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SEPARATE ANNUAL REPORT

KOFOLA S.A.

2010

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

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

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

As at 31 December 2010 the Group comprised the following entities:

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

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

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

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

- Kofola Holding a.s. – the holding company – registered in the Czech Republic, performing management and control of the other entities comprising the KOFOLA S.A. Group,
- Kofola a.s. (CZ) – a company registered in the Czech Republic, with main activities consisting of the production and distribution of beverages on the territory of the Czech Republic,
- Kofola a.s. (SK) – a company registered in Slovakia, with main activities consisting of the production and distribution of beverages on the territory of Slovakia,
- Kofola Sp. z o.o. – a company registered in Poland, with main activities consisting of renting out the production line in Kutno to the company Hoop Polska Sp. z o.o., which conducts its production there,
- Santa-Trans s.r.o. (CZ) – a company registered in the Czech Republic, with main activities consisting of road cargo transport provided mainly to Kofola a.s. (Czech Republic),
- Santa-Trans.SK s.r.o. (SL) – a company registered in Slovakia, with main activities consisting of road cargo transport provided mainly Kofola a.s. (Slovakia),
- KLIMO s.r.o. – a company registered in the Czech Republic. In 2007 it distributed beverages on the Czech market. No operating activities since the beginning of 2008. The company's liquidation process was completed in January 2011.
- Kofola Zrt. (HU) – a company registered in Hungary, currently is liquidation.

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

The subsidiary **Pomorskie Centrum Dystrybucji HOOP Sp. z o.o.** with its registered office in Koszalin, 75-209, ul. BoWiD 9e, of which KOFOLA S.A. holds 100% and has 100% of votes at Shareholders Meeting (Note 1.3). The activities of PCD HOOP Sp. z o.o. consist of the wholesale of beverages. The terms of the agreement are currently being realized (Note 5.30).

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

On 8 December 2009 KOFOLA S.A disposed of 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 of the wholesale of beverages. Due to the above the data of Maxpol Sp. z o.o. have been included only in the comparatives for the year 2009.

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

1.2 The Management and Supervisory Board of KOFOLA S.A.

MANAGEMENT BOARD

As at 31 December 2010 the Management Board of the holding company KOFOLA S.A. comprised:

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

On 7 April 2010 Ms. Simona Nováková, Member of the Management Board of KOFOLA S.A. submitted her resignation from the position of Member of the Management Board of KOFOLA S.A. effective 30 April 2010. The Company's Supervisory Board appointed Mr. Bartosz Marczuk to the position of Member of the Management Board effective 1 May 2010.

No changes were made in the composition of the holding company's Management Board prior to the publication of the present financial statements.

SUPERVISORY BOARD

As at 31 December 2010 the Supervisory Board comprised:

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

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

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

AUDIT COMMITTEE

As at 31 December 2010 the Audit Committee comprised:

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

On 26 January 2011 Mr. Ireneusz Stolarski, member of the Audit Committee who was also the Chairman of the Supervisory Board, resigned from the position of member of the Supervisory Board effective 26 January 2011. A decision on changes in the composition of the Audit Committee will be made at the next Supervisory Board meeting.

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

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

On 7 April 2010 Ms. Simona Nováková, Member of the Management Board of KOFOLA S.A. submitted her resignation from the position of Member of the Management Board of KOFOLA S.A. effective 30 April 2010. The Company's Supervisory Board appointed Mr. Bartosz Marczuk to the position of Member of the Management Board effective 1 May 2010. The Company informed about these changes in its Management Board in its Current Report No. 6/2010.

Bankruptcy proceeding at 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. ("PCD") at the petition of PCD'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 PCD the management over its assets. The 17 June 2010 decision of the Regional Court in Koszalin was issued at the petition of PCD's new management. It was the intention of KOFOLA S.A. to conclude an arrangement and then sell PCD as part of organizing the Group and focusing on core operations.

The arrangement was approved on 22 November 2010, and the decision became legally binding on 6 December 2010, of which KOFOLA S.A. informed in its Current Reports No. 19/2010 and 20/2010.

Sale of the shares of BOMI S.A.

In the reporting period KOFOLA S.A sold all of its shares of BOMI S.A. listed on the Warsaw Stock Exchange. After commission, the income from this transaction amounted to 13 849 thousand PLN, and the profit on the transaction amounted to 2 327 thousand PLN.

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

On 8 July 2010 a contingent agreement was signed (annexed on 13 August) for the sale of the shares of Bobmark Sp. z o.o. by KOFOLA S.A. to PPHU Specjał Sp. z o.o. At the same time, based on a debt assignment agreement dated 12 August 2010, KOFOLA S.A. acquired from Hoop Polska Sp. z o.o. its undisputed debts from Bobmark 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. KOFOLA S.A. as the sole shareholder of Bobmark, on 12 August 2010 passed a resolution to raise the share capital of Bobmark by 8 030 thousand PLN. In the Management's opinion, control over Bobmark was lost at the moment when the conditional agreement was signed and a new Management appointed by the new owner appointed. The sale of shares of Bobmark International Sp. z o.o. was realized once on 18 October 2010 the Court issued a decision to enter the raised share capital in the National Court Register (Note 5.14).

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.

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

On 7 October 2010 KOFOLA S.A repurchased 25 % of the shares of the subsidiary Pomorskie Centrum Dystrybucji Hoop Sp. z o.o., thereby becoming its sole shareholder.

Payment of a dividend

On 2 November 2010, in accordance with a resolution of its Ordinary General Meeting, KOFOLA S.A. paid out a dividend in the amount of 25 126 thousand PLN.

Dividends from subsidiaries

In the reporting period KOFOLA S.A. received dividends from its subsidiaries: Kofola Holding a.s. in the amount of 12 680 thousand PLN and Megapack in the amount of 4 780 thousand PLN.

Resignation of Supervisory Board Chairman

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

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

Annex to credit agreement - KOFOLA S.A as a guarantor

On 28 February 2011 annexes were signed to the credit agreements between the subsidiary Hoop Polska Sp. z o.o. and Bank Consortium (Bank Zachodni WBK Spółka Akcyjna, Bank Polska Kasa Opieki Spółka Akcyjna, Kredyt Bank Spółka Akcyjna), where KOFOLA S.A. played the role of a guarantor (Note 1.12). In accordance with the terms of the annexes, changes were made in the values of the financial ratios required by the creditors.

1.4 Description of operating results and financial position

Operating results

The 12 month period ended 31 December 2010 compared to the 12 month period ended 31 December 2009

Selected financial highlights	1.1.2010 - 31.12.2010	1.1.2009 - 31.12.2009	Change 2010/2009 (%)
Revenue	-	1 289	(100,0%)
Cost of sales	-	(858)	(100,0%)
Gross profit	-	431	(100,0%)
Selling, marketing and distribution costs	(86)	(575)	(85,0%)
Administrative costs	(2 202)	(3 142)	(29,9%)
Other operating income / expenses net	724	1 181	(38,7%)
Operating result	(1 564)	(2 105)	(25,7%)
EBITDA	(1 441)	(1 799)	(19,9%)
Financial income / expenses net	29 247	8 534	242,7%
Income tax	(2 497)	(4 812)	(48,1%)
Net profit for the period	25 186	1 617	1 457,6%

The activities of Kofola S.A. consist primarily of the management and control of all of the companies belonging to the KOFOLA S.A. Group. For this reason, the items of the Company's income statement and balance sheet reflect the fact that the Company achieves no income from operating activities, and that dividends and revenue from interest and foreign exchange differences are the main source of its revenue.

Administrative costs

In the 12 month period ended 31 December 2010 general administrative costs decreased by 940 thousand PLN (or 30 %) to 2 202 thousand PLN from 3 142 thousand PLN in the same period of the year 2009, due mainly to a decrease in wages and sales and third party services.

Financial income

Interest income	8 653 tys. PLN
Dividends received	17 460 tys. PLN
Profit on disposal of shares BOMI S.A.	2 327 tys. PLN
Currency differences	2 310 tys. PLN

Interest and foreign exchange differences income consists primarily of a long-term loan granted in the Czech crone to Kofola Holding a.s. In the reporting period KOFOLA S.A. received dividends from its subsidiaries Kofola Holding a.s. in the amount of 12 680 thousand PLN and OOO Megapack in the amount of 4 780 thousand PLN, as well as earned a profit on the sale of shares of BOMI S.A., listed on the Warsaw Stock Exchange, in the amount of 2 327 thousand PLN.

Financial expenses

Financial expenses include interest charges on receivables from the purchase of debts, interest on a credit repaid as at the balance sheet date, as well as bank charges.

Net profit for the period

The net profit for the 12 month period ended 31 December 2010 amounted to 25 186 thousand PLN, compared to the profit in the amount of 1 617 thousand PLN earned in the same period of the year 2009. This increase was caused by more favorable foreign exchange differences, higher dividend income, as well as the profit earned on the sale of the shares of BOMI S.A.

BALANCE SHEET

Selected financial highlights	31.12.2010	31.12.2009	Change 2010/2009 (%)
Total assets	**1 012 322**	**1 019 179**	**(0,7%)**
Fixed assets, out of which:	**996 773**	**1 005 690**	**(0,9%)**
Investment in subsidiaries and associates	*854 137*	*854 219*	*0,0%*
Loans provided to related parties	*127 736*	*121 518*	*5,1%*
Financial assets available for sale	*-*	*11 522*	*(100,0%)*
Goodwill	*13 767*	*13 767*	*0,0%*
Current assets, out of which:	**15 549**	**13 913**	**11,8%**
Trade receivables and other receivables	*6 740*	*13 768*	*(51,0%)*
Cash and cash equivalents	*8 809*	*145*	*5975,2%*
Total equity and liabilities	**1 012 322**	**1 019 179**	**(0,7%)**
Total equity	*903 653*	*903 675*	*0,0%*
Long-term liabilities	*76 243*	*73 523*	*3,7%*
Short-term liabilities	*32 426*	*42 405*	*(23,5%)*

Assets

At the end of December 2010 the Company's fixed assets equaled 996 773 thousand PLN. Compared to 31 December 2009 the value of fixed assets decreased by 8 917 thousand PLN due primarily to the sale of the shares of BOMI S.A., which had been listed as financial assets available for sale.

Goodwill was created as a result of the merger with HOOP S.A. in 2008.

As at 31 December 2010 the Company's current assets amounted to 15 549 thousand PLN. Cash and cash equivalents account for more than half of the Company's current assets.

Equity and liabilities

The value of equity has changed only slightly, due mainly to the result for the reporting period and the payment of a dividend from the reserve capital and from accumulated profits from previous years.

The Company's total debt has decreased by 7 259 thousand PLN, and the rise in long-term liabilities has to do with the acquisition from Hoop Polska Sp. z o.o. of a debt sold in 2010 of the company Bobmark International Sp. z o.o.

1.5 Assessment of risk factors and threats to KOFOLA S.A.

The risks and threats to KOFOLA S.A. have to do primarily with foreign exchange risks, in particular with regard to the PLN to CZK exchange rate, and the condition of the subsidiaries from which KOFOLA S.A. receives dividends. In addition, the Company recognizes the risk arising out of credit guarantees on the liabilities of the Group's other companies.

1.6 Report on the application of corporate governance by KOFOLA S.A.

In accordance with the requirements of § 91 par. 5 point 4 of the Minister's of Finance Decree of 19 February 2009 on the current and periodic information submitted by the issuers of securities and the conditions for recognizing as equally valid the information required by the regulations of a state that is not a member state, as well as § 29 par. 5 of the Warsaw Stock Exchange Regulations, the Management Board of KOFOLA S.A. with its registered office in Warsaw ("the Company") hereby makes public its declaration on the Company's application of corporate governance principles in the year 2010.

1.6.1 Corporate governance principles the issuer is subject to, and the location where the principles may be examined by the public

Based on § 29 par. 2 of the Regulations of the Warsaw Stock Exchange („Stock Exchange", „WSE"), KOFOLA S.A. should apply the principles of corporate governance that the Stock Exchange Board may pass with regard to listed companies whose shares are admitted to trading on the stock exchange. Effective 4 July 2007, in its Resolution No. 12/1170/2007 the Stock Exchange Board adopted corporate governance principles in the form of "Good Practices of the Companies Listed on the Warsaw Stock Exchange" ("Good practices", "corporate governance principles"), which were amended by the Resolution No. 17/1249/2010 dated 19 May 2010. The corporate governance principles are available to the public on the Stock Exchange's website at: http://corp-gov.gpw.pl/.

1.6.2 The corporate governance principles that the Company did not apply

In 2010 the Company applied all of the principles referred to in the Good Practices of the Companies Listed on the WSE, with the exception of a one principle of which it informed, in accordance with § 29 par. 3 of the Stock Exchange's Regulations, in its current report (published in the EBI system).

On 30 of June 2010, in the current report (published in the EBI system), the Company informed that it was not applied the principle referred to in point 6 of Part IV of the Good Practices i.e. the principle which says that the day of the dividend and the dividend payment date shall be so set that the period between them was as short as possible and in any event not longer than 15 working days. Failure to aforementioned principle resulted from the fact that in Resolution No. 16 dated 30 June 2010 adopted by the Ordinary General Meeting of Shareholders, of which the Company informed in the current report No. 14/2010 dated 30 June 2010, the day of the dividend was set for 30 September 2010, while the dividend payment date was established on 2 November 2010.

At the same time the Company still does not apply the principle referred to in point 6 of Part III of the Good Practices, i.e. the principle relating to meeting the criteria of independence by at least two members of the Supervisory Board of which the Company informed in current report No. 3/2009 dated 7 January 2009.

As at the date of the present declaration one of the members of the Company's Supervisory Board meets the criterion of independence.

1.6.3 Description of the main internal control and risk management features applied at the issuer's company in the preparation of financial statements and consolidated financial statements

The Company's Management Board is responsible for the Company's internal control system and for its effectiveness in the process of preparing financial statements and periodic reports that are prepared and published in accordance with the provisions of the Decree of 19 February 2009 on the current and periodic information submitted by the issuers of securities.

Throughout the year the Company's Management Board analyzes current financial results by comparing them with the adopted budget using the Company's management reporting that is based on the Company's accounting principles (International Financial Reporting Standards) and takes into account the format and detailed content of the financial data presented in the Company's and Group's periodic financial statements.
The preparation of the Company's financial statements, periodic financial reports and current management reports is the responsibility of the Finance Department of the Kofola S.A. Group, currently headed by Member of the Management Board for Financial Matters, Finance Director. The Company's financial statements and periodic reports are prepared by a reporting team as part of the Finance Department of the Kofola S.A. Group based on the financial data presented in the periodic management reports after they are approved by the Finance Director subject to other supplementary data supplied by various employees of other departments.

After closing the accounts for each calendar month the mid and higher level managers of the Group's Finance Department headed by the Management Board Member for Financial Matters jointly analyze the Company's financial results in comparison to plans and subject to business segments. Any errors are adjusted on an ongoing basis in the Company's books of account and the Group's reporting system in accordance with the adopted accounting policies. The preparation of financial statements and periodic reports begins after the results for the period are approved by the Management Board Member for Financial Matters.

Half-year and year-end reports are verified by an independent auditor, currently BDO Numerica. The results of halfyear reviews and year-end audits are presented by the auditor at summary meetings and to the Audit Committee. After their review or audit, the financial statements and periodic reports are sent to the Company's Supervisory Board. Before the Management Board and Supervisory Board approve the periodic reports for publication, an Audit Committee meeting is held at which the Member of the Management Board for Financial Matters presents the significant aspects of the quarterly/half-year/yearend financial statements, in particular any changes in accounting policies, important estimates and judgments, material disclosures and business transactions. The Audit Committee reviews the periodic financial reports subject to the information presented by the Management Board and the independent auditor, and formulates a recommendation for the Supervisory Board with regard to their approval.

In accordance with the Company's Statute, the Company's auditor is appointed by the Supervisory Board. Significant matters relating to periodic reports that are not verified by the auditor are consulted with the auditor in order to avoid any material adjustments in the subsequent reports. KOFOLA S.A. kept its books of account using the SAP system as the largest companies from the Group i.e. Kofola a.s. CZ, Kofola a.s. SK, Hoop Polska Sp. z o.o., Kofola Holding a.s. The system is password protected against unauthorized access. The process of preparing the financial statements involves a specified team of Finance Department employees, other persons do not have access to the data which are the basis of its preparation. The Company's books of account, accounting evidence, documentation and financial statements of the Company are stored in accordance with the provisions of the Accounting Act.

1.6.4 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

The Shareholders of KOFOLA S.A. – state according to Company's knowledge on 31 December 2010:

KSM Investment S.A.

- 13 395 373 shares or 51,18% of share capital of KOFOLA S.A.
- 13 395 373 votes 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 votes or 43,11% of total votes at General Meeting of KOFOLA S.A.

As at 31 December 2010 the share capital amounted to 26 172 602 PLN and consisted of 26 172 602 shares entitling to 26 172 602 of votes at General Meeting of the Company.

