- work force effectiveness,
- weather conditions,
- prices applied by the competition in main operating segments,
- cost of raw materials – sugar and isoglucose, moulds and caps, packaging, flavoring and concentrates,
- changes in foreign exchange rates (EUR/CZK, EUR/CZK)
- interest rates

In the upcoming quarters the Group's results will be greatly affected by: the prices of production materials, the majority of which are based on the so-called commodities (prices of raw materials such as: oil, sugar and paper have shown a growing tendency in recent months), the exchange rates (PLN, CZK, EUR and RUB), the effectives of the increased sales force formed at the turn of the years 2009 and 2010, and weather conditions. Macroeconomic factors, such as the rate of unemployment and improvements in economic conditions that will encourage people to consume more (both at home and in restaurants) will also be of great importance. The Group's sales revenues are expressed primarily in local currencies, whilst a large portion of its purchases is made in EUR or USD (in Russia). A rise in the value of the EURO and USD with respect to the local currencies translates into higher prices of raw materials, and thus a drop in margins. In addition, a high EUR against PLN and CZK increases the prices of the majority of the materials used in the production of beverages, including such basic components as sugar and moulds used in the production of PET bottles. The Group's currency risk management policy is to cover known risks in a cost effective manner. Based on an assessment of the currency risk, the Group acquires derivative financial instruments in order to properly manage this risk. In order to protect against it, the Group uses primarily forward contracts.

The rise in the prices of raw materials is to be countered with better product-mix management, and better management of sale prices.

The risk and threat factors to the operations of the KOFOLA Group are primarily caused by the specific nature of its industry. The greatest include seasonality of sales, the fact that consumption of mineral water and beverages depends on weather conditions, sensitivity to changes in prices of raw materials used in the production of beverages (based on so-called commodities), currency risk (in particular with regard to the EUR/PLN and CZK and USD/RUB exchange rates), the risk of losing large clients and impairment of goodwill and brand value.

5.16 Subsequent events

Purchase of shares of PCD Hoop Sp. z o.o.

On 7 October 2010 KOFOLA S.A purchased a 25% package of the shares of its subsidiary Pomorskie Centrum Dystrybucji Hoop Sp.z o.o., thereby becoming its sole shareholder. It is the intention of KOFOLA S.A. to reach an arrangement, and then sell the company as part of organizing the Group and focusing on core operations. An arrangement is expected to be reached in November 2010.

Sale of the subsidiary Bobmark International Sp. z o.o.

On 18 October 2010 the Court issued a decision to enter in the National Court Register an increase in the share capital of Bobmark International Sp. z o.o.; the entry was a condition precedent for the sale of 100% of the shares of Bobmark International Sp. z o.o., so the shares of the company were sold.

Orangina

On 25 October 2010 the subsidiaries of the KOFOLA S.A. Group – Kofola Holding a.s., Kofola a.s. from Slovakia and Kofola a.s. from the Czech Republic – signed license agreements with Schweppes International Limited, based on which they obtained an exclusive license to use the trademarks and industrial designs of the Orangina brand on the territory of the Czech and Slovak Republics with regard to the production and sale of the Orangina fruit drinks.

Change of Chairman of the Board at HOOP Polska Sp. z o.o.

On 2 November 2010 Mr. Krzysztof Grudziński – Chairman of the Board of Directors of HOOP Polska sp. z o.o. was dismissed as member and Chairman of the Board of HOOP Polska Sp. z o.o.; the responsibilities of Chairman of the Board of Directors of HOOP Polska Sp. z o.o. were taken over by Martin Mateáš, who until now was in charge of sales and marketing at the Kofola Group.

Dividend payment

In accordance with a resolution passed by the Ordinary General Meeting of KOFOLA S.A., on 2 November 2010 a dividend was paid out in the amount of 25 126 thousand PLN (Note 4.7).

