

**CONSOLIDATED QUARTERLY REPORT OF  
THE KOFOLA-HOOP GROUP**



**for the Third Quarter of 2008**

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WARSAW  
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## I.A. Consolidated Balance Sheet

CONSOLIDATED BALANCE SHEET	As at Sep 30 2008 / end of Q3 2008	As at Jun 30 2008/ end of Q2 2008	As at Dec 31 2007	As at Sep 30 2007/ end of Q3 2007
<b>Assets</b>				
<b>I. Non-current assets</b>	<b>1 085 099</b>	<b>1 089 904</b>	<b>323 179</b>	<b>331 276</b>
Property, plant and equipment	596 895	600 436	276 749	287 508
Goodwill	249 881	249 881	7 498	7 621
Intangible assets	210 160	210 104	34 120	33 804
Non-current receivables under security deposits and loans advanced	207	207		
Financial assets available for trading	2 000	2 000	0	2 209
Deferred tax asset	24 018	25 338	4 812	134
Other non-current assets	1 938	1 938		
<b>II. Current assets</b>	<b>462 268</b>	<b>623 652</b>	<b>205 177</b>	<b>245 636</b>
Inventories	142 780	159 095	61 163	76 984
Trade receivables	265 247	392 688	117 064	131 832
Receivables from the state budget, including:	14 027	22 894	10 839	11 452
<i>income tax receivable</i>	2 803	2 769	2 665	4 331
Other receivables	11 462	25 757	6 357	12 921
Prepayments and accrued income	8 041	6 782	2 913	5 423
Other financial assets		0		
Cash and cash equivalents	20 711	16 436	6 841	7 024
<b>Total assets</b>	<b>1 547 367</b>	<b>1 713 556</b>	<b>528 356</b>	<b>576 912</b>
<b>Equity and liabilities</b>				
<b>Total equity, including equity attributable to:</b>	<b>688 238</b>	<b>677 517</b>	<b>85 360</b>	<b>87 463</b>
<i>equity holders of the parent</i>	<b>652 006</b>	<b>643 225</b>	<b>85 360</b>	<b>87 463</b>
<i>minority interests</i>	<b>36 232</b>	<b>34 292</b>	<b>0</b>	<b>0</b>
Share capital	26 172	26 172	25 442	25 442
Treasury shares (negative value)				
Statutory reserve funds	630 291	630 291	96 600	96 600
Other capital reserves				
Translation reserve	6 300	5 360	3 742	6 604
Retained earnings (deficit)	-40 424	-40 424	-60 032	-52 483
Current year net profit (loss)	29 667	21 826	19 608	11 300
Minority interests	36 232	34 292		
<b>Non-current liabilities</b>	<b>275 709</b>	<b>267 948</b>	<b>130 863</b>	<b>158 625</b>
Provisions for liabilities	356	201		
Deferred tax liability	60 399	60 719	5 365	9 064
Non-current bank loans and borrowings	156 827	149 936	81 367	111 771
Liabilities under lease	34 787	29 250	31 263	32 782
Deferred income				
Other non-current liabilities	23 340	27 842	12 868	5 008
<b>Current liabilities</b>	<b>583 420</b>	<b>768 091</b>	<b>312 133</b>	<b>330 824</b>
Current bank loans and borrowings	220 333	258 949	134 247	122 304
Liabilities under lease	32 748	27 552	19 765	22 769
Trade payables	149 542	326 954	92 549	106 793
Accrued expenses	59 607	52 186	9 639	17 399
Liabilities to the state budget, including:	29 986	35 668	7 501	7 084
<i>income tax payable</i>	4 153	8 770	3 724	2 905
Provisions	19 384	11 389	2 691	4 155
Other liabilities	71 735	55 387	45 589	50 242
Deferred income	85	6	152	78
<b>Total equity and liabilities</b>	<b>1 547 367</b>	<b>1 713 556</b>	<b>528 356</b>	<b>576 912</b>
<b>OFF-BALANCE-SHEET ITEMS</b>	<b>As at Sep 30 2008/ end of Q3 2008</b>	<b>As at Jun 30 2008/ end of Q2 2008</b>	<b>As at Dec 31 2007</b>	<b>As at Sep 30 2007/ end of Q3 2007</b>
Property, plant and equipment				
Contingent receivables	2 000	2 000		
Contingent liabilities	781	500		
Other, including:				
<b>Total off-balance-sheet items</b>	<b>2 781</b>	<b>2 500</b>	<b>0</b>	

**I.B. Consolidated Income Statement**

<b>CONSOLIDATED INCOME STATEMENT</b>	<b>Q1-Q3 2008 cumulative Jan 1- Sep 30 2008</b>	<b>Q3 2008 Jul 1- Sep 30 2008</b>	<b>Q1-Q3 2007 cumulative Jan 1- Sep 30 2007</b>	<b>Q3 2007 Jul 1- Sep 30 2007</b>
<b>Operating activity</b>				
<b>Sales revenue</b>	<b>787 696</b>	<b>396 870</b>	<b>450 849</b>	<b>184 624</b>
Net revenue on sales of products and services	741 109	373 334	442 755	178 688
Net revenue on sales of goods for resale and materials	46 587	23 536	8 094	5 936
<b>Cost of sales, including:</b>	<b>484 296</b>	<b>247 924</b>	<b>237 013</b>	<b>92 828</b>
Cost of products and services sold	448 197	233 719	230 091	87 954
Cost of goods for resale and materials sold	36 099	14 205	6 922	4 874
		0		0
<b>Gross profit (loss) on sales</b>	<b>303 400</b>	<b>148 946</b>	<b>213 836</b>	<b>91 796</b>
		0		0
Selling and marketing costs	196 092	96 674	156 753	70 769
General and administrative expenses	46 122	28 233	22 559	9 862
Other operating income	3 446	3 021	1 465	552
Other operating expenses	10 619	1 206	1 657	371
		0		0
<b>Operating profit (loss)</b>	<b>54 013</b>	<b>25 854</b>	<b>34 332</b>	<b>11 346</b>
		0		0
Financial income	7 075	186	29	11
Financial expenses	20 801	10 834	16 667	6 512
		0		0
<b>Pre-tax profit (loss)</b>	<b>40 287</b>	<b>15 206</b>	<b>17 694</b>	<b>4 845</b>
		0		0
<b>Corporate income tax</b>	<b>9 217</b>	<b>6 190</b>	<b>6 394</b>	<b>2 517</b>
a) current	11 907	4 752	6 764	3 170
b) deferred	-2 690	1 438	-370	-653
		0		0
<b>Net profit (loss) before extraordinary items</b>	<b>31 070</b>	<b>9 016</b>	<b>11 300</b>	<b>2 328</b>
		0		0
<b>Goodwill/negative goodwill write-off</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
		0		0
<b>Share in net profit (loss) of subordinated undertakings valued with equity method</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
		0		0
<b>Net profit (loss) for financial year</b>	<b>31 070</b>	<b>9 016</b>	<b>11 300</b>	<b>2 328</b>
Attributable to:		0		0
Equity holders of the parent	29 667	7 841	11 300	2 328
Minority interests	1 403	1 175		0
Earnings (loss) per ordinary share (PLN)		0		0
Number of shares		0		0

