

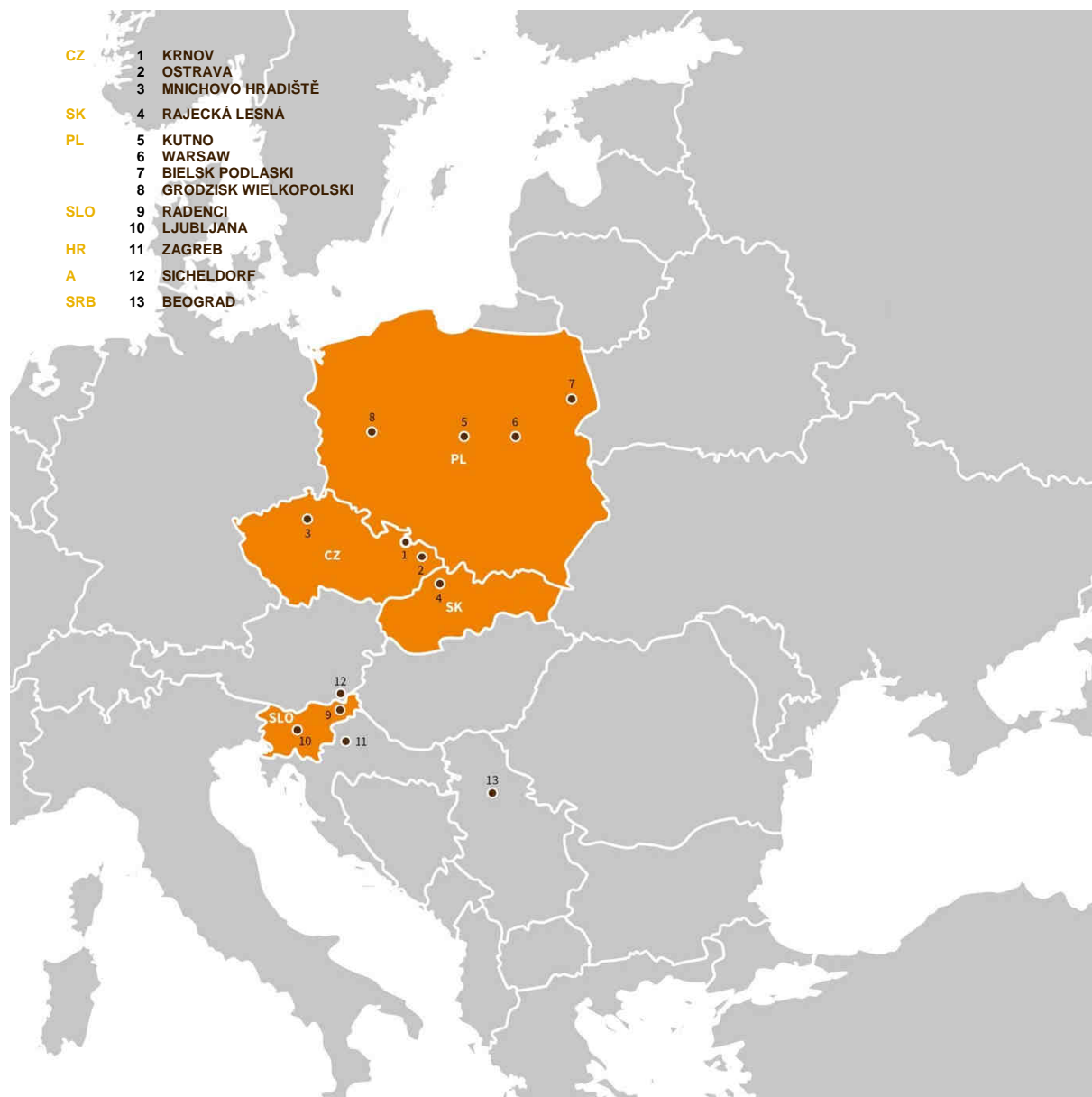


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1.1 Description of the KOFOLA S.A. Group

The **KOFOLA S.A. GROUP** is one of the leading producers of non-alcoholic beverages in Central Europe. The Group operates in the Czech Republic, Slovakia, Poland, Slovenia and in Austria.



OUR MISSION AND GOAL

We are Kofola. With enthusiasm we strive for what is truly important in life: to love, to live healthy and always look for new ways.

2015 AWARDS

Czech TOP 100 – Kofola a.s. Czech Republic, the third most admired company in the Czech Republic in 2014.

Drinks for children **Jupik** and syrups **Paola** produced by Hoop Polska have been awarded the prestigious title of **Product of the Year - 2015 Consumer Choice**.

According to the Association of Students and Graduates Kofola a.s. Czech Republic awarded **TOP employer** in FMCG business sector.

Best Buy award - Radenska Classic received the Slovenian consumers award for the best balance between price and quality in the category of sparkling water.

AGRA 2014 – Radenska's products were awarded golden medal at the 18th International Assessment of fruit juice drinks and bottled water on 52. International Agricultural Fair AGRA.

Trusted Brand – Radenska received a Trusted Brand award in the category of bottled waters. This prize is awarded based on European consumer research, organized by magazine Reader's Digest worldwide for 15 years; in Slovenia for 9 years.

Product of year – Radenska IN received Product of year award – research made by company Nielsen; they have selected a total of 22 innovative products and services.

CFO of the year – Daniel Buryš, Group Chief Financial Officer, was awarded CFO of the year in the Czech Republic by The Club of Financial Directors.

Golden Dolphin – Jiří Vlasák, Marketing Director of Kofola CS obtained the Golden dolphin award from the Czech marketing society for projects supporting successful strategy by developing marketing tools



WE ARE PROUD OF OUR SUCCESSES...



COMPANIES OF THE KOFOLA S.A. GROUP AS AT JUNE 30, 2015

Holding companies:

KOFOLA S.A. – Kutno (PL)
Kofola CS a.s. – Ostrava (CZ)
Alofok Ltd – Limassol (CYP)
Kofola družba za upravljanje d.o.o. – Ljubljana (Slovenia)
Kofola ČeskoSlovensko a.s. – Ostrava (CZ)

Production and trading companies:

Kofola a.s. – Krnov, Mnichovo Hradiště, Prague (CZ)
Kofola a.s. – Rajecká Lesná, Bratislava (SK)
Hoop Polska Sp. z o.o. – Kutno, Bielsk Podlaski, Grodzisk Wielkopolski, Warsaw (PL)
Pinelli spol. s r.o. – Krnov (CZ)
UGO trade s.r.o. – Krnov (CZ)
Radenska d.d. – Radenci (Slovenia)
Radenska Miral d.o.o. – Ljubljana (Slovenia)
Radenska d.o.o. – Beograd (Serbia)
Radenska d.o.o. – Zagreb (Croatia)
Sicheldorfer GmbH – Sicheldorf (Austria)

Transport companies:

Santa-Trans s. r. o. – Krnov (CZ)

Investment in associate:

OOO Trading House Megapack – Moscow, Widnoje, Moscow Region (RU) - *Distribution company*
OOO Megapack – Moscow, Promozno, Vidnoye, Moscow Region (RU) - *Production and trading company*



OUR MAIN BRANDS IN 2015



THE GROUP'S STRUCTURE AND CHANGES THEREIN IN THE REPORTING PERIOD

As at 30 June 2015 the Group comprised the following entities:

Company Name	Headquarters	Range of activity	Consolidation method	Direct or indirect % part in share capital	% part in voting rights
1. KOFOLA S.A.	Poland, Kutno	holding	parent company		
2. Kofola CS a.s.	Czech Republic, Ostrava	holding	acquisition accounting	100.00%	100.00%
3. Hoop Polska Sp. z o.o.	Poland, Kutno	production and distribution of non-alcoholic beverages	acquisition accounting	100.00%	100.00%
4. Kofola a.s.	Czech Republic, Krnov	production and distribution of non-alcoholic beverages	acquisition accounting	100.00%	100.00%
5. Kofola a.s.	Slovakia, Rajecká Lesná	production and distribution of non-alcoholic beverages	acquisition accounting	100.00%	100.00%
6. Santa-Trans s.r.o.	Czech Republic, Krnov	road cargo transport	acquisition accounting	100.00%	100.00%
7. Alofok Ltd	Cyprus, Limassol	holding	acquisition accounting	100.00%	100.00%
8. PINELLI spol. s r.o.	Czech Republic, Krnov	trademark licensing	acquisition accounting	100.00%	100.00%
9. UGO trade s.r.o.	Czech Republic, Krnov	operation of fresh bars chain	acquisition accounting	90.00%	90.00%
10. Kofola ČeskoSlovensko a.s.	Czech Republic, Ostrava	inactive	acquisition accounting	100.00%	100.00%
11. Kofola družba za upravljanje d.o.o.	Slovenia, Ljubljana	holding	acquisition accounting	100.00%	100.00%
12. Radenska d.d.	Slovenia, Radenci	production and distribution of non-alcoholic beverages	acquisition accounting	97.62%	97.62%
13. Radenska Miral d.o.o.	Slovenia, Radenci	trademark licensing	acquisition accounting	97.62%	97.62%
14. Radenska d.o.o.	Serbia, Beograd	inactive	acquisition accounting	97.62%	97.62%
15. Radenska d.o.o.	Croatia, Zagreb	inactive	acquisition accounting	97.62%	97.62%
16. Sicheltdorfer GmbH	Austria, Sicheltdorf	production and distribution of non-alcoholic beverages	acquisition accounting	97.62%	97.62%
17. OOO Megapack	Russia, Widnoje	production of non-alcoholic and low-alcoholic beverages	equity accounting	50.00%	50.00%
18. OOO Trading House Megapack	Russia, Widnoje	sale and distribution of non-alcoholic and low-alcoholic beverages	equity accounting	50.00%	50.00%

The parent company – **KOFOLA S.A.** (“the Company”, “the Issuer”) with its registered office in Kutno, 99-300, ul. Wschodnia 5. At this time the Company's functions consist primarily of management and ownership 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 Kutno 99-300, ul. Wschodnia 5, in which the KOFOLA S.A. holds 100% of shares. The company's main area of activities is the production and sale of non-alcoholic beverages.

The subsidiary – **Kofola CS a.s.** (until 1 June 2015 Kofola ČeskoSlovensko a.s.) is a company that manages the Group and at the same time is the parent company of the Kofola CS a.s. Group, with its registered office in Ostrava, Nad Porubkou 2278/31A, 708 00 Ostrava - Poruba, the Czech Republic, in which KOFOLA S.A. holds 100% of shares in the share capital.

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

- Kofola CS a.s. – the parent company – registered in the Czech Republic performing management and control of the other entities comprising the KOFOLA S.A. Group.
- Kofola a.s. (CZ) – a company registered in the Czech Republic, with main activities consisting of the production and distribution of beverages on the territory of the Czech Republic.
- Kofola a.s. (SK) – a company registered in Slovakia, with main activities consisting of the production and distribution of beverages on the territory of Slovakia.
- Santa-Trans s.r.o. (CZ) – a company registered in the Czech Republic, with main activities consisting of road cargo transport provided mainly to the Kofola a.s. (Czech Republic).
- Pinelli spol. s r.o. (CZ) – a company registered in the Czech Republic, in which the Kofola a.s. (CZ) holds 100% of shares. At present Pinelli spol. s r.o. owns Semtex and Erektus trademarks.

- UGO trade s.r.o. (CZ) – a company registered in the Czech Republic, where Kofola CS a.s. (CZ) holds 90% of shares after merger with companies Mangaloo s.r.o., Mangaloo freshbar s.r.o. The merger was registered by the court on 30 October 2014. The company's main area of activities is managing of fresh bars chain.
- Kofola družba za upravljanje d.o.o. – a company registered in Slovenia as a holding company for acquisition of Radenska d.d.
- Radenska d.d. – a company registered in Slovenia, with main activities consisting of the production and distribution of beverages on the territory of former Yugoslavia.
- Radenska Miral d.o.o. – a company registered in Slovenia and owns Radenska trademark.
- Radenska d.o.o. – a company registered in Serbia and does not conduct any operations.
- Radenska d.o.o. – a company registered in Croatia and does not conduct any operations.
- Sichelborfer GmbH – a company registered in Austria, with main activities consisting of the production and distribution of beverages on the territory of Austria.