1.6.5 Holders of all types of securities that give special controlling rights, along with a description of those rights

There are no securities at the Company that give special controlling rights.

1.6.6 All restrictions on voting rights, such as a restriction on the voting rights of holders of a specified part or number of votes, time restrictions on voting rights or provisions according to which, in cooperation with the company, the equity rights related to securities are separated from the ownership of the securities

The Company's Statute does not provide for such restrictions.

1.6.7 All restrictions on the transfer of the ownership of securities

The Company's Statute does not provide for such restrictions.

1.6.8 Description of the principles used to appoint and dismiss management staff and their powers, in particular the right to make decisions on the issue or purchase of shares

THE PRINCIPLES OF APPOINTING SUPERVISORY BOARD MEMBERS

In accordance with the Company's Statute, the Supervisory Board comprises 5 (in words: five) to 6 (in words: six) members, including one independent Supervisory Board Member, appointed and removed by the General Meeting, with the stipulation that:

a) long as KSM Investment SA with the registered office in Luxembourg ("KSM") remains the Company's shareholder with no less than 35% of the Company's share capital, KSM shall appoint and remove 3 (three) members of the Supervisory Board, including the Chairman of the Supervisory Board – the appointment and removal of a Supervisory Board member by KSM on the basis of this paragraph shall be made by way of a written statement submitted to the Company and the person concerned and shall be effective as of the date of submission to the Company this statement concerning the appointment of the member of the Supervisory Board with a written statement of the member of the Supervisory Board including a consent for performance the function of a member of the Supervisory Board,

b) as long as CED GROUP S. a r.l. („CED") remains the Company's shareholder with no less than 15% of the Company's share capital, CED shall appoint and remove 2 (two) members of the Supervisory Board, including the Vice- Chairman of the Supervisory Board – the appointment and removal of a Supervisory Board member by CED on the basis of this paragraph shall be made by way of a written statement submitted to the Company and the person concerned and shall be effective as of the date of submission to the Company this statement concerning the appointment of the member of the Supervisory Board with a written statement of the member of the Supervisory Board including a consent for performance the function of a member of the Supervisory Board.

THE PRINCIPLES OF APPOINTING MANAGEMENT BOARD MEMBERS

1. The Management Board comprises from 5 to 8 members appointed and removed by the Supervisory Board. Members of the Company's Management Board may hold the following positions:

   Chairman of the Management Board,

   b) Finance Director – Member of the Management Board,

   c) Operating Directors - Member of the Management Board,

   d) Sales Director - Member of the Management Board,

   e) Marketing Director - Member of the Management Board,

f) Human Resources and Services Director - Member of the Management Board,

g) Development Director - Member of the Management Board,

h) Managing Director - Member of the Management Board.

2. Subject to the provisions of Par. 18.8. r)–v) of the Company's Statute, the resolution of the Supervisory Board on appointment or removal from office of all or any particular members of the Management Board, including the Chairman of the Management Board, shall be adopted by a simple majority of the votes.
3. If the Supervisory Board removes from office any member or members of the Management Board, as a result of which the number of the Management Board members falls below five, the Supervisory Board shall be obliged to appoint on the same meeting a new members of the Management Board in the number which shall guarantee the maintenance of the composition of the Management Board referred to the Statute of the Company.
4. If the term of office of any member or members of the Management Board expires due to reasons other than their removal from office and, as a result, the number of the Management Board members falls below five, the Supervisory Board shall be obliged within 14 days of the occurrence of such fact to appoint a new member or members of the Management Board in the number which shall guarantee the maintenance of the composition of the Management Board referred to the Statute of the Company.
5. A resigning Management Board member shall be obliged to advise the Supervisory Board and the remaining members of the Management Board of his or her resignation in writing.
6. The term of office of the Management Board shall be five years. The members of the Management Board may be re-appointed for next terms of office. Members of the Management Board are appointed for a joint term of office.
7. The tenure of the Management Board members shall expire as provided for in Art. 369.4 of the Commercial Companies Code. If new members were appointed to fill a vacancy or supplement the composition of the Management Board during its term of office, the term of office of the newly-appointed Management Board member shall expire at the same time as the terms of office of the other Management Board members.

THE POWERS OF THE SUPERVISORY BOARD

The Supervisory Board shall exercise day-to-day supervision over the Company's activities in all areas of its business. The powers of the Supervisory Board shall include in particular:

a) reviewing the Company's financial statements and the report of the Management Board on the Company's operations, in terms of their conformity with the accounting books and documents and with the actual state of affairs, and the Management Board's recommendations concerning the distribution of profit or coverage of loss, and submitting annual written report on the findings of the review to the General Shareholders Meeting,

b) reviewing the financial statements of the Company's Group and the report of the Management Board on the operations of the Company's Group, and submitting annual written report on the findings of the review to the General Shareholders Meeting,

c) supervising the performance of budgets,

d) approving the payment of interim dividend,

e) approving the grant of power of proxy or general power of attorney,

f) issuing opinions on matters to be discussed during the General Shareholders Meeting,

g) issues referred to in Par. 18.8 of the Statute of the Company.

As long as CED remains the Company's shareholder with at least 15% of its share capital, the following issues shall require that the resolutions be adopted by the Supervisory Board with the majority of 80% of the votes of the members present at the meeting or with the majority of 80% of all votes in case of the adoption the resolutions outside the meeting (in writing or through another member of the Supervisory Board):

a) approval of the consolidated economic and financial plan ("the budget") of the capital group of the Company prepared by the Company's Management Board, changing the format used for preparing the Company's budget,

b) approving the Company's long-term operating plans developed by the Management Board,

c) approving any acquisition, purchase or disposal of shares in other entities, as well as joining any commercial-law company or civil-law partnership, by the Company or any company of its Group, where such transactions are not provided for in the budget and their value exceeds 8 000 000 EUR or an equivalent of that amount,

d) approving any share capital increase, sale of a business or an organised part of a business, a demerger, merger or transformation of any company of the Company's Group if the value of assets subject to such transactions exceeds 15% of the Company's assets disclosed in the financial statements for the preceding financial year, where such transactions are not provided for in the budget,

e) approving the conclusion of an agreement (by the Company or any company of its Group) which was not provided for in the budget and under which the Company or a company of its Group would assume a liability whose value exceeds:

- 30 000 000 EUR or an equivalent of that amount – with respect to activities conducted as part of the ordinary course of business,
- 3 000 000 EUR or an equivalent of that amount – with respect to activities conducted outside the ordinary course of business,

f) approving the conclusion of a loan agreement (or another similar agreement concerning financial debt) by the Company or any company of its Group acting as the lender, where such an agreement was not provided for in the budget and its value exceeds 2 000 000 EUR or an equivalent of that amount, except for:

- trade credit granted in the ordinary course of business,
- loans granted on the market principles between subsidiary companies of the Company's Group.

g) approving the issue of any sureties, guarantees (or other forms of assuming responsibility for third-party liabilities) by the Company or any company of its Group, where they are not provided for in the budget and their value exceeds 2 000 000 EUR or an equivalent of that amount; the term "third party" shall not apply to subsidiary companies from the Company's Group,

h) approving acquisition or disposal by the Company or any company of its Group of real property, a perpetual usufruct right or an interest in real property (or in a perpetual usufruct right), where such transactions are not provided for in the Company's budget and their value exceeds 5 000 000 EUR or an equivalent of that amount,

i) approving the disposal of any intellectual property rights of the Company or any company of its Group – where the actual market value of such rights exceeds 1 000 000 EUR or an equivalent of that amount and no such disposal is provided for in the budget,

j) approving the disposal, by the Company or any company of its Group, of assets whose value exceeds 15% of the Company's net assets (or 15% of the net assets of a given Group member) disclosed in the financial statements for the preceding financial year, if no such disposal is provided for in the budget,

k) approving the liquidation of any company of the Company's Group, where the value of such company's assets exceeds 15% of the Company's assets disclosed in the financial statements for the preceding financial year,

l) approving the terms and conditions of remuneration of members of the Company's Management Board as well as members of the management and supervisory boards of companies of the Company's Group, where the total annual remuneration of a given person (including any bonuses, awards, severance pays and other similar benefits) shall exceed the following limits (gross value):

- for members of the Company's Management Board – 175 000 EUR or an equivalent of that amount,
- for members of the management boards of companies of the Company's Group, other than the Company – 175 000 EUR or an equivalent of that amount,
- for members of the supervisory boards of companies of the Company's Group, other than the Company – 25 000 EUR or an equivalent of that amount,

m) suspending, for important reasons, individual or all members of the Management Board and delegating members of the Supervisory Board to temporarily perform the functions of members of the Management Board, in accordance with the rules and at or for such time as specified by the provisions of the Commercial Companies Code,

n) approving the rules of procedure for the Company's Management Board and as well as any changes to those rules,

o) approving the rules of procedure for the Company's Supervisory Board as well as any changes to those rules,

p) appointing an auditor to audit the financial statements of the Company and the companies of its Group,

q) approving the conclusion, by the Company or any company of its Group, of a contract concerning a transaction with a party related to (i) the Company, or (ii) any company of its Group, or (iii) a shareholder or a member of the Supervisory Board or Management Board of the Company or of any company of the Company's Group, except the contracts as provided below:

- the contracts for the sale or for delivery of products and goods and materials to the production, the contracts for the provision of services or the contracts for the sale of fixed assets concluded on the market rules between the companies of the Company's Group where the value of such transactions on a one-off basis or over a period of one year shall not exceed the amount of 1 000 000 EUR or its equivalent,
- the guarantee contracts and other contracts of a similar nature, concluded between the companies of the Company's Group, where the value of the commitment shall not exceed the amount of 5 000 000 EUR or its equivalent,

r) as of the day when Mr Janis Samaras ceases to serve as Chairman of the Company's Management Board: appointing and removing another person serving as Chairman of the Company's Management Board,

s) appointing and removing the Chief Financial Officer – Member of the Company's Management Board,

t) appointing members of the Company's Management Board other than the Chairman of the Management Board and the Chief Financial Officer – Member of the Company's Management Board,

u) approving the appointment of Local Directors General (i.e. members of the Company's senior management staff who, however, do not serve on its Management Board – one such member is appointed in each country where the Company operates directly or through its subsidiaries) or the conclusion of contracts with Local Directors General by the Company or companies of its Group,

v) after the date of the fourth removal – since 26 November 2008 – of (i) a member of the Company's Management Board other than the Chairman or the Chief Financial Officer – Member of the Company's Management Board or (ii) a Local Director General: removing member of the Company's Management Board other than the Chairman or the Chief Financial Officer – Member of the Company's Management Board,

w after the date of the fourth removal – since 26 November 2008 – of (i) a member of the Company's Management Board other than the Chairman of the Management Board or the Chief Financial Officer – Member of the Company's Management Board or (ii) a Local Director General: approving the removal of Local Directors General or the termination of contractual relationship with Local Directors General by the Company or by companies of its Group,

z) adopting resolutions in connection with the adoption, change, implementation or termination of the Motivating Program for the members of authorities and management of the Company, adopted by the General Meeting in 2009 and appointing the persons entitled to participate in the Motivating Program.

THE POWERS OF MANAGEMENT BOARD

Repesentation of the Company and the Management Board's responsibilities

1. The Management Board shall represent the Company in relations with third parties and make decisions on all matters which are not reserved – under the Company's Statute or the mandatory legal provisions – for any other governing body of the Company.
2. Declarations of will on behalf of the Company shall be made by two members of the Management Board, acting jointly.
3. The Management Board shall present the budget for the next financial year to the Supervisory Board no later than two months prior to the beginning of each following financial year of the Company.
4. If the Supervisory Board does not approve the budget, the Management Board shall conduct activities based on the most recent approved annual budget.
5. The Management Board shall be obliged to prepare and present to the Supervisory Board monthly reports on the performance of the Company's consolidated budget within twenty (20) days of the end of each month.

Passing resolutions

1. The Management Board shall adopt its decisions in the form of resolutions passed at meetings, which shall be convened as the need arises. Resolutions shall be passed by a simple majority of votes. In the event of a voting tie, the Chairman of the Management Board shall have the casting vote.
2. The following matters shall require the adoption of a resolution by the Management Board:
   a) adopting the budget,
   b) approving subscription, acquisition or disposal of shares in other entities and approving joining a company under commercial law or a civil-law partnership by the Company or any company of its Group,
   c) approving a share capital increase, sale of a business or an organised part of a business, a demerger, merger or transformation of the Company or any company of its Group,
   d) approving acquisition or disposal by the Company or any company of its Group of real property, a perpetual usufruct right or an interest in real property,
   e) approving the assumption of a liability or the disposal of assets by the Company or any company of its Group in a transaction other than executed in the ordinary course of business of the Company or any company of the Company's Group, where such transaction has not been provided for in the budget of the Company or any company of its Group and its value – based on one or more related legal transactions – exceeds the amount of 250 000 EUR or its equivalent,
   f) approving the liquidation of any company of the Company's Group,
   g) defining the terms and conditions of remuneration of the management boards and supervisory boards of the companies of the Company's Group,
   h) approving amendments of the articles of association (statute) and approving the rules of procedure for supervisory and management boards of the companies of the Company's Group,

i) issuing sureties by the Company or the companies of its Group or creating security on the assets of the Company or the companies of its Group, with a view to securing performance of obligations/discharge of liabilities by entities other than the Company's subsidiaries.

3. The Management Board shall adopt its Rules of Procedure, which shall be subsequently approved by the Supervisory Board.
4. Subject to the provisions of Par. 18.8.h) and Par. 21.2.d) of the Company's Statute, the powers of the Management Board shall include approval of acquisition or disposal by the Company or any company of its Group of real property, a perpetual usufruct right or an interest in real property (Art. 393.4) of the Commercial Companies Code shall not apply).

Acquisition of own shares by the Company

The Company may acquire its own shares in cases referred to in Article 362 of the Commercial Companies Code, with the prior approval of the General Meeting.

1.6.9 Description of methods used to change the statute of the issuer's company

In accordance with the Company's Statute and the provisions of the Commercial Companies Code, any change to the Company's Statute requires the consent of the General Meeting. In the absence of detailed provisions on this matter in the Company's Statute, the procedures for changing the Company's Statute are consistent with the relevant provisions of the Commercial Companies Code.

1.6.10 The manner of operation of the general meeting and its basic powers as well as a description of shareholder rights and their performance, in particular the principles arising out of the general meeting regulations, if such regulations have been passed, as long as the relevant information does not arise directly out of legal regulations

CONVENING OF THE GENERAL MEETINGS

1. An Annual General Shareholders Meeting shall be convened annually by the Management Board, not later than within six (6) months of the end of the Company's financial year.
2. A General Shareholders Meeting shall be convened by the Management Board. The Supervisory Board may convene an Annual General Shareholders Meeting if it is not convened by the Management Board within the period specified in this chapter or in the Statute, and the Extraordinary General Shareholders Meeting, if it considers its convocation as advisable.
3. The shareholders representing at least half of the share capital or at least half of the total votes on the General Shareholders Meeting may convene an Extraordinary General Shareholders Meeting. The shareholders shall appoint the Chairman of this General Shareholders Meeting.
4. A shareholder or shareholders representing at least one twentieth of the share capital may request the convening of the Extraordinary General Meeting and placing certain issues in the agenda of this Meeting. The request to convene an Extraordinary General Meeting must be submitted to the Management Board in writing or in electronic form. If, within two weeks from the date of the request submitted to the Management Board, an Extraordinary General Meeting shall not be convened, the registry court may authorise the shareholders applying with this request to convene an Extraordinary General Meeting. The court shall appoint the chairman of this Meeting.
5. A motion for convening the General Shareholders Meeting shall specify the issues to be included in the agenda. The motion shall require a justification.
6. The General Shareholders Meeting shall be convened for a day that is a business day in Poland.
7. The General Shareholders Meeting convened on the motion of the Shareholders may only be cancelled or its date changed upon the approval by the parties submitting the motion. In all other cases, the General Shareholders Meeting may be cancelled if there occur any extraordinary obstacles to its holding (*force majeure*) or when holding the Meeting would be obviously purposeless.
8. Any notices pertaining to the General Shareholders Meetings and minutes thereof shall be prepared in the Polish language. Similarly, the Meetings shall be conducted in the Polish language.

PASSING RESOLUTIONS BY THE GENERAL MEETING

1. Subject to the provisions of Art. 404 of the Commercial Companies Code, the General Shareholders Meeting may adopt resolutions only on matters provided for in the Commercial Companies Code, in the Statute and matters included in the agenda of the Meeting.
2. A resolution not to consider an issue included in the agenda of the meeting shall be adopted only for significant reasons. The relevant motion shall be justified in detail.
3. The General Shareholders Meeting shall be opened by the Chairperson of the Supervisory Board or by a person designated by the Chairperson, or – if there is not such a person – by the oldest Supervisory Board member present at the meeting. In the absence of such persons, the General Shareholders Meeting shall be opened by the Chairman of the Management Board, a person designated by the Management Board, or the Shareholder representing the

largest number of the Company shares. If there are two or more Shareholders representing the largest number of the Company shares, the General Shareholders Meeting shall be opened by the oldest of them.

