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SEPARATE ANNUAL REPORT

KOFOLA S.A.

2009

WARSAW 17 MARCH 2010

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1 Separate financial statements of KOFOLA S.A.

1.1 Separate income statement

for the year ended 31 December 2009 and for the year ended 31 December 2008.

	Note	1.1.2009 - 31.12.2009	1.1.2008 - 31.12.2008
Continuing operations			
Revenue from the sale of finished products and services		1 192	6 590
Revenue from the sale of goods and materials		97	489
Revenue		1 289	7 079
Cost of products and services sold	4.2	(788)	(5 365)
Cost of goods and materials sold	4.2	(70)	(368)
Total cost of sales		(858)	(5 733)
Gross profit		**431**	**1 346**
Selling, marketing and distribution costs	4.2	(575)	(756)
Administrative costs	4.2	(3 142)	(3 269)
Other operating income		2 860	821
Other operating expenses		(1 679)	(964)
Operating result		**(2 105)**	**(2 822)**
Financial income	4.3	20 315	25 246
Financial expense	4.4	(11 781)	(773)
Share in profit received from subsidiaries and associates			
		6 429	**21 651**
Profit before tax	4.7	(4 812)	(4 664)
Income tax			
		1 617	**16 987**
Net profit on continued activity			
Discontinued activity		-	-
Net profit on discontinued activity			
		1 617	**16 987**
Net profit for the financial year			
Earnings per share (in PLN)			
- basic earnings per share		0,062	0,818
- basic earnings per share from continuing operations		0,062	0,818
- diluted earnings per share		0,062	0,818
- diluted earnings per share from continuing operations		0,062	0,818

1.2 Separate statement of comprehensive income

for the year ended 31 December 2009 and for the year ended 31 December 2008.

	Note	1.1.2009 - 31.12.2009	1.1.2008 - 31.12.2008
Profit for the period		**1 617**	**16 987**
Other comprehensive income (gross)			
Fair value gains on available-for-sale financial assets	4.14	-	(11 141)
Financial assets available for sale – transfer of valuation to income statement due to recognition of permanent impairment	4.4	11 141	-
Other		(164)	-
Income tax relating to components of Other comprehensive income		(2 117)	2 117
Other comprehensive income for the period (net)		**8 860**	**(9 024)**
Total comprehensive income for the period		**10 477**	**7 963**

1.3 Separate balance sheet

as at 31 December 2009 and as at 31 December 2008.

	Note	31.12.2009	31.12.2008
ASSETS			
Fixed assets		**1 005 690**	**1 008 882**
Tangible fixed assets		402	582
Goodwill	4.13	13 767	13 767
Intangible fixed assets		131	-
Investment in subsidiaries and associates	4.14	854 219	855 135
Financial assets available for sale	4.14	11 522	9 664
Loans provided to related parties	4.14	121 518	121 313
Other financial assets	4.14	1 562	-
Deferred tax assets	4.7	2 569	8 421
Current assets		**13 913**	**32 557**
Inventories		-	389
Trade receivables and other receivables	4.17	13 768	30 274
Income tax receivables		-	-
Cash and cash equivalents	4.18	145	1 894
TOTAL ASSETS		**1 019 603**	**1 041 439**
LIABILITIES AND EQUITY			
Equity		**903 675**	**909 523**
Share capital	4.19	26 173	26 172
Other capital	4.19	875 781	866 260
Retained earnings	4.19	1 721	17 091
Total Equity		**903 675**	**909 523**
Long-term liabilities		**73 523**	**60 203**
Provisions		-	14
Other liabilities		13 334	-
Deferred tax reserve	4.7	60 189	60 189
Short-term liabilities		**42 405**	**71 713**
Bank credits and loans	4.22	5 306	24 200
Trade liabilities and other liabilities		16 813	13 957
Provisions	4.20	20 286	33 556
Total Liabilities		**115 928**	**131 916**
TOTAL LIABILITIES AND EQUITY		**1 019 603**	**1 041 439**

1.4 Separate cash flow statement

for the year ended 31 December 2009 and for the year ended 31 December 2008.

	Note	1.1.2009 - 31.12.2009	1.1.2008 - 31.12.2008
Cash flow on operating activity			
Gross profit (loss)		6 429	21 651
Adjustments for the following items:			
Depreciation	4.2	306	216
Net interest and dividends	4.3,4.4	(19 353)	(7 122)
(Profit)/loss on investment activity		10 415	(16 538)
Change in the balance of receivables		1 301	7 747
Change in the balance of inventories		389	4 522
Change in the balance of liabilities		18 342	(7 073)
Change in the balance of provisions	4.20	(13 284)	(2 557)
Paid income tax		(1 075)	-
Settlement of merger with Paola and Woda Grodziska		753	-
Other		(470)	(275)
Net cash flow on operating activity		**3 753**	**571**
Cash flow on investing activity			
Sale of intangible assets and fixed assets		231	443
Purchase of intangible assets and fixed assets		(283)	(7)
Sale of financial assets		2 000	-
Purchase of financial assets		(2 000)	1 502
Dividends and interest received		9 676	-
Proceeds from repaid loans		17 420	-
Granted loans		(9 700)	-
Net cash flow on investing activity		**17 344**	**1 938**
Cash flow on financial activity			
Proceeds from loans and bank credits received		-	1 607
Repayment of loans and bank credits	4.22	(5 251)	(1 499)
Dividends paid to the shareholders of the parent company		(16 750)	-
Interest paid	4.4	(845)	(773)
Net cash flow on financing activity		**(22 846)**	**(665)**
Total net cash flow		(1 749)	1 844
Cash at the beginning of the period		**1 894**	**50**
Cash at the end of the period		**145**	**1 894**
Cash with limited ability to use		-	-

1.5 Separate statement of changes in equity

for the year ended 31 December 2009 and for the year ended 31 December 2008

	Note	Share capital	Other capital	Retained earnings	Total equity
As at 1.1.2008		**13 311**	**521 665**	**104**	**535 080**
Total comprehensive income for the period	1.2	**-**	**(9 024)**	**16 987**	**7 963**
Merger with HOOP S.A.	4.13	12 861	353 619	-	366 480
As at 31.12.2008		**26 172**	**866 260**	**17 091**	**909 523**
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	4.21	-	424	-	424
Total comprehensive income for the period	1.2	**-**	**8 860**	**1 617**	**10 477**
Dividends payment	4.6	-	-	(16 750)	(16 750)
Other (profit distribution)		-	237	(237)	-
As at 31.12.2009		**26 173**	**875 781**	**1 721**	**903 675**

2 General information

Information about the company:

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

Until 30 May 2008 KOFOLA SPV Sp. z o.o., from 31 May 2008 to 23 December 2008 KOFOLA-HOOP S.A

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

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

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

Until 31 March 2009 the Company had the status of a protected labor entity granted based on decision No. D/01803 issued by the Government's Plenipotentiary for Disabled Persons on 1 December 1997.

The Company has been formed for an unspecified time.

The Company's standalone financial statements cover the year ended 31 December 2009 and include comparatives for the year ended 31 December 2008.

The presented financial statements are the first annual financial statements of KOFOLA S.A. that take into account the final settlement of the merger of KOFOLA SPV Sp. z o.o. with HOOP S.A. in the form of a reverse acquisition (note 4.13).

The merger of the companies HOOP S.A. (the holding company of the HOOP Group) and Kofola SPV Sp. z o.o. (the holding company of the Kofola SPV Group) was registered on 30 May 2008. As a result of this transaction the shareholders of Kofola SPV Sp. z o. o. – the formal acquiree – obtained control over the Hoop S.A. Group. In such cases, in accordance with the provisions of paragraph 21 of IFRS 3 "Business Combinations" and Appendix B to IFRS 3, a reverse acquisition takes place. This means that from an economic standpoint the acquirer is Kofola SPV Sp. z o.o. As the acquisition of the Hoop S.A. Group was settled using the reverse acquisition method, continued in the financial statements of the Issuer's group are the financial statements of the entity that was the acquiree from a legal standpoint, which was Kofola SPV Sp. z o.o., i.e. the acquirer from an economic standpoint. Therefore the following comparatives presented in the present financial statements:

- the profit and loss account and the statement of comprehensive income for the year ended 31 December 2008
- the balance sheet as at 31 December 2008
- the cash flow statement for the year ended 31 December 2008
- the statement of changes in shareholders' equity for the year ended 31 December 2008

reflect the financial transactions of Kofola SPV Sp. z o.o. performed in the period from 1 January 2008 to 30 May 2008 and the financial transactions of the merged KOFOLA S.A. in the period from 31 May to 31 December 2008, as well as the financial position of the merged KOFOLA S.A. as at 31 December 2008.

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

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

As at 31 December 2009 the Group comprised the following entities:

	Company name	Headquarters	Range of activity	Consolidation method	% part in share capital	% part in voting rights
1.	KOFOLA S.A.	Poland, Warszawa	holding	acquisition accounting		
2.	Hoop Polska Sp. z o.o.	Poland, Warszawa	production of mineral water and non-alcoholic beverages	acquisition accounting	100,00%	100,00%
3.	Kofola Holding a.s.	Czech Republic, Ostrava	holding	acquisition accounting	100,00%	100,00%
4.	Klimo s.r.o.	Czech Republic, Krnov	in liquidation	acquisition accounting	100,00%	100,00%
5.	Kofola Zrt.	Hungary, Budapest	in liquidation	acquisition accounting	100,00%	100,00%
6.	Kofola a.s.	Slovakia, Rajecká Lesná	production and distribution of non-alcoholic beverages	acquisition accounting	100,00%	100,00%
7.	Kofola Sp.z o.o.	Poland, Kutno	production and distribution of non-alcoholic beverages	acquisition accounting	100,00%	100,00%
8.	Santa-Trans s.r.o.	Czech Republic, Krnov	road cargo transport	acquisition accounting	100,00%	100,00%
9.	Santa-Trans.SK s.r.o.	Slovakia, Rajec	road cargo transport	acquisition accounting	100,00%	100,00%
10.	Kofola a.s.	Czech Republic, Krnov	production and distribution of non-alcoholic beverages	acquisition accounting	100,00%	100,00%
11.	Megapack	Russia, Widnoje	production of mineral water and non-alcoholic beverages	acquisition accounting	50,00%	50,00%
12.	Pomorskie Centrum Dystrybucji HOOP Sp. z o.o.	Poland, Koszalin	wholesale of alcoholic and non-alcoholic beverages	acquisition accounting	75,00%	75,00%
13.	Bobmark international Sp. z o.o.	Poland, Warszawa	wholesale of alcoholic and non-alcoholic beverages	acquisition accounting	100,00%	100,00%
14.	Transport Spedycja Handel Sulich Sp. z o.o.	Poland, Bielsk Podlaski	road cargo transport	equity accounting	50,00%	50,00%

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

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

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

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

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

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 is the provision of services consisting of bottling beverages, production of own beverages, including under the HOOP and Arctic 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 Managing Director of Megapack is selected by the Shareholders Meeting, with KOFOLA S.A. having the deciding vote in this matter. The Managing Director is Megapack's one-man executive and representative body.

The subsidiary **Pomorskie Centrum Dystrybucji HOOP Sp. z o.o.** with its registered office in Koszalin, 75-209, ul. BoWiD 9e, of which KOFOLA S.A. holds 75% and has 75% of votes at Shareholders Meeting. The activities of PCD HOOP Sp. z o.o. consist of the wholesale of beverages.

The subsidiary **Bobmark International Sp. z o.o.** with its registered office in Warsaw, of which KOFOLA S.A. holds 100%. The activities of Bobmark International Sp. z o.o. consist of the wholesale of beverages.

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

Registered on 31 March 2009 was the merger of the subsidiaries PPWM Woda Grodziska Sp. z o.o. and PAOLA S.A. with the holding company KOFOLA S.A.

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.

Included in the present financial statements are the results of Maxpol Sp. z o.o. for the period until 30 November 2009, owing to the fact that in the period from 30 November 2009 to 8 December 2009 no events took place that could have had a significant effect on the financial position of the company being sold.

THE COMPANY'S MANAGEMENT BOARD

As at 31 December 2009 the Company's Management Board comprised:

- Mr. Jannis Samaras – President of the Management Board,
- Ms. Simona Nováková – 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.

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

THE COMPANY'S SUPERVISORY BOARD

As at 31 December 2009 the Company's Supervisory Board comprised:

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

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

3.1 Basis for the preparation of the separate financial statements

The present standalone 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 standalone 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 3.5. They have been applied continuously in all of the years covered by the standalone financial statements (unless stated otherwise).

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

3.2 Statement of compliance

The present standalone 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").