SIGNATURES OF THE COMPANY'S REPRESENTATIVES:

8.11.2010 r.	**Janis Samaras**	**Chairman of the Board of Directors**	....
date	*name and surname*	*position*	*signature*
8.11.2010 r.	**Bartosz Marczuk**	**Member of the Board of Directors**	....
date	*name and surname*	*position*	*signature*
8.11.2010 r.	**Martin Mateáš**	**Member of the Board of Directors**	....
date	*name and surname*	*position*	*signature*
8.11.2010 r.	**René Musila**	**Member of the Board of Directors**	....
date	*name and surname*	*position*	*Signature*
8.11.2010 r.	**Tomáš Jendřejek**	**Member of the Board of Directors**	....
date	*name and surname*	*position*	*Signature*

SIGNATURE OF PERSON RESPONSIBLE FOR BOOKKEEPING:

8.11.2010 r.	**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

	Note	1.1.2010 - 30.9.2010	1.7.2010 - 30.9.2010	1.1.2009 - 30.9.2009	1.7.2009 - 30.9.2009
Continuing operations					
Revenue from the sale of finished products and services		-	-	1 043	176
Revenue from the sale of goods and materials		-	-	97	41
Revenue		-	-	1 140	217
Cost of products and services sold	9.2	-	-	(759)	(153)
Cost of goods and materials sold	9.2	-	-	(70)	-
Total cost of sales		-	-	(829)	(153)
Gross profit		**-**	**-**	**311**	**64**
Selling, marketing and distribution costs	9.2	(127)	(59)	(486)	(61)
Administrative costs	9.2	(1 410)	(456)	(2 258)	(303)
Other operating income		1 134	18	987	(100)
Other operating expenses		(189)	(189)	(209)	(109)
Operating result		**(592)**	**(686)**	**(1 655)**	**(509)**
Financial income	9.3	31 942	8 157	26 344	(1 942)
Financial expense	9.4	(1 068)	(388)	(683)	(166)
Profit before tax		**30 282**	**7 083**	**24 006**	**(2 617)**
Income tax		(3 344)	(1 749)	(5 041)	255
Net profit on continued activity		**26 938**	**5 334**	**18 965**	**(2 362)**
Discontinued activity					
Net profit on discontinued activity		-	-	-	-
Net profit for the financial year		**26 938**	**5 334**	**18 965**	**(2 362)**
Earnings per share (in PLN)					
- basic earnings per share		1,0292	0,2037	0,7246	-0,0903
- basic earnings per share from continuing operations		1,0292	0,2037	0,7246	-0,0903
- diluted earnings per share		1,0253	0,2030	0,7246	-0,0903
- diluted earnings per share from continuing operations		1,0253	0,2030	0,7246	-0,0903

6.2 Separate statement of comprehensive income

	Note	1.1.2010 - 30.9.2010	1.7.2010 - 30.9.2010	1.1.2009 - 30.9.2009	1.7.2009 - 30.9.2009
Net profit for the financial year		**26 938**	**5 334**	**18 965**	**(2 362)**
Other comprehensive income (gross)					
Fair value gains on available-for-sale financial assets		-	-	4 772	1 942
Other		-	-	(165)	-
Income tax relating to components of Other comprehensive income		-	-	(906)	(368)
Other comprehensive income for the period (net)		**-**	**-**	**3 701**	**1 574**
Total comprehensive income for the period	6.5	**26 938**	**5 334**	**22 666**	**(788)**

6.3 Separate balance sheet

ASSETS	Note	30.9.2010	31.12.2009	30.9.2009
Fixed assets		**1 002 890**	**1 005 690**	**1 035 764**
Tangible fixed assets		400	402	801
Goodwill		13 768	13 767	13 768
Intangible fixed assets		40	131	162
Investment in subsidiaries and associates	9.7	855 584	854 219	869 723
Financial assets available for sale		-	11 522	14 436
Loans provided to related parties	9.7	133 098	121 518	136 874
Other financial assets		-	1 562	-
Deferred tax assets		-	2 569	-
Current assets		**46 866**	**13 913**	**27 629**
Inventories		-	-	-
Trade receivables and other receivables		33 698	13 768	26 354
Income tax receivables		-	-	1 075
Cash and cash equivalents		13 168	145	200
TOTAL ASSETS		**1 049 756**	**1 019 603**	**1 063 393**