The subsidiary – **Kofola ČeskoSlovensko a.s.** (until 19 June 2015 Ywaki Consulting a.s.) is an inactive company, with its registered office in Ostrava, Nad Porubkou 2278/31A, 708 00 Ostrava - Poruba, the Czech Republic, in which KOFOLA S.A. holds 100% share.

The subsidiary – **Alofok Ltd.** – the Group member company since 5 February 2013, with its registered office in Limassol, Cyprus, where KOFOLA S.A. holds 100% of share. The company holds 50% of shares in the Megapack Group.

An associate – **the Megapack Group**, with its parent company OOO Megapack with its registered office in Promozno, Vidnoye, Leninskiy District, Moscow Region, the Russian Federation, where KOFOLA S.A. holds 50% of shares in the share capital. The main activities of the Megapack Group are the provision of beverage bottling services to third parties, production of own beverages, as well as their distribution on the territory of the Russian Federation.

COMPANIES PRESENTED FOR THE COMPARATIVE PERIOD ONLY:

The subsidiary – **STEEL INVEST Sp. z o.o.** – in which KOFOLA S.A. held 100% share. The shares in STEEL INVEST Sp. z o.o. were disposed of on 2 March 2015. Because of immateriality the Company's data are presented for the comparative period only.

The subsidiary – **Pomorskie Centrum Dystrybucji HOOP Sp. z o.o.** The main activity of PCD HOOP Sp. z o.o. was the wholesale of beverages. After the sale of its assets, the company's activities were extinguished. The shares in PCD HOOP Sp. z o.o. were disposed of on 14 January 2014.

1.2 Most significant events in the KOFOLA S.A. Group in the period from 1 January 2015 to the preparation of the present financial information

ACQUISITION OF RADENSKA D.D.

The Group acquired 97.62% of Slovenian company Radenska d.d., the number one producer of natural mineral and spring water products in Slovenia.

The transaction constitutes great opportunity for the Group to establish its presence in another European region. The Group will utilise the synergies coming from use of its know-how, efficient processes and innovations and is looking forward to develop and further build the Radenska brand. Also, the Group anticipates that the acquisition of Radenska will support its expansion possibilities to the Balkan market.

DISTRIBUTION OF RAUCH PRODUCTS

Since the beginning of 2015 the Group is the exclusive distributor of Rauch products in the Czech Republic and Slovakia. It is a beginning of a long-term cooperation between two producers with common philosophy and values - quality products and continuous innovation towards healthier beverages. This cooperation with a family run company that is alike Kofola Group still owned by its original founders will make the Kofola Group a partner with the most comprehensive and high-quality portfolio in the CzechoSlovak soft drinks market offering beverages that satisfy even the most demanding customers.

SHARE PURCHASE AGREEMENT TO ACQUIRE STAKE IN SLOVAK MINERAL WATER PRODUCER

On 19 June 2015, the Group concluded a sales and purchase agreement with LVJ s.r.o. to purchase 100% share in Slovakian WAD GROUP a.s., owner of 40% share in Slovakian WATER HOLDING a.s., a parent company of Slovenské pramene a žriedla a.s., Stredoslovenské žriedla a.s. and Zlatá studňa s.r.o. Water Holding Group is one of the leaders on Slovak bottled water market. Key brands of the group are Budiš, Fatra, Gemerka and Zlatá Studňa. The Parties have agreed on specific conditions precedent to be met. By the date of the preparation of the present report (i.e. 19 August 2015) conditions precedent has not been fulfilled yet.

CONCLUSION OF LOAN AGREEMENT BY SUBSIDIARY KOFOLA CS A.S.

On 12 March 2015, Kofola CS a.s. (formerly Kofola ČeskoSlovensko a.s.) concluded a loan agreement with Česká spořitelna a.s. and Československá obchodní banka a.s. up to a maximum equivalent amount of EUR 69 000 thousand in order to finance the purchase of shares of Radenska d.d. by subsidiary Kofola družba za upravljanje d.o.o. The final repayment date is 31 March 2024. Currency of the loan is Czech crown. Loan rates are PRIBOR plus the bank's margin. Security of the loan are pledge on the shares of Kofola družba upravljanje d.o.o. Slovenia, a pledge on Kofola CS a.s.'s receivables from Kofola družba za upravljanje d.o.o. under the loan to finance the purchase of shares of Radenska d.d., financial guarantees granted by KOFOLA S.A. and subsidiaries operating companies Kofola a.s. (CZ) and Kofola a.s. (SK), negative pledge over the selected trademarks owned by Kofola CS a.s., negative pledge over the enterprise of Kofola CS a.s., first ranking pledge over the all acquired shares of Radenska d.d.

SALE OF SHARES IN A SUBSIDIARY – STEEL INVEST SP. Z O.O.

KOFOLA S.A. made another step on its way to simpler and more effective group structure by disposing of all of its shares in subsidiary STEEL INVEST Sp. z o.o. on 2 March 2015.

CHANGES IN SUPERVISORY BOARD OF KOFOLA S.A.

After resigning by Mrs. Agnieszka Donica from Supervisory Board on 25 May 2015, the majority shareholder KSM INVESTMENT S.A. Luxembourg on the following day has appointed Mr. Petr Pravda as new member of the Supervisory Board of KOFOLA S.A.

CHANGES IN BOARD OF DIRECTORS OF KOFOLA S.A.

After resigning by Mr. Martin Mateáš from Board of Directors on 26 May 2015, the Supervisory Board of KOFOLA S.A. on the following day has appointed two following new members of the Board of Directors: Roman Zúrik and Jiří Vlasák.

BUY-BACK TRANSACTIONS

As part of the Buy-Back Program shares realized with agency of DM Copernicus Securities SA implemented on the basis of Resolution No. 22 of the Annual General Meeting held on 24 June 2014 the Company acquired for redemption, on 13 August 2014 and 22 May 2015 total of 573 shares with a nominal value of PLN 1.00 each, with a total nominal value of PLN 573 representing 0.0022 % of share capital, for PLN 21 thousands.

1.3 Description of operating results and financial position

Presented below is a description of the financial position and results of the KOFOLA S.A. Group for the six-month period of 2015. It should be reviewed along with the consolidated financial statements and with other financial information presented in the current report. All amounts are stated in PLN thousands unless stated otherwise.

To better introduce the Group's financial position, in addition to the consolidated financial statements prepared in accordance with the accounting methods arising out of International Financial Reporting Standards, the Management is also presenting the consolidated financial results, adjusted for one-off events and recalculated by the same exchange rate.

Due to significant differences in the Czech crown, Euro and Russian ruble exchange rates to the Polish zloty between the reporting period of 2015, and the same period of 2014, in order to present better comparability of financial statements of the Group's Czech, Slovak and Russian companies, the data for the comparable period of 2014 was converted to the Polish zloty with the exchange rate from the six-month period ended 30 June 2015. Information about rates used for translation purposes can be found in Note 4.3. The consolidated financial statements presenting data translated using exchange rates for the given period is presented in the second part of the present report.

It should be noted that only in Note 1.3 the comparative data have been converted at the exchange rate applicable to the reported period of 2015. In all other notes the comparative data have been translated at the historical rate.

ADJUSTED CONSOLIDATED FINANCIAL RESULTS

Selected financial data	1.1.2015 - 30.6.2015	One-off adjustments	1.1.2015 - 30.6.2015 adjusted	Reported 1.1.2014 - 30.6.2014	Reported recalculated* 1.1.2014 - 30.6.2014 – adjusted comparative data
Revenue	505 218	5 327	510 545	464 856	459 364
Cost of sales	(297 957)	(3 374)	(301 331)	(295 320)	(292 246)
Gross profit	207 261	1 953	209 214	169 536	167 118
Selling, marketing and distribution costs	(130 739)	577	(130 162)	(115 444)	(113 823)
Administrative costs	(29 132)	1 308	(27 824)	(25 377)	(24 930)
Other operating income/(expenses), net	(5 948)	9 389	3 441	1 007	976
Operating result	41 442	13 227	54 669	29 722	29 341
EBITDA	78 296	13 227	91 523	63 306	62 507
Financial expenses, net	(5 688)	-	(5 688)	(6 278)	(6 480)
Income tax	(6 293)	(2 513)	(8 806)	(5 636)	(5 559)
Net profit / (loss) for the period	29 461	10 714	40 175	17 808	17 302
- attributable to shareholders of the parent company	29 197	10 714	39 911	17 791	17 285

* results reported as comparative data in the 6-month period ended 30 June 2014 recalculated for use of this report at the exchange rates effective in the 6-month period ended 30 June 2015 for better comparability

The operating profit of the KOFOLA S.A. Group for the 6-month period ended 30 June 2015 was affected by following one-off items:

- During 2nd quarter 2015 subsidiary Hoop Polska sp. z o.o. incurred extraordinary costs associated with the qualitative product complaints connected with the poor quality of packaging material. Currently Hoop Polska is in progress of investigation with the supplier and the insurance company. The net impact on Operating result is of PLN 11 919 thousand.
- Group restructuring advisory of PLN 757 thousand borne by KOFOLA S.A., charged in Administrative costs, with Income tax impact of PLN 144 thousand.
- WAD GROUP acquisition advisory costs of PLN 551 thousand related to Slovak operation, charged in Administrative costs, with Income tax impact of PLN 104 thousand.

No items have been treated as one-off in the results for group management purposes for the six-month period ended 30 June 2014.

SUMMARY OF OPERATING RESULTS

In assessing the KOFOLA S.A. Group's financial performance achieved in the reported period, the market environment needs to be taken into account as it has an impact on the results obtained:

- Consumers continued to look for savings in their shopping carts by limiting their consumption spending or by choosing cheaper products.
- Decrease in consumption in the higher margin gastro segment.
- Continuing transfer of sales from retail chain stores to food discount chains in Poland.
- Consolidations in the distributors market that negatively influence trading conditions and worsening of financial standing of smaller food wholesalers in particular.
- Stabilization of raw material prices.

Below, we describe the changes that have taken place in the main items of the consolidated financial statements:

- **Adjusted revenues** increased from PLN 459 364 thousand to PLN 510 545 thousand, i.e. by PLN 51 181 thousand (11.1%), of which PLN 35 613 thousand relates to Radenska d.d. acquired in March 2015. Revenues net of Radenska would show an increase of 3.4%. Distribution of Rauch products had positive impact on the Group's revenues.
- **Adjusted gross profit** increased from PLN 167 118 thousand to PLN 209 214 thousand, i.e. by PLN 42 096 thousand (25.2%). Adjusted gross profit net of Radenska d.d. would show an increase of 14% resulting from more favourable product mix.
- **Adjusted operating result (EBIT)** significantly increased from PLN 29 341 thousand to PLN 54 669 thousand, i.e. by PLN 25 328 thousand (86.3%), which is mainly attributable to improved gross margin. About one third of the increase is attributable to Radenska d.d.
- **Adjusted EBITDA (adjusted operating result plus depreciation and amortisation)** increased from PLN 62 507 thousand to PLN 91 523 thousand, i.e. by PLN 29 016 thousand (46.4%).
- **Adjusted net profit attributable to shareholders of the parent company** increased from PLN 17 285 thousand to PLN 39 911 thousand i.e. by PLN 22 626 thousand (130.9%).
- Increase in **adjusted net financial debt** from PLN 136 470 thousand as at 31 December 2014 (translated to Polish zloty at the exchange rate from 30 June 2015) to PLN 250 456 thousand as at 30 July 2015, i.e. by PLN 113 987 thousand (83.5%). The Group's adjusted net debt calculated as a multiple of 12-month Adjusted EBITDA (including Radenska) equalled to 1.5 at the end of June 2015 compared to 0.99 at the end of December 2014. This increase is attributable mainly to the acquisition of Radenska, d.d. financed by the bank loan.