3.3 Functional currency and presentation currency

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

3.4 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:

Kurs obowiązujący na ostatni dzień okresu	**31.12.2009**	**31.12.2008**
PLN/USD	2,8503	2,9618
PLN/EUR	4,1082	4,1724
PLN/RUB	0,0950	0,1008
PLN/CZK	0,1554	0,1566

Kurs średni, liczony jako średnia arytmetyczna kursów obowiązujących na ostatni dzień każdego miesiąca w danym okresie	**31.12.2009**	**31.12.2008**
PLN/USD	3,1236	2,4115
PLN/EUR	4,3406	3,5321
PLN/RUB	0,0982	0,0961
PLN/CZK	0,1639	0,1411

3.5 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 standalone financial statements for the year 2008, with the exception of the following presentation changes in the balance sheet.

Balance sheet

In the financial statements for the comparative period, the value of provisions for unused annual leave is presented under Cost provisions, whilst in previous years they had been recognized partly under Trade payables and partly under Other liabilities. An adjustment of receivables arising out of invoices correcting sales made in the reporting period issued after the balance sheet date, previously presented as a reduction of receivables (60 thousand PLN) is presented in the financial statements for the previous period as a trade payable.

3.5.1 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.

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.

3.5.2 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.

3.5.3 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.

3.5.4 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.

3.5.5 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, subject to the below stipulation.

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, subject to the below stipulation.

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 Company 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 Company 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 the Group's companies do not apply hedge accounting), 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 from the reporting day) or current assets (assets due within 1 year from 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 for a short time. In addition this category also includes equity investments that are not covered by the consolidation requirement.

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.

3.5.6 Inventories

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

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 values. 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.

3.5.7 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.

3.5.8 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.

3.5.9 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.

3.5.10 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 its settlement.

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.

3.5.11 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.

3.5.12 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.

3.5.13 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 4 employees, the Company released in the reporting period the provision for future retirement compensation liabilities created as at 31 December 2008 in the amount of 17 thousand PLN.

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 of KOFOLA S.A. approved the Incentive Program Regulations. As part of the Incentive Program, its participants (management staff) will be 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 recognized as a cost of employee benefits with a corresponding rise in the appropriate capital reserve while eligibility is acquired.

3.5.14 Revenue

Revenue is recognized at the amount of the economic benefits the Company 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).

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.

3.5.14.1 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.

3.5.14.2 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.

3.5.14.3 Interest

Interest revenue is recognized gradually as it accrues.

3.5.14.4 Dividends

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

3.5.14.5 Government subsidies

The Group 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.

3.5.15 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 accounting value of assets and liabilities and the amounts used for tax purposes.

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, and
- 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.

3.5.16 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 period. Diluted net profit per share is calculated by dividing the net profit by the diluted weighted average number of shares.

3.6 New standards and interpretations

Certain new accounting standards and IFRIC interpretations were published by the International Accounting Standards Board since the publication of the most recent annual consolidated financial statements; they are mandatory for reporting periods beginning on or after 1 January 2010. Presented below is the Group's assessment of the effects of these new standards:

(i) Changes to IFRS 2009

On 16 April 2009 the International Accounting Standards Board published "Amendments to IFRS", which update 12 standards. The update pertains to scope, presentation, recognition and valuation, as well as includes adjustments to terminology and editorial corrections. The majority of the changes will apply to annual reporting periods beginning on or after 1 January 2010, but some of the changes will apply from or after 1 July 2009. The Group is currently analyzing the effect of these changes on the consolidated financial statements.

(ii) Changes to IFRS 2 Share-based Payment

The changes were published on 18 June 2009. They explain the principles of recognizing share based payments in the standalone financial statements of an entity that receives goods or services and is not required to settle payments in the form of shares. These changes will apply to annual reporting periods beginning on or after 1 January 2010. The changes will have no effect on the Group's consolidated financial statements.

(iii) Changes to IFRS 1 First-time Adoption of IFRS

The changes were published on 23 July 2009. The changes will apply to annual reporting periods beginning on or after 1 January 2010. The changes will have no effect on the Group's consolidated financial statements.

(iv) Change to IAS 32 Financial Instruments Presentation

The change was published on 8 October 2009. It explains the classification of instruments that give their holders the right to acquire an entity's capital instruments at a fixed price, when the price is set in a currency other than the entity's functional currency. The change will apply to annual reporting periods beginning on or after 1 February 2010. The change will have no effect on the Group's consolidated financial statements.

(v) Amended IAS 24 Related Party Disclosures

The changed standard was published on 4 November 2009. It simplifies the definition of related party, explains its intended meaning, eliminates vagueness in the definition, and introduces a partial exemption for disclosures for entities owned by the State Treasury. The standard will apply to annual periods beginning on or after 1 January 2011. The Group is currently analyzing the effect of the changed standard on its consolidated financial statements.

(vi) IFRS 9 Financial Instruments

The standard was published on 12 November 2009 and replaces IAS 39 Financial Instruments: Recognition and Valuation. The standard specifies how entities should classify and value financial assets, including certain hybrid instruments. In accordance with the standard, all financial assets should be: classified based on the entity's business model and the resulting nature of financial asset cash flows, recognized at fair value plus, in the case of financial assets not stated at fair value through profit or loss, transaction costs, stated at amortized cost or at fair value. The above requirements improve and simplify the approach to classification and valuation of financial assets compared to the requirements of IAS 39. The requirements introduce a standardized approach to the classification of financial assets and replace the several financial assets categories present in IAS 39, where each one had its one classification criteria. The new requirements also provide a single method for testing for impairment, replacing the various methods presented in IAS 39, which had to do with the different classification criteria. The standard will apply to annual periods beginning on or after 1 January 2013. The Group is currently analyzing the effect of the standard on its consolidated financial statements.

(vii) Change to IFRIC 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The change was published on 26 November 2009. It removes an unintended consequence arising out of the treatment of prepaid contributions in cases when there is a minimum funding requirement. The change applies only in cases when:

- the entity is subject to a minimum funding requirement, and
- it makes a prepayment to meet this requirement.

The change permits such an entity to treat the benefit arising out of the prepayment as an asset. The change will apply to annual periods beginning on or after 1 January 2011. The Group is currently analyzing the effect of the change on its consolidated financial statements.

(viii) IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

The interpretation was published on 26 November 2009. The interpretation explains how to account for a situation when an entity, after renegotiating the terms of a financial liability, issues equity instruments to fully or partially settle the financial liability. The interpretation does not apply to accounting for such a transaction by the creditor. The interpretation will apply to annual periods beginning on or after 1 July 2010. The Group is currently analyzing the effect of the interpretation on its consolidated financial statements.

3.7 Correction of error

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

3.8 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 2009 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.

3.9 Uncertainty 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 2009 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	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 income tax assets.
Employee benefits and share based payments	Discount rates, inflation, wage increases, anticipated average length of employment, cost of equity instruments.
Provisions	Provisions for the costs of severance pay and restructuring: discount rates and other assumptions. The assumptions used to value provisions for retirement benefits are presented in Note 4.21.
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.

3.10 Approval of financial statements

The Board of Directors approved the present separate financial statements for publication on 17 March 2010.

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

4.1 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 business segments have been separated.

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

4.2 Expenses by type

	1.1.2009 - 31.12.2009	1.1.2008 - 31.12.2008
Depreciation of fixed assets and intangible assets	306	216
Employee benefits costs	1 117	1 923
Consumption of materials and energy	20	90
Services	2 554	2 680
Taxes and fees	47	99
Property and life insurence	131	-
Other costs	330	218
Total expenses by type	**4 505**	**5 226**
Change in the balance of products, production in progress, prepayments and accruals	-	4 164
Reconciliation of expenses by type to expenses by function	**4 505**	**9 390**
Costs of sales, marketing and distribution	575	756
Administrative costs	3 142	3 269
Cost of products sold	788	5 365
Reconciliation of expenses by type to expenses by function	**4 505**	**9 390**

Depreciation of fixed assets recognized fully in general administrative costs.

Costs of employee benefits

	1.1.2009 - 31.12.2009	1.1.2008 - 31.12.2008
Cost of salary	962	1 207
Social security and other benefits costs	155	716
Total costs of employee benefits	**1 117**	**1 923**

4.3 Financial income

	1.1.2009 - 31.12.2009	1.1.2008 - 31.12.2008
Financial interest income from:		
- bank deposits	20	22
- credits and loans granted	9 446	8 366
- interest on receivables	46	17
Dividends received	10 752	-
Net financial income from realized FX differences	-	16 537
Other financial income	51	304
Total financial income	**20 315**	**25 246**

4.4 Financial expense

	1.1.2009 - 31.12.2009	1.1.2008 - 31.12.2008
Financial interest expense from:		
- credits and loans	845	762
- financial leases	2	-
Revaluation of financial assets	1 132	-
Net financial losses from realized FX differences	9 283	-
Other financial expense	519	11
Total financial expense	**11 781**	**773**

The Revaluation of financial assets item includes a reduction in the value of the financial asset relating to shares of BOMI in the amount of 9 283 thousand PLN following the recognition of permanent impairment.

4.5 Changes in reserves and provisions

	Receivables	Inventories	Financial assets	Provisions
As at 1.1.2009	**13 139**	**836**	**800**	**33 570**
Increase due to creation	1 193	-	9 283	-
Decrease due to release and use	(4 019)	(836)	-	(13 284)
As at 31.12.2009	**10 313**	**-**	**10 083**	**20 286**

4.6 Dividends paid and declared

	1.1.2009 - 31.12.2009	1.1.2008 - 31.12.2008
Dividends declared in the given period	16 750	-
Dividends on common shares:		
paid out in the given period	16 750	-
Dividends paid and declared	**16 750**	**-**

Payment of dividend for the year 2008

In its Resolution No. 28 the Ordinary General Meeting of KOFOLA S.A. of 30 June 2009 selected to pay out a dividend from the profit generated in the period from 1 January 2008 to 31 December 2008.

In its Resolution No. 28 the Ordinary General Meeting of KOFOLA S.A. of 30 June 2009 selected to distribute the net profit generated by the Company in the period from 1 January 2008 to 31 December 2008, amounting to 16 987 792,06 PLN, in the following manner:

- the amount 16 750 465,28 PLN was designated for the payment of a dividend at 0,64 PLN per share,
- the amount of 237 326,78 PLN was designated to the reserve capital.

The dividend date was set for 30 September 2009, the dividend was paid out in accordance with the resolution, on 30 October 2009. The shares of all series (A, B, C, D, E, F, and G) participated in the dividend.

In the reporting period KOFOLA S.A. received a dividend from its subsidiary Megapack in the net amount of 9 676 thousand PLN.

4.7 Income tax

Main tax elements for the year ended 31 December 2009 and 31 December 2008 are:

	1.1.2009 - 31.12.2009	1.1.2008 - 31.12.2008
Profit and loss		
Current income tax	**1 075**	**-**
Current Income tax charge	1 075	-
Adjustments of current income tax from previous years	-	-
Deferred income tax	**3 737**	**4 664**
Related with arising and reversing of temporary differences	3 737	4 664
Income tax charge recorded in consolidated profit and loss	**4 812**	**4 664**
Statements of changes in equity		
Current income tax	-	-
Tax effect of changes in share capital	-	-
Deferred income tax	**2 117**	**1 456**
Tax from Fair value gains on available-for-sale financial assets	2 117	1 456
Tax benefit / tax burdens shown in equity	**2 117**	**1 456**

Reconciliation of the income tax calculated from gross profit at statutory tax rate with income tax calculated at effective tax rate for year ended 31 December 2009 and 31 December 2008, presents as follows:

	1.1.2009 - 31.12.2009	1.1.2008 - 31.12.2008
Profit/Loss before tax from continuing activity	6 429	21 651
Profit/Loss before tax from discontinued activity	-	-
Profit/Loss before income tax	**6 429**	**21 651**
Tax expense at the theoretical domestic tax rates in Poland	(1 222)	(4 114)
Tax effect of:		
The tax on dividends paid in Russia	(1 075)	-
Expired tax losses	(1 442)	-
Other	(1 073)	(550)
Income tax presented in profit and loss	**(4 812)**	**(4 664)**
Effective tax rate (%)	**74,85%**	**21,54%**

Deferred income tax

Deferred income tax arises out of the following items:

DEFERRED INCOME TAX ASSETS AND DEFERRED INCOME TAX RESERVES	**Deferred income tax assets**	**Deferred income tax reserves**	**31.12.2009 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)**

DEFERRED INCOME TAX ASSETS AND DEFERRED INCOME TAX RESERVES	**Deferred income tax assets**	**Deferred income tax reserves**	**31.12.2008 Net amount**
Receivables (including accrued interest)	5 196	-	5 196
Liabilities and provisions	-	60 189	(60 189)
Contribution in kind	150	-	150
Tax losses	3 075	-	3 075
Other	**8 421**	**60 189**	**(51 768)**
Deferred income tax assets/deferred tax reserves	-	-	-
Presentation corrections	**8 421**	**60 189**	**(51 768)**

The amounts and expiration dates of tax losses:

Expiration year	Losses (in ths. PLN)
2010	-
2011	-
2012	-
2013	788
2014	13 030
TOTAL	**13 818**

4.8 Discontinued operations

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

4.9 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:

	1.1.2009 - 31.12.2009	**1.1.2008 - 31.12.2008**
Net profit	1 617	16 987

	1.1.2009 - 31.12.2009	**1.1.2008 - 31.12.2008**
Weighted average number of issued common shares used to calculate the regular earnings per share ratio	26 172 435	20 774 000
Impact of dilution:		
Subscribtion warrants	24 462	-
Adjusted weighted average number of common shares used to calculate diluted earnings per share	26 196 897	20 774 000

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:

	1.1.2009 - 31.12.2009	**1.1.2008 - 31.12.2008**
Net profit	1 617	16 987
Weighted average number of issued common shares	26 172 435	20 774 000
Regular earnings per share (PLN/share)	0,062	0,818

	1.1.2009 - 31.12.2009	**1.1.2008 - 31.12.2008**
Net profit assigned to the shareholders, used to calculate diluted earnings per share	1 617	16 987
Adjusted weighted average number of common shares used to calculate diluted earnings per share	26 196 897	20 774 000
Diluted earnings per share (PLN/share)	0,062	0,818

4.10 Tangible fixed assets

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**

31.12.2008

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	**-**	**-**	**-**	**-**	**-**
b) increases	**-**	**34**	**1 167**	**159**	**1 360**
- purchase of fixed assets	-	7	-	-	**7**
- modernisation	-	27	1 167	159	**1 353**
c) decreases	**-**	**-**	**(648)**	**-**	**(648)**
- sale	-	-	(648)	-	**(648)**
d) gross book value at the end of the period	**-**	**34**	**519**	**159**	**712**
e) accumulated depreciation at the beginning of the period	**-**	**-**	**-**	**-**	**-**
f) depreciation charge for the period	**-**	**(14)**	**(65)**	**(51)**	**(130)**
- annual depreciation charge	-	(14)	(151)	(51)	**(216)**
- sale	-	-	86	-	**86**
g) accumulated depreciation at the end of the period	**-**	**(14)**	**(65)**	**(51)**	**(130)**
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	**-**	**-**	**-**	**-**	**-**
k) net book value at the end of the period	**-**	**20**	**454**	**108**	**582**

4.11 Investment properties

As at 31 December 2009 the Company had no investment properties.

4.12 Intangible fixed assets

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**

As at the end of the comparative period the Company had no intangible fixed assets other than the goodwill arising on the merger with HOOP S.A. in the amount of 13 767 thousand PLN.

4.13 Business combination

On 30 May 2008 HOOP S.A. merged with Kofola SPV Sp. z o.o. The merged entity adopted the name Kofola-Hoop S.A., presently KOFOLA S.A. As a result of the merger, the share capital of KOFOLA S.A. was raised by 13 083 342 PLN to 26 171 918 PLN, through the issue of 13 083 342 ordinary F series shares with a nominal value of 1 PLN per share.

From a legal standpoint the acquirer was the entity that issued equity instruments – HOOP S.A. However, in accordance with International Financial Reporting Standards (IFRS 3) the primary criteria for deciding which of the entities is the acquirer is its ability to direct the other entity's financial and operating policies. As a result of the above-described business combination, the existing shareholders of Kofola SPV Sp. z o.o. hold the majority of votes in the combined entity's governing organs and have the actual ability to direct its financial and operating policies. This means that the transaction constituted a reverse acquisition, as in accordance with IFRS 3, the acquirer is the entity that from a legal standpoint was the acquiree, i.e. Kofola SPV Sp. z o.o.

The merger of HOOP S.A. with Kofola SPV Sp. z o.o. was accounted for using acquisition accounting.

On 30 May 2008 the individual assets and liabilities of Kofola SPV Sp. z o.o. (legal acquiree) were added, at book values, to the corresponding assets, liabilities and contingent liabilities of HOOP S.A. (legal acquirer) at their fair values determined as at the day of the business combination.

The settlement of the transaction presented in previously published financial statements was temporary in nature due to the still ongoing process of the fair value valuation of tangible fixed and trademarks belonging to HOOP S.A. The merger was registered on 30 May 2008 and in accordance with IFRS 3, the merged Company could adjust the calculations over a period of 12 months of the date of the merger.

The present financial statements contained the final settlement of the merger and calculation of the goodwill, constituting the excess of the cost of the merger over the fair value of the identifiable assets, liabilities and contingent liabilities. For the purposes of the final settlement, the cost of the merger was determined in accordance with IFRS 3 based on the total fair value of all of the issued capital instruments of the pre-merger legal holding company (share listing of HOOP S.A.), whilst the temporary cost of the merger had been determined based on the value of HOOP S.A. adopted in the merger plan.

The below table compares the values of the main assets and liabilities of HOOP S.A. as at the date of the merger determined on a temporary basis with the fair values determined for the purposes of the final calculation:

	Book value	Fair value
Tangible fixed assets	1 353	1 353
Intangible fixed assets	-	-
Long term financial assets	435 454	437 612
Deferred tax assets	11 456	11 015
Inventories	4 911	4 911
Other assets	52 663	52 663
Total assets	**505 837**	**507 554**
Provisions	63 960	93 129
Trade liabilities and other liabilities	58 762	58 762
Total reserves and liabilities	**122 722**	**151 891**
Net assets	383 115	355 663
Acquisition costs	**534 421**	**366 480**
Additional acquisition costs	-	2 950
Total Acquisition costs	**534 421**	**369 430**
Goodwill on acquisition	**151 306**	**13 767**

The goodwill presented in these financial statements is by 137 539 thousand PLN lower than that presented as a result of the temporary settlement due to a change in the cost of the merger based on the share listings of Hoop S.A., and due to the inclusion of the results of the final fair value valuations of the assets, liabilities and contingent liabilities of Hoop S.A.

No indications of an impairment of goodwill were noted as at the balance sheet date.

The final settlement of the merger changed the comparatives in these financial statements compared to those published previously. The below table shows the effect of the final settlement on previously published comparatives:

	31.12.2008	
	published financial statements	presented as comparatives
Net assets	1 092 696	909 523
Net profit/loss	16 987	16 987

In accordance with IFRS 3, accumulated profits and other equity items recognized in the presented financial statements constitute the accumulated profits and other equity items of the entity that is the subsidiary from a legal standpoint, i.e. Kofola SPV Sp. z o.o., from immediately prior to the merger. The structure of the merged entity (number and type of issued instruments) reflects the structure of the entity that is the holding company from a legal standpoint. This means that the share capital following the merger amounted to 26 171 918 PLN and reflected the structure of the entity that is the holding company from a legal standpoint, i.e. KOFOLA S.A., including shares issued for the purposes of the merger.

Had the merger occurred at the beginning of the year 2008, the Company's net profit for the year 2008 would have amounted to an estimated 12 246 thousand PLN, and sales revenue to an estimated 12 856 thousand PLN.

The presented financial statements constitute a continuation of the financial statements of the entity that is the subsidiary from a legal standpoint – the comparatives presented in these financial statements for the period from the beginning of the year to the date of the merger relate only to the entity that is the acquirer from an economic standpoint, i.e. Kofola SPV Sp. z o.o. Historical financial data of the acquired HOOP S.A. are available at www.hoop.com.pl.

Registered on 31 March 2009 was the merger of KOFOLA S.A. with the following subsidiaries subject to consolidation: Przedsiębiorstwo Produkcji Wód Mineralnych "Woda Grodziska" Sp. z o. o. and PAOLA S.A. The merger had no significant effect on the Group's financial statements. It was performed by transferring the entire assets of PPWM Woda Grodziska and PAOLA S.A. to KOFOLA S.A in exchange for newly issued KOFOLA S.A. shares. As a result of the merger, PPWM Woda Grodziska and Paola ceased to exist. The share capital of KOFOLA S.A was raised by 684 PLN to the amount of 26 172 602 thousand PLN.

4.14 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	
							31.12.2009	**31.12.2008**
1.	Megapack	Russia, Widnoje	production of mineral water and non-alcoholic beverages	acquisition accounting	50,00%	50,00%	55 899	55 899
2.	Hoop Polska Sp. z o.o.	Poland, Warszawa	production of mineral water and non-alcoholic beverages	acquisition accounting	100,00%	100,00%	359 570	307 864
3.	Przedsiębiorstwo Produkcji Wód Mineralnych Woda Grodziska Sp. z o.o.	Poland, Grodzisk Wielkopolski	no operating activity	acquisition accounting	99,88%	99,88%	-	25 865
4.	Paola S.A.	Poland, Bielany Wrocławskie	no operating activity	acquisition accounting	100,00%	100,00%	-	27 131
5.	Bobmark international sp.z o.o.	Poland, Warszawa	wholesale of alcoholic and non-alcoholic beverages	acquisition accounting	100,00%	100,00%	-	-
6.	Pomorskie Centrum Dystrybucji HOOP Sp. z o.o.	Poland, Koszalin	wholesale of alcoholic and non-alcoholic beverages	acquisition accounting	75,00%	75,00%	-	-
7.	Maxpol Sp. z o.o.	Poland, Sufczyn	wholesale of alcoholic and non-alcoholic beverages	acquisition accounting	100,00%	100,00%	-	-
8.	Transport Spedycja Handel Sulich Sp. z o.o.	Poland, Bielsk Podlaski	road cargo transport	equity accounting	50,00%	50,00%	-	50
9.	Kofola Holding a.s.	Czech Republic, Ostrava	holding	acquisition accounting	100,00%	100,00%	438 750	438 326
	TOTAL						**854 219**	**855 135**

The rise in the value of shares of Kofola Holding a.s. in 2009 was caused by the inclusion of the employee options program in the amount of 1 037 thousand PLN. The rise in the value of shares of Hoop Polska Sp. z o.o. has to do with the merger of KOFOLA S.A. with the subsidiaries Paola S.A. and PPWM Woda Grodziska Sp. z o.o., which as at the date of the merger held shares of Hoop Polska Sp. z o.o.

As at the balance sheet date no liens or other restrictions have been established d on the Company’s shares of its subsidiaries.

Financial assets available for sale

	31.12.2009	31.12.2008
Shares of the company BOMI	11 522	9 664

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 are valued based on stock exchange quotes.

Loans granted to related parties

	31.12.2009	31.12.2008
Principal	101 301	109 620
Interest	20 217	11 693
Total	**121 518**	**121 313**

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.

4.15 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.

Company Social Benefits Fund (ZFŚS)	**31.12.2009**	**31.12.2008**
Loans granted to employees	51	175
Cash	57	116
Fund's liabilities	(106)	(395)
Other receivables	(2)	104
Balance after compensation	**-**	**-**
Charges to the fund during the reporting period	17	269
ZFRON		
Cash	-	11 186
Fund's liabilities ZFRON	-	(11 881)
Other receivables	-	695
Balance after compensation	**-**	**-**

4.16 Inventories

	31.12.2009	31.12.2008
Materials	-	70
Goods	-	-
Production in progress (valued at manufactoring cost)	-	319
Gross inventory	**-**	**1 225**
Inventory provision (-)	**-**	**(836)**
Net inventory	**-**	**389**

4.17 Trade receivables and other receivables

	31.12.2009	31.12.2008
Receivables from related parties	**5 193**	**15 382**
trade receivables	4 962	310
receivables from credit granted to Hoop Polska	-	14 505
loans granted	231	-
other financial receivables	-	567
Receivables from other parties	**18 888**	**28 031**
trade receivables	2 616	5 681
debts of Fructo-Maj	15 155	18 876
other financial receivables	539	2 141
receivables from the state budget other than current income tax	572	1 231
prepayments:	6	102
- ZFŚS (company's Social Fund)	-	23
- cost of insurance	-	73
- other	6	6
Gross reveivables	**24 081**	**43 413**
Revaluation charges for receivables	**(10 313)**	**(13 139)**
of which for debts of Fructo-Maj (see note 4.25.3)	(7 687)	(6 341)
Total net receivables	**13 768**	**30 274**

The terms of transactions with related parties are presented in point 4.26 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 4.27 of the notes to the financial statements.

4.18 Cash and cash equivalents

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

	31.12.2009	31.12.2008
Cash in bank and in hand	145	1 894
Short-term deposits	-	-
Total cash and cash equivalents	**145**	**1 894**

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:

	31.12.2009	31.12.2008
in PLN	136	1 082
in EUR	7	3
in USD	1	808
in RUB	1	1
Total cash and cash equivalents	**145**	**1 894**

4.19 Share capital and Other capital

4.19.1 Share capital

Registered on 31 March 2009 was the merger of KOFOLA S.A. with the following subsidiaries subject to consolidation: Przedsiębiorstwo Produkcji Wód Mineralnych "Woda Grodziska" Sp. z o. o. and PAOLA S.A. It was performed by transferring the entire assets of PPWM Woda Grodziska and PAOLA S.A. to KOFOLA S.A in exchange for newly issued KOFOLA S.A. shares. The share capital of KOFOLA S.A was raised by 684 PLN to the amount of 26 172 602 PLN.