LIABILITIES AND EQUITY				
Equity		**906 853**	**903 675**	**915 440**
Share capital		26 173	26 173	26 173
Other capital		853 637	875 781	870 198
Retained earnings		27 043	1 721	19 069
Total Equity		**906 853**	**903 675**	**915 440**
Long-term liabilities		**72 689**	**73 523**	**71 563**
Provisions		-	-	14
Other liabilities		11 806	13 334	13 834
Deferred tax reserve		60 883	60 189	57 715
Short-term liabilities		**70 214**	**42 405**	**76 390**
Bank credits and loans		1 324	5 306	9 158
Trade liabilities and other liabilities		23 478	16 813	33 746
Income tax liabilities		-	-	-
Other financial liabilities		25 126	-	-
Provisions		20 286	20 286	33 486
Total Liabilities		**142 903**	**115 928**	**147 953**
TOTAL LIABILITIES AND EQUITY		**1 049 756**	**1 019 603**	**1 063 393**

6.4 Separate cash flow statement

	Note	1.1.2010 - 30.9.2010	1.7.2010 - 30.9.2010	1.1.2009 - 30.9.2009	1.7.2009 - 30.9.2009
Cash flow on operating activity					
Gross profit (loss)		30 282	7 083	24 006	(2 617)
Adjustments for the following items:					
Depreciation	9.2	93	31	239	76
Net interest and dividends	9.3,9.4	(22 654)	(6 583)	(17 144)	(3 170)
Net foreign exchange differences	9.3,9.4	(5 711)	(1 070)	(8 599)	(8 599)
(Profit)/loss on investment activity		(2 325)	-		12 691
Change in the balance of receivables		(695)	(5 463)	(15 686)	(14 289)
Change in the balance of inventories		-	-	389	-
Change in the balance of liabilities		4 496	8 210	16 803	17 105
Change in the balance of provisions		-	-	-	-
Paid income tax		(81)	(81)	-	-
Other		-	-	406	(428)
Net cash flow on operating activity		**3 405**	**2 127**	**414**	**769**
Cash flow on investing activity					
Sale of intangible assets and fixed assets		-	-	-	-
Purchase of intangible assets and fixed assets		-	-	(249)	32
Sale of financial assets (shares BOMI S.A.)		13 844	-	-	-
Purchase of financial assets		-	-	-	-
Dividends received		-	-	9 676	-
Proceeds from repaid loans		-	-	-	-
Granted loans		-	-	-	9 700
Net cash flow on investing activity		**13 844**	**-**	**9 427**	**9 732**
Cash flow on financial activity					
Proceeds from loans and bank credits received		-	-	-	-
Repayment of loans and bank credits		(3 979)	(2 218)	(1 399)	(799)
Dividends paid to the shareholders of the parent company		-	-	-	-
Interest paid	9.4	(247)	(61)	(570)	(181)
Other		-	-	(9 566)	(9 566)
Net cash flow on financing activity		**(4 226)**	**(2 279)**	**(11 535)**	**(10 546)**
Total net cash flow		13 023	(153)	(1 694)	(45)
Cash at the beginning of the period		**145**	**13 321**	**1 894**	**245**
Cash at the end of the period		**13 168**	**13 168**	**200**	**200**
Cash with limited ability to use		-	-	-	-