<b>CONSOLIDATED INCOME STATEMENT</b>	<b>Q1-Q3 2008 cumulative Jan 1- Sep 30 2008</b>	<b>Q3 2008 Jul 1- Sep 30 2008</b>	<b>Q1-Q3 2007 cumulative Jan 1- Sep 30 2007</b>	<b>Q3 2007 Jul 1- Sep 30 2007</b>
<b>Supplementary information</b>				
<b>Other operating income</b>	<b>3 446</b>	<b>3 021</b>	<b>1 465</b>	<b>552</b>
1. Gain on disposal of non-current non-financial assets	825	698	964	161
2. Subsidies		0		0
3. Other operating income	2 621	2 323	501	391
		0		0
<b>Other operating expenses</b>	<b>10 619</b>	<b>1 206</b>	<b>1 657</b>	<b>371</b>
1. Loss on disposal of non-current non-financial assets	1 061	1 055	0	0
2. Revaluation of non-financial assets	1 208	-650	243	243
3. Other operating expenses	8 350	801	1 414	128
		0		0
<b>Financial income</b>	<b>7 075</b>	<b>186</b>	<b>29</b>	<b>11</b>
1. Dividends and other profit distributions	-	0	0	0
2. Interest	367	196	29	11
3. Gain on disposal of investments		0	0	0
4. Investment revaluation	77	-77	0	0
5. Other	6 785	67		0
		0		0
<b>Financial expenses</b>	<b>20 801</b>	<b>10 834</b>	<b>16 667</b>	<b>6 512</b>
1. Interest	17 169	7 251	15 271	5 390
2. Loss on disposal of investments	-	0	0	0
3. Investment revaluation	-	0	0	0
4. Other	3 632	3 583	1 396	1 122
		0		0

Statement of changes in consolidated equity Jan 1- Sep 30 2008										
Type of change	Equity attributable to equity holders of the parent								Minority interests	Total equity
	Share capital	Treasury shares	Statutory reserve funds	Other capital reserves	Translation reserve	Retained earnings (deficit)	Current year net profit	Total equity attributable to equity holders of the parent		
As at Jan 1 2008	25 442	-	96 600	-	3 742	- 60 032	19 608	85 360	-	85 360
Merger with the HOOP Group	730	-	533 691	-	-	-	-	534 421	34 064	568 485
Dividend paid	-	-	-	-	-	-	-	-	-	-
Exchange differences on translation	-	-	-	-	2 558	-	-	2 558	765	3 323
Profit distribution	-	-	-	-	-	19 608	- 19 608	-	-	-
Profit/(loss) for the current year	-	-	-	-	-	-	29 667	29 667	1 403	31 070
<b>As at Sep 30 2008</b>	<b>26 172</b>	<b>-</b>	<b>630 291</b>	<b>-</b>	<b>6 300</b>	<b>- 40 424</b>	<b>29 667</b>	<b>652 006</b>	<b>36 232</b>	<b>688 238</b>
Statement of changes in consolidated equity Jul 1- Sep 30 2008										
Type of change	Equity attributable to equity holders of the parent								Minority interests	Total equity
	Share capital	Treasury shares	Statutory reserve funds	Other capital reserves	Translation reserve	Retained earnings (deficit)	Current year net profit	Total equity attributable to equity holders of the parent		
As at Jul 1 2008	26 172	-	630 291	-	5 360	- 40 424	21 826	643 225	34 292	677 517
Merger with the HOOP Group	-	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	765	765
Exchange differences on translation	-	-	-	-	940	-	-	940	-	940
Profit distribution	-	-	-	-	-	-	-	-	-	-
Profit/(loss) for the current year	-	-	-	-	-	-	7 841	7 841	1 175	9 016
<b>As at Sep 30 2008</b>	<b>26 172</b>	<b>-</b>	<b>630 291</b>	<b>-</b>	<b>6 300</b>	<b>- 40 424</b>	<b>29 667</b>	<b>652 006</b>	<b>36 232</b>	<b>688 238</b>

Statement of changes in consolidated equity Jan 1- Dec 31 2007										
Equity attributable to equity holders of the parent									Minority interests	Total equity
Type of change	Share capital	Treasury shares	Statutory reserve funds	Other capital reserves	Translation reserve	Retained earnings (deficit)	Current year net profit	Total equity attributable to equity holders of the parent		
<b>As at Jan 1 2007</b>	<b>25 392</b>				<b>- 239</b>	<b>- 52 483</b>		<b>- 27 330</b>		<b>- 27 330</b>
Contribution in kind to KOFOLA SPV	50		96 600					96 650		96 650
Dividend paid						- 7 549		- 7 549		- 7 549
Exchange differences on translation					3 981			3 981		3 981
Profit distribution								-		-
Profit/(loss) for the current year							19 608	19 608		19 608
<b>As at Dec 31 2007</b>	<b>25 442</b>		<b>96 600</b>		<b>3 742</b>	<b>- 60 032</b>	<b>19 608</b>	<b>85 360</b>		<b>85 360</b>

Statement of changes in consolidated equity Jan 1- Sep 30 2007										
Equity attributable to equity holders of the parent									Minority interests	Total equity
Type of change	Share capital	Treasury shares	Statutory reserve funds	Other capital reserves	Translation reserve	Retained earnings (deficit)	Current year net profit	Total equity attributable to equity holders of the parent		
<b>As at Jan 1 2007</b>	<b>25 392</b>				<b>- 239</b>	<b>- 52 483</b>		<b>- 27 330</b>		<b>- 27 330</b>
Contribution in kind to KOFOLA SPV	50		96 600					96 650		96 650
Dividend paid								-		-
Exchange differences on translation					6 843			6 843		6 843
Profit distribution								-		-
Profit/(loss) for the current year							11 300	11 300		11 300
<b>As at Sep 30 2007</b>	<b>25 442</b>		<b>96 600</b>		<b>6 604</b>	<b>- 52 483</b>	<b>11 300</b>	<b>87 463</b>		<b>87 463</b>