In the course of the year 2008 the share capital was raised by 13 083 thousand PLN by issuing new ordinary shares with a value of 1 PLN per share. This issue of shares was related to the merger with HOOP S.A.

31.12.2009

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	Number of shares	% 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%
Others	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.

4.19.2 Other capital

	Supplementary Capital	Fair value gains on available-for-sale financial assets	Capital on allocation of subscription warrants	Total
As at 1.1.2008	**-**	**-**	**-**	**-**
Contribution in kind to Kofola SPV	521 665	-	-	**521 665**
Fair value gains on available-for-sale financial assets	-	(11 141)	-	**(11 141)**
Other	353 619	-	-	**353 619**
Income tax relating to components of Other comprehensive income	-	2 117	-	**(2 117)**
As at 31.12.2008	**875 284**	**(9 024)**	**-**	**866 260**
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**

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 fees paid 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 merger with the Hoop Group described in point 4.13.

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.

4.19.3 Retained earnings

Retained earnings	31.12.2009	31.12.2008
Retained earnings	104	104
Net profit for the financial year	1 617	16 987
Total retained earnings	**1 721**	**17 091**

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

4.20 Provisions

4.20.1 Changes in provisions

	Benefits after the period of employment	Provisions for litigation, fines, court cases, demages	Other provisions	Total
As at 1.1.2009	**17**	**-**	**33 553**	**33 570**
Creation	-	-	-	**-**
Utilization	-	-	(11 852)	**(11 852)**
Dissolution	(17)	-	(1 415)	**(1 432)**
As at 31.12.2009	**-**	**-**	**20 286**	**20 286**

Provisions time framework	31.12.2009	31.12.2008
Long-term	-	14
Short-term	20 286	33 556
Total provisions	**20 286**	**33 570**

4.20.2 Other provisions

Under other provisions the Company presents a provision for losses associated with investments in related parties in the amount of 15 982 thousand PLN, as well as a provision for damages associated with KOFOLA S.A.'s failure to meet its contractual obligations.

4.21 Employee benefits

4.21.1 Employee share program

In 2009 the Group introduced an employee share program. On 18 December 2009 the General Shareholders Meeting passed a resolution establishing an Incentive Program. Under the Incentive Program (hereinafter the program), the participants (members of management staff) will be eligible to take up A, B, C and D series subscription warrants, providing that they meet the criteria specified in the Regulations. The warrants will give the right to take up H series shares of the company Kofola S.A. in accordance with the principles specified in the Regulations. The entire program relates to the financial results for the years 2009 - 2012. The fulfillment of all of the criteria (of a financial nature) to allocate the warrants to eligible persons, in particular the criteria of accumulated parameter growth with regard to EPS and EBITDA, will be assessed based on management reports prepared by the Company and approved by the Supervisory Board in a Qualified Resolution. One warrant will give the right to take up one H series share at the issue price of 43,20 PLN. Persons eligible in the portion of the program starting in 2009 will obtain the right to the allocation of no more than 163 579 and no fewer than 81.790 A series warrants. Persons eligible in the portion of the program starting in 2010 will obtain the right to the allocation of no more than 272 631 and no fewer than 136 316 B series warrants, as well as A series warrants. Persons eligible in the portion of the program starting in 2011 will obtain the right to the allocation of no more than 327 158 and no fewer than 163 579 C series warrants, as well as A or B series warrants. Persons eligible in the portion of the program starting in 2011 will obtain the right to the allocation of no more than 327 158 and no fewer than 163 579 D series warrants, as well as A, B or C series warrants, as long as they meet the criteria. An eligible person may take up shares in the realization of the warrant no sooner than after 12 months and no later than within 3 years of the date on which warrants were allocated to eligible persons, no later however than by 31 December 2016.

Changes in the number of existing warrants and the corresponding average realization price:

	31.12.2009	
	Average fair value of warrants	Allocated warrants
At beginning of period	-	-
Granted	12,70	26 844
Exercised	-	-
At end of period	**12,70**	**26 844**

The fair value of the warrants has been estimated using the Black-Scholes model subject to the payment of dividends in accordance with the Company policy. The realization of the warrants is tied to employment.

Warrants may be realized at agreed prices after meeting the conditions that allow for the realization of rights, as listed below:

Series	**Expected number of warrants**	**Warrant realization price**	**Period for gaining eligibility for financial results**
A	26 844	*43,20*	2009
B	159 081	*43,20*	2009-2010
C	190 897	*43,20*	2009-2011
D	190 897	*43,20*	2009-2012
	567 719		

4.21.2 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 4 employees, the Company released in the reporting period the provision for future retirement compensation liabilities created as at 31 December 2008 in the amount of 17 thousand PLN.

	31.12.2009	31.12.2008
At the beginning of the period	**17**	**-**
Provisions established	-	-
Cost of benefits paid	-	-
Dissolution	(17)	(11)
Change of capital group compositon	-	28
At the end of the period	**-**	**17**

Main assumptions made by the actuary as at 31 December 2008 to calculate the value of the liabilities:

	31.12.2009	31.12.2008
Discount rate (%)	-	5,50%
Expected inflation rate (%)	-	2,50%

4.22 Credits and loans

As at 31 December 2009 the Company's total credit and loan debt amounts to 5 306 thousand PLN after decreasing by 18 894 thousand PLN compared to the end of the year 2008. In 2009 KOFOLA S.A. repaid 5 170 thousand PLN in credit installments to Kredyt Bank. The remaining change in the value of credits and loans compared to the end of the year 2008 is caused the formal transfer of a credit at Raiffeisen Bank to the subsidiary HOOP Polska. This liability was the subject of a contribution in kind that took place on 1 December 2007, however until the bank gave its formal consent it had been presented under credits and loans and as short-term receivables from Hoop Polska Sp. z o.o.

As at the balance sheet date the Company had the following credits, loans and open credit lines:

Financing entity	Credit currency	Credit/ limit amount	Credit value on balance sheet day		Interests terms	Maturity date	Collaterals
			in currency	in PLN			
KREDYT BANK	PLN	5 306	5 306	5 306	60% of the statutory interest	31.08.2010	contractual capped joint mortgage up to 13 000 000 on perpetual usufruct of land and title to buildings of Fructo-Maj; registered pledge on assets of Fructo-Maj valued at 14 735 255,33 PLN; in blanco promissory note issued by Fructo-Maj; assignment of insurance policies: buildings and constructions, machines and equipment; power of attorney to current account of Fructo-Maj at BGŻ S.A
TOTAL				**5 306**	**ths. PLN**		

* The above credit payables of KOFOLA S.A. constitute assets contributed in kind by KOFOLA S.A. in the form of an enterprise to the subsidiary HOOP Polska Sp. z o.o.
The creditors have consented to this form of collateral. On 9 February 2009 the credit was formally transferred to Hoop Polska (credit repayment date extended until 30.01.2010).

4.23 Trade liabilities and other liabilities

As at 31 December 2009 and as at 31 December 2008 the Company had no long-term liabilities.

Short-term liabilities:

	31.12.2009	31.12.2008
Trade liabilities and other liabilities to related parties	**15 533**	**7 583**
Deliveries and services liabilities	1 090	594
Other non-financial liabilities	14 443	6 989
Trade liabilities and other liabilities to other parties	**1 280**	**6 374**
Deliveries and services liabilities	79	2 153
Liabilities towards employees	19	703
Budget commitments other than the current income tax	8	673
Accruals	1 174	2 845
Total trade liabilities and other liabilities	**16 813**	**13 957**

The terms of transactions with related parties are presented in point 4.26 of the notes to the financial statements.

Trade payables are not interest bearing and are usually paid within 30-90 days.

Other payables are not interest bearing, and payable on average within 1 month.

4.24 Government subsidies

As a Protected Labor Company, in the year 2009 the Company received 122 thousand PLN worth of subsidies for disabled employee wages. The Company has reduced the cost of services sold by the value of this subsidy.

4.25 Contingent assets and liabilities

4.25.1 Liabilities concerning operational leasing - Group as a lesee

No operating lease agreements.

4.25.2 Other contingent assets and liabilities

	Contingent assets	Contingent liabilities
As at 1.1.2009	**-**	**151 478**
Increase (+)	-	36 457
Decrease (-)	-	(88 429)
As at 31.12.2009	**-**	**99 506**

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.

4.25.3 Court litigations

KOFOLA S.A. is a party in the bankruptcy proceeding of the entity Fructo-Maj. On 6 August 2007, HOOP S.A (currently doing business as KOFOLA S.A.) concluded an engagement letter with Fructo-Maj Sp. z o.o., in which it expressed its interest in investing in Fructo-Maj for the purposes of its financial restructuring and enabling the payment of debts. As part of realizing this agreement HOOP S.A. acquired Fructo-Maj's debts, among others concluded a debt assignment agreement with Kredyt Bank S.A., based on which Kredyt Bank S.A transferred onto HOOP S.A. all the debt from a credit agreement, which as at 31 December 2009 amounted to 5 306 thousand PLN and is presented in the financial statements of KOFOLA S.A. as short-term credit payables due by 31 August 2010, and as receivables from the company Fructo-Maj. As at 31 December 2009 the total value of the receivables from Fructo-Maj relating to the acquired debt is 15 155 thousand PLN, the balance sheet value of this item, after revaluation, is 7 468 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.

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

4.26 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	1.1.2009 - 31.12.2009		
	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	748	63	115
- to affiliates	-	-	-
- to non-consolidated subsidiaries	-	-	-
Total revenues from the sale to related companies	**748**	**63**	**115**

Purchases from related companies	1.1.2009 - 31.12.2009		
	purchase of services	purchase of merchandise and materials	purchase of tangible assets, intangible assets and investment properties
- from consolidated subsidiaries	965	-	-
- from affiliates	-	-	-
- from non-consolidated subsidiaries	-	-	-
Total purchases from related companies	**965**	**-**	**-**

Receivables from related companies	31.12.2009	31.12.2008
- from consolidated subsidiaries	4 870	14 891
- from affiliates	-	-
- from non-consolidated subsidiaries	-	-
Total receivables from related companies	**4 870**	**14 891**

Liabilities towards related companies	31.12.2009	31.12.2008
- towards consolidated subsidiaries	28 869	7 581
- towards affiliates	-	2
- towards non-consolidated subsidiaries	-	-
Total liabilities towards related companies	**28 869**	**7 583**

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

The loan that was granted in 2008 in the amount of 110 thousand PLN to Dariusz Wojdyga, former member of the Management Board of Kofola S.A., was repaid in the audited period. Other then the above loan, there have been no transactions with members of the Management Board.

Remuneration of the senior management staff

	01.01.2009 - 31.12.2009	01.01.2008 - 31.12.2008
Short-term employee benefits (salaries, wages and other remuneration components)	-	863
Employee benefits in the form of own shares	-	-
Total value of benefits for the key staff	**-**	**863**

Remuneration paid out to members of the Company's Management and Supervisory Boards:

	1.1.2009 - 31.12.2009	1.1.2008 - 31.12.2008
Management Board	-	863
Supervisory Board	241	893
Total	**241**	**1 756**

Participation of senior management staff in employee share program

The Company has employee share programs – see Note 4.21

4.27 Objectives and methods of financial risk management

The Company' 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 above.

At the present time, and throughout the period covered by the financial statements the Company applied a policy whereby it sold no 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.

4.27.1 Interest rate risk

The Company has credit payables with variable interest rates, which gives rise to a risk of an increase in those 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.

In addition, the Company has a loan from its subsidiary Kofola Holding a.s. in the amount of 652 million CZK, with 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 2009

31.12.2009

Fixed interest	<1year	1–2 years	2-3 years	3-4 years	4-5 years	>5 years	Total
Loans granted to related parties (-)	-	-	-	-	-	(121 518)	(121 518)
Total	**-**	**-**	**-**	**-**	**-**	**(121 518)**	**(121 518)**

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**

Year ended 31 December 2008

31.12.2008

Fixed interest	<1year	1–2 years	2-3 years	3-4 years	4-5 years	>5 years	Total
Loans granted to related parties (-)	-	-	-	-	-	(121 313)	(121 313)
Total	**-**	**-**	**-**	**-**	**-**	**(121 313)**	**(121 313)**

Variable interest rate	<1year	1–2 years	2-3 years	3-4 years	4-5 years	>5 years	Total
Cash assets (-)	(1 894)	-	-	-	-	-	(1 894)
Current account credits	13 643	-	-	-	-	-	13 643
Bank loans	10 476	-	-		-	-	10 476
Loan received	81	-	-	-	-	-	81
Total	**22 306**	**-**	**-**	**-**	**-**	**-**	**22 306**

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.