4. The General Shareholders Meeting shall be valid and shall have the capacity to adopt effective resolutions if the attending shareholders represent no less than 50% (fifty per cent) of the share capital. If there is no quorum present at the first General Shareholders Meeting, the Management Board shall immediately convene another General Shareholders Meeting with the same agenda, on a date falling no sooner than after four weeks of the first General Shareholders Meeting, indicating that it is convened after an earlier Meeting was adjourned and that it shall be valid regardless of the percentage of the share capital represented.

5. Subject to the mandatory provisions of the Commercial Companies Code and unless the Statute's provisions provide otherwise, resolutions shall be adopted by a simple majority. As long as CED GROUP S. à r.l., a limited-liability company under the law of Great Duchy of Luxemburg, with registered office in Luxembourg ("CED") remains the Company's shareholder with no less than 15% of shares in its share capital, the following matters shall require a resolution by the General Shareholders Meeting, adopted with the majority of 70% (seventy percent) of the votes cast in favour of the resolution:

   a) payment of dividend to shareholders in the amount exceeding 75% (seventy-five percent) of the net profit generated by the Company in the preceding financial year,

   b) appointment and removal of the independent member of the Supervisory Board,

   c) removal or suspension of members of the Company's Management Board.

6. The General Shareholders Meeting shall adopt Rules of Procedures for the General Shareholders Meeting, specifying in detail the manner of conducting the Meetings and adopting resolutions. In the event of a change to the Rules, the change shall become effective as of the next General Shareholders Meeting.

THE POWERS OF THE GENERAL MEETING

The powers of the General Shareholders Meeting shall include in particular:

a) reviewing and approving the report of the Management Board on the Company's operations and the operations of the Company's group and the financial statements of the Company and the Group for the preceding financial year,

b) adopting resolutions on the distribution of net profit in the form of dividend, or on the exclusion of the net profit from dividend payment, in whole or in part, and retaining it for the Company's own purposes; adopting resolutions on coverage of loss,

c) approving the performance of duties by the members of the Company's governing bodies,

d) selling or leasing the Company's business or its organised part, and encumbering the business or its part with any limited property rights,

e) changing the legal form of the Company and any deciding on any merger of the Company with another company or legal entity,

f) adopting resolutions concerning claims for repair of damage inflicted in connection with Company's formation, its management or supervision,

g) amending the Company's Statute, increasing or reducing the Company's share capital,

h) issuing convertible bonds or bonds with the pre-emptive rights,

i) acquiring Company's own shares,

j) subject to Par. 17.1 below, appointing and removing Supervisory Board members, including the Chairperson of the Supervisory Board,

k) dissolving the Company,

l) defining the terms and conditions concerning the Supervisory Board's remuneration, including in particular payment dates and amounts,

m) adopting the Rules of Procedure for the General Shareholders Meeting,

n) determining the dividend record date, that is the date as at which the list of Shareholders entitled to dividend for the given financial year is determined, subject to the provisions of Art. 348.2 of the Commercial Companies Code, and determining the dividend payment date,

o) resolving the matters presented for consideration to the General Shareholders Meeting by the Management or the Supervisory Board,

p) other matters which fall within the scope of powers of the General Shareholders Meeting under mandatory laws and these Company's Statute.

Binding at the Company are the Rules of Procedure for the General Meeting adopted based on Resolution No. 18 passed by the Ordinary General Meeting of Shareholders of KOFOLA S.A. dated 30 June 2010 ("the Rules of Procedure").

The Rules of Procedure specify the principles of operation of the General Meeting of Shareholders of KOFOLA S.A., including among others:

Right to Participate in the General Meeting of Shareholders

1. The right to participate in the General Shareholders Meeting have only those who are shareholders of the Company for sixteen days before the date of the General Shareholders Meeting (the record date for the participation in the General Meeting).
   a) The bearer shares in a form of the document confer the right to participate in General Meeting if the documents of shares are submitted in the company not later than on the record date for participation in the general meeting and shall not be received before the end of this date. Instead of shares, it may be submitted the certificate issued as the proof of deposit of shares at the notary, in the bank or in the investment firm which have a seat or branch in the European Union or in a state which is the party of the agreement on the European Economic Area, as indicated in the notice of the convention of the General Meeting.
   b) The dematerialized bearer shares confer the right to participate in the General Meeting provided that the notification to the operator of the securities account the participation in the General Meeting shall be submitted by the holder of the dematerialized shares under Art. 406 (3) § 2 of the Commercial Companies Code.
2. The persons entitled to participate in the General Shareholders Meeting pursuant to point 1 of this paragraph are hereinafter referred to as the "Eligible Participants".
3. The members of the Company's Management Board and Supervisory Board, as well as other persons invited by the body which has convened the General Shareholders Meeting, shall be obliged to participate, with the right to speak, in the General Shareholders Meeting.
4. The Shareholder who is natural persons may participate in the General Shareholders Meeting and exercise its voting right personally or through a proxy, unless such voting right has been limited or waived under the applicable laws or the provisions of the Company's Statute adopted on the basis of such laws.
5. A Shareholder which is a legal person or an entity with no legal personality, but with the legal capacity, may participate in the General Shareholders Meeting and exercise its voting right through a person authorised to make declarations of will on behalf of such Shareholder or through a proxy.
6. The Power of attorney to participate in the General Meeting and to execution of voting right must be granted in writing or in electronic form. Granting power of attorney in electronic form shall not require a provision of it with a secure electronic signature verified by a valid qualified certificate. The Management Board decides of the manner of notification of the fact of granting the power of attorney in the notice of the convention of the General Meeting.
7. If the proxy at the General Meeting is a board member, member of the supervisory board, liquidator, an employee of the Company or member of bodies or employee of the company or subsidiary cooperative of the Company, the power of attorney may authorize to represent on the only one General Meeting. The proxy has an obligation to disclose to the shareholder the circumstances indicating the existence or the possibility of existence of a conflict of interests. Granting further power of attorney is impossible. In aforementioned case, the Proxy votes in accordance with instructions granted by the shareholder.

Opening of a General Meeting and election of its Chairman

1. A General Meeting is opened by the Chairman of the Supervisory Board or a person by him/her authorized, and in the absence of such authorization, the most senior member of the Supervisory Board present at the Meeting. In the absence of those persons, the General Meeting is opened by the Chairman of the Management Board or a person appointed by the Management Board, or the Shareholder holding the greatest number of the Company's shares. If two or more shareholders meet the criteria of the greatest number of shares, the General Meeting is opened by the most senior among them or their representatives.
2. The person opening the General Meeting oversees the submission of candidacies and election of the General Meeting Chairman.
3. The General Meeting Chairman is elected from among the General Meeting's eligible participants.
4. Each Eligible participant has the right to submit one candidate.
5. The General Meeting Chairman directs the meeting in accordance with the agreed agenda, binding legal regulations and the provisions of the present Rules of Procedure, ensuring that the meeting is conducted and voting held in an efficient and proper manner.
6. The Chairman cannot resign from this position without valid reasons.
7. The powers and responsibilities of the General Meeting Chairman include in particular:
   a) preparing an attendance list, signing the list, displaying the list during the General Meeting and attaching it to the minutes,
   b) giving the floor,
   c) overseeing voting and ensuring that it is conducted correctly,

d) signing documents containing vote results,

e) concluding the completion of the meeting's agenda,

f) resolving procedural matters;

g) overseeing the work of support personnel present at the General Meeting.

8. The Chairman shall make decisions on admitting journalists to the General Meeting of Shareholders and on granting permission to make sound or visual recordings of the General Meeting of Shareholders. If any of Shareholders present at the Meeting should object to the decision of the Chairman, the issue shall be voted upon by the General Meeting of Shareholders.

Binding the General Meeting with the agenda

1. Subject to the provisions of Art. 404 of the Commercial Companies Code, the General Shareholders Meeting may adopt resolutions only on matters included in the agenda of the Meeting.

2. On the motion from an Eligible Participant, the Management Board or the Supervisory Board, the General Shareholders Meeting may adopt a resolution not to consider an issue included in the agenda or to change the order of issues included in the agenda.

3. A resolution not to consider an issue included in the agenda of the meeting shall be adopted only for significant reasons. The relevant motion shall require detailed grounds.

4. A shareholder or shareholders representing at least one-twentieth of the share capital may request the inclusion of certain issues in the agenda of the next General Meeting. The request shall be submitted to the Management Board no later than twenty one days before the scheduled date of the Meeting. The request shall include a justification or a draft of resolution concerning the proposed agenda item. The request may be submitted in electronic form. The Management Board shall announce immediately, but not later than eighteen days before the scheduled date of the General Meeting, the changes in the agenda, introduced at the request of shareholders. The announcement shall be made in a manner appropriate to convene a general meeting.

5. A shareholder or shareholders representing at least one twentieth of the share capital before the date of the General Meeting may submit to the Company in writing or by electronic means of communication, draft of resolutions concerning the issues placed in the agenda of general meeting or the issues which shall be placed in the agenda. The Company shall promptly announce the drafts of resolutions on its website.

Voting

1. Subject to the provisions of par. 2 and 3, voting is open.

2. The ballot shall be in the following cases:

   a) the vote relates to elections and motions to dismiss members of the Company's organs or liquidators,

   b) the vote relates to motions to hold members of the Company's organs or liquidators liable,

   c) the vote relates to personal matters.

3. Subject to the provisions of Article 416 § 3 of the Commercial Companies Code, a ballot is ordered at the request of even one of the present or represented Shareholders.

4. The General Meeting may pass a resolution to waive the secrecy of the vote on matters relating to the election of a Committee appointed by the General Meeting.

5. The provisions of par. 2 and 3 do not apply in cases when the General Meeting is attended by only one Shareholder.

1.6.11 The composition and changes made in the most recent financial year, as well as a description of the operation of the issuer's management, supervisory or administrative organs and their committees

THE RULES OF OPERATION OF THE MANAGEMENT BOARD OF THE COMPANY

The Management Board operates in accordance with applicable provisions of law, Good Practices and the provisions of the Company's Statute. The description of the Management Board's operation was in point H of this statement.

CHANGES IN THE COMPOSITION OF THE COMPANY'S MANAGEMENT BOARD

THE COMPOSITION OF THE MANAGEMENT BOARD OF KOFOLA S.A. on 31 DECEMBER 2010:

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

On 7 April 2010, a member of the Management Board Mrs. Simona Nováková resigned from the office of the member of the Management Board with effect from 30 April 2010. On 7 April 2010 the Supervisory Board of the Company, acting on the basis of § 18. 8 point. s) of the Company' s Statute, appointed Mr. Bartosz Marczuk as a member of the Management Board of the Company with effect from 1 May 2010.

On the day of preparation of this statement the aforementioned composition of the Management Board remains unchanged.

CHANGES IN THE COMPOSITION OF THE COMPANY'S SUPERVISORY BOARD

THE COMPOSITION OF THE SUPERVISORY BOARD OF KOFOLA S.A. on 31 DECEMBER 2010:

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

In 2010, there have not been any changes in the composition of the Supervisory Board, however, on the date of preparing this report the aforementioned composition was changed, due to the fact that on 26 January 2011, a member of the Supervisory Board Mr. Ireneusz Stolarski, who was also the Chairman of the Supervisory Board, resigned from a function of member of the Supervisory Board with effect from 26 January 2011.

On 4 March 2011, Mr. René Sommer was appointed, as a member of the Supervisory Board of KOFOLA S.A., who shall be perform a function of a Vice-Chairman of the Supervisory Board.

Accordingly, on the date of this statement, the composition of Supervisory Board of the Company is as follows:

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

On the date of this statement the Supervisory Board has an Audit Committee and Remuneration Committee, which operate under the provisions of Good Practices of Companies Listed on WSE and the provisions of the Rules of Procedure of the Supervisory Board.

THE AUDIT COMMITTEE COMPRISES:

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

THE REMUNERATION COMMITTEE COMPRISES:

- Mr. Jacek Woźniak –Chairman,
- Mr. Raimondo Eggink,
- Mr. Martin Dokoupil.

THE RULES OF OPERATION OF THE SUPERVISORY BOARD OF THE COMPANY

The Supervisory Board operates in accordance with applicable provisions of law, provisions of the Company's Statute and provisions of the Rules of Procedures of the Supervisory Board. The description of the Supervisory Board's operation was in point H of this statement.

MEETINGS OF THE SUPERVISORY BOARD

1. The Supervisory Board passes the rules of procedures for the functioning of the Supervisory Board.
2. For a Supervisory Board meeting to be effective, all of the members of the Supervisory Board must be properly invited, and the meeting must be attended by at least half of the Supervisory Board members, including the Chairman or Vice-Chairman. With the consent of all of its members, the Supervisory Board may meet without a formal call.
3. A Supervisory Board meeting is called by: (i) the Chairman of the Supervisory Board or (ii) the Vice-Chairman of the Supervisory Board, on his own initiative or at the request of the Company's Management Board or at least two members of the Company's Supervisory Board. A meeting should be called within 2 (in words: two) weeks of the submission of such a request by the entitled person, with the date of the meeting set for within 4 (in words: four) weeks of the submission of such a request. A Supervisory Board meeting is called by registered mail, e-mail or fax sent at least 2 (in words: two) weeks prior to the meeting date.
4. The Supervisory Board is required to hold a meeting at least once a quarter. Supervisory Board meetings are held at the Company's registered office or – with the consent of all members – at another location.
5. Subject to Article 388 § 2 and 4 of the Commercial Companies Code, Supervisory Board members may take part in the passing of resolutions by casting their vote in writing through another member of the Supervisory Board.

6. Subject to Article 388 § 4 of the Commercial Companies Code, the Supervisory Board may pass resolutions in writing or by using methods of direct communication. A resolution is valid if all of the Supervisory Board members have been notified of the text of the draft resolution.

7. Subject to the other provisions of the Company's Statute (see point H of the present declaration), the Supervisory Board passes resolutions by an ordinary majority of votes cast by Supervisory Board members present at the meeting, and if the number of votes is equal the Chairman of the Supervisory Board has the deciding vote.

8. The Supervisory Board may appoint permanent or ad hoc committees, operating as the Supervisory Board's collegial consulting and opinion forming organs. Two permanent committees are formed as part of the Supervisory Board: the Audit Committee and the Remuneration Committee. The Supervisory Board appoints members of the Audit Committee and the Supervisory Committee from among members of the Supervisory Board.

9. The work of a Committee is directed by the Committee chairman, who is selected at its first meeting, in a resolution passed by its members, from among members of the Committee. The chairman also supervises the preparation of the agenda, organization of document distribution and preparation of Committee meeting minutes.

10. Committee meetings are called in accordance with the same principles that apply to the calling of Supervisory Board meetings.

11. Committee resolutions are passed by an ordinary majority of votes. In votes where an equal number of votes is cast 'in favor' and 'against', the Committee chairman casts the deciding vote.

AUDIT COMMITTEE

1. The Audit Committee is appointed by the Supervisory Board from among its members, and comprises several members. The number of members, including independent members, is determined by the Supervisory Board in the form of a resolution. At least one member of the Audit Committee should be qualified and experienced in accounting and finance.

2. The duties of the Audit Committee include:

   a) recommending to the Supervisory Board the selection of an auditor of the financial statements of the Company and of the companies from its Group, and of the consolidated financial statements for the previous financial year,

   b) monitoring the audit of the Company's financial statements and the consolidated financial statements for the previous financial year; becoming familiar with the details of the results of these audits at their various stages,

   c) presenting to the Board its findings and recommendations relating to the audit and evaluation of the financial statements and consolidated financial statements for the previous financial year, as well as the Management Board's proposed distribution of profit or coverage of loss,

   d) presenting to the Board its findings and recommendations on granting discharge to the member of the Company's Management Board in charge of the economic and finance department for the duties he/she performed,

   e) performing other tasks determined by the Board depending on the needs arising out of the Company's current situation,

   f) submitting to the Board annual reports on the Committee's operations,

   g) other matters as specified in Article 41 of Directive No. 2006/43/EC passed by the European Parliament on 17 May 2006.

REMUNERATION COMMITTEE

1. The Remuneration Committee is appointed by the Supervisory Board from among its members, and comprises several members. The number of members, including independent members, is determined by the Supervisory Board in the form of a resolution.

2. The Remuneration Committee is the Supervisory Board's opinion forming and consulting organ on the following matters:

   a) determining the terms and conditions for remunerating members of the Company's Management Board and members of the management and supervisory boards of the companies from the Company's group,

   b) granting bonuses or other variable remuneration components to members of the Management Board,

   c) remuneration of the Company's Management Board members agreed in the contracts signed with the Company,

   d) the Company's remuneration policies, including in particular the performance of periodic reviews of the system used to remunerate members of the Management Board and management staff working directly under the supervision of members of the Management Board, and submitting to the Supervisory Board proposed changes in those policies in the context of the Company's strategic goals,

   e) incentive plans for higher level managers,

   f) assessing the human resources management system at the Company and at the companies from its Group.