**I.D. – Consolidated Cash-Flow Statement**

<b>CONSOLIDATED CASH-FLOW STATEMENT</b>	<b>Q1-Q3 2008 cumulative Jan 1- Sep 30 2008</b>	<b>Q3 2008 Jul 1- Sep 30 2008</b>	<b>Q1-Q3 2007 cumulative Jan 1- Sep 30 2007</b>	<b>Q3 2007 Jul 1- Sep 30 2007</b>
<b>A. Cash flows from operating activities – indirect method</b>				
<b>I. Pre-tax profit/ (loss)</b>	<b>40 287</b>	<b>15 206</b>	<b>17 694</b>	<b>4 845</b>
<b>II. Total adjustments</b>	<b>60 173</b>	<b>17 603</b>	<b>27 311</b>	<b>27 394</b>
1. Share in net (profit)/ loss of undertakings valued with equity method		<b>0</b>		<b>0</b>
2. Depreciation and amortisation	53 202	<b>23 244</b>	34 897	<b>12 836</b>
3. Foreign exchange (gains)/ losses	1 561	<b>3 777</b>	-338	<b>766</b>
4. Interest and profit distributions (dividends)	27 829	<b>18 027</b>	15 881	<b>6 007</b>
5. (Gain)/ loss on investing activities	876	<b>516</b>		<b>0</b>
6. Change in provisions, net of deferred tax liability	12 358	<b>6 702</b>	2 226	<b>768</b>
7. Change in inventories	-5 304	<b>17 123</b>	-21 914	<b>-11 707</b>
8. Change in receivables	33 830	<b>100 122</b>	-39 649	<b>-5 411</b>
9. Change in current liabilities, net of loans and borrowings, accruals and deferrals, and income tax expense	-87 496	<b>-159 993</b>	32 191	<b>14 540</b>
10. Change in accruals and deferrals, net of corporate income tax asset	24 649	<b>12 933</b>	6 065	<b>-955</b>
12. Income tax expense	-1 836	<b>-5 813</b>	-2 474	<b>10 623</b>
13. Other adjustments	504	<b>965</b>	426	<b>-73</b>
<b>III. Net cash provided by (used in) operating activities (I+/-II)</b>	<b>100 460</b>	<b>32 809</b>	<b>45 005</b>	<b>32 239</b>
<b>B. Cash flows from investing activities</b>		<b>0</b>		<b>0</b>
<b>I. Cash provided by investing activities</b>	<b>22 483</b>	<b>20 365</b>	<b>964</b>	<b>654</b>
1. Disposal of intangible assets and property, plant and equipment	1 638	<b>1 022</b>	964	<b>654</b>
2. Disposal of investment property and intangible assets held as investment		<b>0</b>		<b>0</b>
3. Cash provided by financial assets		<b>0</b>		<b>0</b>
4. Other cash provided by investing activities	20 845	<b>19 343</b>		<b>0</b>
<b>II. Cash used in investing activities</b>	<b>107 254</b>	<b>10 442</b>	<b>99 601</b>	<b>58 715</b>
1. Acquisition of intangible assets and property, plant and equipment	106 770	<b>10 428</b>	99 601	<b>58 715</b>
2. Acquisition of investment property and intangible assets held as investment	13	<b>13</b>		<b>0</b>
3. Cash used on financial assets		<b>0</b>		<b>0</b>
4. Dividends and other profit distributions to minority interests		<b>0</b>		<b>0</b>
5. Other cash used in investing activities	471	<b>1</b>		<b>0</b>
<b>III. Net cash provided by (used in) investing activities (I-II)</b>	<b>-84 771</b>	<b>9 923</b>	<b>-98 637</b>	<b>-58 061</b>
<b>C. Cash flows from financing activities</b>		<b>0</b>		<b>0</b>
<b>I. Cash provided by financing activities</b>	<b>108 671</b>	<b>19 152</b>	<b>99 466</b>	<b>46 471</b>
1. Net proceeds from issue of shares, other equity instruments and additional contributions to equity	0	<b>0</b>	0	<b>0</b>
2. Loans and borrowings	92 758	<b>10 121</b>	63 611	<b>10 616</b>
3. Issue of debt securities		<b>0</b>		<b>0</b>
4. Other cash provided by financing activities	15 913	<b>9 031</b>	35 855	<b>35 855</b>
<b>II. Cash used in financing activities</b>	<b>110 490</b>	<b>57 609</b>	<b>49 803</b>	<b>19 036</b>
1. Acquisition of treasury shares		<b>0</b>		<b>0</b>
2. Dividends and other distributions to shareholders	4 738	<b>-31</b>		<b>0</b>
3. Distributions from profit other than distributions to shareholders		<b>0</b>		<b>0</b>
4. Repayment of loans and borrowings	64 143	<b>40 171</b>	16 017	<b>1 964</b>
5. Redemption of debt securities		<b>0</b>		<b>0</b>
6. Other financial liabilities	0	<b>0</b>		<b>-9 815</b>
7. Payment of finance lease liabilities	18 139	<b>4 979</b>	21 683	<b>21 683</b>
8. Interest paid	23 470	<b>12 490</b>	9 907	<b>4 015</b>
9. Other cash used in financing activities		<b>0</b>	2 196	<b>1 189</b>
<b>III. Net cash provided by (used in) financing activities (I-II)</b>	<b>-1 819</b>	<b>-38 457</b>	<b>49 663</b>	<b>27 435</b>
<b>D. Total net cash flow (A.III+/-B.III+/-C.III)</b>	<b>13 870</b>	<b>4 275</b>	<b>-3 969</b>	<b>1 613</b>
<b>E. Balance-sheet change in cash, including:</b>	<b>13 870</b>	<b>4 275</b>	<b>-3 969</b>	<b>1 613</b>
- change in cash resulting from foreign exchange gains/(losses)		<b>0</b>		<b>0</b>
<b>F. Cash at beginning of period</b>	<b>6 841</b>	<b>16 436</b>	<b>10 993</b>	<b>5 411</b>
<b>G. Cash at end of period (F+/- D)</b>	<b>20 711</b>	<b>20 711</b>	<b>7 024</b>	<b>7 024</b>

**Part B - Non-Consolidated Financial Statements****I. Non-Consolidated Balance Sheet**

<b>BALANCE SHEET</b>	as at Sep 30 2008/ end of Q3 2008	as at Jun 30 2008/ end of Q2 2008	as at Dec 31 2007	as at Sep 30 2007/ end of Q3 2007
<b>Assets</b>				
<b>I. Non-current assets</b>	<b>1 140 506</b>	<b>1 140 900</b>	<b>535 209</b>	<b>535 565</b>
Property, plant and equipment	637	1 308		
Goodwill	151 307	151 307		
Intangible assets		0		
Non-current receivables under security deposits and loans advanced	104 810	104 533	96 876	97 239
Financial assets available for trading	2 000	2 000		
Deferred tax asset	9 972	9 972	7	
Other non-current assets	871 780	871 780	438 326	438 326
<b>II. Current assets</b>	<b>40 756</b>	<b>45 166</b>	<b>55</b>	<b>50</b>
Inventories	2 358	4 583	0	
Trade receivables	6 192	2 014	0	
Receivables from the state budget, including:	1 621	4 714	5	
<i>income tax receivable</i>	0	0	0	
Other receivables	27 941	27 646	0	0
Prepayments and accrued income	158	240	0	
Other financial assets		0		
Cash and cash equivalents	2 486	5 969	50	50
<b>Total assets</b>	<b>1 181 262</b>	<b>1 186 066</b>	<b>535 264</b>	<b>535 615</b>

<b>Equity and liabilities</b>				
<b>Total equity, including equity attributable to:</b>	<b>1 072 764</b>	<b>1 074 938</b>	<b>535 079</b>	<b>535 402</b>
<i>equity holders of the parent</i>	<b>1 072 764</b>	<b>1 074 938</b>	<b>535 079</b>	<b>535 402</b>
<i>minority interests</i>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Share capital	26 172	26 172	13 311	13 311
Treasury shares (negative value)			0	
Statutory reserve funds	1 043 225	1 043 225	521 665	521 665
Revaluation capital reserve	0	0	0	
Other capital reserves	0	0	0	
Translation reserve	0	0	0	
Retained earnings (deficit)	103	103	0	
Current year net profit (loss)	3 264	5 438	103	426
Minority interests	0	0	0	0
<b>Non-current liabilities</b>	<b>70 089</b>	<b>70 089</b>	<b>52</b>	<b>127</b>
Provisions for liabilities	24	24	0	
Deferred tax liability	60 189	60 189	52	127
Non-current bank loans and borrowings	9 876	9 876	0	
Liabilities under lease		0	0	
Deferred income		0	0	
Other non-current liabilities	0	0	0	
<b>Current liabilities</b>	<b>38 409</b>	<b>41 039</b>	<b>133</b>	<b>86</b>
Current bank loans and borrowings	14 752	14 611	78	79
Liabilities under lease		0	0	
Trade payables	1 153	2 157	20	6
Accrued expenses	5 072	5 072	35	
Liabilities to the state budget, including:	861	852	0	1
<i>income tax payable</i>		0	0	
Provisions	3 747	3 747	0	
Other liabilities	12 824	14 600	0	
Deferred income	0	0	0	
<b>Total equity and liabilities</b>	<b>1 181 262</b>	<b>1 186 066</b>	<b>535 264</b>	<b>535 615</b>

<b>OFF-BALANCE-SHEET ITEMS</b>	as at Sep 30 2008/ end of Q3 2008	as at Jun 30 2008/ end of Q2 2008	as at Dec 31 2007	as at Sep 30 2007/ end of Q3 2007
Property, plant and equipment				
Contingent receivables			0	0
Contingent liabilities	124 423	124 423		
Other, including:				
<b>Total off-balance-sheet items</b>	<b>124 423</b>	<b>124 423</b>	<b>0</b>	<b>0</b>