6.5 Separate statement of changes in equity

	Note	Share capital	Other capital	Retained earnings	Total equity
As at 1.1.2009		**26 172**	**866 260**	**17 091**	**909 523**
Increase of share capital		1	-	-	1
Total comprehensive income for the period	6.2	**-**	**3 701**	**18 965**	**22 666**
Dividends payment	9.6	-	-	(16 750)	(16 750)
Profit distribution		-	237	(237)	-
As at 30.9.2009		**26 173**	**870 198**	**19 069**	**915 440**
As at 1.1.2009		**26 172**	**866 260**	**17 091**	**909 523**
Increase of share capital		1	-	-	1
Capital relating to subscription warrant allocation program		-	424	-	424
Total comprehensive income for the period		**-**	**8 860**	**1 617**	**10 477**
Dividends payment		-	-	(16 750)	(16 750)
Profit distribution		-	237	(237)	-
As at 31.12.2009		**26 173**	**875 781**	**1 721**	**903 675**
As at 1.1.2010		**26 173**	**875 781**	**1 721**	**903 675**
Capital relating to subscription warrant allocation program		-	1 366	-	1 366
Total comprehensive income for the period	6.2	**-**	**-**	**26 938**	**26 938**
Dividends payment	9.6	-	(23 510)	(1 616)	(25 126)
Profit distribution		-	-	-	-
As at 30.9.2010		**26 173**	**853 637**	**27 043**	**906 853**
As at 1.7.2010		**26 173**	**853 182**	**21 709**	**901 064**
Capital relating to subscription warrant allocation program		-	455	-	455
Total comprehensive income for the period	6.2	**-**	**-**	**5 334**	**5 334**
Dividends payment	9.6	-	-	-	-
Profit distribution		-		-	-
As at 30.9.2010		**26 173**	**853 637**	**27 043**	**906 853**

7 General information

Information about the company:

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

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

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 Company's standalone financial statements cover the period of 9 months ended 30 September 2010, and contain comparatives for the period of 9 months ended 30 September 2009.

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 interim separate financial statements have been prepared on the assumption that the Company will continue as a going concern in the foreseeable future. As at the date of approval of these condensed separate financial statements we were aware of no circumstances indicating a threat to the Company's going concern.

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 2009.

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 present condensed separate financial statements ("the separate financial statements") have been prepared in accordance with the requirements of IAS 34 "Interim Reporting", as well as 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 (Journal of Laws No. 33, item 259) ("the Decree"), and present the Company's financial position as at 30 September 2010, 31 December 2009 and 30 September 2009, the results of its operations for the period of 9 months ended 30 September 2010 and 30 September 2009, as well as cash flows for the period of 9 months ended 30 September 2010 and 30 September 2009.

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

8.2 Functional currency and presentation currency

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

8.3 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	**30.9.2010**	**31.12.2009**	**30.9.2009**
PLN/USD	2,9250	2,8503	2,8852
PLN/EUR	3,9870	4,1082	4,2226
PLN/RUB	0,0956	0,0950	0,0962
PLN/CZK	0,1621	0,1554	0,1676

Average currency rates, calculated as arithmetical mean of currencies on last day of each month in period	**1.1.2010 - 30.9.2010**	**1.1.2009 - 31.12.2009**	**1.1.2009 - 30.9.2009**
PLN/USD	3,0556	3,1236	3,2243
PLN/EUR	4,0027	4,3406	4,3993
PLN/RUB	0,1008	0,0982	0,0989
PLN/CZK	0,1576	0,1639	0,1658

8.4 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 Separate Report of Kofola S.A. for the year 2009, published on 19 March 2010. Presented in that 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 financial statements for the period of 9 months ended 30 September 2009.

8.5 Approval of financial statements

The Board of Directors approved the present separate financial statements for publication on 8th of November 2010.

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 to identify potential operating segments.

As the Company's activities are focused on holding management, no operating segments have been separated.