1.7 The Company's shareholding structure – information about the shareholders who hold at least 5% of shares/votes at GSM

According to the Company's information as at the date of the preparation of the present report as at 31 December 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 votes, 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 votes, or 43,11% of total votes at General Meeting of KOFOLA S.A.

As at 31 December 2010 the share capital amounted to 26 172 602 PLN and consisted of 26 172 602 shares entitling to 26 172 602 votes at Company's General Shareholders Meeting.

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

Fructo-Maj Sp. z o.o.

KOFOLA S.A. is a party in the bankruptcy proceeding of the entity Fructo-Maj Sp. z o.o. 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 31 December 2010 had been fully repaid and were presented in the financial statements of KOFOLA S.A. for the comparative period as short-term credit payables and as receivables from the company Fructo-Maj. As at 31 December 2010 the total value of the receivables from Fructo-Maj relating to the acquired debt is 11 586 thousand PLN, the balance sheet value of this item, after revaluation, is 4 360 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 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 assts 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-May 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 Sp. z o.o.

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. ("PCD") at the petition of PCD'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 PCD the management over its assets.

The 17 June 2010 decision of the Regional Court in Koszalin was issued at the petition of PCD's new management. It was the intention of KOFOLA S.A. to conclude an arrangement and then sell PCD as part of organizing the Group and focusing on core operations.

On 7 October 2010 KOFOLA S.A. bought back 25% of the shares of the subsidiary PCD Hoop Sp. z o.o. becoming its sole shareholder. was the intention of KOFOLA S.A. to conclude an arrangement and then sell PCD as part of organizing the Group and focusing on core operations. The arrangement was approved on 22 November 2010, and the decision became legally binding on 6 December 2010, of which KOFOLA S.A. informed in its Current Reports No. 19/2010 and 20/2010. The Company is currently fulfilling the provisions of the arrangement.

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

1.9 Information about significant contracts

On 28 February 2011 annexes were signed to the credit agreements between the subsidiary Hoop Polska Sp. z o.o. and Bank Consortium (Bank Zachodni WBK Spółka Akcyjna, Bank Polska Kasa Opieki Spółka Akcyjna, Kredyt Bank Spółka Akcyjna), where KOFOLA S.A. played the role of a guarantor (see Note 1.12 on guarantees granted). In accordance with the terms of the annexes, changes were made in the values of the financial ratios required by the creditors, as well as to margins.

1.10 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 5.26 to the financial statements. A description of the main domestic and foreign investments is presented in Note 5.14 to the financial statements.

1.11 Information about credits and loans

Information on credits and loans is presented in Note 5.22 to the financial statements.

1.12 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 S.A.	Bank Zachodni WBK S.A.	49 400 T PLN	49 400	12/2015	Hoop Polska Sp z o.o.	subsidiary
Kofola S.A.	Bank Zachodni WBK S.A.	24 107 T PLN	24 107	12/2015	Hoo Polska Sp z o.o.	subsidiary
Kofola S.A.	Kredyt Bank S.A.	12 442 T PLN	12 442	12/2015	Hoo Polska Sp z o.o.	subsidiary
Kofola S.A.	Bank Pekao S.A.	8 683 T PLN	8 683	12/2015	Hoo Polska Sp z o.o.	subsidiary
Kofola S.A.	Deutsche Leasing	13 114 T PLN	13 114	2/1014	Hoop Polska Sp z o.o.	subsidiary
Kofola S.A.	ING Commercial Finance	3 051 T PLN	3 051	till termination of the contract	Hoop Polska Sp z o.o.	subsidiary
Kofola S.A.	Komercni banka a.s., Praha	155 885 T CZK	28 696	12/2016	Kofola a.s., CZ	subsidiary
Kofola S.A.	Komercni banka a.s., Praha	200 000 T CZK	31 600	10/2011	Kofola a.s., CZ	subsidiary
Kofola S.A.	Komercni banka a.s., Praha	27 513 T CZK	4 347	10/2011	Kofola Holding a.s.	subsidiary
Total sureties for loans or guarantees issued			**175 440**	**ths. PLN**		

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

1.13 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.

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

The Company published no financial result forecasts for the year 2010.

1.15 The factors and unusual events that had an effect on the Company’s result

In the reporting period the results of KOFOLA S.A. were greatly affected by interest income in the amount of 8 653 thousand PLN, dividends received in the amount of 17 460 thousand PLN, the profit from the sale of the shares of BOMI S.A. in the amount of 2 327 thousand PLN, as well as foreign exchange gains in the amount of 1 938 thousand PLN relating a long-term loan granted to the company Kofola Holding a.s. in CZK. In the coming periods the Company’s results will be affected by the PLN to CZK exchange rates. The future growth of the Company, which conducts no operating activities, is linked directly to the growth and results of the entire Group.

1.16 Changes in the Company’s basic management methods

Emphasis has been placed on the introduction of Corporate Governance, which specifies the responsibilities between the holding company and the subsidiary companies.

1.17 Agreements concluded between the issuer and the management staff

No agreements have been signed with persons who are members of management organs, which provide for compensation in the event of their resignation or dismissal.

1.18 Remuneration of Management and Supervisory Board members

The following total remuneration has been paid by the Group's companies to members of the Management and Supervisory Boards of KOFOLA S.A.:

Management Board	2010
Janis Samaras	775
Simona Nováková (untill 4/2010)	136
Bartosz Marczuk (from 5/210)	336
Martin Mateáš	534
Tomáš Jendřejek	605
René Musila	618
Total	**3 004**

Supervisory Board	2010
Jacek Woźniak	-
Dariusz Prończuk	-
Martin Dokoupil	72
Raimondo Eggink	72
Anthony Brown	-
Ireneusz Stolarski	72
Total	**216**

Out of the entire remuneration paid to members of the Management Board, 2 961 thousand PLN was paid by the subsidiary Kofola Holding a.s.

1.19 Information about agreements that may change the proportion of shares held by the existing shareholders in the future

As at the date of the preparation of the present report there are no agreements that could in the future change the proportion of shares held by the existing shareholders.

1.20 Information about the employee shares control system

The terms and conditions of the Incentive Program, its eligible participants, the maximum limit of subscription warrants corresponding to participant categories, as well as the criteria that must be met to receive an allotment of subscription warrants have been set by the Supervisory Board in the Incentive Program Regulations. The costs that will be incurred by KOFOLA S.A. in connection with the introduction of the Incentive Plan are based on the Group's forecast results.

1.21 Information about the entity authorized to audit the financial statements

On 2 July 2009 KOFOLA S.A. concluded an agreement with BDO Numerica International Auditors & Consultants Sp. z o.o. (currently BDO Sp. z o.o.) – an entity authorized to audit financial statements, for the performance of a review and audit of the separate and consolidated financial statements for the year 2009. The agreement was concluded for a year, extendable for another two years.

The total fee arising out of the above agreement with BDO Sp. z o.o., binding also in 2010, due for the audit of the separate financial statements of KOFOLA S.A. for the year 2010 is 21 thousand PLN.

The total fee arising out of the agreement with BDO Sp. z o.o. due for the audit of the consolidated financial statements of the KOFOLA Group for the year 2010 is 84 thousand PLN.

The total value of the fees due to BDO Sp. z o.o. arising out of the agreement, for other titles relating to the year 2010, is 63 thousand PLN and relates to the review of the separate and consolidated financial statements as at 30 June 2010. Additional work also included translation of the financial statements.

1.22 Subsequent events that could have a significant effect on the financial results of KOFOLA S.A.

On 28 February 2011 annexes were signed to the credit agreements between the subsidiary Hoop Polska Sp. z o.o. and Bank Consortium (Bank Zachodni WBK Spółka Akcyjna, Bank Polska Kasa Opieki Spółka Akcyjna, Kredyt Bank Spółka Akcyjna), where KOFOLA S.A. played the role of a guarantor (see Note 1.12 on guarantees granted). In accordance with the terms of the annexes, changes were made in the values of the financial ratios required by the creditors, as well as to margins.

SIGNATURES OF THE COMPANY'S REPRESENTATIVES:

15.3.2011	**Janis Samaras**	**Chairman of the Board of Directors**	....
date	*name and surname*	*position*	*signature*
15.3.2011	**Bartosz Marczuk**	**Member of the Board of Directors**	....
date	*name and surname*	*position*	*signature*
15.3.2011	**Martin Mateáš**	**Member of the Board of Directors**	....
date	*name and surname*	*position*	*signature*
15.3.2011	**René Musila**	**Member of the Board of Directors**	....
date	*name and surname*	*position*	*signature*
15.3.2011	**Tomáš Jendřejek**	**Member of the Board of Directors**	....
date	*name and surname*	*position*	*signature*

SIGNATURE OF PERSON RESPONSIBLE FOR BOOKKEEPING:

15.3.2011	**Katarzyna Balcerowicz**	**Chief Accountant**	....
date	*name and surname*	*position*	*signature*

Document signed on the Polish original.

2 Separate financial statements of KOFOLA S.A.

2.1 Separate income statement

for the year ended 31 December 2010 and for the year ended 31 December 2009.

	Note	1.1.2010 - 31.12.2010	1.1.2009 - 31.12.2009
Continuing operations			
Revenue from the sale of finished products and services		-	1 192
Revenue from the sale of goods and materials		-	97
Revenue		-	1 289
Cost of products and services sold	5.2	-	(788)
Cost of goods and materials sold	5.2	-	(70)
Total cost of sales		-	(858)
Gross profit		**-**	**431**
Selling, marketing and distribution costs	5.2	(86)	(575)
Administrative costs	5.2	(2 202)	(3 142)
Other operating income		1 068	2 860
Other operating expenses		(344)	(1 679)
Operating result		**(1 564)**	**(2 105)**
Financial income	5.3	30 750	20 315
Financial expense	5.4	(1 503)	(11 781)
Profit before tax		**27 683**	**6 429**
Income tax	5.7	(2 497)	(4 812)
Net profit on continued activity		**25 186**	**1 617**
Discontinued activity			
Net profit on discontinued activity		-	-
Net profit for the financial year		**25 186**	**1 617**
Earnings per share (in PLN)			
- basic earnings per share	5.9	0,9623	0,0618
- basic earnings per share from continuing operations	5.9	0,9623	0,0618
- diluted earnings per share	5.9	0,9621	0,0617
- diluted earnings per share from continuing operations	5.9	0,9621	0,0617

2.2 Separate statement of comprehensive income

for the year ended 31 December 2010 and for the year ended 31 December 2009.

	Note	1.1.2010 - 31.12.2010	1.1.2009 - 31.12.2009
Profit for the period		**25 186**	**1 617**
Other comprehensive income (gross)			
Fair value gains on available-for-sale financial assets		-	-
Financial assets available for sale – transfer of valuation to income statement due to recognition of permanent impairment	5.14	-	11 141
Other		-	(164)
Income tax relating to components of Other comprehensive income	5.7	-	(2 117)
Other comprehensive income for the period (net)		**-**	**8 860**
Total comprehensive income for the period		**25 186**	**10 477**

2.3 Separate balance sheet

as at 31 December 2010 and as at 31 December 2009.

	Note	31.12.2010	31.12.2009
ASSETS			
Fixed assets		**996 773**	**1 005 690**
Tangible fixed assets	5.10	372	402
Goodwill	5.12	13 767	13 767
Intangible fixed assets	5.12	10	131
Investment in subsidiaries and associates	5.14	854 137	854 219
Financial assets available for sale	5.14	-	11 522
Loans provided to related parties	5.14	127 736	121 518
Other financial assets		-	1 562
Deferred tax assets	5.7	751	2 569
Current assets		**15 549**	**13 913**
Inventories		-	-
Trade receivables and other receivables	5.17	6 740	13 768
Income tax receivables		-	-
Cash and cash equivalents	5.18	8 809	145
TOTAL ASSETS		**1 012 322**	**1 019 603**
LIABILITIES AND EQUITY			
Equity		**903 653**	**903 675**
Share capital	5.19	26 173	26 173
Other capital	5.19	852 189	875 781
Retained earnings	5.19	25 291	1 721
Long-term liabilities		**76 243**	**73 523**
Provisions		-	-
Other liabilities		16 054	13 334
Deferred tax reserve	5.7	60 189	60 189
Short-term liabilities		**32 426**	**42 405**
Bank credits and loans		-	5 306
Trade liabilities and other liabilities		16 277	16 813
Income tax liabilities		122	-
Provisions	5.20	16 027	20 286
Total Liabilities		**108 669**	**115 928**
TOTAL LIABILITIES AND EQUITY		**1 012 322**	**1 019 603**

2.4 Separate cash flow statement

for the year ended 31 December 2010 and for the year ended 31 December 2009.

	Note	1.1.2010 - 31.12.2010	1.1.2009 - 31.12.2009
Cash flow on operating activity			
Gross profit (loss)		27 683	6 429
Adjustments for the following items:			
Depreciation	5.2	123	306
Net interest and dividends	5.3,5.4	(24 718)	(19 353)
(Profit)/loss on investment activity		(4 394)	10 415
Change in the balance of receivables		5 932	1 301
Change in the balance of inventories		-	389
Change in the balance of liabilities		1 045	18 342
Change in the balance of provisions	5.20	(4 259)	(13 284)
Paid income tax		(558)	(1 075)
Settlement of merger with Paola and Woda Grodziska		-	753
Other		-	(470)
Net cash flow on operating activity		**854**	**3 753**
Cash flow on investing activity			
Sale of intangible assets and fixed assets		-	231
Purchase of intangible assets and fixed assets		-	(283)
Sale of financial assets		17 693	2 000
Purchase of financial assets		(3 844)	(2 000)
Dividends received	5.6	17 460	9 676
Proceeds from repaid loans		4 437	17 420
Loans granted		-	(9 700)
Net cash flow on investing activity		**35 746**	**17 344**
Cash flow on financial activity			
Repayment of financial leasing liabilities		-	-
Proceeds from loans and bank credits received		-	-
Repayment of loans and bank credits	5.22	(2 554)	(5 251)
Dividends paid to the shareholders of the parent company	5.6	(25 126)	(16 750)
Interest paid	5.4	(256)	(845)
Net cash flow on financing activity		**(27 936)**	**(22 846)**
Total net cash flow		8 664	(1 749)
Cash at the beginning of the period		**145**	**1 894**
Cash at the end of the period		**8 809**	**145**
Cash with limited ability to use		-	-

2.5 Separate statement of changes in equity

for the year ended 31 December 2010 and for the year ended 31 December 2009.

	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
Capital relating to subscription warrant allocation program		-	424	-	424
Total comprehensive income for the period	2.2	**-**	**8 860**	**1 617**	**10 477**
Dividends payment	5.6	-	-	(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		-	(82)	-	(82)
Total comprehensive income for the period	2.2	**-**	**-**	**25 186**	**25 186**
Dividends payment	5.6	-	(23 510)	(1 616)	(25 126)
Profit distribution		-	-	-	-
As at 31.12.2010		**26 173**	**852 189**	**25 291**	**903 653**

3 General information

Information about the company:

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

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

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

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

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

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

The Company has been formed for an unspecified time.

The Company's separate financial statements cover the year ended 31 December 2010 and include comparatives for the year ended 31 December 2009.