**II. Non-Consolidated Income Statement**

STATEMENT	INCOME	Q1-Q3 2008 cumulative Jan 1-Sep 30 2008	Q3 2008 Jul 1-Sep 30 2008	Q1-Q3 2007 cumulative Jan 1-Sep 30 2007	Q3 2007 Jul 1-Sep 30 2007
<b>Operating activity</b>					
<b>Sales revenue</b>		3 982	3 309	0	0
Net revenue on sales of products and services		3 588	2 944		0
Net revenue on sales of goods for resale and materials		394	365		0
<b>Cost of sales, including:</b>		3 454	2 974	0	0
Cost of products and services sold		3 221	2 769		0
Cost of goods for resale and materials sold		233	205		0
			0		0
<b>Gross profit (loss) on sales</b>		528	335	0	0
			0		0
Selling and marketing costs		753	579		0
General and administrative expenses		2 702	1 891	86	86
Other operating income		118	109		0
Other operating expenses		247	243		0
			0		0
<b>Operating profit (loss)</b>		-3 056	-2 269	-86	-86
			0		0
Financial income		8 039	290	639	638
Financial expenses		281	195		0
			0		0
<b>Pre-tax profit (loss)</b>		4 702	-2 174	553	552
			0		0
<b>Corporate income tax</b>		1 438	0	127	127
a) current			0	0	0
b) deferred		1 438	0	127	127
			0		0
<b>Net profit (loss) before extraordinary items</b>		3 264	-2 174	426	425
			0		0
<b>Goodwill/negative goodwill write-off</b>		0	0	0	0
			0		0
<b>Share in net profit (loss) of subordinated undertakings valued with equity method</b>		0	0	0	0
			0		0
<b>Net profit (loss) for financial year</b>		3 264	-2 174	426	425
Attributable to:			0		0
Equity holders of the parent		3 264	-2 174	426	425
Minority interests		0	0	0	0

STATEMENT	INCOME	Q1-Q3 2008 cumulative Jan 1-Sep 30 2008	Q3 2008 Jul 1-Sep 30 2008	Q1-Q3 2007 cumulative Jan 1-Sep 30 2007	Q3 2007 Jul 1-Sep 30 2007
<b>Supplementary information</b>					
<b>Other operating income</b>		118	109	-	0
1. Gain on disposal of non-financial non-current assets			-		0
2. Subsidies		-	-	-	0
3. Other operating income		118	109		0
			-		0
<b>Other operating expenses</b>		247	243	-	0
1. Loss on disposal of non-financial non-current assets		145	145	-	0
2. Revaluation of non-financial assets		-	-	-	0
3. Other operating expenses		102	98		0
			-		0
<b>Financial income</b>		8 039	290	639	638
1. Dividends and other distributions from profit		-	-	-	0
2. Interest		5 849	1 903	639	638
3. Gain on disposal of investments			-		0
4. Investment revaluation			-		0
5. Other		2 190	1 613		0
			-		0
<b>Financial expenses</b>		281	195	-	0
1. Interest		277	195		0
2. Loss on disposal of investments		-	-	-	0
3. Investment revaluation		-	-	-	0
4. Other		4	-	-	0

Statement of changes in equity Jan 1-Sep 30 2008										
Type of change	Equity attributable to equity holders of the parent								Minority interests	Total equity
	Share capital	Treasury shares	Statutory reserve funds	Other capital reserves	Translation reserve	Retained earnings (deficit)	Current year net profit	Total equity attributable to equity holders of the parent		
<b>As at Jan 1 2008</b>	<b>13 311</b>		<b>521 665</b>			-	<b>103</b>	<b>535 079</b>	-	<b>535 079</b>
Issue of shares to effect the merger of HOOP S.A. with Kofola SPV Sp. z o.o.	12 861		521 560					534 421		534 421
Exchange differences on translation								-		-
Profit distribution						103	- 103			
Profit/(loss) for the current year							3 264	<b>3 264</b>		3 264
<b>As at Sep 30 2008</b>	<b>26 172</b>	-	<b>1 043 225</b>	-	-	<b>103</b>	<b>3 264</b>	<b>1 072 764</b>	-	<b>1 072 764</b>

Statement of changes in equity Jul 1- Sep 30 2008										
Type of change	Equity attributable to equity holders of the parent								Minority interests	Total equity
	Share capital	Treasury shares	Statutory reserve funds	Other capital reserves	Translation reserve	Retained earnings (deficit)	Current year net profit	Total equity attributable to equity holders of the parent		
<b>As at Jul 1 2008</b>	<b>26 172</b>	-	<b>1 043 225</b>			<b>103</b>	<b>5 438</b>	<b>1 074 938</b>	-	<b>1 074 938</b>
Issue of shares to effect the merger of HOOP S.A. with Kofola SPV Sp. z o.o.			-					-		-
Exchange differences on translation								-		-
Profit distribution						-				
Profit/(loss) for the current year							- 2 174	<b>- 2 174</b>		- 2 174
<b>As at Sep 30 2008</b>	<b>26 172</b>	-	<b>1 043 225</b>	-	-	<b>103</b>	<b>3 264</b>	<b>1 072 764</b>	-	<b>1 072 764</b>

Statement of changes in equity Jan 1-Dec 31 2007										
Type of change	Equity attributable to equity holders of the parent								Minority interests	Total equity
	Share capital	Treasury shares	Statutory reserve funds	Other capital reserves	Translation reserve	Retained earnings (deficit)	Current year net profit	Total equity attributable to equity holders of the parent		
As at Jan 1 2007			-					-	-	-
Issue of shares	13 311		521 665					534 976		534 976
Exchange differences on translation								-		-
Profit distribution										
Profit/(loss) for the current year							103	103		103
As at Dec 31 2007	13 311	-	521 665	-	-	-	103	535 079	-	535 079

Statement of changes in equity Jan 1- Sep 30 2007										
Type of change	Equity attributable to equity holders of the parent								Minority interests	Total equity
	Share capital	Treasury shares	Statutory reserve funds	Other capital reserves	Translation reserve	Retained earnings (deficit)	Current year net profit	Total equity attributable to equity holders of the parent		
As at Jan 1 2007	-									
Issue of shares	13 311		521 665					534 976		534 976
Exchange differences on translation								-		-
Profit distribution										
Profit/(loss) for the current year							426	426		426
As at Sep 30 2007	13 311	-	521 665	-	-	-	426	535 402	-	535 402