POLAND

- In the first half year of 2015 (compared to the same period in 2014), Hoop Polska Sp. z o.o. recorded a decrease in revenue from sales to parties from outside the Group by PLN 21 822 thousand (11.0%). Decrease in revenue is driven by lower sales of private labels and lower sales in traditional channel.

CZECH REPUBLIC

- The Group is currently the vice-leader in the soft drinks market of the Czech Republic, and continues to strengthen its position (both in retail and HoReCa channel). In the HoReCa channel, the Group is a strong vice-leader and is steadily gaining market share.
- In the first half year of 2015 (compared to the same period in 2014), Kofola a.s. (Czech Republic) recorded an increase in revenues from sales to parties from outside the Group by PLN 8 518 thousand (5.5%). The increase is mainly attributable to impulse segment, sale of Rauch products since the beginning of 2015 and direct distribution launched at the end of 2014. Despite stagnating Czech retail segment and slightly declining gastro segment, the company achieved solidly increased revenues in both these segments. Energy drink Semtex performed well with sales increased by 7.8%.
- Fresh bars UGO generated increased revenue by PLN 4 578 thousand (56.7%) following the increased number of own fresh bars and salaterias from 18 to 26 (44%) and franchised fresh bars from 23 to 30 (30%) and as such the Group currently operates 56 bars and salaterias.
- Since 1 January 2015 the Group became an exclusive distributor of Rauch products in the Czech Republic and Slovakia.

SLOVAKIA

- The Group is the clear leader of the soft drink market in Slovakia and an exceptional example of a local FMCG producer taking the leading position and ranking over global players.
- In the first half year of 2015 (compared to the same period in 2014), Kofola a.s. (Slovakia) recorded an increase in revenues from sales to parties from outside the Group by PLN 13 366 thousand (13.8%). The increase relates mainly to sale of Rauch products. On the stagnating Slovak retail segment and slightly declining gastro segment, the company slightly increased its market share in these segments.
- Kofola a.s. (Slovakia) continued with its leading position in the non-alcoholic beverage market in the retail segment as well as HoReCa segment in terms of market share.
- In the first half year of 2015, Kofola a.s. (Slovakia) was the market leader in the water segment in Slovakia.
- In the second quarter of 2015, became the market leader in the cola beverages segment in Slovakia.

SLOVENIA

- The Group acquired Slovenian clear water segment leader Radenska d.d. in March 2015 as the continuation of the past successful acquisitions of businesses, brands and products through which the Group has grown into one of the leading producers and distributors of non-alcoholic beverages in the CEE.
- In the second quarter of 2015 the Group started to benefit from promising market position of Radenska, d.d. that generated about 20% of the group's 2Q operating result.

CONSOLIDATED INCOME STATEMENT

THE SIX-MONTH PERIOD ENDED 30 JUNE 2015 COMPARED TO THE SIX-MONTH PERIOD ENDED 30 JUNE 2014

Selected financial data	1.1.2015 – 30.6.2015	1.1.2014 – 30.6.2014*	Change 2015/2014	Change 2015/2014 (%)
Adjusted Revenue	510 545	459 364	51 181	11.1%
Adjusted Cost of sales	(301 331)	(292 246)	(9 085)	3.1%
Adjusted Gross profit	209 214	167 118	42 096	25.2%
Adjusted Selling, marketing and distribution costs	(130 162)	(113 823)	(16 339)	14.4%
Adjusted Administrative costs	(27 824)	(24 930)	(2 894)	11.6%
Adjusted Other operating income / (expenses), net	3 441	976	2 465	252.6%
Adjusted Operating result	54 669	29 341	25 328	86.3%
Adjusted EBITDA	91 523	62 507	29 016	46.4%
Financial expense, net	(5 688)	(6 480)	792	(12.2%)
Adjusted Income tax	(8 806)	(5 559)	(3 247)	58.4%
Adjusted Net profit for the period	40 175	17 302	22 873	132.2%
- attributable to shareholders of the parent company	39 911	17 285	22 626	130.9%

* data recalculated using currency exchange rates for the period of six months period ended 30 June 2015

REVENUE

The consolidated adjusted net sales revenue of the KOFOLA S.A. Group for the first half year of 2015 amounted to PLN 510 545 thousand, which constitutes an increase by PLN 51 181 thousand (i.e. 11.1%) compared to the same period of 2014. Revenues from the sale of finished products and services amounted to PLN 479 568 thousand, which constitutes 93.9% of total revenues.

The increase in revenues was mainly attributable to 2Q revenues of Radenska d.d. by PLN 35 673 thousand and Rauch products, distributed in the Czech Republic and Slovakia from the beginning of 2015.

The activities of the KOFOLA S.A. Group concentrate on the production of beverages in four market segments: carbonated beverages, non-carbonated beverages, waters and syrups. Together these segments account for 94.0% of the Group's revenues. The biggest share among the revenues in the analysed period of the first half year of 2015 similarly as in the comparative period of the first half year of 2014 represented the sales of carbonated beverages (47.9% and 53.0% respectively).

COSTS OF SALES

In the first half year of 2015, the KOFOLA S.A. Group's consolidated adjusted costs of sales increased by PLN 9 085 thousand, i.e. by 3.1%, to PLN 301 331 thousand from PLN 292 246 thousand in the same period of 2014. As percentage, the consolidated adjusted cost of sales accounted for 59.0% of adjusted revenues (63.6% in the comparative period). The development of costs of sales relates to savings in production and stabilization of raw material prices.

SELLING, MARKETING AND DISTRIBUTION COSTS

Consolidated adjusted selling, marketing and distribution costs in the first half year of 2015 increased by PLN 16 339 thousand, i.e. by 14.4% to PLN 130 162 thousand, from PLN 113 823 thousand in the first half year of 2014. The increase is from about one half attributable to Radenska d.d. and further it is mainly driven by higher logistics and selling costs resulting from introduction of direct distribution in the Czech Republic at the end of 2014 enabling the Group to better understand customers' requirements and supply its products more efficiently, without wholesaler support. The increase is also caused by increased sales support and marketing costs, as the Group continues to intensely support its brands both financially and non-financially, which is demonstrated by its marketing campaigns attracting significant interactive communication with consumers.

ADMINISTRATIVE COSTS

In the first half year of 2015, the consolidated adjusted administrative costs amounted to PLN 27 824 thousand, which represents 11.6% increase compared to PLN 24 930 thousand in the first half year of 2014, however net of Radenska d.d. the adjusted administrative costs show a decrease by 2.6%.

OPERATING RESULT

Adjusted operating result (EBIT) significantly increased from PLN 29 341 thousand in the first half year of 2014 to PLN 54 669 thousand in the first half year of 2015, i.e. by PLN 25 328 thousand (i.e. by 86.3%). About one third of the increase is attributable to Radenska d.d.

EBITDA

Adjusted EBITDA (calculated as the operating profit plus depreciation and amortisation) increased from PLN 62 507 thousand realized in the first half year of 2014 to PLN 91 523 thousand realized in the first half year of 2015, i.e. by PLN 29 016 thousand (i.e. by 46.4%).

NET FINANCIAL EXPENSES

Net financial expenses decreased from PLN 6 480 thousand incurred in the first half year of 2014 to PLN 5 688 thousand incurred in the first half year of 2015, i.e. by PLN 792 thousand (by 12.2%). The change in Net financial expenses was mainly due to the favourable impact of foreign exchange rates translation.

INCOME TAX

Adjusted income tax expense amounts to PLN 8 806 thousand in the first half year of 2015, which represents effective tax rate of 18.0%. In the first half year of 2014, income tax expense amounted to PLN 5 559 thousand.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Selected financial data	30.6.2015	31.12.2014 *	Change 2015/2014	Change 2015/2014 (%)
Total assets	1 328 911	915 148	413 763	45.2%
Fixed assets, out of which:				
<i>Tangible fixed assets</i>	528 252	433 273	94 979	21.9%
<i>Intangible fixed assets</i>	184 944	163 428	21 516	13.2%
<i>Goodwill</i>	13 558	13 558	-	-
<i>Investment in associates</i>	32 021	28 060	3 961	14.1%
<i>Deferred tax assets</i>	17 152	459	16 693	3 636.8%
Current assets, out of which:	547 582	274 539	273 043	99.5%
<i>Inventories</i>	91 145	65 011	26 134	40.2%
<i>Trade receivables and other receivables</i>	201 585	121 874	79 711	65.4%
<i>Cash and cash equivalents</i>	253 147	87 275	165 872	190.1%
Total equity and liabilities	1 328 911	915 148	413 763	45.2%
Equity	437 781	395 475	42 306	10.7%
Long-term liabilities	423 284	158 134	265 150	167.7%
Short-term liabilities	467 846	361 539	106 307	29.4%

* translated using exchange rates as at 30 June 2015, adjusted for restatement of investment in associate (for details refer to Note 4.7)

ASSETS

At the end of June 2015, the Group's fixed assets amounted to PLN 781 329 thousand. Compared to 31 December 2014, the value of fixed assets increased by PLN 140 720 thousand (i.e. 22.0%). This change was mainly caused by additions of PLN 108 516 thousand resulting from the acquisition of Radenska, d.d. and on the other hand the depreciation charge of PLN 36 854 thousand.

As at 30 June 2015, goodwill included the goodwill of Pinelli spol. s r.o. from 2011 and the goodwill of Klimo production plant taken over by Kofola a.s. (Czech Republic) in 2006.

The Group's current assets as at 30 June 2015 amounted to PLN 547 582 thousand. In the structure of current assets as at the end of June 2015 the biggest were: trade receivables and other receivables making 36.8%, cash and cash equivalents making 46.2% and inventory making 16.6% of the total current assets. The increase is mainly attributable to the purchase of Radenska, d.d. resulting in a total of PLN 231 204 thousand added to Group's current assets as at 30 June 2015.

Cash in Radenska d.d. accounts for about 70% of the Group's total cash and the Group expects its utilization for future acquisition opportunities.

Deferred tax asset significantly increased by PLN 16 693 thousand, of which PLN 15 346 thousand is a deferred tax asset of Radenska d.d., resulting mainly from tax losses that are expected to be utilised in future.

LIABILITIES

As at the end of June 2015, the Group's liabilities (total long- and short-term) amounted to PLN 891 130 thousand, which constitutes a 71.5% (PLN 371 457 thousand) increase compared to the end of December 2014. The loan for financing Radenska, d.d. acquisition with book value of PLN 277 678 thousand as at 30 June 2015 was a main driver of increased liabilities, along with liabilities in the acquired Radenska, d.d.

The Group's consolidated net debt (calculated as total long- and short-term liabilities relating to credits, loans, bonds, leases and other debt instruments less cash and cash equivalents) amounted to PLN 250 457 thousand as at 30 June 2015, which represents a PLN 113 987 thousand increase compared to PLN 136 470 thousand as at the end of December 2014. This increase is attributable mainly to the acquisition of Radenska, d.d. financed by the bank loan.

The Group's provisions increased by PLN 16 374 thousand, mainly due to provisions acquired in Radenska, d.d. of PLN 21 043 thousand as at 30 June 2015.

CONSOLIDATED CASH FLOW

Consolidated cash outflow generated from operating activity in the 6-month period ended 30 June 2015 amounted to PLN 57 453 thousand and was higher by PLN 14 133 thousand compared to PLN 43 320 thousand in the first half year of 2014. The inflow increase is mainly driven by increased profit before tax.

Consolidated cash outflow generated from investing activity in the 6-month period ended 30 June 2015 amounted to PLN (132 973) thousand compared to PLN (21 854) thousand generated in the 6-month period ended 30 June 2014. The outflow increase relates mainly to acquisition of Radenska, d.d. and higher capital expenditure compared to the prior period.

Consolidated cash inflow from financing activity for the 6-month period ended 30 June 2015 amounted to PLN 241 866 thousand compared to PLN (11 771) thousand in the first half year of 2014. This inflow increase is mainly a result of the bank loan for financing the acquisition of Radenska, d.d.