9.2 Expenses by type

	1.1.2010 - 30.9.2010	1.1.2009 - 30.9.2009
Depreciation of fixed assets and intangible assets	93	239
Employee benefits costs	229	921
Consumption of materials and energy	14	14
Services	1 054	1 958
Taxes and fees	36	21
Property and life insurance	1	-
Costs of development work	-	-
Other costs	110	(39)
Total expenses by type	**1 537**	**3 114**
Change in the balance of products, production in progress, prepayments and accruals	-	389
Cost of manufacturing products for the entity's proprietary needs	-	-
Reconciliation of expenses by type to expenses by function	**1 537**	**3 503**
Costs of sales, marketing and distribution	127	486
Administrative costs	1 410	2 258
Cost of products sold	-	759
Reconciliation of expenses by type to expenses by function	**1 537**	**3 503**

Costs of employee benefits

	1.1.2010 - 30.9.2010	1.1.2009 - 30.9.2009
Cost of salary	229	774
Social security and other benefits costs	-	147
Reserves costs for pension, jubilee award and other employee benefit	-	-
Total costs of employee benefits	**229**	**921**

9.3 Financial income

	1.1.2010 - 30.9.2010	1.1.2009 - 30.9.2009
Financial interest income from:		
- bank deposits	279	11
- credits and loans granted	6 164	7 254
- interest on receivables	-	-
Dividends payable	17 460	10 752
Net financial income from realized FX differences	5 711	8 327
Profit on disposal of shares and other securities	2 328	-
Other financial income	-	-
Total financial income	**31 942**	**26 344**

9.4 Financial expense

	1.1.2010 - 30.9.2010	1.1.2009 - 30.9.2009
Financial interest expense from:		
- credits and financial leases	971	657
Net financial losses from realized FX differences	-	-
Bank charges	97	26
Total financial expense	**1 068**	**683**

9.5 Changes in reserves and provisions

	Receivables	Financial assets	Provisions
As at 1.1.2010	**10 313**	**10 083**	**20 286**
Increase due to creation	-	-	-
Decrease due to release and use	-	-	-
As at 30.9.2010	**10 313**	**10 083**	**20 286**

	Należności	Aktywa finansowe	Rezerwy
As at 1.7.2010	**10 313**	**10 083**	**20 286**
Increase due to creation	-	-	-
Decrease due to release and use	-	-	-
As at 30.9.2010	**10 313**	**10 083**	**20 286**

9.6 Dividends paid and declared

	1.1.2010 - 30.9.2010	1.1.2009 - 30.9.2009
Dividends declared in the given period	25 126	16 750
Dividends on common shares:		
paid out in the given period	-	-
Dividends declared	**25 126**	**16 750**

In its Resolution No. 16 the Ordinary General Meeting of KOFOLA S.A. of 30 June 2010 designated the net profit generated by the KOFOLA S.A. in the period from 1 January 2009 to 31 December 2009, amounting to 1 616 thousand PLN, as well as a portion of the reserve capital created from the Company's accumulated profits from previous years, amounting to 23 510 thousand PLN, for the payment of a dividend.

The shares of all series (A,B,C,D,E,F,G) will partake in the dividend amounting to 0,96 PLN per share. The dividend date was set for 30 September 2010, and the dividend payment date for 2 November 2010. The amount of the declared dividend, equal to 25 126 thousand PLN, is presented under short-term liabilities in the "Other financial liabilities" item.

In the reporting period KOFOLA S.A. recorded a dividend received from the subsidiary Kofola Holding a.s. in the amount of 12 680 thousand PLN, as well as from OOO Megapack in the amount of 4 780 thousand PLN net.

9.7 Information on transactions with related parties

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

Revenues from the sale to related companies	1.1.2010 - 30.9.2010 revenues
- to consolidated subsidiaries	83
- to affiliates	-
- to non-consolidated subsidiaries	-
- to the members of key management and supervisory staff	-
- to other related companies (KSM Investment)	-
Total revenues from the sale to related companies	**83**

Purchases from related companies	1.1.2010 - 30.9.2010 purchase of services, merchandise and materials
- from consolidated subsidiaries	386
- from affiliates	-
- from non-consolidated subsidiaries	-
- from the members of key management and supervisory staff	-
- from other related companies (KSM Investment)	-
Total purchases from related companies	**386**

Receivables from related companies	30.9.2010	31.12.2009	30.9.2009
- from consolidated subsidiaries	18 014	4 870	4 111
- from affiliates	-	-	-
- from non-consolidated subsidiaries	-	-	-
- from the members of key management and supervisory staff	-	-	-
- from other related companies (KSM Investment)	-	-	-
Total receivables from related companies	**18 014**	**4 870**	**4 111**