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

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

As at 31 December 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, Warszaw	holding	acquisition accounting		
2.	Kofola Holding a.s.	Czech Republic, Ostrava	holding	acquisition accounting	100,00%	100,00%
3.	Hoop Polska Sp. z o.o.	Poland, Warszaw	production of non-alcoholic beverages	acquisition accounting	100,00%	100,00%
4.	Kofola a.s.	Czech Republic, Krnov	production and distribution of non-alcoholic beverages	acquisition accounting	100,00%	100,00%
5.	Kofola a.s.	Slovakia, Rajecká Lesná	production and distribution of non-alcoholic beverages	acquisition accounting	100,00%	100,00%
6.	Kofola Sp. z o.o.	Poland, Kutno	rent of production assets	acquisition accounting	100,00%	100,00%
7.	Santa-Trans s.r.o.	Czech Republic, Krnov	road cargo transport	acquisition accounting	100,00%	100,00%
8.	Santa-Trans.SK s.r.o.	Slovakia, Rajec	road cargo transport	acquisition accounting	100,00%	100,00%
9.	OOO Megapack	Russia, Widnoje	production of non-alcoholic and low-alcoholic beverages	acquisition accounting	50,00%	50,00%
10.	OOO Trading House Megapack	Russia, Widnoje	sale and distribution of non-alcoholic and low-alcoholic beverages	acquisition accounting	50,00%	50,00%
11.	Pomorskie Centrum Dystrybucji HOOP Sp. z o.o.	Poland, Koszalin	wholesale of alcoholic and non-alcoholic beverages	acquisition accounting	100,00%	100,00%
12.	Transport Spedycja Handel Sulich Sp. z o.o.	Poland, Bielsk Podlaski	road cargo transport, spedition	equity accounting	50,00%	50,00%
13.	Klimo s.r.o.	Czech Republic, Krnov	in liquidation	acquisition accounting	100,00%	100,00%
14.	Kofola Zrt.	Hungary, Budapest	in liquidation	acquisition accounting	100,00%	100,00%

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

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

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

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

- Kofola Holding a.s. – the holding company – registered in the Czech Republic, performing management and control of the other entities comprising the KOFOLA S.A. Group,
- Kofola a.s. (CZ) – a company registered in the Czech Republic, with main activities consisting of the production and distribution of beverages on the territory of the Czech Republic,
- Kofola a.s. (SK) – a company registered in Slovakia, with main activities consisting of the production and distribution of beverages on the territory of Slovakia,
- Kofola Sp. z o.o. – a company registered in Poland, with main activities consisting of renting out the production line in Kutno to the company Hoop Polska Sp. z o.o., which conducts its production there,
- Santa-Trans s.r.o. (CZ) – a company registered in the Czech Republic, with main activities consisting of road cargo transport provided mainly to Kofola a.s. (Czech Republic),
- Santa-Trans.SK s.r.o. (SL) – a company registered in Slovakia, with main activities consisting of road cargo transport provided mainly Kofola a.s. (Slovakia),
- KLIMO s.r.o. – a company registered in the Czech Republic. In 2007 it distributed beverages on the Czech market. No operating activities since the beginning of 2008. The company's liquidation process was completed in January 2011.
- Kofola Zrt. (HU) – a company registered in Hungary, currently is liquidation.

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

The subsidiary **Pomorskie Centrum Dystrybucji HOOP Sp. z o.o.** with its registered office in Koszalin, 75-209, ul. BoWiD 9e, of which KOFOLA S.A. holds 100% and has 100% of votes at Shareholders Meeting (Note 1.3). The activities of PCD HOOP Sp. z o.o. consist of the wholesale of beverages. The terms of the agreement are currently being realized (Note 5.30).

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

On 8 December 2009 KOFOLA S.A disposed of 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 of the wholesale of beverages. Due to the above the data of Maxpol Sp. z o.o. have been included only in the comparatives for the year 2009.

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

MANAGEMENT BOARD

As at 31 December 2010 the Management Board of the holding company KOFOLA S.A. comprised:

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

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

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

SUPERVISORY BOARD

As at 31 December 2010 the Supervisory Board comprised:

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

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

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

AUDIT COMMITTEE

As at 31 December 2010 the Audit Committee comprised:

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

On 26 January 2011 Mr. Ireneusz Stolarski, member of the Audit Committee who was also the Chairman of the Supervisory Board, resigned from the position of member of the Supervisory Board effective 26 January 2011. A decision on changes in the composition of the Audit Committee will be made at the next Supervisory Board meeting.

4 Information about the methods used to prepare the separate financial statements of the KOFOLA S.A.

4.1 Basis for the preparation of the separate financial statements

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

The main accounting methods are presented in point 4.5. They have been applied continuously in all of the years covered by the consolidated financial statements (unless stated otherwise).

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

4.2 Statement of compliance

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

4.3 Functional currency and presentation currency

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

4.4 Translation of amounts expressed in foreign currencies

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

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

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

The following rates were used in the balance sheet valuation:

Currency rates at the end of period	**31.12.2010**	**31.12.2009**
PLN/USD	2,9641	2,8503
PLN/EUR	3,9603	4,1082
PLN/RUB	0,0970	0,0950
PLN/CZK	0,1580	0,1554

Average currency rates, calculated as arithmetical mean of currencies on last day of each month in period	**31.12.2010**	**31.12.2009**
PLN/USD	3,0402	3,1236
PLN/EUR	4,0044	4,3406
PLN/RUB	0,0998	0,0982
PLN/CZK	0,1585	0,1639

4.5 Accounting methods and changes in presentation

The accounting methods based on which the financial statements contained in this report have been prepared have not changed compared to the methods used in the separate financial statements for the year 2009.

4.5.1 Tangible fixed assets

Tangible fixed assets are stated at acquisition cost less accumulated depreciation and impairment write downs, if any, with the exception of items stated at fair value constituting the assets of the entity that was the acquiree from an accounting standpoint – the company HOOP S.A. as at 31 May 2008. The opening value of fixed assets consists of their acquisition price plus all costs directly associated with the asset's acquisition and adaptation for use. The costs also include the cost of replacing parts of machines and equipment as they are incurred, if the recognition criteria are met. Costs incurred after the asset is given over for use, such as maintenance and repairs, are charged to the income statement as they are incurred.

If circumstances occurred during the preparation of the financial statements indicating that the balance sheet value of tangible fixed assets may not be recoverable, the said assets are tested for impairment. If there are indications that impairment might have occurred, and the balance sheet value exceeds the estimated recoverable amount, then the value of those assets or cash generating units to which the assets belong is reduced to the value of the recoverable amount. The recoverable value corresponds to the higher of the following two values: the fair value less cost to sell, or the value in use. When determining value in use, the estimated future cash flows are discounted to the present value using a gross discount rate reflecting the current market assessments of the time value of money and the risk associated with the given asset component. If the asset component does not generate income sufficiently independently, the recoverable amount is determined for the cash generating unit to which the asset belongs. Impairment write downs are recognized in the income statement under other operating costs.

A given tangible fixed asset may be removed from the balance sheet after it is sold or if no economic benefits are anticipated from its continued use. All profits and losses arising out of removing a given item from the balance sheet (calculated as the difference between the potential net income from the sale and the balance sheet value of a given item) are recognized in the income statement in the period in which the removal was performed.

Assets under construction consist of fixed assets that are being constructed or assembled, and are stated at acquisition price or cost of production. Fixed assets under construction are not depreciated until the construction is completed and the assets given over for use.

The balance sheet value, the useful life and the depreciation method of fixed assets are verified, and if need be – adjusted, at the end of each financial year to be applied starting with the next year.

Depreciation

Tangible fixed assets, or their significant and separate components, are depreciated using the straight-line method throughout their economic useful lives. Land is not depreciated.

4.5.2 Borrowing costs

Borrowing costs are capitalized as part of the cost of producing fixed assets. Borrowing costs consist of interest and foreign exchange differences to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs are recognized as costs as they are incurred.

4.5.3 Goodwill

Goodwill on the acquisition of a company is initially recognized at the acquisition price constituting the excess of the costs of the acquisition over the acquirer’s share in the acquiree’s identifiable assets, liabilities and contingent liabilities. After its initial recognition, goodwill is stated at the acquisition price less all accumulated impairment write downs. Impairment tests are performed once a year. Goodwill is not amortized.

As at the date of the acquisition, goodwill is allocated to each of the cash generating units that may benefit from the synergy of the business combination. Goodwill impairment is measured by estimating the recoverable amount of the cash generating unit to which the given goodwill pertains. If the recoverable amount of the cash generating unit is lower than the balance sheet value, a goodwill write down is recognized. If the goodwill is part of a cash generating unit and a sale is made of a portion of the operations within that unit, then when determining the profits or losses from the sale of such operations the goodwill associated with the sale of operations is included in its balance sheet value. In such circumstances, the sold goodwill is determined based on the relative value of the sold operations and the value of the retained portion of the cash generating unit.

4.5.4 Recoverable amount

The Company evaluates its assets for impairment as at each balance sheet date. If there are indications of impairment, the Company performs a formal estimate of the recoverable amount. If the balance sheet value of a given asset or cost generating unit exceeds its recoverable amount, it is considered impaired and written down to the value of the recoverable amount. The recoverable value corresponds to the higher of the following two values: the fair value less cost to sell, or the value in use of a given asset or cost generating unit.

4.5.5 Financial instruments

Financial instrument is any agreement that gives rise to a financial asset of one entity, and a financial liability or equity instrument of another entity.

The most significant asset components that are subject to the valuation methods applicable to financial instruments:

1. shares of other entities,
2. stocks of other entities,
3. loan receivables,
4. derivative instruments (options, forward contracts, futures, swap contracts, embedded derivative instruments),
5. other financial assets.

Short-term term trade receivables are stated at amortized cost by applying the effective interest rate method, and reduced by impairment write downs, if any.

The most significant liabilities components that are subject to the valuation methods applicable to financial instruments:

1. loan payables,
2. credit payables,
3. derivative instruments (options, forward contracts, futures, swap contracts, embedded derivative instruments),
4. other financial liabilities.

Trade payables are stated at amortized cost by applying the effective interest rate method.

The Company's financial assets are classified to the following categories:

- financial assets stated at fair value through profit or loss,
- loans and receivables,
- financial assets held to maturity,
- financial assets available for sale.

Financial liabilities are divided into:

- financial liabilities stated at fair value through profit or loss,
- financial liabilities stated at amortized cost.

Classification is based on the designation and nature of the asset. The Group classifies its assets at their initial recognition, with subsequent verifications performed at each reporting date.

The Company's shares and interests in consolidated subsidiary companies are recognized (in accordance with IAS 27) at acquisition price adjusted by any impairment arising out of impairment tests.

Financial assets

Financial assets are initially recorded at fair value. Their initial valuation is increased by transaction costs, with the exception of financial assets stated at fair value through profit or loss. The transaction costs of a possible asset disposal are not considered in the subsequent valuation of financial assets. The asset is listed in the balance sheet when the Group becomes a party to the agreement (contract), out of which the financial asset arises.

The Company checks at each balance sheet date for indications of an impairment of a financial asset (or group of financial assets). In the case of instruments classified as available for sale, the presence of impairment is determined by taking into account, among others, a significant or long-lasting drop in the security's fair value below cost.

Financial assets stated at fair value through profit or loss

This category includes two groups of assets: financial assets held for sale and financial assets initially recognized as stated at fair value through profit or loss. A financial asset is included in the held for sale category if it was acquired in order to be resold within a short time, if it constitutes a component of a portfolio that generates short-term profits, or if it is a derivative instrument with a positive fair value.

At the Company, this category includes primarily derivative instruments (in cases when hedge accounting is not applied), as well as debt and equity instruments acquired in order to be resold within a short time.

Embedded derivative instruments are separated from the contracts and treated as derivative instruments if all of the following conditions are met:

- the economic nature and risk of the embedded instrument are not strictly tied into the economic nature and risk of the contract in which the given instrument is embedded,
- a standalone instrument with realization terms identical to the embedded instrument would meet the definition of derivative instrument,
- a hybrid instrument is not stated at fair value, and changes in its fair value are not charged to the net profit/loss (i.e. a derivative instrument that is embedded in a financial asset or financial liability stated at fair value through profit or loss, is not divided out).

Embedded derivative instruments are presented in the same manner as standalone derivative instruments.

Assets classified as financial assets stated at fair value through profit or loss are stated as at each reporting date at fair value, and all gains or losses are charged to financial revenue or costs. Derivative financial instruments are stated at fair value as at the balance sheet date and as at the end of each reporting period based on valuations performed by the banks realizing the transactions. Other financial assets stated at fair value through profit or loss are valued using stock exchange prices, and in their absence, using appropriate valuation techniques, such as: the use of the prices of recent transactions or listings, comparisons with similar instruments, option valuation models. The fair value of debt instruments consists primarily of future cash flows discounted at the current market interest rate applicable to similar instruments.

Loans and receivables

Loans and receivables are financial assets not included in derivative instruments with specified or specifiable payments, not listed on the active market. Depending on their maturity date, they are included in fixed assets (assets due in more than 1 year of the reporting day) or current assets (assets due within 1 year of the reporting day). Loans and receivables are stated as at the balance sheet date at amortized cost. Included in this group are primarily trade receivables and bank deposits and other cash funds, as well as loans and acquired, non-listed debt instruments not included in the other financial assets categories.

Financial assets held to maturity

Financial assets held to maturity are investments with specified or specifiable payments and a specified maturity date, which the Company intends and can hold to maturity. This category includes only listed debt instruments, as long as they have not been previously classified as financial assets stated at fair value through profit or loss, or as financial assets available for sale. Financial assets held to maturity are stated as at each balance sheet date at amortized cost by applying the effective interest rate.

Financial assets available for sale

Financial assets available for sale are financial instruments, other than derivative instruments, designated as "available for sale" or not included in any other category. Financial assets available for sale consist primarily of debt instruments acquired to invest excess funds, as long as the instruments have not been classified as financial assets stated at fair value through profit or loss due to the intention to hold them at the Company for a short time.

Financial assets available for sale are included in fixed assets, as long as there is no intention to dispose of them within 1 year of the balance sheet date, or in current assets – if such intention exists. Financial assets available for sale are stated as at each reporting date at fair value, and gains and losses (except for impairment losses) are recognized in equity.

Financial liabilities

Financial liabilities are initially recognized at fair value. Their initial recognition includes transaction costs, except for financial liabilities classified as stated at fair value through the profit or loss. The transaction costs of disposing of a financial liability component are not considered in the subsequent valuation of financial liabilities. The component is listed in the balance sheet when the Company becomes a party to the agreement (contract), out of which the financial liability arises.

4.5.6 Inventories

Inventory is stated at the lower of the two values: the acquisition price/cost of production, and the net realizable price.

Inventory is stated at net amount (less revaluation write downs). Inventory write downs are performed in connection with impairment, to bring the value of inventory to the net realizable prices. Inventory write downs are recognized in the income statement under the "cost of goods sold" item. Whereas reversals of inventory write downs are recorded as a decrease of the cost of goods sold. The value of a write down decreases the balance sheet value of the written down inventory.

4.5.7 Trade receivables and other receivables

Trade and other financial receivables are stated as at the balance sheet date at amortized cost (i.e. discounted using the effective interest rate) less impairment write downs. Short-term receivables due within 360 days are stated at amount due.

In cases when the effect of the time value of money is significant, the value of a receivable is determined by discounting the forecast future cash flows to the present value, using a gross discounted rate that reflects the current market assessments of the time value of money. If a discounting method was used, the increase in the receivable relating to the passing of time is recorded as financial revenue.

Receivables that are not financial assets are initially recognized at nominal value and stated as at the balance sheet date at amounts due.

Receivables are revalued in consideration of the likelihood of their repayment, by creating provisions for doubtful receivables. A provision for doubtful receivables is created when there is objective evidence that it will not be possible to collect all of the amounts due under the original contractual terms. The existence of such objective evidence is assessed on a continuous basis, after obtaining information of the existence of objective evidence that may determine impairment.

If there is objective evidence that the receivables recognized at amortized costs have been impaired, the impairment loss is determined as the difference between the balance sheet value of the asset and the present value of the future cash flows discounted based on the effective percentage rate. The likelihood of future cash flows is determined based on analyzing historical data. The likelihood of losing the receivables determined as a result of estimates based on historical data may decrease if the Management has reliable documents indicating that the receivables have been secured and their collection is very likely.

Generally, provisions for doubtful receivables are created for 100% of the following receivables:

- from debtors placed in a state of liquidation or bankruptcy, up to the amount that has not been covered by a guarantee or otherwise secured,
- from debtors whose bankruptcy filing has been rejected, if the debtor's assets are insufficient to satisfy the costs of the bankruptcy proceeding at the full value of the claim,
- disputed by the debtors, as well as overdue up to the amount that has not been covered by a guarantee or otherwise secured, if an analysis of the debtor's financial position indicates that the repayment of the contractual amount in the nearest six months is not possible,
- constituting an equivalent of the amounts increasing the receivables with regard to which a provision had previously been created at the value of those amounts until they are received or written off,
- overdue or not overdue with a significant likelihood of non-collectability, at a reliably estimated amount of provision for doubtful receivables,
- late interest charges,
- receivables that are overdue by more than 180 days as at the balance sheet date.

4.5.8 Cash and cash equivalents

Cash and short-term deposits listed in the balance sheet include cash at bank and in hand, as well as short-term deposits with initial maturity dates of no more than three months.

The balance of cash and cash equivalents listed in the consolidated cash flow statement consists of the above described cash and cash equivalents.

4.5.9 Equity

Equity is recognized in the books of account by type and in accordance with binding legal regulations and the Company's Statute.

Share capital is listed at the amount disclosed in the Statute and in the National Court Register.

Declared but unpaid capital contributions are recorded as unpaid share capital. Treasury shares and unpaid share capital reduce the value of the Company's equity.

Share premium – this capital consists of the premium earned on the issue of shares, less the costs of the issue.

Other capital consists of the reserve capital and the revaluation reserve.

Accumulated profits consist of: accumulated profit or uncovered loss from previous years (accumulated profit/loss from previous years), the financial result for the year.

Dividends are recognized as liabilities in the period, in which they were passed.

4.5.10 Interest bearing bank credits, loans and debt securities

At their initial recognition, all bank credits, loans and debt securities are recorded at their acquisition price corresponding to the fair value of the received cash funds, less the costs of obtaining the credit or loan.