1.4 Segments

ESTIMATED POSITION OF KOFOLA S.A. GROUP ON THE RETAIL SOFT DRINKS MARKET

In the soft drinks market in the *Czech Republic* as at 30 June 2015 the companies of KOFOLA S.A. Group hold first position in syrups market, second in cola-type drinks market, second in children drinks market, third in carbonated drinks market, fourth in energy drinks market, fourth in 100% fruit juices and nectars, fifth in waters market and fifth in non-carbonated beverages market, in *Slovakia*, first position in waters market, first position in cola-type drinks market, second in children drinks market, second in syrups and carbonated beverages markets, third in 100% fruit juices and nectars and fourth in non-carbonated beverages market. Clear leader in gastro and HoReCa segments. In *Poland*, second position in syrup market, third in cola-type drinks market, third in children drinks market and seventh in carbonated beverages market. In *Slovenia*, first position in waters market.

In *Russia*, Megapack has only been noticeable in the local Moscow market so far. Due to the size of the Russian market, data of this company are not visible in the statistics; therefore it is difficult to establish its market position.

PRODUCTS

KOFOLA S.A. Group offers its products in Poland, the Czech Republic, Slovakia, Slovenia and Russia as well as exports to a few other countries, mainly in Europe.

KOFOLA GROUP BRANDS IN 2015

CARBONATED BEVERAGES	Kofola, RC Cola, Citrocola, Hoop Cola, Top Topic, Vinea, Orangina, Chito, Citronela, Fruti, Mr. Max, Koe Chto, Ora, Stil
WATERS	Rajec, Radenska, Arctic, Białowiecki Zdrój, Grodziska, Badoit, Evian, Vincentka
NON-CARBONATED BEVERAGES	Jupí Fruit Drink, Mr. Max, Top Topic, Snipp, Natelo, Bravo, Isotonic, Sonny, Oaza, ACE
100% FRUIT JUICES AND NECTARS	Rauch, Eskimors, UGO, Happy Day
SYRUPS AND CONCENTRATES	Jupí, Paola, Super Barman, Bublino, Happy Day, Culinary
CHILDRENS' DRINKS	Jupik, Jupik Aqua, Jupik Aqua Sport, Jumper, Yippy
ICE TEA	Eis Tee, Pickwick Ice Tea, Hoop Ice Tea, Nativa, Ice Tea
ENERGY DRINKS	Semtex
COFFEE DRINKS	Cafemio
LOW-ALCOHOL BEVERAGES (Russia)	Hooper's Hooch, Black Mamba

The KOFOLA S.A. Group produces also water, carbonated beverages and non-carbonated beverages and syrups on behalf of third parties, mostly big retail chains. These companies offer consumers products under their own brand using the possibility to distribute in their stores.

In addition, Megapack operating on the Russian market offers service of bottling drinks on behalf of companies from outside the Group. This applies both to low-alcohol beverages, and non-alcohol beverages.

The Board of Directors of the KOFOLA S.A. is the chief operating decision maker responsible for operational decision-making and uses these results to decide on the allocation of resources to the segment and to assess segments performance.

The Group operates in the following segments managed by the chief operating decision maker:

- Poland
- Czech Republic
- Slovakia
- Slovenia
- Export

The Group applies the same accounting methods for all of the segments which are also in line with the accounting methods used in the preparation of these consolidated financial statements. Transactions between segments are eliminated in the consolidation process. The segment Export represents an aggregation of few other countries mainly in Europe with similar economic characteristics.

Within the presented segments, the Group identified one customer, who generated more than 10% of the Group's consolidated revenues from continuing operations. The Group's revenues from that customer in first half of 2015 amounted PLN 107 789 thousand (in first half of 2014 PLN 119 843 thousand).

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GEOGRAPHICAL SEGMENTS

1.1.2015 - 30.6.2015	Poland	Czech Republic	Slovakia	Slovenia*	Export*	Subtotal	Eliminations (consolidation adjustments)	Russia	Total
Revenues	182 631	191 937	135 036	31 671	10 003	551 278	(46 060)	-	505 218
Sales to external customers	176 565	177 016	110 323	31 328	9 986	505 218	-	-	505 218
Inter-segment sales	6 066	14 921	24 713	343	17	46 060	(46 060)	-	-
Operating expenses	(176 995)	(184 329)	(114 546)	(24 375)	(9 591)	(509 836)	46 060	-	(463 776)
Related to external customers sales	(170 929)	(169 408)	(89 833)	(24 032)	(9 574)	(463 776)	-	-	(463 776)
Related to inter-segment sales	(6 066)	(14 921)	(24 713)	(343)	(17)	(46 060)	46 060	-	-
Operating result	5 636**	7 608	20 490***	7 296	412	41 442	-	-	41 442
Result from financial activity								105	(5 688)
with third parties								-	(5 793)
between segments								-	-
Share in associates' result								105	105
Profit /(loss) before tax								105	35 754
Income tax								-	(6 293)
Net profit /(loss)								105	29 461
Assets and liabilities									
Segment assets	446 841	733 252	230 766	345 556	6 514	1 762 929	(466 039)	32 021	1 328 911
Total assets	446 841	733 252	230 766	345 556	6 514	1 762 929	(466 039)	32 021	1 328 911
Segment liabilities	241 719	637 530	148 035	332 599	5 674	1 365 557	(474 427)	-	891 130
Equity									437 781
Total liabilities and equity									1 328 911
Other information concerning segment									
Tangible and intangible fixed assets additions	4 859	13 418	29 706	108 516	-	156 499	-	-	156 499
Depreciation and amortization	7 821	19 108	7 598	2 327	-	36 854	-	-	36 854

* Segments Slovenia and Export include results of Radenska Group since its acquisition on 17 March 2015. If Radenska Group was acquired as of 1 January 2015, Revenues would have been increased by further PLN 20 484 thousand, Operating result increased by further PLN 944 thousand and Net profit increased by further PLN 376 thousand.

** The operating result of the operating segment Poland is affected by the following one-offs: HOOP Polska Sp. z o.o. incurred net costs of PLN 11 919 thousand relating to the qualitative product complaints connected with the poor quality of packaging material; Kofola S.A. incurred costs of PLN 757 thousand relating to group restructuring advisory (for details refer to Note 5.19).

*** The operating result of the operating segment Slovakia is affected by the following one-offs: Kofola a.s. (SK) incurred costs of PLN 551 thousand relating to advisory for WAD Group acquisition (for details refer to Note 5.19).

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1.1.2014 - 30.6.2014 *	Poland	Czech Republic	Slovakia	Export	Subtotal	Eliminations (consolidation adjustments)	Russia	Total
Revenues	207 414	178 243	123 228	4 613	513 498	(48 642)	-	464 856
Sales to external customers	198 174	164 043	98 026	4 613	464 856	-	-	464 856
Inter-segment sales	9 240	14 200	25 202	-	48 642	(48 642)	-	-
Adjusted operating expenses	(204 039)	(167 103)	(108 223)	(4 411)	(483 776)	48 642	-	(435 134)
Related to external customers sales	(194 799)	(152 903)	(83 021)	(4 411)	(435 134)	-	-	(435 134)
Related to inter-segment sales	(9 240)	(14 200)	(25 202)	-	(48 642)	48 642	-	-
Operating result	3 375	11 140	15 005	202	29 722	-	-	29 722
Result from financial activity							108	(6 278)
with third parties							-	(6 386)
between segments							-	-
Share in associates' result							108	108
Profit /(loss) before tax							108	23 444
Income tax							-	(5 636)
Net profit /(loss)							108	17 808
Assets and liabilities								
Segment assets	390 569	426 155	200 086	4	1 016 814	(103 902)	45 080	957 992
Total assets	390 569	426 155	200 086	4	1 016 814	(103 902)	45 080	957 992
Segment liabilities	226 568	343 461	118 158	4	688 191	(111 502)	-	576 689
Equity							-	381 303
Total liabilities and equity							-	957 992
Other information concerning segment								
Tangible and intangible fixed assets additions	8 565	7 434	7 312	-	23 311	-	-	23 311
Depreciation and amortization	10 109	16 589	6 886	-	33 584	-	-	33 584

* Data in segments for the comparative period have been established by the historical exchange rate. They have not been recalculated, as in Note 1.3 using the currency exchange rate from the current reporting period.

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REVENUES BY PRODUCT

1.1.2015 - 30.6.2015	Carbonated beverages	Non-carbonated beverages	Waters	Syrups	Other	Total
Sales revenue	242 216	37 292	126 993	68 393	30 324	505 218

1.1.2014- 30.6.2014	Carbonated beverages	Non-carbonated beverages	Waters	Syrups	Other	Total
Sales revenue	246 512	24 553	98 405	73 963	21 423	464 856

1.5 Shareholders holding directly or indirectly significant packets of shares along with the number of shares held, their percentage of share capital, the resulting number of votes and percentage in the total number of votes at general meeting

According to the Company's information as at the date of the preparation of the present report (i.e. 19 August 2015), the following entities held at least 5% of the total number of votes at General Shareholders' Meeting of the KOFOLA S.A.:

KSM Investment S.A. with its registered office in Luxembourg

- 13 395 373 shares, or 51.20 % of share capital of the KOFOLA S.A.
- 13 395 373 votes, or 51.20 % of total votes at General Shareholders' Meeting of the KOFOLA S.A.

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

- 11 283 153 shares, or 43.13 % of share capital of the KOFOLA S.A.
- 11 283 153 votes, or 43.13 % of total votes at General Shareholders' Meeting of the KOFOLA S.A.

As at 30 June 2015 the share capital amounted to PLN 26 160 379 and consisted of 26 160 379 shares entitling to 26 160 379 votes at General Shareholders' Meeting of the Company.

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

According to the Company's information, no changes were made in the ownership of major share packages in the period since the submission of the previous quarterly report.

SHARE CAPITAL STRUCTURE			
Name of entity / individual	Number of shares	% in share capital	% of votes
KSM Investment S.A.	13 395 373	51.20%	51.20%
CED GROUP S. a r.l.	11 283 153	43.13%	43.13%
René Musila	687 709	2.63%	2.63%
Tomáš Jendřejek	687 660	2.63%	2.63%
Other	106 484	0.41%	0.41%
Total	26 160 379	100.00%	100.00%

1.7 Statement of changes in the ownership of KOFOLA S.A. shares or rights to such shares (options) by management and supervisory staff

According to the Company's information as at the date of submission of the report for the six-month period ended 30 June 2015, no changes occurred in the ownership of the KOFOLA S.A. shares by management and supervisory staff compared to the date of submission of the report for 2014.

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

The KOFOLA S.A. Group is involved in certain legal proceedings that are incidental to the ordinary conduct of its business. The Issuer does not conduct any judicial, administrative or arbitration proceedings and has not conducted such proceedings in the period of past first half of 2015, which, in the Issuer's best opinion, could have/had in the past first half of 2015 material impact on the financial situation and/or profitability of the Issuer or KOFOLA S.A. Group.

1.9 Information about the conclusion of material contracts that do not meet the criteria of a significant contract

The Group has not concluded any material contracts in the reported period.

1.10 Information about significant contracts

On 12 March 2015, subsidiary Kofola CS a.s. (formerly Kofola ČeskoSlovensko a.s.) concluded a loan agreement with Česká spořitelna a.s. and Československá obchodní banka a.s. up to a maximum equivalent amount of EUR 69 000 thousand in order to finance the purchase of shares of Radenska d.d. Radenci, Slovenia, by subsidiary Kofola družba za upravljanje d.o.o. Slovenia. The final repayment date is 31 March 2024. Currency of the loan is Czech crown. Loan rates are PRIBOR plus the bank's margin. Security of the loan are pledge on the shares of Kofola družba upravljanje d.o.o. Slovenia, a pledge on Kofola CS a.s.'s receivables from Kofola družba za upravljanje d.o.o. under the loan to finance the purchase of shares of Radenska d.d., financial guarantees granted by KOFOLA S.A. and subsidiaries operating companies Kofola a.s. (CZ) and Kofola a.s. (SK), negative pledge over the selected trademarks owned by Kofola CS a.s., negative pledge over the enterprise of Kofola CS a.s., first ranking pledge over the all acquired shares of Radenska d.d.