**IV. Non-Consolidated Cash-Flow Statement**

<b>CASH-FLOW STATEMENT</b>	<b>Q1-Q3 2008 cumulative Jan 1-Sep 30 2008</b>	<b>Q3 2008 Jul 1-Sep 30 2008</b>	<b>Q1-Q3 2007 cumulative Jan 1-Sep 30 2007</b>	<b>Q3 2007 Jul 1-Sep 30 2007</b>
<b>Cash flows from operating activities – indirect method</b>				
<b>I. Pre-tax profit (loss)</b>	<b>4 702</b>	<b>-2 174</b>	<b>553</b>	<b>552</b>
<b>II. Total adjustments</b>	<b>-9 070</b>	<b>-6 611</b>	<b>-553</b>	<b>-552</b>
1. Share in net (profit)/ loss of undertakings valued with equity method		0		0
2. Depreciation and amortisation	160	115		0
3. Foreign exchange (gains)/ losses	-2 100	1 683		0
4. Interest and profit distributions (dividends)	5 572	9 442	1	1
5. (Gain)/ loss on investing activities	145	145		0
6. Change in provisions, net of deferred tax liability	-52	-52		0
7. Change in inventories	2 553	2 225		0
8. Change in receivables	11 344	7 997		1
9. Change in current liabilities, net of loans and borrowings, accruals and deferrals, and income tax expense	-26 287	-28 248	7	7
10. Change in accruals and deferrals, net of corporate income tax asset	-405	82		0
12. Income tax expense		0		0
13. Other adjustments		0	-561	-561
<b>III. Net cash provided by (used in) operating activities (I+/-II)</b>	<b>-4 368</b>	<b>-8 785</b>	<b>0</b>	<b>0</b>
<b>B. Cash flows from investing activities</b>		0		0
<b>I. Cash provided by investing activities</b>				
1. Disposal of intangible assets and property, plant and equipment	14 535	13 033	0	0
2. Disposal of investment property and intangible assets held as investment	411	411		0
3. Cash provided by financial assets		0		0
4. Other cash provided by investing activities	14 124	12 622		0
<b>II. Cash used in investing activities</b>		0		0
1. Acquisition of intangible assets and property, plant and equipment		0		0
2. Acquisition of investment property and intangible assets held as investment		0		0
3. Cash used on financial assets		0		0
4. Dividends and other profit distributions to minority interests		0		0
5. Other cash used in investing activities	0	0	0	0
<b>III. Net cash provided by (used in) investing activities (I-II)</b>	<b>14 535</b>	<b>13 033</b>	<b>0</b>	<b>0</b>
<b>C. Cash flows from financing activities</b>		0		0
<b>I. Cash provided by financing activities</b>		0	0	0
1. Net proceeds from issue of shares, other equity instruments, and additional contributions to equity	0	0	0	0
2. Loans and borrowings		0		0
3. Issue of debt securities		0		0
4. Other cash provided by financing activities	0	0	0	0
<b>II. Cash used in financing activities</b>	<b>7 731</b>	<b>7 731</b>	<b>0</b>	<b>0</b>
1. Acquisition of treasury shares		0		0
2. Dividends and other distributions to shareholders	0	0	0	0
3. Distributions from profit other than distributions to shareholders		0		0
4. Repayment of loans and borrowings	2 159	2 159		0
5. Redemption of debt securities		0		0
6. Other financial liabilities		0		0
7. Payment of finance lease liabilities		0		0
8. Interest paid	5 572	5 572		0
9. Other cash used in financing activities	0	0	0	0
<b>III. Net cash provided by (used in) financing activities (I-II)</b>	<b>-7 731</b>	<b>-7 731</b>	<b>0</b>	<b>0</b>
<b>D. Total net cash flow (A.III+/-B.III+/-C.III)</b>	<b>2 436</b>	<b>-3 483</b>	<b>0</b>	<b>0</b>
<b>E. Balance-sheet change in cash, including:</b>	<b>2 436</b>	<b>-3 483</b>	<b>0</b>	<b>0</b>
- change in cash resulting from foreign exchange gains/(losses)		0		0
<b>F. Cash at beginning of period</b>	<b>50</b>	<b>5 969</b>	<b>50</b>	<b>50</b>
<b>G. Cash at end of period (F+/- D)</b>	<b>2 486</b>	<b>2 486</b>	<b>50</b>	<b>50</b>

## Part C – Directors' Report – Q3 2008

### I. ACCOUNTING POLICIES

The presented financial statements are the consolidated financial statements of the KOFOLA-HOOP Group which was established through the combination of Kofola Group and HOOP Group, carried out by way of a reverse acquisition.

The financial statements were prepared in accordance with International Financial Reporting Standards (IAS/IFRS). Under IFRS 3, from the accounting perspective, the Kofola Group is the acquirer (a subsidiary from the legal perspective), whereas the HOOP Group the acquiree (the acquirer from the legal perspective).

These consolidated financial statements are a continuation of the financial statements of the Kofola Group. The condensed financial statements are a continuation of the financial statements of Kofola SPV Sp. z o.o., the parent undertaking of the Kofola Group.

The HOOP Group was included in the consolidated financial statements as of the merger date, i.e. May 30th 2008. Thus, the comparable data presented in the financial statements relate solely to the entity which is a subsidiary from the legal perspective, but the acquirer from the accounting perspective.

The combination of the Hoop Group with the Kofola Group was accounted for using the acquisition method.

As at May 30th 2008, individual items of assets and liabilities of the Kofola Group (the acquiree, from the legal point of view) were aggregated, according to their carrying values, with corresponding items of assets, liabilities and contingent liabilities of the Hoop Group (the acquirer, from the legal point of view), according to their fair value as at the combination date.

In connection with the business combination, the goodwill was initially estimated at PLN 206,648 thousand. The goodwill is the excess of the cost of acquisition over the net fair value of identifiable assets, liabilities and contingent liabilities.

As at May 30th 2008, the cost of acquisition was established based on the fair value of Hoop S.A. shares as at the combination date, adjusted to the fair value of the Hoop Group disclosed in the plan of merger.

The table below sets forth the carrying values and the fair values of the main items of assets and liabilities of the Hoop Group as at the acquisition date (provisional estimate):



<b>ASSETS</b>	<b>Carrying value as at the combination date</b>	<b>Fair value (provisional)</b>
Non-current assets	143,304	474,691
Current assets	283,409	286,829
Non-current liabilities	42,804	87,928
Current liabilities	311,392	311,392
<b>NET ASSETS</b>	<b>72,517</b>	<b>362,200</b>
Including net assets attributable to shareholders of the parent		<b>327,773</b>
<b>Acquisition price</b>		<b>534,421</b>
<b>Goodwill from acquisition</b>		<b>206,648</b>

As at the balance-sheet date, no evidence of impairment of the goodwill disclosed under assets was identified.

If the combination had taken place at the beginning of the year, the Kofola-Hoop Group's net profit would amount to PLN 42,824 thousand, and its revenue would be PLN 1,141,355 thousand.

In accordance with IFRS 3, retained earnings and other items of equity in these consolidated financial statements are retained earnings and other items of equity of the group which, from the legal point of view, is the subsidiary, i.e. Kofola Group, directly before the acquisition. However, the structure of the capital (number and type of issued instruments) of the combined entity must reflect the structure of capital of the entity which, from the legal point of view, is the parent. Thus, the share capital after the combination amounts to PLN 26,171,918 and reflects the structure of capital of the entity which, from the legal point of view, is the parent, i.e. Kofola-Hoop S.A., including shares issued for the purposes of the combination.

Because the business combination was registered on May 30th 2008, in accordance with IFRS 3 the Kofola-Hoop Group accounted for the goodwill provisionally and may correct the disclosed amount within 12 months from the combination date.



## II. CONSOLIDATED COMPANIES OF THE KOFOLA-HOOP GROUP

Parent undertaking - **KOFOLA-HOOP S.A.**, registered office at ul. Jana Olbrachta 94, 01-102 Warsaw, Poland, was established following the merger of HOOP S.A. and Kofola SPV Sp. z o.o. which was registered on May 30th 2008.

The merger was effected by way of acquisition of the assets of Kofola SPV Spółka z ograniczoną odpowiedzialnością by HOOP Spółka Akcyjna, in exchange for shares issued to the shareholders of Kofola SPV Spółka z ograniczoną odpowiedzialnością. Until the merger date, Kofola SPV Sp. z o.o. was the sole shareholder in Kofola - Holding A.S., which manages the Kofola Group. With effect as of the merger registration date, the name HOOP S.A. was changed to Kofola - HOOP S.A.

Currently, the Company performs mainly the managing and controlling function for the Group's companies, and, as a supported employer of the disabled (and employing the disabled) it provides watchman, cleaning and market research services for the benefit of HOOP Polska Sp. z o.o.

1. Subsidiary undertaking - **Hoop Polska Sp. z o.o.**, registered office at ul. Jana Olbrachta 94, 01-102 Warsaw, Poland, in which KOFOLA-HOOP S.A. holds 85.62% of shares. Other shareholders are Paola S.A. (7.24% of shares) and Przedsiębiorstwo Produkcji Wód Mineralnych Woda Grodziska Sp. z o.o. (7.14% of shares) - subsidiary undertakings of KOFOLA-HOOP S.A.