After their initial recognition, interest bearing credits, loans and debt securities are stated at amortized cost by applying the effective interest rate method.

Amortized cost is determined by taking into account the costs of obtaining the credit or loan, as well as the discounts or bonuses received at the settlement of the liability.

Gains and losses are recognized in the income statement at the moment when the liability is removed from the balance sheet, and when a write down is calculated.

4.5.11 Trade liabilities and other liabilities

Liabilities constitute a current obligation arising out of past events, the fulfillment of which is expected to result in an outflow of funds containing economic benefits.

Financial liabilities other than financial liabilities stated at fair value through profit or loss are valued as at the balance sheet date at amortized cost (i.e. discounted using the effective interest rate). Short-term liabilities due within 360 days are stated at amounts due.

Liabilities not included in financial liabilities are stated at amounts due.

4.5.12 Provisions

Provisions are created when the Company has a present obligation (legal or customarily expected) arising out of past events, and when it is likely that the fulfillment of this obligation will result in an outflow of economic benefits, and that the amount of the obligation may be reliably estimated. If the Company expects that the costs covered by the provision will be refunded, for example based on an insurance policy, then the refund is recognized as a separate asset component, but only if it is practically certain that the refund will indeed occur. The costs relating to a given provision are disclosed in the income statement less any refunds. If the time value of money is material, the value of the provision is determined by discounting the forecasted future cash flows to their present values using a gross discount rate reflecting the current market assessments of the time value of money and any risk associated with the given liability. If a method was used consisting of discounting, then any subsequent provision increases are recognized as financial costs.

4.5.13 Employee benefits

Jubilee bonuses and retirement compensation

In accordance with binding remuneration regulations, the Company's employees are entitled to retirement compensation benefits. Owing to the fact that as at the balance sheet date KOFOLA S.A. had only 2 employees, the Company had formed no provision for future retirement compensation.

Termination benefits

In the event of employment termination, the Company's employees are entitled to benefits in accordance with the labor regulations binding in Poland, such as unused annual leave equivalent and compensation for compliance with a non-compete agreement.

The provision for unused annual leave is revalued as at the last day of the financial year and as at the last day of each six-month period.

Provisions for other termination benefits are created once employment is terminated.

Other employee benefits

The costs of other employee benefits are recognized in the costs of the year in which they were approved for payment, because the value of the benefit can only be reliably determined when it is approved for payment.

Incentive programs based on allocation of subscription warrants

On 18 December 2009 the General Shareholders Meeting approved the Incentive Program Regulations. As part of the Incentive Program, its participants (management staff) are eligible to take up A, B, C and D series subscription warrants, providing that they meet the criteria specified in the Regulations. The realization of the warrants is tied to employment, and their fair value is an adjustment of the value of the stake in the subsidiary with a corresponding rise in the appropriate capital reserve while eligibility is acquired.

4.5.14 Revenue

Revenue is recognized at the amount of the economic benefits the Group is likely to obtain from a given transaction, and when the amount of revenue may be measured reliably. Revenue is recognized less value added tax (VAT), excise tax and rebates (discounts, bonuses and other "costs of bringing the product to the store shelf").

The amount of revenue is determined at the fair value of the payment received or receivable. Revenue is stated at discounted value when the effect of the time value of money is material (when the time within which payment is received is longer than 360 days). If revenue is recognized at discounted value, the value of the discount is recognized proportionately to the amount of time passed as an increase in receivables, and on the other side as financial revenue.

Foreign exchange differences on the realization and balance sheet valuation of trade receivables are listed under revenue.

Foreign exchange differences on the realization and balance sheet valuation of trade payables are listed in the cost of goods sold.

Revenue is also recognized in accordance with the criteria specified below.

4.5.14.1 Sale of goods and products

Revenue is recognized when the significant risks and benefits of the ownership of goods and products have been transferred to the buyer, and when the amount of revenue may be measured reliably.

4.5.14.2 Provision of services

Revenue from the provision of services is recognized after the service is rendered based on invoices issued by the end of the month in which the service was performed.

4.5.14.3 Interest

Interest income is recognized gradually as it accrues.

4.5.14.4 Dividends

Dividends are recognized once the shareholders' right to receive them is established.

4.5.14.5 Government subsidies

The Company recognizes government subsidies once there is reasonable assurance that the subsidy will be granted and that all of the related required criteria will be complied with. Both of the above conditions must be met for a government subsidy to be recognized.

If the subsidy relates to an asset component, then its fair value is recognized under deferred income, and then gradually, through equal annual charges, charged to the income statement throughout the estimated period of use of the asset associated with the subsidy.

If the subsidy relates to a cost item, then it is recognized as revenue, matching the costs the subsidy is meant to compensate.

4.5.15 Income tax

For the purposes of financial reporting a provision is created for income tax using the balance sheet method with regard to all temporary differences as at the balance sheet date between the tax value of assets and liabilities and the their accounting value listed in the financial statements.

A provision for deferred income tax is recognized on all positive temporary differences:

- except for situations when the provision for deferred income tax arises as a result of the initial recognition of goodwill or the initial recognition of an asset or liability component in a transaction that is not a business combination and has no effect on either the gross financial result or the taxable income or loss,
- in the case of positive temporary differences arising out of investments in subsidiaries or associates and interests in joint ventures – except for situations when the dates on which temporary differences are reversed are controlled by the investor and when it is likely that they will not reverse in the foreseeable future,
- deferred income tax assets are recognized on all negative temporary differences, as well as unused tax assets and unused tax losses that have rolled forward to future years, up to the amount that it is likely that future taxable income will be available that will make it possible to utilize the above mentioned differences, assets and losses,
- except for situations when the deferred income tax assets on negative temporary differences arise as a result of the initial recognition of goodwill or the initial recognition of an asset or liability component in a transaction that is not a business combination and has no effect on either the gross financial result or the taxable income or loss, and
- in the case of negative temporary differences arising out of investments in subsidiaries or associates and interests in joint ventures, the deferred income tax assets component is recognized in the balance sheet only at an amount that the above temporary differences are likely to be reversed in the foreseeable future and taxable income will be available that will make it possible to deduct the negative temporary differences.

The balance sheet value of deferred income tax assets is verified as at each balance sheet date and is subject to a relevant reduction to an extent that it is no longer likely that sufficient income will be available to partially or totally realize the deferred income tax asset.

Deferred income tax assets and provisions for deferred income tax are stated using the tax rates that are expected to apply when the asset will be realized or provision released, based on the tax rates (and tax regulations) binding as at the balance sheet date, or tax rates and regulations that are certain to apply in the future.

Income tax relating to items recognized directly in equity is recognized in equity, and not in the income statement.

4.5.16 Earnings per share

The net profit per share is calculated for each reporting period by dividing the net profit for the period by the weighted average number of shares in the given reporting period. Diluted net profit per share is calculated by dividing the net profit by the diluted weighted average number of shares.

4.6 New standards and interpretations

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 income statement 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 income statement.

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 income statement.

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 year 2010.

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

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

- 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.

4.7 Correction of error

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

4.8 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 31 December 2010 the Management's professional judgment relates to provisions for claims and court cases, as well as to contingent liabilities. It is also used in assessing the risk associated with the repayment of overdue receivables – the Company verifies its provisions for doubtful debts as at each balance sheet date, taking into account the potential risk of significant delays in their repayment.

4.9 Uncertainty of estimates

Since some of the information contained in the financial statements cannot be measured precisely, to prepare the financial statements the Company'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 31 December 2010 may be changed in the future. The main estimates pertain to the following matters:

Estimates	Type of information
Impairment of cash generating units and individual tangible and intangible fixed asset components, goodwill, financial assets and loans	Main assumptions used to determine the recoverable amount: indications of impairment, models, discount rates, growth rate.
Provisions for doubtful debts	Main assumptions used to determine the recoverable amount.
Income tax	Assumptions used to recognize deferred tax assets
Provisions	Reliable estimate of the liability based on past events based on assumptions adopted with regard to the values of significant parameters.
Economic useful lives of tangible and intangible fixed assets	The economic useful life and depreciation method are verified at least as at the end of each financial year.

4.10 Approval of financial statements

The Board of Directors approved the present separate financial statements for publication on 15 March 2011.

5 Notes to the separate financial statements of the KOFOLA S.A.

5.1 Information about operating segments

An operating segment is a component of an entity:

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

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

C) for which separate financial information is available.

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

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

The Company's entire sale is made on the Polish market.

5.2 Expenses by type

	1.1.2010 - 31.12.2010	1.1.2009 - 31.12.2009
Depreciation of fixed assets and intangible assets	123	306
Employee benefits costs	390	1 117
Consumption of materials and energy	8	20
Services	1 526	2 554
Taxes and fees	59	47
Property and life insurence	51	131
Other costs	131	330
Total expenses by type	**2 288**	**4 505**
Change in the balance of products, production in progress, prepayments and accruals	-	-
Reconciliation of expenses by type to expenses by function	**2 288**	**4 505**
Costs of sales, marketing and distribution	86	575
Administrative costs	2 202	3 142
Cost of products sold	-	788
Reconciliation of expenses by type to expenses by function	**2 288**	**4 505**

Depreciation of fixed assets recognized fully in general administrative costs.

Costs of employee benefits

	1.1.2010 - 31.12.2010	1.1.2009 - 31.12.2009
Cost of salary	385	962
Social security and other benefits costs	5	155
Total costs of employee benefits	**390**	**1 117**

5.3 Financial income

	1.1.2010 - 31.12.2010	1.1.2009 - 31.12.2009
Financial interest income from:		
- bank deposits	385	20
- credits and loans granted	8 268	9 446
- interest on receivables	-	46
Dividends received	17 460	10 752
Net financial income from realized FX differences	2 310	-
Profit on disposal of shares BOMI S.A.	2 327	-
Other financial income	-	51
Total financial income	**30 750**	**20 315**

5.4 Financial expense

	1.1.2010 - 31.12.2010	1.1.2009 - 31.12.2009
Financial interest expense from:		
- credits and financial leases	1 395	847
Net financial losses from realized FX differences	-	1 132
Revaluation of financial assets	-	9 283
Bank charges	108	37
Other financial expense	-	482
Total financial expense	**1 503**	**11 781**

5.5 Changes in reserves and provisions

	Receivables	Inventories	Financial assets	Provisions
As at 1.1.2010	**10 313**	**-**	**10 083**	**20 286**
Increase due to creation	64	-	-	18
Decrease due to release and use	(406)	-	(9 283)	(4 277)
As at 31.12.2010	**9 971**	**-**	**800**	**16 027**

In the reporting period, further to the sale of the shares of BOMI S.A., a revaluation write down was released that had been created in the comparative period on the value of these shares in the amount of 9 283 thousand PLN.

5.6 Dividends paid and declared

	1.1.2010 - 31.12.2010	1.1.2009 - 31.12.2009
Dividends declared in the given period	25 126	16 750
Dividends on common shares:		
paid out in the given period	25 126	16 750
Dividends paid and declared	**25 126**	**16 750**

Payment of dividend for the year 2009

In its Resolution No. 16 the Ordinary General Meeting of KOFOLA S.A. of 30 June 2010 designated the net profit generated by 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 at a total amount of 25 126 thousand PLN, or 0,96 PLN per share.

The shares of all series (A,B,C,D,E,F,G) partook in the dividend. The dividend date was set for 30 September 2010. As per the above resolution, the dividend was paid out on 2 November 2010.

In the reporting period KOFOLA S.A. received a dividend from its subsidiaries: Kofola Holding a.s. in the amount of 12 680 thousand PLN and from OOO Megapack in the amount of 4 780 thousand PLN net.

5.7 Income tax

Main income tax elements for the period of 12 months ended 31 December 2010 and for the period of 12 months ended 31 December 2009:

	1.1.2010 - 31.12.2010	1.1.2009 - 31.12.2009
Profit and loss		
Current income tax	**677**	**1 075**
Current Income tax charge	677	1 075
Adjustments of current income tax from previous years	-	-
Deferred income tax	**1 820**	**3 737**
Related with arising and reversing of temporary differences	1 820	5 179
Related with tax losses	-	(1 442)
Income tax charge recorded in consolidated profit and loss	**2 497**	**4 812**
Statements of changes in equity		
Current income tax	-	-
Tax effect of changes in share capital	-	-
Deferred income tax	**-**	**2 117**
Tax from Fair value gains on available-for-sale financial assets	-	2 117
Tax benefit / tax burdens shown in equity	**-**	**2 117**

Presented below is a reconciliation of the income tax on the gross financial result prior to taxation at the statutory tax rate with income tax calculated using the effective tax rate, calculated as at 31 December 2010 and 31 December 2009:

	1.1.2010 - 31.12.2010	1.1.2009 - 31.12.2009
Profit before tax from continuing activity	27 683	6 429
Profit before tax from discontinued activity	-	-
Profit before income tax	**27 683**	**6 429**
Tax expense at the theoretical domestic tax rates in Poland	(5 260)	(1 222)
Tax effect of:		
Non-taxable income - dividends from subsidiary	2 409	-
The tax on dividends paid in Russia	-	(1 075)
Expired tax losses	-	(1 442)
Other	353	(1 073)
Income tax presented in profit and loss	**(2 497)**	**(4 812)**
Effective tax rate (%)	**9,02%**	**74,85%**

Deferred income tax

Deferred income tax arises out of the following items:

DEFERRED INCOME TAX ASSETS AND DEFERRED INCOME TAX RESERVES			**31.12.2010**
	Deferred income tax assets	**Deferred income tax reserves**	**Net amount**
Receivables (including accrued interest)	1 615	4 693	(3 078)
Liabilities and provisions	2 530	-	2 530
Contribution in kind	-	60 189	(60 189)
Tax losses	1 313	-	1 313
Other	-	13	(13)
Deferred income tax assets/deferred tax reserves	**5 457**	**64 895**	**(59 438)**
Presentation corrections	(4 706)	(4 706)	-
Deferred income tax assets/deferred tax reserves recorded in balance	**751**	**60 189**	**(59 438)**

DEFERRED INCOME TAX ASSETS AND DEFERRED INCOME TAX RESERVES	31.12.2009		
	Deferred income tax assets	Deferred income tax reserves	Net amount
Receivables (including accrued interest)	1 606	3 841	(2 235)
Liabilities and provisions	3 235	-	3 235
Contribution in kind	-	60 189	(60 189)
Tax losses	2 625	-	2 625
Other	-	1 056	(1 056)
Deferred income tax assets/deferred tax reserves	**7 466**	**65 086**	**(57 620)**
Presentation corrections	(4 897)	(4 897)	-
Deferred income tax assets/deferred tax reserves recorded in balance	**2 569**	**60 189**	**(57 620)**

The amounts and expiration dates of tax losses:

Expiration year	**Losses** (in ths. PLN)
2013	394
2014	6 515
TOTAL	**6 909**

5.8 Discontinued operations

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

5.9 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 calculated basic and diluted profit per share:

	1.1.2010 - 31.12.2010	**1.1.2009 - 31.12.2009**
Net profit	25 186	1 617

	1.1.2010 - 31.12.2010	**1.1.2009 - 31.12.2009**
Weighted average number of issued common shares used to calculate the regular earnings per share ratio	26 172 602	26 172 435
Impact of dilution:		
Subscribtion warrants	6 099	24 462
Adjusted weighted average number of common shares used to calculate diluted earnings per share	26 178 701	26 196 897

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 - 31.12.2010	**1.1.2009 - 31.12.2009**
Net profit	25 186	1 617
Weighted average number of issued common shares	26 172 602	26 172 435
Regular earnings per share (PLN/share)	0,9623	0,0618

	1.1.2010 - 31.12.2010	**1.1.2009 - 31.12.2009**
Net profit assigned to the shareholders, used to calculate diluted earnings per share	25 186	1 617
Adjusted weighted average number of common shares used to calculate diluted earnings per share	26 178 701	26 196 897
Diluted earnings per share (PLN/share)	0,9621	0,0617

5.10 Tangible fixed assets

31.12.2010

TABLE OF CHANGES IN TANGIBLE FIXED ASSETS	Land	Buildings and constructions	Vehicles	Other fixed assets	TOTAL
a) gross book value at the beginning of the period	**372**	**3**	**31**	**29**	**435**
b) increases	**-**	**-**	**-**	**-**	**-**
- purchase of fixed assets	-	-	-	-	**-**
- other increases	-	-	-	-	**-**
c) decreases	**-**	**-**	**(31)**	**-**	**(31)**
- sale	-	-	(31)	-	**(31)**
- liquidation	-	-	-	-	**-**
d) gross book value at the end of the period	**372**	**3**	**-**	**29**	**404**
e) accumulated depreciation at the beginning of the period	**-**	**(3)**	**(3)**	**(27)**	**(33)**
f) depreciation charge for the period	**-**	**-**	**3**	**(2)**	**1**
- annual depreciation charge	-	-	-	(2)	**(2)**
- sale	-	-	-	-	**-**
- liquidation	-	-	3	-	**3**
g) accumulated depreciation at the end of the period	**-**	**(3)**	**-**	**(29)**	**(32)**
h) impairment charges at the beginning of the period	**-**	**-**	**-**	**-**	**-**
i) impairment charges at the end of the period	**-**	**-**	**-**	**-**	**-**
j) net book value at the beginning of the period	**372**	**-**	**28**	**2**	**402**
k) net book value at the end of the period	**372**	**-**	**-**	**-**	**372**

31.12.2009

TABLE OF CHANGES IN TANGIBLE FIXED ASSETS	Land	Buildings and constructions	Vehicles	Other fixed assets	TOTAL
a) gross book value at the beginning of the period	**-**	**34**	**519**	**159**	**712**
b) increases	**372**	**9**	**31**	**-**	**412**
- purchase of fixed assets	-	9	-	-	**9**
- other increases	372	-	31	-	**403**
c) decreases	**-**	**(40)**	**(519)**	**(130)**	**(689)**
- sale	-	-	(519)	-	**(519)**
- liquidation	-	(40)	-	(130)	**(170)**
d) gross book value at the end of the period	**372**	**3**	**31**	**29**	**435**
e) accumulated depreciation at the beginning of the period	**-**	**(14)**	**(65)**	**(51)**	**(130)**
f) depreciation charge for the period	**-**	**11**	**62**	**24**	**97**
- annual depreciation charge	-	(14)	(118)	(63)	**(195)**
- sale	-	-	180	-	**180**
- liquidation	-	25	-	87	**112**
g) accumulated depreciation at the end of the period	**-**	**(3)**	**(3)**	**(27)**	**(33)**
h) impairment charges at the beginning of the period	**-**	**-**	**-**	**-**	**-**
i) impairment charges at the end of the period	**-**	**-**	**-**	**-**	**-**
j) net book value at the beginning of the period	**-**	**20**	**454**	**108**	**582**
k) net book value at the end of the period	**372**	**-**	**28**	**2**	**402**

5.11 Investment properties

As at 31 December 2010 the Company had no investment properties.