On 17 March 2015, subsidiary Kofola družba za upravljanje d.o.o. with registered office Ljubljana in Slovenia closed transaction of acquisition 87.16% of share in Slovenian company Radenska d.d. Following on 8 April 2015 conditions has been met precedent to acquisition of further 6.82% share in Radenska d.d., and following on 21 May 2015 as result of tender offer Kofola družba za upravljanje d.o.o. acquired additional 3.64% share.

As a result of above mentioned transactions subsidiary Kofola družba za upravljanje d.o.o. based in Ljubljana, Slovenia acquired 4 941 350 shares of the Radenska d.d. (97.62% of all shares) for the price of EUR 67 153 thousand.

1.11 Information about relationships with other Group entities

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

A description of the transactions concluded between related parties is presented in Note 5.16 to the financial statements.

1.12 Information on the credit or loan guarantees granted by the Issuer or its subsidiaries

Entity providing guarantees	Entity receiving guarantees	Credit value on balance sheet day which were subject to guarantee		The period for which guarantees has been provided	The entity for which liabilities guarantees were provided	Type of relationship between the Company and the entity committed to loan
		in currency	in PLN			
Kofola CS a.s.	Raiffeisen-Leasing	2 992 T CZK	460	10/2015	Kofola a.s. (CZ)	subsidiary
Kofola CS a.s.	Oberbank Leasing	750 T CZK	115	4/2016	Kofola a.s. (CZ)	subsidiary
Kofola CS a.s.	Oberbank Leasing	846 T CZK	130	5/2016	Kofola a.s. (CZ)	subsidiary
Kofola CS a.s.	Oberbank Leasing	5 027 T CZK	773	2/2017	Kofola a.s. (CZ)	subsidiary
Kofola CS a.s.	Oberbank Leasing	2 256 T CZK	347	2/2017	Kofola a.s. (CZ)	subsidiary
Kofola CS a.s.	Oberbank Leasing	770 T CZK	118	10/2017	Kofola a.s. (CZ)	subsidiary
Kofola CS a.s.	ČSOB a.s.	38 136 T CZK	5 865	3/2019	Kofola a.s. (CZ)	subsidiary
Kofola CS a.s.	ČSOB a.s.	290 000 T CZK	44 602	notice of termination	Kofola a.s. (CZ)	subsidiary
Kofola CS a.s.	ČSOB a.s.	10 667 T CZK	1 641	2/2018	Kofola a.s. (CZ)	subsidiary
Kofola CS a.s.	UAB Putokšnis	663 T PLN	663	7/2015	Hoop Polska Sp. z o.o.	subsidiary
Kofola CS a.s.	Unicredit Bank a.s.	3 982 T EUR	16 702	8/2015	Santa-Trans.SK s.r.o. (SR)	third party **
Kofola CS a.s.	Unicredit Bank a.s.	5 301 T EUR	22 235	12/2022	Santa-Trans.SK s.r.o. (SR)	third party **
Kofola CS a.s.	ČSOB Leasing a.s.	752 T CZK	116	5/2020	Kolonial.cz s.r.o.	third party **
Kofola CS a.s.	ČSOB Leasing a.s.	396 T CZK	61	5/2020	Kolonial.cz s.r.o.	third party **
Kofola CS a.s.	ČSOB Leasing a.s.	662 T CZK	102	4/2020	Kolonial.cz s.r.o.	third party **
Kofola CS a.s.	ČSOB Leasing a.s.	1 533 T CZK	236	3/2020	Kolonial.cz s.r.o.	third party **
Kofola CS a.s.	City-Arena PLUS a.s.	7 T EUR	29	8/2020	UGO Trade s.r.o.	subsidiary
Kofola a.s. (CZ)	Komerční banka a.s.	20 000 T CZK	3 076	notice of termination	Santa Trans s.r.o. (CZ)	subsidiary
Kofola a.s. (CZ)	Komerční banka a.s.	7 000 T CZK	1 077	1/2019	Santa Trans s.r.o. (CZ)	subsidiary
KOFOLA S.A.	Bank Millennium S.A.	7 000 T PLN	7 000	12/2020	Hoop Polska Sp. z o.o.	subsidiary
KOFOLA S.A.	Bank BPH S.A.	7 000 T PLN	7 000	12/2020	Hoop Polska Sp. z o.o.	subsidiary
KOFOLA S.A.	Bank Millennium S.A.	- T PLN *	-	12/2020	Hoop Polska Sp. z o.o.	subsidiary
KOFOLA S.A.	Bank BPH S.A.	- T PLN *	-	12/2020	Hoop Polska Sp. z o.o.	subsidiary
KOFOLA S.A.	Toyota Leasing S.A.	268 T EUR	1 123	6/2015	Hoop Polska Sp. z o.o.	subsidiary
KOFOLA S.A.	Krajowa Spółka Cukrowa S.A.	730 T PLN	730	9/2015	Hoop Polska Sp. z o.o.	subsidiary
KOFOLA S.A.; Kofola a.s. (CZ); Kofola a.s. (SR)	ČSOB a.s. + ČS a.s.	853 994 T CZK	131 344	3/2024	Kofola CS a.s.	subsidiary
KOFOLA S.A.; Kofola a.s. (CZ); Kofola a.s. (SR)	ČSOB a.s. + ČS a.s.	960 496 T CZK	147 724	9/2016	Kofola CS a.s.	subsidiary
Total loans and guarantees issued as at 30.6.2015			393 269	PLN thousand		

* As at 30 June 2015 the loan was not used

** The fair value of the guarantees is close to zero (fair valuation in level 3)

In the reporting period the companies of the KOFOLA S.A. Group recorded remuneration for guaranteeing the liabilities of other Group companies. These items have been excluded from this report under consolidation adjustments.

1.13 Information on issuing securities

No securities have been issued during the reported period.

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

The Group has not published forecasts of its financial results for the year 2015.

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

In the period, Kofola Group accounted for a net charge of PLN 13 200 thousand exceptional and other costs. These include PLN 11 919 thousand relating to complaints connected with the poor quality of packaging material in Poland and corporate exceptional items of PLN 1 308 thousand costs, relating to advisory fees regarding the purchase of 40% share in WATER HOLDING, a.s. and considered change in the structure of the Kofola Group and potential secondary public offering of shares.

1.16 The factors that in Group's Management opinion would have a significant effect on the Group's future financial results in the next quarter

The Kofola Group's competitive position results from the basic market factors, such as: the strength of its brands, innovation, production costs, products quality, scale effect, swiftness and market position and the ability to obtain raw materials at favourable prices. In the Board of Directors's opinion, the Group's current financial position, its production potential and market position pose no threats to its continued growth. There are, however, several factors, especially external, that will, either directly or indirectly, affect the Group's financial results in the upcoming periods.

In the upcoming periods the main risk factors with a significant effect on the Group's financial results will include in particular:

- pricing policies of competitors, in particular in the segment of carbonated beverages (especially cola), mineral waters and syrups,
- the changes in the structure of retail trade, consisting of the growing importance of discount food chains at the expense of traditional channels and the speed of adapting Kofola Group's operating business model to the changing market,
- the ability to maintain the largest customers at reasonable commercial terms to enable Kofola Group companies to generate positive cash flows,
- development of the prices of raw production materials, of which the majority is based on commodities (the prices of raw materials such as oil, sugar, isoglucose, granules for the production of PET bottles, fruit concentrates, foil or paper),
- a further marked deterioration in Russia's economic prospects accompanied by the decline in the Russian ruble can have the adverse effect on the ability of Russian associate OOO Megapack to pay dividends to its parent company and on the required amount of related impairment charges,
- weather conditions (temperature, rain falls),
- changes in foreign exchange rates (PLN, CZK, EUR and RUB) and effectiveness of protection against such changes (so-called hedging),
- ability to introduce innovative products to the market,
- ability to successfully integrate the acquired company into the KOFOLA S.A. Group structures and achieve the pre-acquisition financial targets.

1.17 Subsequent events

DIVIDEND PAYMENT RESOLUTION FOR SHAREHOLDERS OF KOFOLA S.A.

According to Resolution No. 22 from 8 July 2015 the Ordinary General Meeting of KOFOLA S.A. designated part of the net profit generated by the KOFOLA S.A. in 2014, in the amount of PLN 3 662 thousand for the payment of dividend.

Shares from each series (A, B, C, D, E, F, G) excluding own shares, were part of the dividend that amounted to PLN 0.14 per share. The dividend date was set for 31 August 2015 and the payment of the dividend was set for 16 November 2015.

BOARD AUTHORISATION TO PURCHASE OWN SHARES

In accordance with Resolution No. 23 from 8 July 2015 the Ordinary General Meeting of KOFOLA S.A. authorized, under the conditions and within the limits set out in the adopted resolution, the Board of Directors of KOFOLA S.A. to purchase its own shares for cancellation and thus reduction of the share capital of the KOFOLA S.A. The total number of shares covered by the Redemption Programme will be no more than 105 911 shares, which constitutes approximately 0.40% of the share capital, the resources allocated to the Programme may not exceed PLN 6.037 thousand and the price of acquired shares will be PLN 57 per share.

PRODUCTION HALL

HOOP Polska Sp. z o.o. entered into an agreement on 21 July 2015 to build a new production hall with installations and technical equipment. Under the agreement, a new car park will also be build and the infrastructure will be modernized in the old production hall. The aseptic production line for soft drinks will be installed in the newly constructed hall, while the remaining area will be used for storage purposes. The contract value amounts to PLN 17.3 million.

No other material events have occurred after the balance sheet date.

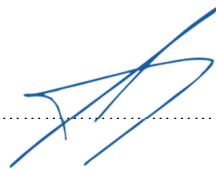
1.18 Statement of the Management Board of KOFOLA S.A.

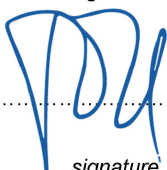
According to § 89 par. 1 item 4 and § 90 par. 1 item 4 of the Decree of the Council of Ministers from 19 February 2009 on current and periodic information published by the issuers of securities and conditions for recognizing as equivalent information required by law of a non-member state, the Management Board of KOFOLA S.A. declares according to its best knowledge that the interim condensed standalone financial statements of KOFOLA S.A. and the interim condensed consolidated financial statements of the KOFOLA S.A. Group for the period from 1 January 2015 to 30 June 2015 and comparative figures have been prepared in accordance with applicable accounting principles and give a true and fair view about financial position and financial performance of KOFOLA S.A. and the KOFOLA S.A. Group, and that the directors' report on the activities of the Group presents a true view of the development and achievements as well as position of KOFOLA S.A. and the KOFOLA S.A. Group, including a description of main risks and threats.

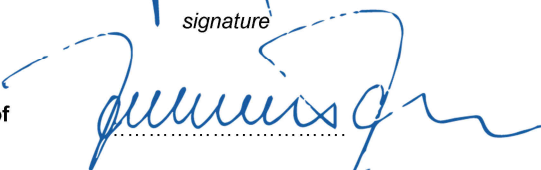
According to § 89 par. 1 item 5 to § 90 par. 1 item 5 above mentioned decree the Management Board of KOFOLA S.A. declares that the entity authorized to review the financial statements, which reviewed the interim condensed standalone financial statements of KOFOLA S.A. and the interim condensed consolidated financial statements of the KOFOLA S.A. Group for the period from 1 January 2015 to 30 June 2015, was selected in accordance with the legal regulations and that this entity and the auditors performing the review, met the conditions for expressing an impartial and independent opinion in accordance with applicable regulations and professional standards.