4.27.2 Currency risk

The Company is exposed to the risk of changes in foreign exchange rates due to credits, loans 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 December 31, 2009	PLN	CZK	RUB	USD	EUR	Ogółem
Cash and cash equivalents	136	-	1	1	7	**145**
Trade receivables and other receivables	13 537	231	-	-	-	**13 768**
Total	**13 673**	**231**	**1**	**1**	**7**	**13 913**
Bank credits and loans	5 306	-	-	-	-	**5 306**
Trade liabilities and other liabilities	16 390	-	-	-	423	**16 813**
Other liabilities	13 334	-	-	-	-	**13 334**
Total	**35 030**	**-**	**-**	**-**	**423**	**35 453**
Exposure to currency risk	**(21 357)**	**231**	**1**	**1**	**(416)**	**(21 540)**

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.

4.27.3 Other pricing risk

The Company is exposed to pricing risk associated with financial instruments, because it has shares in Polish and foreign entities. The below table shows the shares and interests that are exposed to pricing risk:

4.27.4 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 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 ths. PLN	Interest rate risk		Currency risk			
		influence on financial results		influence on financial results		influence on equity	
		+ 100 pb in PLN + 100 pb in EUR	- 100 pb in PLN - 100 pb in EUR	+ 10%	- 10%	+ 10%	- 10%
Investment in subsidiaries and associates	853 795	-	-	-	-	-	-
Other financial assets	13 084	-	-	-	-	-	-
Loans provided to related parties	121 518	-	-	12 152	(12 152)	-	-
Cash and cash equivalents	145	1	(1)	1	(1)	-	-
Trade receivables and other receivables	13 768	-	-	23	(23)	-	-
Influence on financial assets after tax		**1**	**(1)**	**12 176**	**(12 176)**	**-**	**-**
Trade liabilities and other liabilities	16 813	-	-	42	(42)	-	-
Other liabilities	13 334	(133)	133	-	-	-	-
Credits and loans	5 306	(53)	53	-	-	-	-
Influence on financial liabilities after tax		**(186)**	**186**	**42**	**(42)**	**-**	**-**
Increase/(decrease) in total		**(185)**	**185**	**12 218**	**(12 218)**	**-**	**-**

4.27.5 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 2009 the Company's maximum exposure to credit risk amounts to 13 768 thousand PLN, and has been estimated as the balance sheet value of trade and other receivables.

Presented below is the ageing structure of receivables.

31.12.2009			**Overdue receivables**				
Aging 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**

31.12.2008			**Overdue receivables**				
Aging 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)	2 095	1 026	2	114	681	272	-
Other receivables (net)	28 179	15 121	5	(33)	121	59	12 906
TOTAL	**30 274**	**16 147**	**7**	**81**	**802**	**331**	**12 906**

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, derivative instruments and other investments is considered to be immaterial, as the Company has concluded transactions with instructions with a sound financial position.

With the exception of the 651 875 thousand CZK loan granted to Kofola Holding, there is no significant concentration of credit risk at the Company.

4.27.6 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.

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.

31.12.2009		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**	14 699	49	920	13 334
Total	**35 453**	**15 934**	**259**	**5 926**	**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	1 528	11 806	-	-	-	**13 334**
Total	**1 528**	**11 806**	**-**	**-**	**-**	**13 334**

31.12.2008		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	**9 215**	9 206	9	-	-
Bank credits and loans	**24 200**	13 743	300	10 157	-
Other liabilities	**4 742**	4 742	-	-	-
Total	**38 157**	**27 691**	**309**	**10 157**	**-**

The Company has no overdue liabilities.

4.28 Financial instruments by category

The below table shows a comparison of the balance sheet values and fair values of all of the Company'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 31.12.2009	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
Financial assets available for sale	-	-	11 522	11 522
Loans provided to related parties	121 518	-	-	121 518
Other financial assets	1 562	-	-	1 562
Trade receivables and other receivables	13 768	-	-	13 768
Cash and cash equivalents	145	-	-	145
Total	**136 993**	**-**	**-**	**11 522**

Liabilities as per balance sheet

As at 31.12.2009	Liabilities at fair value through the profit and loss	Other financial liabilities at amortised cost	Total
Bank credits and loans	-	5 306	5 306
Trade liabilities and other liabilities	-	16 813	16 813
Other financial assets	-	13 334	13 334
Total	**-**	**35 453**	**35 453**

4.29 The reasons for the differences between the changes of certain balance sheet items and changes resulting from a cash flow

	01.01.2009 - 31.12.2009	01.01.2008 - 31.12.2008
Change due for supplies and services, and other accounts receivable	14 944	7 747
Settlement of the credit Raiffeisen	(13 643)	-
Change in the balance of receivables	**1 301**	**7 747**

	01.01.2009 - 31.12.2009	01.01.2008 - 31.12.2008
Balance change of liabilities for supplies and services and other liabilities	16 190	(7 073)
Change in the balance of liabilities due to taxation of dividends	1 075	-
Other	1 077	-
Change in the balance of liabilities	**18 342**	**(7 073)**

	01.01.2009 - 31.12.2009	01.01.2008 - 31.12.2008
Net book value of disposed tangible assets, intangible assets	231	443
Sale of intangible assets and fixed assets	**231**	**443**

	01.01.2009 - 31.12.2009	01.01.2008 - 31.12.2008
Increase the book value of tangible assets, intangible assets	(283)	(7)
Purchase of intangible assets and fixed assets	**(283)**	**(7)**

4.30 Headcount

The average headcount in the company was as follows:

	01.01.2009 - 31.12.2009	01.01.2008 - 31.12.2008
Management Board	5	4
Administration	1	124
Sales department	-	-
Production division	1	-
Other	10	169
Total	**17**	**297**

4.31 Subsequent events

There have been no significant subsequent events.

SIGNATURES OF THE COMPANY'S REPRESENTATIVES:

17.03.2010	**Jannis Samaras**	**Chairman of the Board of Directors**	....
date	*name and surname*	*position*	*signature*
17.03.2010	**Simona Nováková**	**Member of the Board of Directors**	....
date	*name and surname*	*position*	*signature*
17.03.2010	**Martin Mateáš**	**Member of the Board of Directors**	....
date	*name and surname*	*position*	*signature*
17.03.2010	**René Musila**	**Member of the Board of Directors**	....
date	*name and surname*	*position*	*signature*
17.03.2010	**Tomáš Jendřejek**	**Member of the Board of Directors**	....
date	*name and surname*	*position*	*signature*

SIGNATURE OF PERSON RESPONSIBLE FOR BOOKKEEPING:

17.03.2010	**Katarzyna Balcerowicz**	**Chief Accountant**	....
date	*name and surname*	*position*	*signature*

Document signed on the Polish original.

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

5.1 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 2009 the Group comprised the following entities:

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

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

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

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

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

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 is the provision of services consisting of bottling beverages, production of own beverages, including under the HOOP and Arctic 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 75% and has 75% of votes at Shareholders Meeting. The activities of PCD HOOP Sp. z o.o. consist of the wholesale of beverages.

The subsidiary **Bobmark International Sp. z o.o.** with its registered office in Warsaw, of which KOFOLA S.A. holds 100%. The activities of Bobmark International Sp. z o.o. consist of the wholesale of beverages.

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

Registered on 31 March 2009 was the merger of the subsidiaries PPWM Woda Grodziska Sp. z o.o. and PAOLA S.A. with the holding company KOFOLA S.A.

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.

Included in the present financial statements are the results of Maxpol Sp. z o.o. for the period until 30 November 2009, owing to the fact that in the period from 30 November 2009 to 8 December 2009 no events took place that could have had a significant effect on the financial position of the company being sold.

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

As at 31 December 2009 the Company's Management Board comprised:

- Mr. Jannis Samaras – President of the Management Board,
- Ms. Simona Nováková – 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.

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

As at 31 December 2009 the Company's Supervisory Board comprised:

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

No changes were made in the composition of the Company's Supervisory Board prior to the publication of the present financial statements.

5.3 Most significant events at KOFOLA S.A. in the period from 1 January 2009 to the preparation of the present financial statements

Effective **5 January 2009** the Company's shareholder – KSM Investment S.A. with its registered office in Luxembourg, acting on the basis of § 17 of the Company's Statute, appointed Mr. Ireneusz Stolarski, Mr. Martin Dokoupil and Mr. Raimondo Eggink as Members of the Supervisory Board, with Mr. Ireneusz Stolarski being appointed Chairman of the Company's Supervisory Board.

On **14 January 2009** the Supervisory Board of KOFOLA S.A. passed Resolution No. 2 in which it appointed an Audit Committee comprising all of the Members of the Supervisory Board (including one independent member of the Supervisory Board), as well as a Remuneration Committee. Thus the Group realizes the principle specified in point 7 of the Good Practices of the Companies Listed on the Stock Exchange, i.e. the need for the operation of an Audit Committee as part of the Supervisory Board.

Since **19 January 2009**, following a change in the Company's name from KOFOLA- HOOP S.A. to KOFOLA S.A., the Company's shares are listed under the abbreviated name "KOFOLA" and the symbol "KFL"..

On **31 March 2009** the Regional Court for the capital city of Warsaw, XII Business Division of the National Court Register, registered the merger of KOFOLA S.A. with its registered office in Warsaw, with the companies Przedsiębiorstwo Produkcji Wód Mineralnych "Woda Grodziska" Sp. z o. o. with its registered office in Grodzisk Wielkopolski and PAOLA S.A. with its registered office in Bielany Wrocławskie, and registered an increase in the Company's share capital. The merger was performed based on article 492 § 1 point 1) of the Code of Commercial Partnerships and Companies, and based on conforming resolutions passed by the General Meeting of KOFOLA, the General Meeting of Paola and the Shareholders Meeting of PPWM Woda Grodziska.

The merger was performed by transferring all of the assets of PPWM Woda Grodziska and PAOLA to KOFOLA S.A. in exchange for newly issued shares of KOFOLA S.A., which were granted to the existing shareholders of PPWM Woda Grodziska other than KOFOLA S.A. As a result of the merger, PPWM Woda Grodziska and PAOLA ceased to exist. As a result of the merger of KOFOLA S.A. with the companies PPWM Woda Grodziska and PAOLA, the share capital of KOFOLA S.A. was raised from 26 171 918 PLN by 684 PLN to the amount of 26 172 602 PLN, by issuing 684 new ordinary bearer's G series shares with a nominal value of 1 (one) zloty per share. As a result of the above merger, the share capital of KOFOLA S.A. amounts to 26 172 602 PLN and consists of 26 172 602 PLN shares entitling to 26 172 602 votes at General Shareholders Meeting.

As a result of the merger, KOFOLA S.A. – in accordance with article 494 §1 of the Code of Commercial Partnerships and Companies – entered into all of the rights and responsibilities of PAOLA and PPWM Woda Grodziska. In accordance with article 494 §4 of the Code of Commercial Partnerships and Companies, effective with the merger date the shareholders of PPWM Woda Grodziska other than KOFOLA s.a. became the shareholders of KOFOLA S.A.. PAOLA and PPWM Woda Grodziska were subsidiaries of KOFOLA S.A. All of the above listed entities jointly held 100% of the shares of HOOP POLSKA sp. z o.o. with its registered office in Warsaw, which produces and distributes beverages, juices and mineral water on the territory of Poland, whereas the companies PPWM Woda Grodziska and PAOLA conducted no business operations (PPWM Woda Grodziska and PAOLA managed shares in Hoop Polska Sp. z o.o., whereas KOFOLA S.A. manages the KOFOLA S.A. Group).

On **30 June 2009** the Ordinary General Meeting of the Shareholders of KOFOLA S.A passed Resolution No. 28 on the distribution of profit for the year 2008. Acting on the basis of article 395 § 2 point 2) of the Code of Commercial Partnerships and Companies and § 16 par. 1 point b) of the Company's Statute, the Ordinary General Meeting selected to distribute the Company's net profit for the period from 1 January 2008 to 31 December 2008, amounting to 16 987 792,06 PLN, in the following manner:

c) the amount 16 750 465,28 PLN was designated for the payment of a dividend at 0,64 PLN per share,

d) the amount of 237 326,78 PLN was designated to the reserve capital.

The shares of all series (A, B, C, D, E, F, and G) participated in the dividend. The dividend date was set for 30 September 2009, and the dividend payment date for 30 October 2009.

On 30 June 2009 the Ordinary General Meeting of the Shareholders of KOFOLA S.A. appointed Mr. Anthony Brown to the Company's Supervisory Board.

On **16 July 2009** contingent agreements were signed for the sale of shares of Maxpol Sp. z o.o. by KOFOLA S.A. to Lobo Sp. z o.o. and to Mirex Sp. z o.o. KOFOLA S.A. undertook that within 14 days of the conclusion of the agreement it will acquire from Hoop Polska Sp. z o.o. the debts owed by Hoop Polska from Maxpol Sp. z o.o. in the amount of 15 834 thousand PLN, and next KOFOLA S.A. within no more than 21 days of the conclusion of the agreement will pass a resolution amending the articles of association and raising the share capital of Maxpol by 1 302 thousand PLN. The sale of the shares of Maxpol to Lobo Sp. z o.o. and to Mirex Sp. z o.o. will only be performed once the conditions specified in the agreements are fulfilled, i.e. after the increase in the share capital of Maxpol Sp. z o.o. is registered and after consent is given by the Office of Competition and Consumer Protection (UOIKK) for the acquisition of Maxpol's shares by Logo Sp. z o.o. and Mirex Sp. z o.o.