5.12 Intangible fixed assets

31.12.2010

TABLE OF CHANGES IN INTANGIBLE FIXED ASSETS	Goodwill	Computer software	TOTAL
a) gross book value at the beginning of the period	**13 767**	**242**	**14 009**
b) increases	**-**	**-**	**-**
- purchase of intangible assets	-	-	**-**
c) decrease	**-**	**-**	**-**
d) gross book value at the end of the period	**13 767**	**242**	**14 009**
e) accumulated depreciation at the beginning of the period	**-**	**(111)**	**(111)**
f) depreciation charge for the period	**-**	**(121)**	**(121)**
- annual depreciation charge	-	(121)	**(121)**
g) accumulated depreciation at the end of the period	**-**	**(232)**	**(232)**
h) impairment charges at the beginning of the period	**-**	**-**	**-**
i) impairment charges at the end of the period	**-**	**-**	**-**
j) net book value at the beginning of the period	**13 767**	**131**	**13 898**
k) net book value at the end of the period	**13 767**	**10**	**13 777**

31.12.2009

TABLE OF CHANGES IN INTANGIBLE FIXED ASSETS	Goodwill	Computer software	TOTAL
a) gross book value at the beginning of the period	**13 767**	**-**	**13 767**
b) increases	**-**	**242**	**242**
- purchase of intangible assets	-	242	**242**
c) decrease	**-**	**-**	**-**
d) gross book value at the end of the period	**13 767**	**242**	**14 009**
e) accumulated depreciation at the beginning of the period	**-**	**-**	**-**
f) depreciation charge for the period	**-**	**(111)**	**(111)**
- annual depreciation charge	-	(111)	**(111)**
g) accumulated depreciation at the end of the period	**-**	**(111)**	**(111)**
h) impairment charges at the beginning of the period	**-**	**-**	**-**
i) impairment charges at the end of the period	**-**	**-**	**-**
j) net book value at the beginning of the period	**13 767**	**-**	**13 767**
k) net book value at the end of the period	**13 767**	**131**	**13 898**

5.13 Business combination

No business combinations took place in the reporting period.

5.14 Shares in subsidiaries and financial assets available for sale

Shares in consolidated entities:

	Company Name	Headquarters / Registered Offices	Range of activity	Consolidation method	% part in nominal capital	% part in voting rights	Net book value	
							31.12.2010	**31.12.2009**
1.	Kofola Holding a.s.	Czech Republic, Ostrava	holding	acquisition accounting	100,00%	100,00%	438 668	438 750
2.	Hoop Polska Sp. z o.o.	Poland, Warszaw	production of non-alcoholic beverages	acquisition accounting	100,00%	100,00%	359 570	359 570
3.	Megapack	Russia Widnoje	Production, sale and distribution of non-alcoholic and low-alcoholic beverages	acquisition accounting	50,00%	50,00%	55 899	55 899
4.	Pomorskie Centrum Dystrybucji HOOP Sp. z o.o.	Poland, Koszalin	wholesale of alcoholic and non-alcoholic beverages	acquisition accounting	100,00%	100,00%	-	-
5.	Transport Spedycja Handel Sulich Sp. z o.o.	Poland, Bielsk Podlaski	road cargo transport, spedition	equity accounting	50,00%	50,00%	-	-
6.	Bobmark International Sp. z o.o. (sold in 10.2010)	Poland, Warszaw	wholesale of alcoholic and non-alcoholic beverages	acquisition accounting	100,00%	100,00%	-	-
	TOTAL						**854 137**	**854 219**

The decrease in the value of shares of Kofola Holding a.s. in 2010 was caused by realignment of the employee options program approved in the previous period.

As at the balance sheet date no liens or other restrictions have been established on the Company’s shares of its subsidiaries. No impairment has been determined with regard to any of the above items.

Financial assets available for sale

	31.12.2010	31.12.2009
Shares of the company BOMI S.A.	-	11 522

The 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 were valued based on stock exchange quotes.

In the 12 month period ended 31 December 2010 KOFOLA S.A sold all of its shares of BOMI S.A. After commission, the income from this transaction amounted to 13 849 thousand PLN, and the profit on the transaction amounted to 2 327 thousand PLN.

Loans granted to related parties

	31.12.2010	31.12.2009
Principal	102 996	101 301
Interest	24 740	20 217
Total	**127 736**	**121 518**

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

5.15 Assets of the Company Social Benefit Fund and its liabilities

The Company Social Benefits Fund Act of 4 March 1994 with subsequent amendments, states that company social benefits funds are to be formed by employers with more than 20 full time employees. The Group established such a fund and makes periodic contributions at the basic contribution amount. The purpose of the fund is to subsidize the Company’s social activities, loans granted to its employees and other social costs.

The Act of 27 August 1997 on the occupational and social rehabilitation and employment of disabled persons states that company funds for the rehabilitation of the disabled are to be formed by employers who constitute protected labor entities. The purpose of the fund is to assist the disabled in their medical and social rehabilitation.

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

Company Social Benefits Fund (ZFŚS)	31.12.2010	31.12.2009
Loans granted to employees	-	51
Cash	54	57
Fund's liabilities	(58)	(106)
Other receivables	4	(2)
Balance after compensation	**-**	**-**
Charges to the fund during the reporting period	-	17

5.16 Inventories

KOFOLA S.A. had no inventory as at either 31 December 2010 or 31 December 2009.

5.17 Trade receivables and other receivables

	31.12.2010	31.12.2009
Receivables from related parties	**373**	**5 193**
trade receivables	373	4 962
loans granted	-	231
other financial receivables	-	-
Receivables from other parties	**16 338**	**18 888**
trade receivables	2 295	2 616
debts of Fructo-Maj	11 586	14 694
other financial receivables	2 256	1 000
receivables from the state budget other than current income tax	194	572
other prepayments	7	6
Gross reveivables	**16 711**	**24 081**
Revaluation charges for receivables	**(9 971)**	**(10 313)**
of which for debts of Fructo-Maj (see note 5.25.3)	(7 226)	(7 226)
Total net receivables	**6 740**	**13 768**

The terms of transactions with related parties are presented in point 5.26 of the notes to the financial statements.

Trade receivables are not interest bearing and are usually payable within 30-60 days.

Trade and other receivables are stated at amortized cost using the effective interest rate, subject to revaluation write downs. The book value of trade receivables is close to their fair value. Trade receivables due in less than 360 days of their creation are not discounted.

The risks associated with trade and other receivables, as well as the Company's policy relating to managing such risks, are described in point 5.27 of the notes to the financial statements.

5.18 Cash and cash equivalents

The balance of cash and cash equivalents listed in the consolidated balance sheet and cash flow statement consisted of the following items as at:

	31.12.2010	31.12.2009
Cash in bank and in hand	309	145
Short-term deposits	8 500	-
Total cash and cash equivalents	**8 809**	**145**

Free funds are held at bank and invested in the form of term and overnight deposits, primarily with variable interest rates.

Cash at bank and in hand carries variable interest rates, which depend on the interest rate applicable to one-day bank deposits.

Currency structure of cash and cash equivalents:

	31.12.2010	31.12.2009
in PLN	8 661	136
in EUR	147	7
in USD	-	1
in RUB	1	1
Total cash and cash equivalents	**8 809**	**145**

5.19 Share capital and Other capital

31.12.2010
SHARE CAPITAL

Series	Type of share	Type of preferred shares	Type of rights restiction to shares	Number of shares	Par value of one share	Way of covering the capital (cash/contibution in kind)	Date registered	Right to dividend (from the date)
A	ordinary	N/A	N/A	447 680	448	cash	03.10.1997	
B	ordinary	N/A	N/A	100 000	100	cash	22.01.1998/ 07.02.2007	03.10.1997
C	ordinary	N/A	N/A	71 080	71	cash	05.03.1998	22.01.1998
C	ordinary	N/A	N/A	11 776	12	cash	05.03.1998/ 07.02.2007	05.03.1998
D	ordinary	N/A	N/A	9 458 040	9 458	cash	21.01.2003	01.01.2003
E	ordinary	N/A	N/A	3 000 000	3 000	cash	01.09.2003	01.01.2003
F	ordinary	N/A	N/A	13 083 342	13 083	contribution in kind	30.05.2008	30.05.2008
G	ordinary	N/A	N/A	684	1	merger	31.3.2009	01.01.2009
Total				**26 172 602**	**26 173**			

SHARE CAPITAL STRUCTURE

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

Nominal value of shares

All of the issued shares have a nominal value of 1 PLN and have been fully paid up.

Shareholder rights

The shares of all series are equally privileged with regard to dividend and return on equity.

5.19.1 Other capital

	Supplementary Capital	Fair value gains on available-for-sale financial assets	Capital on allocation of subscription warrants	Total
As at 1.1.2009	**875 284**	**(9 024)**	**-**	**866 260**
Financial assets available for sale – transfer of valuation to income statement due to recognition of permanent impairment	-	11 141	-	**11 141**
Cost of subscription warrant allocation program	-	-	424	**424**
Other	73	-	-	**73**
Income tax relating to components of Other comprehensive income	-	(2 117)	-	**(2 117)**
As at 31.12.2009	**875 357**	**-**	**424**	**875 781**
As at 1.1.2010	**875 357**	**-**	**424**	**875 781**
Cost of subscription warrant allocation program	-	-	(82)	**(82)**
Dividends payment	(23 510)	-	-	**(23 510)**
As at 31.12.2010	**851 847**	**-**	**342**	**852 189**

Nature and purpose of other capital

Supplementary capital

Reserve capital is created based on statutory requirements (in accordance with binding legal regulations) or voluntarily (in accordance with the entity's by-laws) using funds from the distribution of profits, share premium and contributions made by the shareholders. It is used to cover losses, refund capital contributions, redeem shares. The main source of the reserve capital presented in these financial statements is the settlement of the 2008 merger with HOOP S.A.

Reserve on the revaluation of financial assets available for sale

This item includes revaluations of financial assets available for sale to fair value. This capital is not distributed.

5.19.2 Retained earnings

Retained earnings	31.12.2010	31.12.2009
Retained earnings	105	104
Net profit for the financial year	25 186	1 617
Total retained earnings	**25 291**	**1 721**

Current profits, up to the amount specified in legal regulations, should be used to increase the reserve capital.

5.20 Provisions

5.20.1 Changes in provisions

	Provisions for litigation, fines, court cases, demages	Provision for personal expenses (bonuses, untaken holiday)	Other provisions	Total
As at 1.1.2010	**-**	**-**	**20 286**	**20 286**
Creation	-	18	-	**18**
Utilization	-	-	-	**-**
Dissolution	-	-	(4 277)	**(4 277)**
As at 31.12.2010	**-**	**18**	**16 009**	**16 027**

Provisions time framework	31.12.2010	31.12.2009
Long-term	-	-
Short-term	16 027	20 286
Total provisions	**16 027**	**20 286**

5.20.2 Other provisions

Under other provisions the Company presents a provision for anticipated losses associated with investments in related parties in the amount of 11 706 thousand PLN, as well as a provision for damages associated with KOFOLA S.A.'s failure to meet its contractual obligations.

5.21 Employee benefits

5.21.1 Employee share program

In 2009 the Company introduced an employee share program. On 18 December 2009 the General Shareholders Meeting passed a resolution establishing an Incentive Program. Under the Incentive Program, the participants (members of management staff of the Company and the Group's subsidiaries) were to become eligible to take up A, B, C and D series subscription warrants, providing that they met the criteria specified in the Regulations. Persons eligible in the portion of the program starting in 2009 obtained the right to the allocation of no fewer than 81 790 and no more than 163 579 A series warrants. As the financial conditions required by the Regulations were not met, the present financial statements include only the fair value of the A series warrants estimated based on the Black-Scholes model, subject to the payment of dividends in accordance with the Company's policies.

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.

5.21.2 Retirement benefits and other benefits after the period of employment

Owing to the fact that as at the balance sheet date KOFOLA S.A. had only 2 employees, in the reporting period, as in the previous year, the Company had formed no provision for future retirement compensation.

5.22 Credits and loans

As at 31 December 2010 KOFOLA S.A. had not debt arising out of credits or loans. In the reporting period it had repaid the credit liabilities listed as at 31 December 2009 in the amount of 5 306 thousand PLN.

5.23 Trade liabilities and other liabilities

As at 31 December 2010 the Company had not long-term trade liabilities. Listed as a long-term item in other liabilities are the liabilities associated with the acquisition from Hoop Polska Sp. z o.o. of the debts of Maxpol Sp. z o.o. and Bobmark International Sp. z o.o.

The Company has the following short-term liabilities:

	31.12.2010	31.12.2009
Trade liabilities and other liabilities to related parties	**15 842**	**15 533**
Trade liabilities	782	1 090
Other non-financial liabilities	15 060	14 443
Trade liabilities and other liabilities to other parties	**435**	**1 280**
Trade liabilities	267	79
Liabilities towards employees	34	19
Budget commitments other than the current income tax	17	8
Accruals	117	1 174
Total trade liabilities and other liabilities (short-term)	**16 277**	**16 813**

The terms of transactions with related parties are presented in point 5.26 of the notes to the financial statements. Trade liabilities are not interest bearing and are usually paid within 30-90 days. Other liabilities are not interest bearing, and payable on average within 1 month.

5.24 Government subsidies

The Company received no government subsidies in either the reporting or the previous period.

5.25 Contingent assets and liabilities

5.25.1 Liabilities concerning operational leasing - Group as a lesee

No operating lease agreements.

5.25.2 Other contingent assets and liabilities

	Contingent assets	Contingent liabilities
As at 1.1.2010	**-**	**99 506**
Increase (+)	-	174 377
Decrease (-)	-	(98 443)
As at 31.12.2010	**-**	**175 440**

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

5.25.3 *Court litigations*

Fructo-Maj Sp. z o.o.

KOFOLA S.A. is a party in the bankruptcy proceeding of the entity Fructo-Maj Sp. z o.o. 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 31 December 2010 had been fully repaid and were presented in the financial statements of KOFOLA S.A. for the comparative period as short-term credit payables and as receivables from the company Fructo-Maj. As at 31 December 2010 the total value of the receivables from Fructo-Maj relating to the acquired debt is 11 586 thousand PLN, the balance sheet value of this item, after revaluation, is 4 360 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 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 assts 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-May 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 Sp. z o.o.

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. ("PCD") at the petition of PCD'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 PCD the management over its assets.

The 17 June 2010 decision of the Regional Court in Koszalin was issued at the petition of PCD's new management. It was the intention of KOFOLA S.A. to conclude an arrangement and then sell PCD as part of organizing the Group and focusing on core operations.