SIGNATURES OF THE COMPANY'S REPRESENTATIVES:

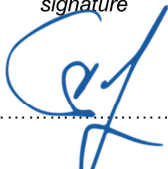
19.8.2015	Janis Samaras	Chairman of the Board of Directors
<i>date</i>	<i>name and surname</i>	<i>position/role</i>
19.8.2015	René Musila	Member of the Board of Directors
<i>date</i>	<i>name and surname</i>	<i>position/role</i>
19.8.2015	Tomáš Jendřejek	Member of the Board of Directors
<i>date</i>	<i>name and surname</i>	<i>position/role</i>
19.8.2015	Daniel Buryš	Member of the Board of Directors
<i>date</i>	<i>name and surname</i>	<i>position/role</i>
19.8.2015	Marián Šefčovič	Member of the Board of Directors
<i>date</i>	<i>name and surname</i>	<i>position/role</i>
19.8.2015	Jiří Vlasák	Member of the Board of Directors
<i>date</i>	<i>name and surname</i>	<i>position/role</i>
19.8.2015	Roman Zúrik	Member of the Board of Directors
<i>date</i>	<i>name and surname</i>	<i>position/role</i>

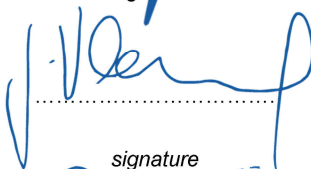

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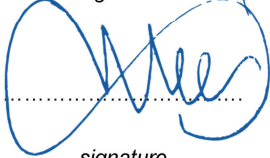

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SIGNATURE OF PERSON RESPONSIBLE FOR BOOKKEEPING:

19.8.2015	Rafał Leduchowski	Chief Accountant
<i>date</i>	<i>name and surname</i>	<i>position</i>


signature

2.1 Consolidated income statement

for the 6-month period ended 30 June 2015 (reviewed) and for the 6-month period ended 30 June 2014 (reviewed) in PLN thousand.

Consolidated Income statement	Note	1.1.2015 - 30.6.2015	1.1.2014 - 30.6.2014
Revenues from the sale of finished products and services	5.1	479 568	458 157
Revenues from the sale of goods and materials	5.1	25 650	6 699
Revenues		505 218	464 856
Cost of products and services sold	5.2	(273 231)	(289 137)
Cost of goods and materials sold	5.2	(24 726)	(6 183)
Cost of sales		(297 957)	(295 320)
Gross profit		207 261	169 536
Selling, marketing and distribution costs	5.2	(130 739)	(115 444)
Administrative costs	5.2	(29 132)	(25 377)
Other operating income		3 510	2 332
Other operating expenses		(9 458)	(1 325)
Operating result		41 442	29 722
Financial income	5.3	2 290	465
Financial expense	5.4	(8 083)	(6 851)
Share in the result of associates	5.5	105	108
Profit / (loss) before tax		35 754	23 444
Income tax	5.8	(6 293)	(5 636)
Net profit / (loss) for the period		29 461	17 808
Attributable to:			
Shareholders of the parent company		29 197	17 791
Non-controlling interests		264	17
Earnings per share (in PLN)			
Basic earnings per share	5.9	1.1161	0.6801
Diluted earnings per share	5.9	1.1161	0.6801

2.2 Consolidated statement of other comprehensive income

for the 6-month period ended 30 June 2015 (reviewed) and for the 6-month period ended 30 June 2014 (reviewed, restated) in PLN thousand.

Consolidated statement of other comprehensive income	Note	1.1.2015 - 30.6.2015	1.1.2014 - 30.6.2014 (restated)*
Net profit / (loss) for the period		29 461	17 808
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Currency differences from translation of foreign subsidiaries		(675)	177
Currency differences from translation of foreign associate		3 423	(848)
Other comprehensive income (net)	2.5	2 748	(671)
Total comprehensive income		32 209	17 137
Attributable to:			
Shareholders of the parent company		32 003	17 119
Non-controlling interests		206	18

* refer to note 4.7

2.3 Consolidated statement of financial position

As at 30 June 2015 (reviewed), 31 December 2014 (audited, restated) and 30 June 2014 (reviewed, restated) in PLN thousand.

ASSETS	Note	30.6.2015	31.12.2014 (restated)*	30.6.2014 (restated)*	1.1.2014 (restated)*
Fixed assets (long-term)		781 329	643 188	662 025	625 759
Tangible fixed assets	5.10	528 252	434 903	436 232	408 908
Goodwill	5.11	13 558	13 553	13 430	13 419
Intangible fixed assets	5.11	184 944	163 951	164 700	157 040
Investments in associates	5.13	32 021	28 493	45 080	45 820
Other financial assets		3 554	-	-	-
Other long-term assets		-	61	134	134
Other long-term receivables		1 848	1 768	2 045	-
Deferred tax asset		17 152	459	404	438
Current assets (short-term)		547 582	275 397	295 967	262 645
Inventories		91 145	65 165	77 383	89 961
Trade receivables and other receivables		201 585	122 243	178 170	141 937
Income tax receivables		1 159	379	126	205
Cash and cash equivalents		253 147	87 610	40 288	30 542
Assets (group of assets) held for sale		546	-	-	-
TOTAL ASSETS		1 328 911	918 585	957 992	888 404
LIABILITIES AND EQUITY	Note	30.6.2015	31.12.2014 (restated)*	30.6.2014 (restated)*	1.1.2014 (restated)*
Equity attributable to shareholders of the parent company		429 633	396 343	380 533	380 780
Share capital	2.5	26 160	26 170	26 170	26 170
Supplementary capital	2.5	353 143	346 644	346 644	541 870
Currency translation difference	2.5	5 849	3 043	13 559	14 231
Own shares	2.5	(453)	(431)	(431)	(69)
Retained earnings / Accumulated losses	2.5	44 934	20 917	(5 409)	(201 422)
Equity attributable to non-controlling interests		8 148	1 134	770	752
Total equity	2.5	437 781	397 477	381 303	381 532
Long-term liabilities		423 284	158 585	160 731	149 365
Bank credits and loans	5.13	311 711	70 286	71 784	66 681
Bonds issued		50 017	49 879	49 156	49 005
Financial leasing liabilities		30 461	11 496	12 799	7 011
Provisions		562	562	555	675
Other long-term liabilities		5 462	5 305	5 675	6 318
Deferred tax liabilities		25 071	21 057	20 762	19 675
Short-term liabilities		467 846	362 523	415 958	357 507
Bank credits and loans	5.13	101 498	85 753	92 725	100 431
Bonds issued		1 747	571	1 798	587
Financial leasing liabilities		8 169	6 255	6 759	7 297
Trade liabilities and other liabilities		324 875	251 801	287 443	238 019
Income tax liabilities		1 003	4 618	2 305	2 652
Other financial liabilities		736	50	17 004	-
Provisions		29 818	13 475	7 924	8 521
Total Liabilities		891 130	521 108	576 689	506 872
TOTAL LIABILITIES AND EQUITY		1 328 911	918 585	957 992	888 404

* refer to note 4.7

2.4 Consolidated cash flow statement

for the 6-month period ended 30 June 2015 (reviewed) and for the 6-month period ended 30 June 2014 (reviewed) in PLN thousand.

Consolidated cash flow statement	Note	1.1.2015 - 30.6.2015	1.1.2014 - 30.6.2014
Cash flow from operating activity			
Profit / (Loss) before tax	2.1	35 754	23 444
Adjustments for:			
Non-cash movements and other adjustments			
Depreciation and amortization	5.2	36 854	33 584
Net interest	5.3, 5.4	5 270	4 897
Share in associates' result	5.5	(105)	(108)
Change in the balance of provisions and adjustments		3 697	(717)
Gain on sale of property, plant and equipment		(852)	(1 576)
Other currency differences from translation		(254)	(1 597)
Other non-cash movements		1 120	-
Cash movements			
Paid income tax		(9 108)	(6 521)
Changes in working capital			
Change in the balance of receivables		(65 613)	(33 829)
Change in the balance of inventories		(20 334)	(20 324)
Change in the balance of liabilities		71 024	46 067
Net cash flow from operating activity		57 453	43 320
Cash flow from investing activity			
Sale of intangible and tangible fixed assets		888	7 169
Purchase of intangible and tangible fixed assets	5.10, 5.11	(28 696)	(21 579)
Purchase of subsidiary net of acquired cash	5.18	(103 202)	(7 505)
Purchase of financial assets		(2 091)	-
Interest received		128	61
Net cash flow from investing activity		(132 973)	(21 854)
Cash flow from financial activity			
Repayment of financial leasing liabilities		(5 500)	(6 129)
Proceeds from loans and bank credits received	5.13	295 288	34 781
Repayment of loans and bank credits		(42 123)	(36 912)
Interest and bank charges paid		(5 799)	(3 511)
Net cash flow from financing activity		241 866	(11 771)
Total net cash flow		166 346	9 695
Cash at the beginning of the period		87 610	30 542
Exchange differences from translation of cash		(809)	51
Cash at the end of the period		253 147	40 288

2 CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF THE KOFOLA S.A. GROUP

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2.5 Consolidated statement of changes in shareholders' equity

for the 6-month period ended 30 June 2015 (reviewed), 12-month period ended 31 December 2014 (audited, restated) and the 6-month period ended 30 June 2014 (reviewed, restated) in PLN thousand.

Consolidated statement of changes in equity	Note	Attributable to shareholders of the parent company					Equity attributable to non-controlling interests	Total equity
		Share capital	Supplementary capital	Currency translation difference	Own shares	Retained earnings / Accumulated losses		
As at 1.1.2014 (restated)*		26 170	541 870	14 231	(69)	(201 422)	380 780	381 532
Net profit for the period		-	-	-	-	17 791	17 791	17 808
Other comprehensive income (restated)*		-	-	(672)	-	-	(672)	(671)
Total comprehensive income for the period	2.2	-	-	(672)	-	17 791	17 119	17 137
Dividends		-	(17 004)	-	-	-	(17 004)	(17 004)
Own shares		-	-	-	(362)	-	(362)	(362)
Transfers		-	(178 222)	-	-	178 222	-	-
As at 30.6.2014 (restated)*		26 170	346 644	13 559	(431)	(5 409)	380 533	381 303
As at 1.1.2014 (restated)*		26 170	541 870	14 231	(69)	(201 422)	380 780	381 532
Net profit/(loss) for the period (restated)*		-	-	-	-	44 126	44 126	44 079
Other comprehensive income (restated)*		-	-	(11 188)	-	(9)	(11 197)	(10 768)
Total comprehensive income for the period	2.2	-	-	(11 188)	-	44 117	32 929	33 311
Dividends		-	(17 004)	-	-	-	(17 004)	(17 004)
Own shares		-	-	-	(362)	-	(362)	(362)
Transfers		-	(178 222)	-	-	178 222	-	-
As at 31.12.2014 (restated)*		26 170	346 644	3 043	(431)	20 917	396 343	397 477
As at 1.1.2015 (restated)*		26 170	346 644	3 043	(431)	20 917	396 343	397 477
Net profit for the period		-	-	-	-	29 197	29 197	29 461
Other comprehensive income		-	-	2 806	-	-	2 806	2 748
Total comprehensive income for the period	2.2	-	-	2 806	-	29 197	32 003	32 209
Decrease of share capital		(10)	10	-	-	-	-	-
Own shares		-	-	-	(22)	-	(22)	(22)
Transfers		-	6 489	-	-	(6 489)	-	-
Other		-	-	-	-	1 119	1 119	1 177
Acquisition of subsidiary		-	-	-	-	190	190	6 940
As at 30.6.2015		26 160	353 143	5 849	(453)	44 934	429 633	437 781

* refer to note 4.7

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

Name: KOFOLA Spółka Akcyjna („the Company”, “the Issuer”)

Registered office: ul. Wschodnia 5, 99-300 Kutno.

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

Registration organ: the Regional Court for Łódź-Śródmieście in Łódź, XX Business Division of the National Court Register, KRS 0000134518.

The Company has been formed for an unspecified time.

The Group's condensed consolidated financial statements cover 6-month period ended 30 June 2015 and contain comparatives for the 6-month period ended 30 June 2014.