On **17 July 2009** KOFOLA S.A. concluded with Hoop Polska Sp. z o.o. an agreement for the assignment of payable and undisputed debts from Maxpol Sp. z o.o. in the amount of 15 834 thousand PLN. The Extraordinary Shareholders Meeting of Maxpol increased the company's share capital from 3 699 thousand PLN to 5 001 thousand PLN and decided that the newly created shares in the increased share capital would be taken up in their entirety by KOFOLA S.A. and covered with a cash contribution in the amount of 15 879 thousand PLN, whilst the excess over the nominal value of the shares in the amount of 14 577 thousand PLN will be transferred to the Company's reserve capital.

On **31 August 2009** the regional court having jurisdiction over Maxpol sp. z o. o. registered the above referenced increase in the share capital of Maxpol Sp. z o.o.

On **30 October 2009** a dividend was paid out for the year 2008 in the amount of 16 750 thousand PLN in accordance with Resolution No. 28 passed by the Ordinary General Meeting of KOFOLA S.A. The shares of all series (A, B, C, D, E, F, and G) participated in the dividend.

On **8 December 2009** KOFOLA S.A. sold its shares of the subsidiary Maxpol. The activities of Maxpol Sp. z o.o., of which KOFOLA S.A. held 100%, consisted of the wholesale of beverages.

On **18 December 2009** the General Shareholders Meeting approved the Incentive Program Regulations. As part of the Incentive Program, its participants (management staff) will be eligible to take up A, B, C and D series subscription warrants, providing that they meet the criteria specified in the Regulations.

5.4 Description of operating results and financial position

The merger of the companies HOOP S.A. (the holding company of the HOOP Group) and Kofola SPV Sp. z o.o. (the holding company of the Kofola SPV Group) was registered on 30 May 2008. As a result of this transaction the shareholders of Kofola SPV Sp. z o. o. – the formal acquiree – obtained control over the Hoop S.A. Group. In such cases, in accordance with the provisions of paragraph 21 of IFRS 3 "Business Combinations" and Appendix B to IFRS 3, a reverse acquisition takes place. This means that from an economic standpoint the acquirer is Kofola SPV Sp. z o.o. As the acquisition of the Hoop S.A. Group was settled using the reverse acquisition method, continued in the financial statements of the Issuer's group are the financial statements of the entity that was the acquiree from a legal standpoint, which was Kofola SPV Sp. z o.o., i.e. the acquirer from an economic standpoint.
When analyzing results of KOFOLA S.A. presented in these financial statements one must remember the fact that in accordance with International Financial Reporting Standards in the merger of HOOP S.A. and Kofola SPV Sp. z o.o. the acquirer was Kofola SPV Sp. z o.o. This means that the data for the comparative period, i.e. for the period from before the merger, include only the data of company that was the acquirer from an accounting standpoint. Therefore the following comparatives presented in the present financial statements:

- the profit and loss account and the statement of comprehensive income for the year ended 31 December 2008
- the balance sheet as at 31 December 2008
- the cash flow statement for the year ended 31 December 2008
- the statement of changes in shareholders' equity for the year ended 31 December 2008

reflect the financial transactions of Kofola SPV Sp. z o.o. performed in the period from 1 January 2008 to 30 May 2008 and the financial transactions of the merged KOFOLA S.A. in the period from 31 May to 31 December 2008, as well as the financial position of the merged KOFOLA S.A. as at 31 December 2008.

In view of this, when analyzing the financial results it is important to remember the non-comparability of the financial data for the years 2009 and 2008.

Operating results

The 12 month period ended 31 December 2009 compared to the 12 month period ended 31 December 2008

Selected financial highlights	1.1.2009 - 31.12.2009	1.1.2008 - 31.12.2008	Change 2009/2008 (%)
Revenue	1 289	7 079	-82%
Cost of sales	(858)	(5 733)	-85%
Gross profit	431	1 346	-68%
Selling, marketing and distribution costs	(575)	(756)	-24%
Administrative costs	(3 142)	(3 269)	-4%
Operating result	(2 105)	(2 822)	-25%
EBITDA	(1 799)	(2 606)	-31%
Financial expense, net	8 534	24 473	-65%
Income tax	(4 812)	(4 664)	3%
Net profit for the period	1 617	16 987	-90%

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. The main items of the Company's income statement and balance sheet reflect this fact.

General administrative costs

In the 12 month period ended 31 December 2009 general administrative costs decreased by 127 thousand PLN, or 4%, to 3 142 thousand PLN from 3 269 thousand PLN in the same period of the year 2008.

Financial revenue

Interest income	9 512 thousand PLN
Dividends received	10 752 thousand PLN

Interest income consists primarily of a long-term loan granted to Kofola Holding AS, listed prior to the merger in the balance sheet of Kofola SPV Sp. z o.o. In the reporting period KOFOLA S.A. received a dividend from its subsidiary Megapack in the amount of 10 752 thousand PLN.

Financial costs

Financial costs include foreign exchange losses in the amount of 1 132 thousand PLN on a granted loan, as well as a write down of financial assets in the amount of 9 283 thousand PLN, relating to shares of BOMI.

Net profit for the year

The net profit for the 12 month period ended 31 December 2009 amounted to 1 617 thousand PLN, compared to 16 987 thousand PLN in the same period of the year 2008. This drop was caused primarily by lower foreign exchange differences and a revaluation write down relating to the shares of BOMI.

BALANCE SHEET

Selected financial highlights	31.12.2009	31.12.2008	Change 2009/2008 (%)
Total assets	1 019 179	1 041 439	-2%
Fixed assets, out of which:	1 005 690	1 008 882	0%
Investment in subsidiaries and associates	854 219	855 135	0%
Loans provided to related parties	121 518	121 313	0%
Financial assets available for sale	11 522	9 664	19%
Goodwill	13 767	13 767	0%
Current assets, out of which:	13 913	32 557	-57%
Trade receivables and other receivables	13 768	30 274	-55%
Cash and cash equivalents	145	1 894	-92%
Equity	903 675	909 523	-1%

Assets

At the end of 2009 the Company's fixed assets equaled 1 005 690 thousand PLN. Compared to 31 December 2008 the value of fixed assets decreased by 3 192 thousand PLN (i.e. 0,3 %). No changes occurred in the main balance sheet items.

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

Financial assets available for resale, totaling 11 552 thousand PLN, consist of shares of the company BOMI.

As at 31 December 2009 the Company's current assets amounted to 13 913 thousand PLN, and consisted primarily of trade and other receivables.

5.5 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.

5.6 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 2009.

5.6.1 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 Warsaw Stock Exchange Regulations, 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"). The corporate governance principles are available to the public on the Stock Exchange's website at: http://corp-gov.gpw.pl/.

5.6.2 The corporate governance principles that the Company did not apply

In 2009 the Company applied all of the principles referred to in the Good Practices of the Companies Listed on the Warsaw Stock Exchange, with the exception of a few principles, of which it informed in its current reports in accordance with § 29 par. 3 of the Stock Exchange's Regulations. The most common reason for not applying a given principle was the continuation of reorganization and extensive organizational changes at the KOFOLA Group.

In its current report No. 3/2009 dated 7 January 2009 the Company informed that it does not apply the principle referred to in point 6 section 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. The breach of the above principle had to do with the continuation of the above described changes at the KOFOLA Group.

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

In its current report No. 6/2009 dated 15 January 2009 the Company informed that it has ceased to not apply the principle referred to in point 7 section III of the Good Practices of the Companies Listed on the Warsaw Stock Exchange, i.e. the principle relating to the need for the operation of an Audit Committee as part of the Supervisory Board, because in its Resolution No. 2 of 14 January 2009 the Supervisory Board of KOFOLA S.A. appointed an Audit Committee comprising all of the Members of the Supervisory Board (including one independent member of the Supervisory Board), as well as a Remuneration Committee. It is important to point out that prior to the changes the Company had had an Audit Committee, and that its absence was temporary and had to do with a change in the method used to appoint and dismiss Supervisory Board members.

In its current report No. 24/2009 dated 30 June 2009 the Company informed that it did not apply the principle referred to in point 6 section IV of the Good Practices, which states that the dividend day and the dividend payment day should be set so that the time between them is as short as possible, in no case longer than 15 working days. The Company's failure to apply the above principle was caused by the fact that the dividend day was set for 30 September 2009, whilst the dividend payment day was set for 30 October 2009.

5.6.3 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 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 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 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 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 Board Member for Financial Matters.

Half-year and year-end reports are verified by an independent auditor, currently BDO Sp. z o.o. The results of half-year 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 approves the periodic reports for publication, an Audit Committee meeting is held at which the Member of the Board for Financial Matters presents the significant aspects of the quarterly/half-year/year-end 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 selected 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. In 2009 KOFOLA S.A. kept its books of account using the MFG-PRO system (from 2010 using the SAP R/3 system, same as the other key companies of the Group). The system is password protected against unauthorized access. The process of preparing the financial statements involves a specified team of Finance Department employees, and no other persons, except for members of the management boards, have no access to the standalone financial reports. The Company's books of account, accounting evidence, documentation and financial statements are stored in accordance with the provisions of the Accounting Act.

5.6.4 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

According to the Company's information as at the date of the preparation of the present report for the year 2009, i.e. 17 March 2010, the following hold at least 5% of the total number of votes at General Shareholders Meeting of KOFOLA S.A:

KSM Investment S.A.

13 395 373 shares or 51,18% of share capital of KOFOLA S.A.

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

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

11 283 153 shares or 43,11% of share capital of KOFOLA S.A.

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

As at 31 December 2009 the share capital amounted to 26 172 602 PLN and consisted of 26 172 602 shares entitling to 26 172 602 votes.

5.6.5 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, except as described in point 5.6.8 below.

5.6.6 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.

5.6.7 All restrictions on the transfer of the ownership of securities

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

5.6.8 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 dismissed by the General Meeting, with the stipulation that:

- as long as the company KSM Investment SA with its registered office in Luxembourg ("KSM") continues to be the Company's shareholder holding at least 35% of the Company's share capital, KSM will appoint and dismiss 3 (three) members of the Supervisory Board, including the Chairman – KSM dismisses and appoints members of the Supervisory Board in the form of a written declaration directed to the Company and to the interested party, and is effective on the date on which such a declaration is submitted to the interested party.
- as long as CED GROUP S. à r.l., limited liability company ("CED") continues to be the Company's shareholder holding at least 15% of the Company's share capital, CED will appoint and dismiss 2 (two) members of the Supervisory Board, including the Vice-Chairman – CED dismisses and appoints members of the Supervisory Board in the form of a written declaration directed to the Company and to the interested party, and is effective on the date on which such a declaration is submitted to the interested party.

THE PRINCIPLES OF APPOINTING MANAGEMENT BOARD MEMBERS

1. The Management Board comprises from 5 to 8 members appointed and dismissed by the Supervisory Board. Members of the Company's Management Board may hold the following positions:
   a) President 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 other provisions of the Company's Statute, a resolution to appoint or dismiss all or individual members of the Management Board, including the President, is passed by an ordinary majority of votes.
3. In the event of a dismissal of a member or members of the Management Board, as a result of which fewer than 5 members are left on the Board, the Supervisory Board is required to appoint at least one new member of the Management Board at the same meeting.
4. If the term of a member of the Management Board expires as a result of circumstances other than dismissal of a member (members) of the Board, as a result of which fewer than 5 members are left on the Board, the Supervisory Board is required to appoint at least one new member of the Management Board at the next meeting.
5. A Management Board member who has resigned is required to inform of this in writing the Supervisory Board and the other members of the Management Board.
6. Management Board members are appointed for a term of 5 years. Management Board members may be appointed to another term. Management Board members are appointed for a joint term.
7. The mandates of Management Board members expire in accordance with Article 369 § 4 of the Code of Commercial Partnerships and Companies. If a supplementary or extending appointment is made in the course of a Management Board term, the mandate of the newly appointed member expires together with the mandates of the other members of the Company's Management Board.

THE POWERS OF THE SUPERVISORY BOARD

The Supervisory Board oversees the Company's activities in all areas of its operations. The Supervisory Board's powers include, among others:

a) performing an evaluation of the Company's financial statements and the Directors' Report on the Company's activities with regard to their consistency with the books of account and documents, as well as with the actual state of affairs, and of the Management's proposals as to the distribution of profits and coverage of losses, as well as submitting annual written reports to the General Meeting on the results of this evaluation,
b) performing an evaluation of the financial statements of the Company's group and the Directors' Report on the activities of the Company's group, as well as submitting annual written reports to the General Meeting on the results of this evaluation,
c) verifying the realization of budgets,

d) granting consent to pay to the Shareholders advances towards anticipated dividends,

e) granting consent to establish limited or general powers of attorney,

f) providing opinions on matters that are to be the subject of discussion at General Shareholders Meetings,

g) the matters listed below.