On 7 October 2010 KOFOLA S.A. bought back 25% of the shares of the subsidiary PCD Hoop Sp. z o.o. becoming its sole shareholder. was the intention of KOFOLA S.A. to conclude an arrangement and then sell PCD as part of organizing the Group and focusing on core operations. The arrangement was approved on 22 November 2010, and the decision became legally binding on 6 December 2010, of which KOFOLA S.A. informed in its Current Reports No. 19/2010 and 20/2010. The Company is currently fulfilling the provisions of the arrangement.

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

5.26 Information on transactions with related parties

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

Revenues from the sale to related companies	1.1.2010 - 31.12.2010		
	revenues on the sale of products and services	revenues on the sale of merchandise and materials	revenues on the sale of tangible assets, intangible assets, investment properties
- to consolidated subsidiaries	-	-	128
- to affiliates	-	-	-
- to non-consolidated subsidiaries	-	-	-
Total revenues from the sale to related companies	**-**	**-**	**128**

Purchases from related companies	1.1.2010 - 31.12.2010		
	purchase of services	purchase of merchandise and materials	purchase of tangible assets, intangible assets and investment properties
- from consolidated subsidiaries	586	-	-
- from affiliates	-	-	-
- from non-consolidated subsidiaries	-	-	-
Total purchases from related companies	**586**	**-**	**-**

Receivables from related companies	31.12.2010	31.12.2009
- from consolidated subsidiaries	373	4 870
- from affiliates	-	-
- from non-consolidated subsidiaries	-	-
Total receivables from related companies	**373**	**4 870**

Liabilities towards related companies	31.12.2010	31.12.2009
- towards consolidated subsidiaries	31 896	28 867
- towards affiliates	-	-
- towards non-consolidated subsidiaries	-	-
Total liabilities towards related companies	**31 896**	**28 867**

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

There have been transactions with members of the Management and Supervisory Boards.

Remuneration of the senior management staff

	1.1.2010 - 31.12.2010	1.1.2009 - 31.12.2009
Short-term employee benefits (salaries, wages and other remuneration components)	43	-
Employee benefits in the form of own shares	-	-
Total value of benefits for the key staff	**43**	**-**

Wynagrodzenie wypłacone cPLNonkom Zarządu oraz cPLNonkom Rady Nadzorczej Spółki przedstawiało się następująco:

	1.1.2010 - 31.12.2010	1.1.2009 - 31.12.2009
Management Board	43	-
Supervisory Board	216	241
Total	**259**	**241**

Participation of senior management staff in employee share program

The Company has employee share programs – see Note 5.21.

5.27 Objectives and methods of financial risk management

The Company's primary financial instruments consist of bank credits, cash and cash equivalents, deposits and loans. The main goal of such financial instruments is to obtain funds for business operations, or to invest the Company's available funds. In addition, the Company has other financial instruments, such as trade receivables and payables that arise as part of its operations. The accounting methods relating to those instruments have been described in the section relating to the valuation of assets and liabilities.

It is the Company's principle – now and throughout the reporting period – to not trade in financial instruments.

The Company's activities are exposed to several types of financial risk: market risk (including foreign exchange risk, pricing risk and cash flow risk relating to changes in interest rates), credit risk and liquidity risk. In addition, the Company monitors the market prices risk relating to all of its financial instruments. Risk is managed by the Company's Management, which recognizes and assesses the above financial risks. The Management verifies and agrees risk management methods with regard to every type of risk. A short description of these methods is presented below.

5.27.1 Interest rate risk

The Company has no credit payables for which interest is accrued based on variable interest rates, and thus there is no risk of a rise in such rates compared to the rates applied at contract conclusion. In addition, the Company places its free funds on variable interest rate deposits, which will bring the profits down if the interest rates fall. The Company also uses fixed interest rate instruments, with regard to which interest rate movements have no effect on interest costs or interest receivable. Trade and other receivables and payables are not interest bearing and have due dates of up to a year, with the exception of other fixed interest rate liabilities (short- and long-term) to the subsidiary Hoop Polska Sp. z o.o. for the purchase of debts of the companies Maxpol Sp. z o.o. and Bobmark International Sp. z o.o. In addition, in 2008 the Company granted a loan to the subsidiary Kofola Holding a.s., the balance of which is 651 876 thousand CZK as at 31 December 2010. The loan has a fixed interest rate of 8%.

The Company monitors its exposure to interest rate risk and interest rate forecasts.

The below tables show the ageing and balance sheet value of the Company's financial instruments exposed to interest rate risk.

Year ended 31 December 2010

31.12.2010

Fixed interest	<1year	1–2 years	2-3 years	3-4 years	4-5 years	>5 years	Total
Loans provided to related parties	-	-	-	-	-	(127 736)	(127 736)
Other liabilities	3 567			11 807	4 247	-	19 621
Total	**3 567**	**-**	**-**	**11 807**	**4 247**	**(127 736)**	**(108 115)**

Variable interest rate	<1year	1–2 years	2-3 years	3-4 years	4-5 years	>5 years	Total
Cash assets (-)	(8 809)	-	-	-	-	-	(8 809)
Bank loans	-	-	-	-	-	-	-
Total	**(8 809)**	**-**	**-**	**-**	**-**	**-**	**(8 809)**

Year ended 31 December 2009

31.12.2009

Fixed interest	<1year	1–2 years	2-3 years	3-4 years	4-5 years	>5 years	Total
Loans provided to related parties	-	-	-	-	-	(121 518)	(121 518)
Other liabilities		1 528			11 806	-	13 334
Total	**-**	**1 528**	**-**	**-**	**11 806**	**(121 518)**	**(108 184)**

Variable interest rate	<1year	1–2 years	2-3 years	3-4 years	4-5 years	>5 years	Total
Cash assets (-)	(145)	-	-	-	-	-	(145)
Bank loans	5 306	-	-	-	-	-	5 306
Total	**5 161**	**-**	**-**	**-**	**-**	**-**	**5 161**

The other liabilities listed in the above tables consist only of interest bearing items.

The interest rates applicable to financial instruments with variable interest rates are updated in periods of less than a year. The interest rates applicable to financial instruments with fixed interest rates are fixed until the instruments achieve maturity. The Company's other financial instruments that have not been included in the below tables are not interest bearing and as such are not subject to interest rate risk.

5.27.2 Currency risk

The Company is exposed to the risk of changes in foreign exchange rates due to a loan and deposits in foreign currencies. The currency risk relates primarily to the CZK and EUR exchange rates. The Company's exposure associated with other currencies is immaterial.

As at 31.12.2010	PLN	CZK	RUB	USD	EUR	Total
Loans provided to related parties	-	127 736	-	-	-	**127 736**
Cash and cash equivalents	8 661	-	1	-	147	**8 809**
Trade receivables and other receivables	6 723	-	-	17	-	**6 740**
Total	**15 384**	**127 736**	**1**	**17**	**147**	**143 285**
Bank credits and loans	-	-	-	-	-	**-**
Trade liabilities and other liabilities	15 940	4	-	-	333	**16 277**
Other long-term liabilities	16 054	-	-	-	-	**16 054**
Total	**15 940**	**4**	**-**	**-**	**333**	**32 331**
Exposure to currency risk	**(556)**	**(127 732)**	**1**	**17**	**(186)**	**(110 954)**

The effect of currency risk on the Company's position is presented in the below note (sensitivity analysis). The sensitivity analysis is based on a reasonable change in the assumed foreign exchange rate while the other assumptions remain unchanged. In practice this is not very likely, and changes in certain assumptions may be correlated, e.g. a change in interest rate and in the foreign exchange rate. The Company manages currency risk as a whole. The sensitivity analysis prepared by the Management for currency risk illustrates the effect of changes in the exchange rate of the euro, dollar and the Czech crone to the Polish zloty, on the fair value or future cash flows of a given financial instrument.

5.27.3 Other pricing risk

The Company is exposed to pricing risk associated with financial instruments, because it has shares in Polish and foreign entities.

5.27.4 Market risk sensitivity analysis

The Company has estimated the potential changes in market risk as follows:

1% change in PLN interest rate (interest rate increase or decrease),

1% change in EUR interest rate (interest rate increase or decrease),

10% change in the PLN/EUR or PLN/CZK exchange rate (interest rate increase or decrease).

The Company's sensitivity analysis does not take into account the effect of taxation.

The effect of potential changes on the Company's financial result and equity:

Item in the financial statement	value in thousands of PLN	Interest rate risk – influence on financial results: + 100 bp in PLN / + 100 bp in EUR/CZK	Interest rate risk – influence on financial results: - 100 bp in PLN / - 100 bp in EUR/CZK	Currency risk – influence on financial results: + 10%	Currency risk – influence on financial results: - 10%	Currency risk – influence on equity: + 10%	Currency risk – influence on equity: - 10%
Investment in subsidiaries and associates	854 137	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-	-
Loans provided to related parties	127 736	-	-	12 774	(12 774)	-	-
Cash and cash equivalents	8 809	88	(88)	15	(15)	-	-
Trade receivables and other receivables	6 740	-	-	-	-	-	-
Influence on financial assets after tax		**88**	**(88)**	**12 789**	**(12 789)**	**-**	**-**
Trade liabilities and other liabilities	16 277	-	-	(33)	33	-	-
Other long-term liabilities	16 054	-	-	-	-	-	-
Credits and loans	-	-	-	-	-	-	-
Influence on financial liabilities after tax		**-**	**-**	**(33)**	**33**	**-**	**-**
Increase/(decrease) in total		**88**	**(88)**	**12 756**	**(12 756)**	**-**	**-**

5.27.5 Credit risk

The Company is exposed to credit risk, defined as a risk that its debtors will not meet their obligations and thus cause the Company to incur losses. With regard to the Company's other financial assets, such as cash and cash equivalents, credit risk arises as a result of the other party's inability to pay, and the maximum value of the Company's exposure to this risk is equal to the balance sheet value of these instruments.

As at 31 December 2010 the Company's maximum exposure to credit risk amounts to 6 740 thousand PLN, and has been estimated as the balance sheet value of trade and other receivables.

Presented below is the ageing structure of receivables.

31.12.2010			Overdue receivables				
Ageing of financial receivables	Value of receivables	Non-overdue receivables	<30 days	31-90 days	91-180 days	181-360 days	>360 days
Trade receivables (net)	374	51	52	8	16	246	1
Other receivables (net)	6 366	1 858	-	-	-	-	4 508
TOTAL	**6 740**	**1 909**	**52**	**8**	**16**	**246**	**4 509**

31.12.2009			Overdue receivables				
Ageing of financial receivables	Value of receivables	Non-overdue receivables	<30 days	31-90 days	91-180 days	181-360 days	>360 days
Trade receivables (net)	4 940	629	270	1 049	1 932	756	304
Other receivables (net)	8 828	1 081	231	-	-	11	7 505
TOTAL	**13 768**	**1 710**	**501**	**1 049**	**1 932**	**767**	**7 809**

In addition, the Company has a long-term receivable from a loan granted to Kofola Holding a.s. in the amount of 651 875 thousand CZK.

The Company undertakes activities aimed at limiting credit risk, consisting of: checking the creditworthiness of its customers, setting credit limits and monitoring the customers' financial position.

Subject to the above, the Company's Management believes that the credit risk has been accounted for in the financial statements through the creation of provisions.

The credit risk associated with bank deposits is considered to be immaterial, as the Company has concluded transactions with institutions that have a sound financial position.

With the exception of the above loan granted to Kofola Holding a.s., there is no significant concentration of credit risk at the Company.

5.27.6 Liquidity risks

The Company is exposed to liquidity risk, defined as a risk of losing the ability to pay its obligations as they become due. The risk arises from a potential restriction in access to financial markets, which may result in an inability to obtain new financing or refinancing of debts.

The Company monitors the risk of insufficient funds using a periodic liquidity management system. It takes into account the maturity dates of investments and financial assets and the forecasted cash flows from operating activity.

It is the Company's objective to maintain a balance between financing continuity and flexibility, by using various financing sources, such as credits, loans and finance lease agreements. The Company tries to control its financial liabilities so that in each given period the amount of liabilities due within the next 12 months does not pose a threat for the Company's ability to meet its financial obligations. The Company's Management believes that the value of cash and cash equivalents as the balance sheet date, the available credit lines and the Company's financial position are such that the risk of losing liquidity may be assessed as low, especially in view of the fact that the Company's liabilities pertain basically to its subsidiaries.

Presented below is the ageing of financial liabilities. The amounts presented are non-discounted cash flows, which constitute the Company's maximum exposure to liquidity risk.

31.12.2010		**Liabilities due in the period**			
Aged structure of liabilities	**Total liabilities**	up to 30 days	from 31 to 90 days	from 91 to 360 days	above 360 (see note below)
Trade liabilities	**1 049**	928	121	-	-
Bank credits and loans	**-**	-	-	-	-
Other liabilities	**31 282**	-	-	15 228	16 054
Total	**32 331**	**928**	**121**	**15 228**	**16 054**

Liabilites due more than 360 days	1–2 years	2-3 years	3-4 years	4-5 years	>5 years	**Total**
Other liabilities	-	-	11 807	4 247	-	**16 054**
Total	**-**	**-**	**11 807**	**4 247**	**-**	**16 054**

31.12.2009		**Liabilities due in the period**			
Aged structure of liabilities	**Total liabilities**	up to 30 days	from 31 to 90 days	from 91 to 360 days	above 360 (see note below)
Trade liabilities	**1 145**	1 135	10	-	-
Bank credits and loans	**5 306**	100	200	5 006	-
Other liabilities	**29 002**	-	49	15 619	13 334
Total	**35 453**	**1 235**	**259**	**20 625**	**13 334**

Liabilites due more than 360 days	1–2 years	2-3 years	3-4 years	4-5 years	>5 years	**Total**
Other liabilities	1 527	-	-	11 807	-	**13 334**
Total	**1 527**	**-**	**-**	**11 807**	**-**	**13 334**

5.28 Financial instruments by category

The below table shows a comparison of the balance sheet values and fair values of all of the Group's financial instruments that have been listed in the financial statements at values other than fair value, by category of assets and liabilities.

Assets as per balance sheet

As at 31.12.2010	Loans and receivables valued at amortised costs	Financial Assets valued at fair value through the profit and loss	Available for sale valued at fair value	Total
Loans provided to related parties	127 736	-	-	127 736
Trade receivables and other receivables	6 740	-	-	6 740
Cash and cash equivalents	8 809	-	-	8 809
Total	**143 285**	**-**	**-**	**143 285**

Liabilities as per balance sheet

Stan na 31.12.2010	Liabilities at fair value through the profit and loss	Other financial liabilities at amortised cost	Total
Trade liabilities and other liabilities	-	16 277	16 277
Other long -term liabilities	-	16 054	16 054
Total	**-**	**32 331**	**32 331**

5.29 The reasons for the differences between the changes of certain balance sheet items and changes presented in cash flow

	1.1.2010 - 31.12.2010	1.1.2009 - 31.12.2009
Change in trade receivables and other receivables	2 373	14 944
Accrued and unpaid interest	4 214	-
Settlement of the credit Raiffeisen	-	(13 643)
Other	(655)	-
Change in the balance of receivables	**5 932**	**1 301**

	1.1.2010 - 31.12.2010	1.1.2009 - 31.12.2009
Change in trade liabilities and other liabilities	2 184	16 190
Change in the balance of liabilities due to taxation of dividends	-	1 075
Accrued and unpaid interest	(1 139)	-
Inne	-	1 077
Change in the balance of liabilities	**1 045**	**18 342**

	1.1.2010 - 31.12.2010	1.1.2009 - 31.12.2009
Net book value of disposed tangible assets, intangible assets	-	231
Sale of intangible assets and fixed assets	**-**	**231**

	1.1.2010 - 31.12.2010	1.1.2009 - 31.12.2009
Increase the book value of tangible assets, intangible assets	-	(283)
Purchase of intangible assets and fixed assets	**-**	**(283)**

5.30 Headcount

The average headcount in the company was as follows:

	1.1.2010 - 31.12.2010	1.1.2009 - 31.12.2009
Management Board	1	-
Administration	1	1
Sales department	-	-
Production division	-	1
Other	-	10
Total	**2**	**12**

5.31 Subsequent events

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

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

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

SIGNATURES OF THE COMPANY'S REPRESENTATIVES:

15.3.2011	**Janis Samaras**	**Chairman of the Board of Directors**	....
date	*name and surname*	*position*	*signature*
15.3.2011	**Bartosz Marczuk**	**Member of the Board of Directors**	....
date	*name and surname*	*position*	*signature*
15.3.2011	**Martin Mateáš**	**Member of the Board of Directors**	....
date	*name and surname*	*position*	*signature*
15.3.2011	**René Musila**	**Member of the Board of Directors**	....
date	*name and surname*	*position*	*signature*
15.3.2011	**Tomáš Jendřejek**	**Member of the Board of Directors**	....
date	*name and surname*	*position*	*signature*

SIGNATURE OF PERSON RESPONSIBLE FOR BOOKKEEPING:

15.3.2011	**Katarzyna Balcerowicz**	**Chief Accountant**	....
date	*name and surname*	*position*	*signature*

Document signed on the Polish original.