BOARD OF DIRECTORS

As at 30 June 2015 the Board of Directors of the parent company KOFOLA S.A. comprised:

- Mr. Janis Samaras – Chairman,
- Mr. Tomáš Jendřejek,
- Mr. René Musila,
- Mr. Daniel Buryš,
- Mr. Marián Šefčovič,
- Mr. Jiří Vlasák,
- Mr. Roman Zúrik.

Mr. Martin Mateáš resigned from the Board of Directors on 26 May 2015 and on following day Supervisory Board has appointed 2 new members of the Board of Directors Mr. Jiří Vlasák and Mr. Roman Zúrik.

SUPERVISORY BOARD

As at 30 June 2015 the Supervisory Board comprised:

- Mr. René Sommer – Chairman,
- Mr. Jacek Woźniak – Vice-Chairman,
- Mr. Dariusz Prończuk,
- Mr. Pavel Jakubík,
- Mr. Moshe Cohen-Nehemia,
- Mr. Petr Pravda.

Ms. Agnieszka Donica resigned from the Supervisory Board on 25 May 2015 and Petr Pravda was appointed as a member of the Supervisory Board on 26 May 2015.

AUDIT COMMITTEE

As at 30 June 2015 the Audit Committee comprised:

- Mr. René Sommer,
- Mr. Jacek Woźniak,
- Mr. Dariusz Prończuk,
- Mr. Pavel Jakubík,
- Mr. Moshe Cohen-Nehemia,
- Mr. Petr Pravda.

Ms. Agnieszka Donica resigned from the Audit Committee on 25 May 2015 and Petr Pravda was appointed as a member of the Audit Committee on 26 May 2015.

4.1 Statement of compliance and basis for the preparation of the consolidated financial statements of the KOFOLA S.A. Group

The condensed interim consolidated financial statements ("consolidated financial statements") have been prepared in accordance with International Accounting Standard ("IAS 34") - "Interim Financial Reporting" and in accordance with appropriate accounting standards applicable to the interim financial reporting adopted by the European Union, published and effective for reporting periods beginning 1 January 2015.

The condensed consolidated financial statements are to be read along with the audited consolidated financial statements of the KOFOLA S.A. Group for the year ended 31 December 2014 prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the EU, containing notes ("the Consolidated Financial Statements prepared in accordance with IFRS").

The condensed interim consolidated financial statements include the consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated cash-flow statement and explanatory notes.

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

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires that management exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements as disclosed in Note 4.6.

ADOPTION OF CHANGES TO STANDARDS IN 2015

The Group has not changes its accounting policies as a result of standards and interpretations adopted by the European Union effective for the reporting periods starting from 1 January 2015. Following new standards and amendments not yet effective are relevant for Group:

- IFRS 9, 'Financial Instruments': Classification and Measurement.
- IFRS 15, 'Revenue from Contracts with Customers'.
- Amendment to IAS 1, Disclosure Initiative.
- Amendment to IAS 16, 'Property, plant and equipment', and IAS 38 'Intangible assets' on clarification of acceptable methods of depreciation and amortisation.
- Amendment to IAS 27, 'Separate financial statements' on equity method in separate financial statements.
- Amendment to IFRS 10, 'Consolidated financial statements' and IAS 28, 'Investments in associates', on Investment entities: Applying the consolidation exception.
- Amendment to IFRS 10, 'Consolidated financial statements' and IAS 28, 'Investments in associates' on the sale or contribution of assets between an investor and its associate or joint venture.

The management of the Group is analysing potential impact of the above mentioned standards on the consolidated financial statements of the Group.

Following new standards and amendments not yet effective are not relevant for Group:

- IFRS 14, 'Regulatory Deferral Accounts'.
- Amendment to IAS 16, 'Property, plant and equipment', and IAS 41, 'Agriculture' on Agriculture: Bearer plants.
- Amendment to IFRS 11, 'Joint arrangements' on Accounting for acquisitions of interests in joint operations.

4.2 Functional currency and presentation currency

The Polish zloty is the functional currency of the parent company and the presentation currency of the consolidated financial statements.

4.3 Translation of amounts expressed in foreign currencies

The methods used to recognize and value transactions expressed in foreign currencies have been specified in IAS 21 "The Effects of Changes in Foreign Exchange Rates". Transactions expressed in foreign currencies are translated by the companies comprising the Group into their functional currencies using the exchange rates as at the date of the transaction. Monetary assets and liabilities expressed as at the balance sheet date in foreign currencies are translated using the closing exchange rate announced by the National Bank of Poland for the end of the reporting period, and all foreign exchange gains or losses are recognized in the profit or loss under:

- operating income and expense – for trading operations,
- financial income and expense – for financial operations.

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

Foreign exchange differences on loans granted to consolidated related parties for which settlement is neither planned nor likely to occur in the foreseeable future are transferred as part of consolidation adjustments from the profit and loss to other comprehensive income and accumulated in Currency translation difference.

The following rates were used for preparation of the financial statements:

Currency rate at the end of the period	30.6.2015	31.12.2014	30.6.2014
PLN/CZK	0.1538	0.1537	0.1515
PLN/EUR	4.1944	4.2623	4.1609
PLN/RUB	0.0676	0.0602	0.0897
PLN/USD	3.7645	3.5072	3.0473

Average currency rate, calculated as arithmetical mean of currencies on last day of each month in the period	1.1.2015 - 30.6.2015	1.1.2014 - 31.12.2014	1.1.2014 - 30.6.2014
PLN/CZK	0.1504	0.1520	0.1522
PLN/EUR	4.1341	4.1893	4.1784
PLN/RUB	0.0649	0.0821	0.0867
PLN/USD	3.7269	3.1784	3.0539

The financial information of foreign entities is translated into PLN in the following manner:

- assets and liabilities for each statement of financial position presented at the exchange rate announced by the National Bank of Poland for the balance sheet date,
- income and expense for each income statement at the rate constituting the arithmetical mean of the average exchange rates announced by the National Bank of Poland for each day ending an operating month. The resulting foreign exchange differences are recognized directly in other comprehensive income as a separate item,
- corresponding cash-flow statement items (investment and financing activities) at the rate constituting the arithmetical mean of the average exchange rates announced by the National Bank of Poland for each day ending an operating month. The resulting foreign exchange differences are recognized under the "Other currency differences from translation" item of the cash-flow statement.

4.4 Consolidation methods

4.4.1 Subsidiaries

Subsidiaries are those investees, including structured entities, that the Group controls because the Group (i) has power to direct the relevant activities of the investees that significantly affect their returns, (ii) has exposure, or rights, to variable returns from its involvement with the investees, and (iii) has the ability to use its power over the investees to affect the amount of the investor's returns. The existence and effect of substantive rights, including substantive potential voting rights, are considered when assessing whether the Group has power over another entity. For a right to be substantive, the holder must have a practical ability to exercise that right when decisions about the direction of the relevant activities of the investee need to be made. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses the existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control.

De-facto control may arise in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies, etc.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity instruments issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values as at the acquisition date. The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the previously held interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and initially recognized non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Inter-company transactions, balances, income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from intercompany transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

4.4.2 Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share of the acquired carrying value of net assets of the subsidiary is recorded in retained earnings. Gains or losses on disposals to non-controlling interests are also recorded in equity.

4.4.3 Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value as at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

4.4.4 Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The foreign associates are retranslated using foreign exchange rate valid at the balance sheet date and any resulting difference is recognised in Other comprehensive income.

The Group determines as at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of associates in the income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised gains and losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associates are recognised in the income statement.

4.5 Accounting methods

Except for the change in recognition of investment in associates, as described in paragraph 4.7, the accounting methods based on which the present financial statements have been prepared have not changed compared to the methods used in the consolidated financial statements for the twelve-month period ended 31 December 2014.

4.6 Significant estimates

Since some of the information contained in the consolidated financial statements cannot be measured precisely, the Group's Board of Directors must perform estimates to prepare the consolidated financial statements. The Board of Directors verifies the estimates based on changes in the factors taken into account at their calculation, new information or past experiences. For this reason the estimates performed as at 30 June 2015 may be changed in the future. The main estimates pertain to the following matters:

Estimates	Type of information
Impairment of goodwill, investment in associate and individual tangible and intangible assets	Key assumptions used to determine the recoverable amount: evidence for impairment, models, discount rates, growth rates.
Useful life of trade marks	The history of the trade mark on the market, market position, useful life of similar assets, the stability of the market segment, competition.
Income tax	Assumptions used to recognise deferred income tax assets.

4 INFORMATION ABOUT THE METHODS USED TO PREPARE THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF THE KOFOLA S.A. GROUP

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4.7 Restatements and correction of errors

Since 1 January 2013, OOO Megapack is accounted for as an associate using the equity method in the consolidated financial statements. Upon the deconsolidation, the associate was recognised at fair value determined by external valuation. The net present value in RUB was translated into PLN using the foreign exchange rate valid as at 1 January 2013 and no subsequent revaluation related to changes in exchange rates was carried out in the consolidated financial statements.

Management is of an opinion that the International Financial Reporting Standards as adopted by the European Union require the foreign associate to be retranslated using foreign exchange rate valid at the balance sheet date and any resulting difference should be recognised in Other comprehensive income.

Following the restatement of investment in associate the impairment of OOO Megapack of PLN 6 747 thousand charged in 2014 resulting from unfavourable development of Russian Rouble was restated.

The consolidated financial statements were adjusted for this matter as follows:

Statement of financial position

(in ths.)

ASSETS	31.12.2014 reported	Adjustment of Megapack treatment	31.12.2014 restated	30.6.2014 reported	Adjustment of Megapack treatment	30.6.2014 restated	31.12.2013 reported	Adjustment of Megapack treatment	31.12.2013 restated
Fixed assets (long-term)	658 188	(15 000)	643 188	668 894	(6 869)	662 025	631 780	(6 021)	625 759
Tangible fixed assets	434 903	-	434 903	436 232	-	436 232	408 908	-	408 908
Goodwill	13 553	-	13 553	13 430	-	13 430	13 419	-	13 419
Intangible fixed assets	163 951	-	163 951	164 700	-	164 700	157 040	-	157 040
Investment in subsidiaries and associates	43 493	(15 000)	28 493	51 949	(6 869)	45 080	51 841	(6 021)	45 820
Other long-term assets	61	-	61	134	-	134	134	-	134
Other long-term receivables	1 768	-	1 768	2 045	-	2 045	-	-	-
Deferred tax assets	459	-	459	404	-	404	438	-	438
Current assets (short-term)	275 397	-	275 397	295 967	-	295 967	262 645	-	262 645
Inventories	65 165	-	65 165	77 383	-	77 383	89 961	-	89 961
Trade receivables and other receivables	122 243	-	122 243	178 170	-	178 170	141 937	-	141 937
Income tax receivables	379	-	379	126	-	126	205	-	205
Cash and cash equivalents	87 610	-	87 610	40 288	-	40 288	30 542	-	30 542
TOTAL ASSETS	933 585	(15 000)	918 585	964 861	(6 869)	957 992	894 425	(6 021)	888 404