On December 1st 2007, HOOP S.A., Paola S.A. and PPWM Woda Grodziska Sp. z o.o. were transferred to HOOP Polska Sp. z o.o. as a contribution in kind. Following the transaction, the entire production activities of the HOOP Group in Poland were concentrated in a single company. Subsequently, the core business of Hoop Polska Sp. z o.o. has been production and distribution of beverages in Poland.

2. Subsidiary undertaking - **KOFOLA Group**. KOFOLA Holding A.S. is a direct subsidiary undertaking which is the parent undertaking of another group. The address of KOFOLA Holding A.S.'s registered office is Nad Porubkou 2278/31A, 708 00 Ostrava - Poruba, the Czech Republic. KOFOLA Holding A.S. is wholly-owned by KOFOLA-HOOP S.A.

The KOFOLA Group is composed of:

- KOFOLA Holding A.S., parent undertaking, is based in the Czech Republic and performs the managing and controlling functions with respect to the other undertakings of the Kofola Group;
- Kofola A.S.(CZ) is based in the Czech Republic and its core business is the production and distribution of beverages in the Czech Republic;
- KLIMO-Vyroba s.r.o. is based in the Czech Republic. Until the end of October 2007, the company was engaged in distribution of beverages. On November 1st 2007 it was merged with Kofola A.S.(CZ) and since that date has not existed as a separate legal entity.
- Kofola Zrt.(HU) is based in Hungary and its core business is the distribution of beverages in Hungary;
- Kofola A.S.(SL) is based in Slovakia and its core business is the production and distribution of beverages in Slovakia;

- Kofola Sp. z o.o. is based in Poland and its core business is the production of beverages in the production plant in Kutno;
- Santa-Trans s.r.o. CZ is based in the Czech Republic and its core business is road transport;
- Santa-Trans.SK s.r.o. is based in Slovakia and its core business is road transport;
- KLIMO s.r.o. is based in the Czech Republic. In 2007, KLIMO s.r.o. was engaged in distribution of beverages in the Czech market; since the beginning of 2008, it has not conducted operations.

3. Subsidiary undertaking - the **Megapack Group**, whose parent undertaking is **OOO Megapack**, registered office in Promozno, Vidnoye, Leninsky District, Moscow Region, Russian Federation, in which KOFOLA-HOOP S.A. holds a 50% interest. The core business of the Megapack Group is the provision of bottling services, production of own beverage brands (including HOOP and Arctic) and their distribution in the Russian Federation.

4. Subsidiary undertaking - **Pomorskie Centrum Dystrybucji HOOP Sp. z o.o.**, registered office at ul. BoWiD 9e, 75-209 Koszalin, Poland, in which KOFOLA-HOOP S.A. holds 75% of shares, conferring the right to 75% of the total vote at the General Shareholders Meeting. The core business of PCD HOOP Sp. z o.o. is wholesale of beverages.

5. Subsidiary undertaking - **Bobmark International Sp. z o.o.** of Warsaw, Poland, in which KOFOLA-HOOP S.A. holds 100% of shares. The core business of Bobmark International Sp. z o.o. is wholesale of beverages.

6. Subsidiary undertaking - **Maxpol Sp. z o.o.** of Sufczyn, Poland, in which KOFOLA-HOOP S.A. holds 100% of shares. The core business of Maxpol Sp. z o.o. is wholesale of beverages.

7. Subsidiary undertaking - **Przedsiębiorstwo Produkcji Wód Mineralnych Woda Grodziska Sp. z o.o.**, registered office at ul. St. Mikołajczyka 8, 62-065 Grodzisk Wielkopolski, Poland, in which KOFOLA-HOOP S.A. holds 99.88% of shares, representing 99.88% of the total vote at the General Shareholders Meeting. Until the end of November 2007, the core business of PPWM Woda Grodziska Sp. z o.o. consisted mainly in the lease of its production assets. Following the contribution of PPWM Woda Grodziska Sp. z o.o. to HOOP Polska Sp. z o.o., PPWM Woda Grodziska Sp. z o.o. has not conducted any business activity.

8. Subsidiary undertaking - **Paola S.A.**, registered office in Bielany Wrocławskie, near Wrocław, Poland, in which KOFOLA-HOOP S.A. holds 100% of shares. Until the end of November 2007, the core business of PAOLA S.A. was the production and sale of high-sugar fruit juices and syrups. Following the contribution of Paola S.A. to HOOP Polska Sp. z o.o., Paola S.A. has not conducted any business activity.

9. Jointly-controlled undertaking - **Transport-Spedycja-Handel-Sulich Sp. z o.o.**, of Bielsk Podlaski, Poland. Its core business is road transport.





### **III. FINANCIAL RESULTS**

When analysing the financial results presented in these consolidated statements of the KOFOLA-HOOP Group, it should be noted that in accordance with the International Accounting Standards, Kofola SPV Sp. z o.o. was the acquirer in the merger of HOOP S.A. and Kofola SPV Sp. z o.o. Therefore, the balance-sheet items presented in the consolidated financial statements for periods before the merger date i.e. data as at December 31st 2007 and as at September 30th 2007, refer to the Kofola Group. Similarly, the consolidated income statements for Q3 2007 and for the first three quarters of 2007 refer only to the Kofola Group. The income statement for the first three quarters of 2008 includes the data of the Kofola Group for the period January 1st - May 30th 2008 and the data of the two combined Groups (Kofola Group and Hoop Group) for the period May 31st-September 30th 2008. The consolidated income statement for Q3 2008 contains data for the two combined Groups.

IV. MARKET SHARES

## MARKET IN CZECH REPUBLIC

Market shares of KOFOLA-HOOP S.A. on the Czech market in the following categories (comparison for 3rd Q 2008 and 2007)

Type of Product	Q3_2008		Q3_2007		Q3_2008 vs. Q3_2007
	% Share of Volume	% Share of Value	% Share of Volume	% Share of Value	Change in Category Value
<b>Carbonated Beverages</b>	15,5%	21,9%	14,0%	20,7%	0,6%
Carbonated Beverages COLA	28,4%	28,6%	27,4%	28,1%	8,2%
<b>Non Carbonated Beverages</b>	9,4%	11,3%	9,0%	12,9%	0,9%
<b>Waters</b>	3,5%	4,8%	3,9%	5,1%	10,1%
non-flavoured	4,3%	6,4%	5,0%	7,1%	-0,8%
flavoured	2,6%	3,6%	2,4%	3,3%	20,1%
<b>Syrups</b>	34,5%	38,3%	33,0%	37,1%	11,0%

### CARBONATED BEVERAGES (3Q 2008)

- There is a strong decline in volume in the category of carbonated beverages. Value is not declining thanks to price increases.
- KOFOLA-HOOP S.A. is keeping and even improving its position in this category.
- COLA drinks are the only sub-segment of this category which is doing well especially in the value terms.



- KOFOLA-HOOP S.A. holds second position among COLA drinks and is slowly improving.

### **NON CARBONATED BEVERAGES (3Q 2008)**

- The market situation in this category is very similar to the situation of carbonated beverages it means overall volume is declining, value is stable.
- Position of KOFOLA-HOOP S.A. in this category is stabilised.

### **WATERS (3Q 2008)**

- Waters are fastest growing category among soft drinks in volume and slightly second in value.
- The reason for this growth is only the sub segment of flavoured waters.
- The position of KOFOLA-HOOP S.A. in this category is not very strong but stable.

### **SYRUPS (3Q 2008)**

- Category of syrups is the fastest growing category in value on the market of soft drinks.
- KOFOLA-HOOP S.A. is dominating this category and even improving its position.