Liabilities towards related companies	30.9.2010	31.12.2009	30.9.2009
- towards consolidated subsidiaries	35 075	28 869	27 642
- towards affiliates	-	-	-
- towards non-consolidated subsidiaries	-	-	-
- towards the members of key management and supervisory staff	-	-	-
- towards other related companies (KSM Investment)	-	-	81
Total liabilities towards related companies	**35 075**	**28 869**	**27 723**

Loans granted to related parties

	30.9.2010	31.12.2009	30.9.2009
Long-term loan , including:	**133 098**	**121 518**	**136 874**
Principal	105 669	101 301	117 320
Interest	27 429	20 217	19 554
Short-term loan , including:	**241**	**231**	**9 836**
Principal	-	-	9 635
Interest	241	231	201
Total	**133 339**	**121 749**	**146 710**

This item includes a loan granted to Kofola Holding a.s. As per the agreement, the repayment deadline is October 2036.

Investment in subsidiaries and associates

	Company name	Headquarters	Range of activity	Consolidation method	% part in share capital	% part in voting rights	Shares is subsidiaries		
							30.9.2010	**31.12.2009**	**30.9.2009**
1.	Hoop Polska Sp. z o.o.	Poland, Warszawa	production of non-alcoholic beverages	acquisition accounting	100,00%	100,00%	359 811	359 570	359 570
2.	Kofola Holding a.s.	Czech Republic, Ostrava	holding	acquisition accounting	100,00%	100,00%	439 874	438 750	438 326
3.	OOO Megapack	Russia, Widnoje	production 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.	Poland, Koszalin	wholesale of alcoholic and non-alcoholic beverages	acquisition accounting	75,00%	75,00%	-	-	-
5.	Bobmark International Sp. z o.o.	Poland Warszawa	wholesale of alcoholic and non-alcoholic beverages	acquisition accounting	100,00%	100,00%	-	-	-
6.	Maxpol Sp. z o.o.	Polska, Sufczyn	wholesale of alcoholic and non-alcoholic beverages	acquisition accounting	100,00%	100,00%	-	-	15 878
7.	Transport Spedycja Handel Sulich Sp. z o.o.	Poland, Bielsk Podlaski	road cargo transport	equity accounting	50,00%	50,00%	-	-	50
	RAZEM						**855 584**	**854 219**	**869 723**

9.8 Contingent assets and liabilities

	Contingent assets	Contingent liabilities
As at 1.1.2010	**-**	**99 506**
Increase	-	152 125
Decrease	-	(101 389)
As at 30.9.2010	**-**	**150 242**

The above contingent liabilities consist primarily of off-balance sheet liabilities relating to guaranties and warranties granted by KOFOLA S.A. to companies from the KOFOLA S.A. Group. The increase in contingent liabilities consists of guaranties granted by KOFOLA S.A. to Hoop Polska Sp. z o.o. for the benefit of the banks comprising the Consortium (see Note 4.15). The decrease in contingent liabilities consists of the repayment by the Group's companies of a portion of credits that had been guaranteed by KOFOLA S.A.

9.9 Significant court cases

Fructo-Maj Sp. z o.o.

KOFOLA S.A. is a party in the bankruptcy proceeding of the entity Fructo-Maj. On 6 August 2007, HOOP S.A (currently doing business as KOFOLA S.A.) concluded an engagement letter with Fructo-Maj Sp. z o.o., in which it expressed its interest in investing in Fructo-Maj for the purposes of its financial restructuring and enabling the payment of debts. As part of realizing this agreement HOOP S.A. acquired Fructo-Maj's debts, among others concluded a debt assignment agreement with Kredyt Bank S.A., based on which Kredyt Bank S.A transferred onto HOOP S.A. all the debt from a credit agreement, which as at 30 September 2010 amounted to 1 324 thousand PLN and is presented in the financial statements of KOFOLA S.A. as short-term credit payables due (as per an annex dated 20 September 2010) by 31 December 2010, and as receivables from the company Fructo-Maj. As at 30 September 2010 the total value of the receivables from Fructo-Maj relating to the acquired debt is 11 773 thousand PLN, the balance sheet value of this item, after revaluation, is 4 097 thousand PLN. The receivables are secured with mortgages on all of the significant real properties of Fructo-Maj, and with a registered pledge on the entity's movables.