As long as CED is the Company's shareholder holding at least 15% of the Company's share capital, the following matters will require a Supervisory Board resolution passed by an 80% majority of votes:

a) approval of the consolidated economic and financial plan ("budget") of the Company's group, prepared by the Company's Management, changes to the budget adopted by the Company;

b) approval of long-term Company activity plans prepared by the Management;

c) consent to take up, acquire or dispose of shares of other entities, as well as to join a commercial company or partnership, by the Company or any company from its group, with a value in excess of EUR 8.000.000,00 or its equivalent, that was not planned in the budget;

d) consent to raise the share capital, sell an enterprise or its organized part, split, merge or transform any company from the Company's group, with a value in excess of 15% of the Company's assets listed in the financial statements for the most recent financial year, that was not planned in the budget;

e) consent to conclude an unbudgeted agreement by the Company or any company from its group, which provides for a liability of the Company or any company from its group in excess of:

- EUR 30.000.000,00 or its equivalent – with regard to activities undertaken as part of ordinary operations;
- EUR 3.000.000,00 or its equivalent – with regard to activities undertaken outside of ordinary operations;

f) consent to conclude by the Company or any company from its group (acting as the lender) an unbudgeted loan agreement (or other similar agreement relating to financial debt) with a value in excess of EUR 2.000.000,00 or its equivalent, with the exception of a payment deferral ("trade credit") as part of ordinary operations;

g) consent to grant by the Company or any company from its group any unbudgeted guarantees (or other forms of accepting responsibility for the liabilities of third parties) with a value in excess of EUR 2.000.000,00 or its equivalent;

h) consent to an unbudgeted acquisition or disposal of real estate, perpetual usufruct or interest in a real property (or right of perpetual usufruct) with a value in excess of EUR 5.000.000,00 or its equivalent by the Company or any company from its group;

i) consent to an unbudgeted disposal of any intellectual property rights of the Company or any company of its group, with an actual market value in excess of EUR 1.000.000,00 or its equivalent;

j) consent to an unbudgeted disposal by the Company or any company from its group of any assets with a value in excess of 15% of the Company's net assets (or 15% of the net assets of a given company from the Company's group), listed in the financial statements for the most recent financial year;

k) consent to the liquidation of any company from the Company's group, whose assets exceed in value 15% of the Company's assets listed in the financial statements for the most recent financial year;

l) agree the principles and terms for remunerating members of the Company's Management Board and members of the management boards and supervisory boards of the companies from the group, if the total annual remuneration (including all bonuses, awards, severance pay and other similar benefits) of a given person was to exceed the following limits:

- in the case of members of the Company's Management Board – PLN 700.000,00;
- in the case of members of the management boards of the companies from the group, other than the Company – PLN 700.000,00;
- in the case of members of the supervisory boards of the companies from the group, other than the Company – PLN 100.000,00;

m) suspend, for valid reason, an individual member or all members of the Management Board, and delegate members of the Supervisory Board to temporarily perform the duties of the suspended members of the Management Board, in accordance with the principles and terms arising out the Code of Commercial Partnerships and Companies;

n) approve the Company's Management Board regulations and all changes to these regulations;

o) pass the Company's Supervisory Board regulations and all changes to these regulations;

p) select an auditor to audit the financial statements of the Company and of the companies from the group;

q) consent for the conclusion by the Company or any company from its group of an agreement relating to a transaction with a party related to (i) the Company or (ii) any company from the Company's group or (iii) a shareholder or member of the Supervisory Board or Management Board of the Company or any company from its group;

r) from the day on which Mr. Jannis Samaras ceases to be President of the Company's Management Board: appoint another person to the position of President of the Management Board and dismiss this person;

s) appoint and dismiss the Finance Director – Member of the Company's Management Board;

t) appoint members of the Company's Management Board other than President and Finance Director;

u) consent to appoint National General Directors (i.e. members of the Company's key management, but not members of the Company's Management Board, appointed one each for every country where the Company conducts operations either independently or through its subsidiaries), or establish with him/her a contractual relationship by the Company or companies from its group;

v) from the day of the fourth consecutive dismissal after 26 November 2008 of: (i) a member of the Company's Management Board other than President or Finance Director or (ii) National General Director: consent to dismiss a member of the Management Board other than President or Finance Director;

w) from the day of the fourth consecutive dismissal after 26 November 2008 of: (i) a member of the Company's Management Board other than President or Finance Director or (ii) National General Director: consent to dismiss National General Directors or to dissolve their contractual relationship with the Company or with companies from the its group;

x) pass resolutions further to the adoption, change, performance or completion of the Incentive Program for members of the Company's governing and management staff, passed by the General Meeting in 2009, and identify the persons eligible to take part in the Incentive Program.

THE POWERS OF THE MANAGEMENT BOARD

Representation of the Company and the Board's responsibilities

1. The Management Board represents the Company outside and makes decisions on all matters that in accordance with the Company's Statute and absolutely binding legal regulations have not been reserved for the Company's other organs.
2. The Company is bound by two members of the Management Board acting jointly.
3. The Management Board is required to present to the Supervisory Board the Company's budget for the next financial year no later than 2 months prior to the start of that next financial year.
4. Should the Supervisory Board not approve the economic and financial plan (budget), the Company's Management will conduct operations based on the most recent approved annual economic and financial plan.
5. The Management Board is required to prepare and submit to the Company's Supervisory Board monthly reports on the realization of the consolidated economic and financial plan (budget) within 20 days of the end of each month.

Passing resolutions

1. The Management Board makes decisions in the form of resolutions at meetings called as needed. The resolutions are passed by an ordinary majority of votes, and if the number of votes is equal the President of the Management Board has the deciding vote.
2. The following matters require a resolution of the Management Board:
   a) acceptance of the budget,
   b) consent to take up, acquire or dispose of shares of other entities, as well as to join a commercial company or partnership, by the Company or any company from its group,
   c) consent to raise the share capital, sell an enterprise or its organized part, split, merge or transform any company from the Company's group,
   d) consent to an acquisition or disposal of real estate, perpetual usufruct or interest in a real property by the Company or any company from its group,
   e) consent to take out a liability or dispose by the Company or any company from its group of their assets as part of activities other than those associated with the current operations of the Company or any company from its group, that was not planned in the budget of the Company or the company from its group, with a value based on one or several connected acts in law – in excess of PLN 1.000.000,- (in words: one million Polish zlotys),
   f) consent to the liquidation of any company from the Company's group,
   g) agree the principles and terms of remunerating the management and supervisory boards of the companies from the Company's group,
   h) consent to change the articles of association (statute) and approve the supervisory board and management board regulations at the companies from the Company's Group,
   i) consent for the Company or any company from its group to guarantee or establish collateral on the assets of the Company or any company from its group to secure the liabilities of entities other than subsidiaries from the Company's group.

3. The Management Board passes the Management Board's regulations that are subject to approval by the Supervisory Board.

4. Subject to other provisions of the Company's Statute, the Management Board consents to the acquisition or sale of real estate, perpetual usufruct or interest in real estate by the Company or any company from its group (excluding the application of Article 393 point 4) of the Code of Commercial Partnerships and Companies).

Acquisition of own shares by the company

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

5.6.9 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 Code of Commercial Partnerships and Companies, 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 Code of Commercial Partnership and Companies.

5.6.10 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

CALLING GENERAL MEETINGS

1. An Ordinary Shareholders Meeting is called by the Management Board each year, no later than 6 (in words: six) months after the end of the financial year.

2. Extraordinary Shareholders Meetings are called by the Management Board on its own initiative, at the request of the Supervisory Board or at the request of the Shareholders representing no less than 1/10 (in words: one tenth) of the Company's share capital. A shareholders meeting should be called within 2 (in words: 2) weeks of the submission of such a request, with the date of the meeting set for: (i) in the case of a Shareholders Meeting called at the request of Shareholders, subject to Article 400 § 1 sentence 2 of the Code of Commercial Partnerships and Companies, the date indicated in the request, and if this date is met by significant hindrances, at the closest possible time, enabling the General Meeting to resolve the matters submitted for discussion, as well as (ii) in other cases within 6 (in words: six) weeks of the submission of such a request.

3. If the Board fails to call a General Meeting within the specified time, the right to call the meeting shall be transferred to the requesting party.

4. A request to call a General Meeting should specify the matters submitted for discussion and contain a substantiation.

5. General Meetings are called for days considered in Poland to be working days.

6. A cancellation or postponement of a General Meeting that was called at the request of Shareholders is only possible with the consent of the requesting party. In other cases, a General Meeting may be cancelled if holding the meeting is met by extraordinary hindrances (force majeure) or is obviously irrelevant.

7. Notifications and meetings from General Meetings are prepared in Polish. The meetings are also held in Polish.

THE PASSING OF RESOLUTIONS BY THE GENERAL MEETING

a) Subject to the provisions of Article 404 of the Code of Commercial Partnerships and Companies, the General Meeting may pass resolutions only on matters provided for in the Code of Commercial Partnerships and Companies and the Company's Statute, and covered by the agenda of a given Meeting.

b) A resolution to abandon the consideration of a matter covered by the agenda may only be passed in the presence of valid reasons. A request in such a matter should be substantiated in great detail.

c) 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 President 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.

d) A General Meeting is valid and may pass valid resolutions if it is attended by the Shareholders who hold at least 50% (in words: fifty percent) of the Company's share capital. In the absence of a quorum at the first date of the General Meeting, the Management Board will immediately call another General Meeting with its date set for no sooner than after 4 weeks from the first General Meeting, with the same agenda, indicating that it is a second date and therefore the General Meeting will be valid irrespective of how much capital is represented.

e) Subject to absolutely binding provisions of the Code of Commercial Partnerships and Companies and otherwise stating provisions of the Company's Statute, resolutions are passed by an ordinary majority of votes. As long as CED GROUP S. à r.l., a limited liability company operating under the laws of the Grand Duchy of Luxembourg ("CED") is the Company's shareholder with at least 15% of its share capital, a 70% majority if 'in favor' votes will be required to pass resolutions on the following matters:

- the payment of a dividend to the shareholders at an amount that exceeds 75% (in words: seventy five percent) of the net profit generated by the Company in the previous financial year;
- the appointment and dismissal of an independent Supervisory Board member;
- the dismissal or suspension of members of the Company's Management Board.

f) The General Meeting passes the General Meeting regulations, specifying the methods for holding meetings and passing resolutions. In the case of changes to the regulations, the changes go into force no sooner than from the next General Meeting.

THE POWERS OF THE GENERAL MEETING

The General Meeting has the authority to handle in particular the following matters:

a) review and approve the Directors' Report on the activities of the Company and the Group, and the financial statements of the Company and the Group for the previous financial year,

b) pass resolutions on distributing the Company's profit, either by paying it out in the form of a dividend, or excluding a portion or all of the profit from the payment of a dividend and retaining at the Company for its needs, as well as pass resolutions on the coverage of losses,

c) grant discharge to members of the Company's governing organs for the duties they have performed,

d) sell or lease out the Company's enterprise or its organized part and establish limited property rights on them,

e) transform the legal status of the Company as well as merge the Company with another company or legal entity,

f) all decisions relating to claims to repair damages done at the formation of the Company or while it exercised supervision or management,

g) change the Company's statute, raise or lower its share capital,

h) issue convertible or senior notes,

i) acquire treasury shares,

j) subject to other provisions of the Company's Statute, appoint and dismiss members of the Supervisory Board, including the Chairman of the Supervisory Board,

k) dissolve the Company,

l) agree the terms and conditions (including payment dates) for remunerating Supervisory Board members,

m) pass the General Meeting regulations,

n) set the day that is used to determine the shareholders that are entitled to a dividend for a given financial year, i.e. set the dividend day, subject to the provisions of Article 348 § 2 of the Code of Commercial Partnerships and Companies, and set the dividend payment day,

o) the matters presented by the Management or Supervisory Board for resolution by the General Meeting,

p) other matters that based on absolutely binding legal regulations and the provisions of the present Company Statute are to be resolved by the General Meeting.

Binding at the Company are the General Meeting Regulations adopted based on Resolution No. 10 passed by the Extraordinary General Shareholders Meeting of KOFOLA S.A. of 16 September 2008 ("the Regulations").

As at the date of the present declaration work is ongoing on adapting the provisions of the Regulations and the Company's Statute to the amended provisions of the Code of Commercial Partnerships and Companies.