Source: the Nielsen Company (CZ)

## MARKET IN SLOVAKIA

Market shares of KOFOLA-HOOP S.A. on the Slovak market in the following categories (comparison for 3rd Q 2008 and 2007)

Type of Product	Q3_2008		Q3_2007		Q3_2008 vs. Q3_2007
	% Share of Volume	% Share of Value	% Share of Volume	% Share of Value	Change in Category Value
<b>Carbonated Beverages</b>	13,8%	22,8%	10,6%	17,9%	2,1%
Carbonated Beverages COLA	23,2%	30,9%	21,4%	30,2%	9,6%
<b>Non Carbonated Beverages</b>	4,9%	8,3%	5,4%	10,1%	2,3%
<b>Waters</b>	7,9%	11,6%	6,5%	8,9%	7,6%
non-flavoured	5,2%	6,9%	5,5%	7,2%	-4,8%
flavoured	16,8%	21,3%	11,4%	14,1%	48,2%
<b>Syrups</b>	8,1%	11,7%	9,7%	14,2%	-1,1%

Source: the Nielsen Company (SK)



## **CARBONATED BEVERAGES (3Q 2008)**

- Similar to the market in Czech Republic is the situation in the carbonated beverages category in Slovakia it means strong decline in the overall volume with small increase in the value.
- Growth in value of COLA drinks is also helping the whole category in Slovakia comparably to Czech Republic.
- Despite the trends KOFOLA-HOOP S.A. is significantly improving its position in the carbonated beverages especially in value terms.
- As for the COLA drinks, KOFOLA-HOOP S.A. is the market leader with outlook of slight improvement.

## **NON CARBONATED BEVERAGES (3Q 2008)**

- Non carbonated beverages decrease in volume and the value rise is only moderate.
- KOFOLA-HOOP S.A. is lagging in this category and its position doesn't even have the tendency of improvement.

## **WATERS (3Q 2008)**

- Waters are by far the fastest growing category both in volume and value in Slovakia.
- Especially the sub-segment of flavoured waters has a rapid growth above 40% percentage points both in volume and value.
- Thanks to its original flavours and successful marketing campaign KOFOLA-HOOP S.A. is leading the sub-segment of flavoured waters.
- Non flavoured waters are on the decline.
- In non flavoured waters KOFOLA-HOOP S.A. has stable but not very significant position.

## **SYRUPS (3Q 2008)**

- Syrups are the only category where both volume and value is declining.
- Despite that fact KOFOLA-HOOP S.A. is not even successful to keep its position in this category.

## KOFOLA-HOOP GROUP AGAINST THE POLISH MARKET

The share of KOFOLA-HOOP Group in the domestic market in particular segments (the mean for Q3 of 2007 and 2008)

Type of Product	Q3_2008		Q3_2007		Q3_2008 vs. Q3_2007
	% Share of Volume	% Share of Value	% Share of Volume	% Share of Value	Change in Category Value
<b>Carbonated Beverages</b>	<b>9,5%</b>	<b>6,9%</b>	<b>11,3%</b>	<b>8,2%</b>	<b>17,2%</b>
Carbonated Beverages COLA	10,7%	7,2%	10,9%	7,1%	23,3%
<b>Non Carbonated Beverages</b>	<b>10,8%</b>	<b>9,9%</b>	<b>13,1%</b>	<b>12,5%</b>	<b>22,0%</b>
<b>Waters</b>	<b>2,2%</b>	<b>4,0%</b>	<b>2,3%</b>	<b>3,8%</b>	<b>13,5%</b>
non-flavoured	0,9%	1,3%	1,0%	1,7%	10,6%
flavoured	9,8%	13,1%	9,7%	12,0%	24,5%
<b>Syrups</b>	<b>14,0%</b>	<b>17,7%</b>	<b>16,8%</b>	<b>19,2%</b>	<b>13,8%</b>
<b>Energy drinks</b>	<b>4,7%</b>	<b>2,7%</b>	<b>1,7%</b>	<b>0,9%</b>	<b>27,7%</b>

Source: HOOP Polska Spółka z o.o. acc. to AC Nielsen Polska

During the third quarter of 2008 the sales level in Poland for Kofola-Hoop SA increased by 4.7% in comparison to the same period in 2007. The growing trend has continued across all the categories of beverages, with double-digit sales volume and value growths.

Kofola-Hoop group is maintaining a salient position on fast growing markets.

### CARBONATED BEVERAGES (3Q 2008)

- Kofola-Hoop Group is the third largest player on the market of carbonated soft drinks, with stable long-term shares (MAT)<sup>1</sup> at the level exceeding 11% for volume shares, and over 8% for value shares.

<sup>1</sup> MAT Moving Annual Total – here for the period between July 2007 and September 2008.



- The volume and the value of the market in the long-term trend is growing (ca. 6% volume-wise, and 13% in terms of value), chiefly due to the development of the Cola-flavoured beverages with a Y2Y value increase at 19.6% and 17.6% volume growth.
- Hoop Cola sales increase in the thriving category of Cola-flavoured beverages vs. the third quarter of 2007 - by 16.9% volume-wise and by 25.6% value-wise. Hoop Cola is the only brand in this segment, which sales value are growing (+25.6%), quicker than the market (+23.3%).
- Establishing stable position and heading towards further expansion, thanks to marketing and sales investments in key brands, e.g. continued intense advertising campaigns for particular brands.
- Strengthening the position of the Mr.Max brand in the economy segment.

### **NON CARBONATED BEVERAGES (3Q 2008)**

- Strong market growth (Q3 2008 vs. Q3 2007) (by 12,1% in terms of volume, and by 22.0% in terms of value) thanks to growing popularity of carton packaging (+18.9% - in terms of volume, and 22.3% value-wise) as well as beverages available in PET packaging (+10.8% in terms of volume, and +29.7% in terms of value).
- Thanks to a company merger and strong support for the key brands, Kofola-Hoop has regained its position of a volume leader in the category of non-carbonated soft drinks sold in PET packaging (22.5% volume share of the PET market). As far as the value is concerned, the brand has regained its second position (with 22.8% value share of the PET market).
- As far as the entire market of non-carbonated soft drinks is concerned, among manufacturers offering their products both in plastic PET packaging, and in cartons Kofola Hoop is the third largest player (both in terms of value and volume).

### **WATERS (3Q 2008)**

- The largest category of beverages, both with regards to its volume and value, characterised by a stable growth 3Q of 2007 - an 8% volume and a 13.5% value increase.
- The mean price of products representing this category is increasing due to higher unit prices of flavoured mineral water products. The category of flavoured water has increased by over 24.5% in terms of its value, which has been accompanied by a sales growth by 11.8%.
- Arctic - the key brand offered by Hoop SA, declining sales and market shares. Despite that, the brand has managed to maintain its position among the first 10 market players with a 1.9% volume and 3.2% value share.



- Arctic Ice Fruit is the 2-nd brand in its category both with regards to the value and volume (8.4% - volume, and 9.9% - value).
- Jupik Aqua, as children dedicated flavoured water, in 6 month since launch, achieved at the end of 3Q 2008 4,2% value shares and 1,8% volume shares of the flavoured mineral water market. (average shares in 3Q was 3,2% value, 1,3% volume).

### **SYRUPS (3Q 2008)**

- The market of cordials as an alternative to juice and soft drinks grew less dynamically during summer (+7.0% volume-wise and 13.8% value-wise vs. 3Q 2007).
- Paola - the second market player with 17.7% value and 14.1% volume share.

### **ENERGY DRINKS (Q3 2008)**

- The most dynamically growing market - 60.9% of volume and 27.7% of value increase vs. the third quarter of 2007.
- Kofola-Hoop group with its R20 is the third best-selling brand volume-wise (4,7% volume shares). As far as value is concerned, it is the 6<sup>th</sup> best-selling energy drink in Poland (2,7% volume shares). (Its share growth by the end of 3Q 2008 amounted to 5.5% in terms of volume and 3.2% in terms of value).