Fructo-Maj was declared bankrupt open to arrangements in a decision issued on 27 September 2007, and then based on a decision issued on 24 June 2008 the type of proceedings was changed from an arrangement to a liquidation proceeding relating to the assets of Fructo-Maj Sp. z o.o. KOFOLA S.A has its representative in the Committee of Creditors of Fructo-Maj Sp. z o.o. The assets of Fructo-Maj are currently being sold. The Board believes that given the current state of affairs and type of collateral, no revaluation is needed with regard to the assets associated with Fructo-Maj.

Pomorskie Centrum Dystrybucji HOOP Sp. z o.o.

On 28 May 2010 the Regional Court in Koszalin, VII Business Division for Bankruptcy and Recovery Cases, issued a decision on the liquidation bankruptcy of the subsidiary Pomorskie Centrum Dystrybucji HOOP Sp. z o.o. („the Company") at the petition of the Company's then Management. On 17 June 2010 the Regional Court in Koszalin, VII Business Division for Bankruptcy and Recovery Cases issued a decision changing the proceeding from a liquidation bankruptcy to a bankruptcy open to arrangements. At the same time, by virtue of this decision the Regional Court in Koszalin returned to the Company the management over its assets. The 17 June 2010 decision of the Regional Court in Koszalin was issued at the petition of the Company's new management.

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 their financial position.

9.10 Subsequent events

Purchase of shares of Pomorskie Centrum Dystrybucji Hoop Sp. z o.o.

On 7 October 2010 KOFOLA S.A purchased a 25% package of the shares of its subsidiary Pomorskie Centrum Dystrybucji Hoop Sp.z o.o., thereby becoming its sole shareholder. It is the intention of KOFOLA S.A. to reach an arrangement, and then sell the company as part of organizing the Group and focusing on core operations. An arrangement is expected to be reached in November 2010.

Sale of the subsidiary Bobmark International Sp. z o.o.

On 18 October 2010 the Court issued a decision to enter in the National Court Register an increase in the share capital of Bobmark International Sp. z o.o.; the entry was a condition precedent for the sale of 100% of the shares of Bobmark International Sp. z o.o., so the shares of the company were sold.

Dividend payment

In accordance with a resolution passed by the Ordinary General Meeting of KOFOLA S.A., on 2 November 2010 a dividend was paid out in the amount of 25 126 thousand PLN (Note 9.6).

In October 2010 KOFOLA S.A received dividends from its subsidiaries Kofola Holding a.s. and OOO Megapack (Note 9.6).

SIGNATURES OF THE COMPANY'S REPRESENTATIVES:

8.11.2010 r.	**Janis Samaras**	**Chairman of the Board of Directors**	....
date	*name and surname*	*position*	*signature*
8.11.2010 r.	**Bartosz Marczuk**	**Member of the Board of Directors**	....
date	*name and surname*	*position*	*signature*
8.11.2010 r.	**Martin Mateáš**	**Member of the Board of Directors**	....
date	*name and surname*	*position*	*signature*
8.11.2010 r.	**René Musila**	**Member of the Board of Directors**	....
date	*name and surname*	*position*	*signature*
8.11.2010 r.	**Tomáš Jendřejek**	**Member of the Board of Directors**	....
date	*name and surname*	*position*	*signature*

SIGNATURE OF PERSON RESPONSIBLE FOR BOOKKEEPING:

8.11.2010 r.	**Katarzyna Balcerowicz**	**Chief Accountant**	....
date	*name and surname*	*position*	*signature*

Document signed on the Polish original.