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

a) 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 President 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 Regulations, 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.

b) <u>binding the General Meeting with an agenda</u>

1. Subject to the provisions of Article 404 of the Code of Commercial Partnerships and Companies, the General Meeting may pass resolutions only on matters covered by the agenda of a given Meeting.
2. At the request of a shareholder, the Management Board or the Supervisory Board the General Meeting may pass a resolution to abandon the consideration of a matter on the agenda, or to change the order of the matters on the agenda.
3. A resolution to abandon the consideration of a matter covered by the agenda may only be passed in the presence of valid reasons. A request in such a matter should be substantiated in great detail.
4. A request to call an Extraordinary General Meeting, as well as formal requests may be passed without being placed on the agenda.

c) <u>voting</u>

1. Subject to the provisions or par. 2 and 3 below, voting is open.
2. Voting is secret when:
   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 Code of Commercial Partnerships, a secret vote 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.

d) <u>voting in elections</u>

1. Voting in elections is performed separately for each of the submitted candidates, in the order submitted by the Management Board.
2. If candidacies are submitted to the Company's organs, the position for which the person is to be appointed should be indicated: President of the Management Board, Member of the Management Board, Chairman of the Supervisory Board, Member of the Supervisory Board.
3. Prior to the vote the proposed candidate should consent to the submission of his/her candidacy (orally at the General Meeting – which should be confirmed with a relevant entry in the minutes or with a written declaration).
4. If submitted as a candidate to the Company's organs is a person that is part of a Committee, and that person consents to the submission of his/her candidacy, he/she is dismissed from the Committee and a new person is elected in his/her place.

5. Considered to be elected are the candidates that have consecutively received the highest number of 'in favor' votes as part of the number of available seats, no fewer however than 50% of the votes represented at the General Meeting.

6. If candidates receive the same number of votes, or if not all of the seats are filled due to the fact that an insufficient number of candidates received the majority of votes referred to in point 5 of the present paragraph, the Chairman orders a supplementary vote where the candidate with the highest number of 'in favor' votes is considered to be elected.

e) other provisions

A shareholder has not right to vote personally or by proxy or as a representative of another person on a resolution relating to:

a) his/her responsibility to the Company for any reason, including granting a discharge;

b) releasing him/her from a liability to the Company;

c) disputes between him/her and the Company.

5.6.11 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

CHANGES IN THE COMPOSITION OF THE COMPANY'S MANAGEMENT BOARD

In the period from 1 January 2009 to 31 December 2009 the Company's Management Board comprised:

a) Mr. Jannis Samaras – President of the Management Board,

b) Ms. Simona Nováková – Member of the Management Board,

c) Mr. Martin Mateáš – Member of the Management Board,

d) Mr. Tomáš Jendřejek – Member of the Management Board,

e) Mr. René Musila – Member of the Management Board.

As at the date of the present declaration the above composition of the Management Board remained unchanged.

PRINCIPLES OF OPERATION OF THE COMPANY'S MANAGEMENT BOARD

The Management Board operates based on binding legal regulations, the provisions of the Company's Statute. The operations of the Management Board are described in point H of the present declaration.

CHANGES IN THE COMPOSITION OF THE COMPANY'S SUPERVISORY BOARD

All of the members of the Company's Supervisory Board were dismissed effective 11 December 2008, with new members being appointed in accordance with the new provisions of the Company's Statute in the form of shareholder declarations, as follows:

- effective 23 December 2008 the shareholder CED GROUP S. à r.l. appointed:
  a) Mr. Jacek Woźniak – Vice-Chairman,
  b) Mr. Dariusz Prończuk.
- effective 5 January 2009 the shareholder KSM Investment SA appointed:
  a) Mr. Ireneusz Stolarski – Chairman,
  b) Mr. Raimondo Eggink,
  c) Mr. Martin Dokoupil.

Effective 30 June 2009, based on a resolution passed by the General Meeting, Mr. Anthony Brown was appointed to the position of member of the Supervisory Board, as a result of which as at 30 June 2009 the Company's Supervisory Board comprised (until 31 December 2009):

a) Mr. Ireneusz Stolarski – Chairman,

b) Mr. Jacek Woźniak – Vice-Chairman,

c) Mr. Dariusz Prończuk,

d) Mr. Raimondo Eggink,

e) Mr. Martin Dokoupil,

f) Mr. Anthony Brown.

As at the date of the present declaration the above composition of the Supervisory Board remained unchanged.

As at the date of the preparation of the present declaration the Supervisory Board has an Audit Committee and a Remuneration Committee, which operate based on the Good Practices of the Companies Listed on the Warsaw Stock Exchange and the provisions of the Company's Supervisory Board Regulations.

The Audit Committee comprises:

a) Mr. Raimondo Eggink – Chairman,

b) Mr. Jacek Woźniak,

c) Mr. Dariusz Prończuk,

d) Mr. Ireneusz Stolarski,

e) Mr. Martin Dokoupil,

f) Mr. Anthony Brown.

The Remuneration Committee comprises:

a) Mr. Jacek Woźniak – Chairman,

b) Mr. Raimondo Eggink,

c) Mr. Martin Dokoupil.

PRINCIPLES OF OPERATION OF THE COMPANY'S SUPERVISORY BOARD

The Supervisory Board operates based on binding legal regulations, the provisions of the Company's Statute and the provisions of the Supervisory Board Regulations. The operations of the Supervisory Board are partially described in point K of the present declaration.

MEETINGS OF THE SUPERVISORY BOARD

1. The Supervisory Board passes the regulations 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, 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 Code of Commercial Partnerships and Companies, 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 Code of Commercial Partnerships and Companies, 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 K 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 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.

5.7 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 submission of the report for the 1^{st} half of 2009, i.e. 31 August 2009, the following hold at least 5% of the total number of votes at General Shareholders Meeting of KOFOLA S.A:

KSM Investment S.A.

13 395 373 shares or 51,18% of share capital of KOFOLA S.A.

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

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

11 283 153 shares or 43,11% of share capital of KOFOLA S.A.

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

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

KOFOLA S.A. is a party in the bankruptcy proceeding of the entity Fructo-Maj. On 6 August 2007, HOOP S.A (currently doing business as KOFOLA S.A.) concluded an engagement letter with Fructo-Maj Sp. z o.o., in which it expressed its interest in investing in Fructo-Maj for the purposes of its financial restructuring and enabling the payment of debts. As part of realizing this agreement HOOP S.A. acquired Fructo-Maj's debts, among others concluded a debt assignment agreement with Kredyt Bank S.A., based on which Kredyt Bank S.A transferred onto HOOP S.A. all the debt from a credit agreement, which as at 31 December 2009 amounted to 5 306 thousand PLN and is presented in the financial statements of KOFOLA S.A. as short-term credit payables due by 31 August 2010, and as receivables from the company Fructo-Maj. As at 31 December 2009 the total value of the receivables from Fructo-Maj relating to the acquired debt is 15 155 thousand PLN, the balance sheet value of this item, after revaluation, is 7 468 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.

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

5.9 Information about significant contracts

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

5.10 Information about relationships with other group entities

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

A description of the transactions concluded between related parties is presented in Note 4.26 to the financial statements. The main domestic and foreign investment projects are presented in Note 4.14 to the financial statements.

5.11 Information about credits and loans

Information on credits and loans is presented in Note 4.22 to the financial statements.

5.12 Information on loans grated

In June 2009 Kofola S.A. granted a loan to its subsidiary Kofola Holding a.s. in the amount of 55 876 thousand CZK. The loan was granted on market terms and was repaid as at the balance sheet date.

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

Entity providing guarantees /Sureties	Entity receiving guarantees /Sureties	Credit value on balance sheet day which were subject to guarantee/sureties		The period for providing guarantees /sureties	The entity for which liabilities guarantees / sureties were provided	Kind of relationship between the entity providing guarantees/sureties and one on behalf of which it was provided
		in currency	in ths. PLN			
Kofola S.A.	Bank Handlowy	9 435 T PLN	9 435	9/2010	Hoop Polska Sp. z o.o.	subsidiary
Kofola S.A.	Bank Handlowy	3 050 T PLN	3 050	7/2011	Hoop Polska Sp. z o.o.	subsidiary
Kofola S.A.	Bank Handlowy	13 000 T PLN	13 000	6/2012	Hoop Polska Sp. z o.o.	subsidiary
Kofola S.A.	Bank Handlowy	1 800 T PLN	1 800	10/2010	Hoop Polska Sp. z o.o.	subsidiary
Kofola S.A.	PeKaO S.A.	10 000 T PLN	10 000	3/2013	Hoop Polska Sp. z o.o.	subsidiary
Kofola S.A.	PeKaO S.A.	9 609 T PLN	9 609	3/2013	Hoop Polska Sp. z o.o.	subsidiary
Kofola S.A.	Bank BGŻ	4 837 T PLN	4 837	3/2019	Hoop Polska Sp. z o.o.	subsidiary
Kofola S.A.	Deutsche Leasing *	19 122 T PLN	19 122	2/2014	Hoop Polska Sp. z o.o.	subsidiary
Kofola S.A.	ING Commercial Finance	5 549 T PLN	5 549	till termination of the contract	Hoop Polska Sp. z o.o.	subsidiary
Kofola S.A.	Bank Zachodni WBK S.A.	5 624 T EUR	23 104	3/2013	Hoop Polska Sp. z o.o.	subsidiary
Total Sureties for Loans or Guarantees Issued			**99 506**	**ths. PLN**		

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

5.14 Information on issuing securities

As a result of the merger of KOFOLA S.A. with the subsidiaries PPWM Woda Grodziska and Paola, the share capital of KOFOLA S.A. was raised from 26 171 918 PLN by 684 PLN to the amount of 26 172 602 PLN through the issue of 684 ordinary bearer's G series shares with a nominal value of 1 PLN per share ("G series shares"). As a result of the merger, the share capital of KOFOLA S.A. amounts to 26 172 602 PLN and consists of 26 172 602 PLN shares entitling to 26 172 602 votes at General Shareholders Meeting.

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

The Company published no financial result forecasts for the year 2009.

5.16 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 9 512 thousand PLN, dividends received in the amount of 10 752 thousand PLN, a revaluation write down on financial assets in the amount of 9 283 thousand PLN relating the shares of BOMI, as well as unrealized foreign exchange losses in the amount of 1 132 thousand PLN, relating to a long-term loan granted to Kofola Holding a.s. in CZK. In the coming quarters the Company's results will be significantly affected by the PLN to CZK exchange rates. Due to the fact that the Company does not conduct operating activities, but focuses on managing the Group, its future development will be directly related to the development and results of the entire Group.

5.17 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.

5.18 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 should they resign or be dismissed.

5.19 Remuneration of Management and Supervisory Board members

The following remuneration has been paid out to members of the Management and Supervisory Boards of KOFOLA S.A.:

Management Board	2009
Jannis Samaras	658
Simona Nováková	468
Martin Mateáš	477
Tomáš Jendřejek	444
René Musila	444
Total	**2 491**

Supervisory Board	2009
Jacek Woźniak	-
Dariusz Prończuk	-
Martin Dokoupil	82
Raimondo Eggink	82
Anthony Brown	-
Ireneusz Stolarski	77
Total	**241**

The Management Board's remuneration was paid out by the subsidiary Kofola Holding a.s.

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

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.

5.21 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 will be 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.

5.22 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 standalone and consolidated financial statements for the year 2009. The agreement was concluded for a year, extendable for the subsequent two years.

The total fee arising out of the agreement with BDO Sp. z o.o. due for the audit of the standalone financial statements of KOFOLA S.A. (formerly HOOP S.A.) for the year 2009 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 2009 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 2009, is 76 thousand PLN and relates to the review of the standalone and consolidated financial statements as at 30 June 2009. Additional work also included translation of the financial statements.

On 1 September 2006 HOOP S.A (currently 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 reviews and audits of the standalone and consolidated financial statements for the years 2006 – 2008. The agreement was concluded for a period of three years.

The total fee arising out of the agreement with BDO Sp. z o.o. due for the audit of the standalone financial statements of KOFOLA S.A (formerly HOOP S.A) for the year 2008 was 20 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 2008 was 80 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 2008 is 145 thousand PLN and relates to the reviews of the interim standalone and consolidated financial statements as at 30 June 2008, merger advisory and reporting advisory services. Additional work also included a check of the recognition of a contribution in kind in the books of account of Kofola SPV and a review of the financial statements of Kofola SPV for the year 2007 prepared in accordance with IFRS.

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

No significant events occurred after the balance sheet date.

SIGNATURES OF THE COMPANY'S REPRESENTATIVES:

17.03.2010	**Jannis Samaras**	**Chairman of the Board of Directors**	....
date	*name and surname*	*position*	*signature*
17.03.2010	**Simona Nováková**	**Member of the Board of Directors**	....
date	*name and surname*	*position*	*signature*
17.03.2010	**Martin Mateáš**	**Member of the Board of Directors**	....
date	*name and surname*	*position*	*signature*
17.03.2010	**René Musila**	**Member of the Board of Directors**	....
date	*name and surname*	*position*	*signature*
17.03.2010	**Tomáš Jendřejek**	**Member of the Board of Directors**	....
date	*name and surname*	*position*	*signature*

SIGNATURE OF PERSON RESPONSIBLE FOR BOOKKEEPING:

17.03.2010	**Katarzyna Balcerowicz**	**Chief Accountant**	....
date	*name and surname*	*position*	*signature*

Document signed on the Polish original.