On the beverage market the highest growing brands across all the categories are the so-called private (own) labels manufactured for retail chains. Nevertheless, they are not taken into account for the total Kofola-Hoop SA group market share, and in accordance with their character, they are treated as a separate group, one of market leaders. Kofola-Hoop Group as the largest manufacturer of private labels in Poland constantly increases the sales and revenue generated by this very category.

*All the data: Hoop Polska Sp. z o.o. acc. to ACNielsen Polska.*

The share of KOFOLA-HOOP Group in the domestic market in particular segments except Kofola products (the mean for Q3 of 2007 and 2008).



## V. SUPPLEMENTARY INFORMATION

**1. Description of events subsequent to the date of the quarterly financial statements, which have not been included in these statements and which may significantly affect the future performance of the KOFOLA-HOOP Group**

No events occurred which might materially affect the future performance.

**2. Management Board's position on the feasibility of meeting the 2008 financial forecasts published earlier, in the light of the results presented in this quarterly report in comparison with the forecast results**

The Company did not publish any official financial forecast for 2008.

**3. Information on the shareholders holding, directly or indirectly through subsidiaries, 5% or more of the total vote at the General Shareholders Meeting of KOFOLA-HOOP S.A. as at the date of this quarterly report, specifying the numbers of shares held by these shareholders, their interests in the Company's share capital, the resulting number of votes at the General Shareholders Meeting and their share in the total vote at the General Shareholders Meeting**

To the best of the Company's knowledge as at November 14th 2008, i.e., the date of release of the Q3 2008 report, the following persons held shares conferring the right to 5% or more of the total vote at the General Shareholders Meeting of KOFOLA-HOOP S.A.:

### I. KSM Investment S.A.

13,395,373 shares representing 51.18% of KOFOLA-HOOP S.A.'s share capital; 13,395,373 votes representing 51.18% of the total vote at the General Shareholders Meeting of KOFOLA-HOOP S.A.

### II. CED GROUP S. a r.l. of Luxembourg

11,111,959 shares, representing 42.46% of KOFOLA-HOOP S.A.'s share capital; 11,111,959 votes representing 42.46% of the total vote at the General Shareholders Meeting of KOFOLA-HOOP S.A.

**4. Presentation of changes in the number of KOFOLA-HOOP S.A. shares and share-related rights (options) held by management and supervisory personnel**

According to the information available to the Company, the following members of the Company's management and supervisory personnel held the Company shares as at the date of release of this report for Q3 2008:

### Management Board KOFOLA-HOOP S.A.:

Shareholder	Number of shares		% of share capital		Votes at the general Shareholders Meeting	
	Nov 14 2008	Aug 14 2008	Nov 14 2008	Aug 14 2008	Nov 14 2008	Aug 14 2008
<b>Rene Musila</b>	760,209	760,209	2.9%	2.9%	2.9%	2.9%
<b>Tomas Jendrejek</b>	760,160	760,160	2.9%	2.9%	2.9%	2.9%



#### **5. Information on any court, arbitration or administrative proceedings**

In Q3 2008, no court, arbitration or administrative proceedings were pending, which would relate to liabilities or claims of KOFOLA-HOOP S.A. or its subsidiary with the total value amounting to 10% or more of the Company's equity.

#### **6. Information on the conclusion, by the Company or its subsidiary undertakings, of a single transaction or a series of transactions with related undertakings, where the transaction value (total value of all transactions concluded since the commencement of the accounting year) exceeds the PLN equivalent of EUR 500,000, the transaction is not a typical or routine transaction concluded at arms' length within the Group, or a transaction whose nature and terms follow from the day-to-day operations conducted by the Company or its subsidiary**

In Q3 2008, KOFOLA-HOOP S.A. and its subsidiary undertakings did not conclude any related party transactions which would not be typical or routine transactions concluded at arms' length within the Group or whose nature and terms would not follow from the day-to-day operations conducted by the Company or its subsidiaries.

#### **7. Information on any sureties for loans or guarantees issued by the Company or its subsidiary undertakings, jointly to one entity or its subsidiary, where the total amount of the outstanding sureties or guarantees represents 10% or more of the Company's equity**

In Q3 2007, HOOP S.A. concluded a cooperation agreement with Kredyt Bank Spółka Akcyjna concerning the bank's claims against Fructo-Maj Sp. z o.o. The agreement was concluded in connection with HOOP S.A.'s intention to acquire 80% of shares in Fructo-Maj Sp. z o.o. The performance of HOOP S.A.'s obligations under the agreement is secured with a blank promissory note and a promissory note declaration (up to PLN 17,098 thousand, valid until September 14th 2010).

On October 30th 2007, the promissory note declaration and the blank promissory note serving as security under the cooperation agreement with Kredyt Bank S.A. were signed.

The value of sureties granted by HOOP S.A. to secure the repayment of loans transferred as part of the in-kind contribution to HOOP Polska Sp. z o.o. amounts to PLN 41,608 thousand.

#### **8. Factors which may have a bearing on the KOFOLA-HOOP Group's results in the next quarter and beyond**

In the years 2009-2012, the key strategic objective for the Group is to increase its value. The Group intends to meet this objective by developing its existing portfolio of non-alcoholic beverages, and adding new brands to its brand portfolio through possible acquisitions.

In terms of geographical coverage, the Group plans to focus its operations on the markets in the Czech Republic, Slovakia and Poland, where its



position is currently the strongest. The Group is going to have separate dedicated teams working in each of these markets, responsible for the preparation and implementation of marketing, sales and production-related activities.

In addition, the Kofola-Hoop Group plans to strengthen its position in selected segments of the non-alcoholic beverages market, particularly in the Cola, waters, fruit beverages and syrups segments.

Until the end of 2008, the Group expects to have developed a strategy for OOO Megapack, a company operating in Russia in which Kofola-Hoop S.A. holds a 50% interest.

In the forthcoming months, the Management Board of Kofola-Hoop S.A. plans to concentrate on the following key areas:

- completion of the integration of the organisational structures of Kofola and HOOP, in order to take full advantage of the merger synergies and achieve financial gains,
- improvement of efficiency by discontinuing operations which fail to generate sufficient profits,
- organisation of management of Group's holding companies,
- implementation of uniform IT systems in all major companies of the Group.

By achieving these objectives the Kofola-Hoop Group should significantly improve its performance in the forthcoming years, which would lead to a growth in its value as forecasted in the Strategy.

**Signatures of persons representing the Company**

<b>Nov 14th 2008</b> <i>date</i>	<b>Janis Samaras</b> <i>name</i>	<b>President of the Management Board</b> <i>title</i>	<i>signature</i>
<b>Nov 14th 2008</b> <i>date</i>	<b>Ireneusz Sudnik</b> <i>name</i>	<b>Member of the Management Board</b> <i>title</i>	<i>signature</i>
<b>Nov 14th 2008</b> <i>date</i>	<b>Simona Novakova</b> <i>name</i>	<b>Member of the Management Board</b> <i>title</i>	<i>signature</i>



**Nov 14th 2008**  
*date*

**Martin Mateas**  
*name*

**Member of the Management Board**  
*title*

*signature*

**Nov 14th 2008**  
*date*

**Rene Musila**  
*name*

**Member of the Management Board**  
*title*

*signature*

**Nov 14th 2008**  
*date*

**Tomas Jendrejek**  
*name*

**Member of the Management Board**  
*title*

*signature*

**Nov 14th 2008**  
*date*

**Tomasz Jankowski**  
*name*

**Chief Financial Officer**  
*title*

*signature*

**Nov 14th 2008**  
*date*

**Katarzyna Balcerowicz**  
*name*

**Chief Accountant**  
*title*

*signature*