LIABILITIES AND EQUITY	31.12.2014 reported	Adjustment of Megapack treatment	31.12.2014 restated	30.6.2014 reported	Adjustment of Megapack treatment	30.6.2014 restated	31.12.2013 reported	Adjustment of Megapack treatment	31.12.2013 restated
Equity assigned to the shareholders of the parent company	411 343	(15 000)	396 343	387 402	(6 869)	380 533	386 801	(6 021)	380 780
Share capital	26 170	-	26 170	26 170	-	26 170	26 170	-	26 170
Supplementary capital	346 644	-	346 644	346 644	-	346 644	541 870	-	541 870
Currency translation difference	24 781	(21 738)	3 043	20 428	(6 869)	13 559	20 252	(6 021)	14 231
Own shares	(431)	-	(431)	(431)	-	(431)	(69)	-	(69)
Retained earnings	14 179	6 738	20 917	(5 409)	-	(5 409)	(201 422)	-	(201 422)
Non-controlling capital	1 134	-	1 134	770	-	770	752	-	752
Total equity	412 477	(15 000)	397 477	388 172	(6 869)	381 303	387 553	(6 021)	381 532
Long-term liabilities	158 585	-	158 585	160 731	-	160 731	149 365	-	149 365
Bank credits and loans	70 286	-	70 286	71 784	-	71 784	66 681	-	66 681
Bonds issued	49 879	-	49 879	49 156	-	49 156	49 005	-	49 005
Financial leasing liabilities	11 496	-	11 496	12 799	-	12 799	7 011	-	7 011
Provisions	562	-	562	555	-	555	675	-	675
Other long-term liabilities	5 305	-	5 305	5 675	-	5 675	6 318	-	6 318
Deferred tax reserve	21 057	-	21 057	20 762	-	20 762	19 675	-	19 675
Short-term liabilities	362 523	-	362 523	415 958	-	415 958	357 507	-	357 507
Bank credits and loans	85 753	-	85 753	92 725	-	92 725	100 431	-	100 431
Bonds issued	571	-	571	1 798	-	1 798	587	-	587
Financial leasing liabilities	6 255	-	6 255	6 759	-	6 759	7 297	-	7 297
Trade liabilities and other liabilities	251 801	-	251 801	287 443	-	287 443	238 019	-	238 019
Income tax liabilities	4 618	-	4 618	2 305	-	2 305	2 652	-	2 652
Other financial liabilities	50	-	50	17 004	-	17 004	-	-	-
Provisions	13 475	-	13 475	7 924	-	7 924	8 521	-	8 521
Total Liabilities	521 108	-	521 108	576 689	-	576 689	506 872	-	506 872
TOTAL LIABILITIES AND EQUITY	933 585	(15 000)	918 585	964 861	(6 869)	957 992	894 425	(6 021)	888 404

4 INFORMATION ABOUT THE METHODS USED TO PREPARE THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF THE KOFOLA S.A. GROUP

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Statement of other comprehensive income

(in ths.)

	1.1.2014 - 31.12.2014 reported	Adjustment of Megapack treatment	1.1.2014 - 31.12.2014 restated	1.1.2014 - 30.6.2014 reported	Adjustment of Megapack treatment	1.1.2014 - 30.6.2014 restated
Net profit/(loss) for the period	37 332	6 747	44 079	17 808	-	17 808
Other comprehensive income						
Currency differences from translation of foreign subsidiaries	4 958	-	4 958	177	-	177
Currency differences from translation of foreign associate	-	(15 717)	(15 717)	-	(848)	(848)
Group's share on associate's Other comprehensive income	-	(9)	(9)	-	-	-
Other comprehensive income (net)	4 958	(15 726)	(10 768)	177	(848)	(671)
Total comprehensive income	42 290	(8 979)	33 311	17 985	(848)	17 137
Assigned to:						
Shareholders of the parent company	41 908	(8 979)	32 929	17 967	(848)	17 119
Non-controlling interests	382	-	382	18	-	18

4.8 Approval of consolidated financial statements

The Board of Directors approved the present consolidated financial statements for publication on 19 August 2015.

5.1 Operating segments

An operating segment is a component of an entity:

- A) which engages in business activities as a result of which it may earn revenues and incur costs (including revenues and costs associated with transactions with other components of the same entity),
- B) which 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 Board of Directors of KOFOLA S.A. is the chief operating decision maker responsible for operational decision-making and uses these results to decide on the allocation of resources to the segment and to assess segments performance.

The Group operates in the following segments managed by the chief operating decision maker:

- | | |
|------------------|------------|
| • Poland | • Slovenia |
| • Czech Republic | • Export |
| • Slovakia | |

The Group applies the same accounting methods for all of the segments which are also in line with the accounting methods used in the preparation of these consolidated financial statements. Transactions between segments are eliminated in the consolidation process. The segment Export represents an aggregation of few other countries mainly in Europe with similar economic characteristics.

Within the presented segments, the Group identified one customer, who generated more than 10% of the Group's consolidated revenues from continuing operations. The Group's revenues from that customer in the first half of 2015 amounted PLN 107 789 thousand (first half of 2014: PLN 119 843 thousand).

5 NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF THE KOFOLA S.A. GROUP

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GEOGRAPHICAL SEGMENTS

1.1.2015 - 30.6.2015	Poland	Czech Republic	Slovakia	Slovenia*	Export*	Subtotal	Eliminations (consolidation adjustments)	Russia	Total
Revenues	182 631	191 937	135 036	31 671	10 003	551 278	(46 060)	-	505 218
Sales to external customers	176 565	177 016	110 323	31 328	9 986	505 218	-	-	505 218
Inter-segment sales	6 066	14 921	24 713	343	17	46 060	(46 060)	-	-
Operating expenses	(176 995)	(184 329)	(114 546)	(24 375)	(9 591)	(509 836)	46 060	-	(463 776)
Related to external customers sales	(170 929)	(169 408)	(89 833)	(24 032)	(9 574)	(463 776)	-	-	(463 776)
Related to inter-segment sales	(6 066)	(14 921)	(24 713)	(343)	(17)	(46 060)	46 060	-	-
Operating result	5 636**	7 608	20 490***	7 296	412	41 442	-	-	41 442
Result from financial activity								105	(5 688)
with third parties								-	(5 793)
between segments								-	-
Share in associates' result								105	105
Profit /(loss) before tax								105	35 754
Income tax								-	(6 293)
Net profit /(loss)								105	29 461
Assets and liabilities									
Segment assets	446 841	733 252	230 766	345 556	6 514	1 762 929	(466 039)	32 021	1 328 911
Total assets	446 841	733 252	230 766	345 556	6 514	1 762 929	(466 039)	32 021	1 328 911
Segment liabilities	241 719	637 530	148 035	332 599	5 674	1 365 557	(474 427)	-	891 130
Equity									437 781
Total liabilities and equity									1 328 911
Other information concerning segment									
Tangible and intangible fixed assets additions	4 859	13 418	29 706	108 516	-	156 499	-	-	156 499
Depreciation and amortization	7 821	19 108	7 598	2 327	-	36 854	-	-	36 854

* Segments Slovenia and Export include results of Radenska Group since its acquisition on 17 March 2015. If Radenska Group was acquired as of 1 January 2015, Revenues would have been increased by further PLN 20 484 thousand, Operating result increased by further PLN 944 thousand and Net profit increased by further PLN 376 thousand.

** The operating result of the operating segment Poland is affected by the following one-offs: HOOP Polska Sp. z o.o. incurred net costs of PLN 11 919 thousand relating to the qualitative product complaints connected with the poor quality of packaging material; Kofola S.A. incurred costs of PLN 757 thousand relating to group restructuring advisory (for details refer to Note 5.19).

*** The operating result of the operating segment Slovakia is affected by the following one-offs: Kofola a.s. (SK) incurred costs of PLN 551 thousand relating to advisory for WAD Group acquisition (for details refer to Note 5.19).

5 NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF THE KOFOLA S.A. GROUP

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1.1.2014 - 30.6.2014	Poland	Czech Republic	Slovakia	Export	Subtotal	Eliminations (consolidation adjustments)	Russia	Total
Revenues	207 414	178 243	123 228	4 613	513 498	(48 642)	-	464 856
Sales to external customers	198 174	164 043	98 026	4 613	464 856	-	-	464 856
Inter-segment sales	9 240	14 200	25 202	-	48 642	(48 642)	-	-
Adjusted operating expenses	(204 039)	(167 103)	(108 223)	(4 411)	(483 776)	48 642	-	(435 134)
Related to external customers sales	(194 799)	(152 903)	(83 021)	(4 411)	(435 134)	-	-	(435 134)
Related to inter-segment sales	(9 240)	(14 200)	(25 202)	-	(48 642)	48 642	-	-
Operating result	3 375	11 140	15 005	202	29 722	-	-	29 722
Result from financial activity							108	(6 278)
with third parties							-	(6 386)
between segments							-	-
Share in associates' result							108	108
Profit /(loss) before tax							108	23 444
Income tax							-	(5 636)
Net profit /(loss)							108	17 808
Assets and liabilities								
Segment assets	390 569	426 155	200 086	4	1 016 814	(103 902)	45 080	957 992
Total assets	390 569	426 155	200 086	4	1 016 814	(103 902)	45 080	957 992
Segment liabilities	226 568	343 461	118 158	4	688 191	(111 502)	-	576 689
Equity							-	381 303
Total liabilities and equity							-	957 992
Other information concerning segment								
Tangible and intangible fixed assets additions	8 565	7 434	7 312	-	23 311	-	-	23 311
Depreciation and amortization	10 109	16 589	6 886	-	33 584	-	-	33 584

5 NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF THE KOFOLA S.A. GROUP

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REVENUES BY PRODUCT

1.1.2015 - 30.6.2015	Carbonated beverages	Non-carbonated beverages	Waters	Syrups	Other	Total
Sales revenue	242 216	37 292	126 993	68 393	30 324	505 218

1.1.2014- 30.6.2014	Carbonated beverages	Non-carbonated beverages	Waters	Syrups	Other	Total
Sales revenue	246 512	24 553	98 405	73 963	21 423	464 856

SEASONAL AND CYCLICAL NATURE OF THE OPERATIONS OF THE KOFOLA S.A. GROUP

Seasonality

Seasonality is associated with periodic deviations in demand and supply, of certain significance in the shaping of the KOFOLA Group's general sales trends. Beverage sales peak appears in the 2nd and 3rd quarter of the year. This is caused by increased drink consumption in the spring and summer months. In the year ended 31 December 2014, about 21% (21% in 2013) of revenue from the sales of finished products and services was earned in the 1st quarter, with 28% (29% in 2013), 28% (27% in 2013) and 24% (23% in 2013) of the annual consolidated revenues earned in the 2nd, 3rd and 4th quarters, respectively.

Cyclical nature

The Group's results are dependent on economic cycles, in particular on fluctuations in demand and in the prices of raw materials, so-called "commodities".

5.2 Expenses by nature

Expenses by nature	1.1.2015 - 30.6.2015	1.1.2014 - 30.6.2014
Depreciation of tangibles and amortization of intangibles	36 854	33 584
Employee benefit costs and retirement benefits	75 191	62 107
Consumption of materials and energy	243 105	264 685
Cost of goods and materials sold	24 726	6 183
Services	83 193	65 578
Rental costs	7 885	6 737
Taxes and fees	3 904	3 011
Property and life insurance	1 087	1 127
Other costs/(income), net, including:	(7 922)	2 929
– change in allowance to inventory	5 947	(626)
– change in allowance to receivables	(3 017)	1 826
– other operating costs/(income), net	(10 852)	1 729
Total expenses by nature *	468 023	445 941
Change in the balance of semi-finished products and work in progress	(10 195)	(9 800)
Reconciliation of expenses by nature to expenses by function	457 828	436 141
Selling, marketing and distribution costs	130 739	115 444
Administrative costs	29 132	25 377
Costs of products and services sold	273 231	289 137
Cost of goods and materials sold	24 726	6 183
Total costs of products sold, merchandise and materials, sales costs and administrative costs	457 828	436 141

Costs of employee benefits and retirement benefits	1.1.2015 - 30.6.2015	1.1.2014 - 30.6.2014
Cost of salaries	57 829	47 736
Social security and other benefit costs	7 326	6 799
Future benefits expenses	1 100	-
Retirement benefit plan expenses	8 936	7 572
Total costs of employee benefits and retirement benefits	75 191	62 107

* Does not include other operating income and expenses

5.3 Financial income

Financial income	1.1.2015 - 30.6.2015	1.1.2014 - 30.6.2014
Financial interest income from:		
– bank deposits	163	217
– credits and loans granted	324	185
– interest on receivables	4	-
Net financial income from realised FX differences	1 511	34
Other financial income	288	29
Total financial income	2 290	465

5.4 Financial expense

Financial expense	1.1.2015 - 30.6.2015	1.1.2014 - 30.6.2014
Financial interest expense from:		
– credits, financial leases and bonds	5 882	5 299
Financial losses from realised FX differences	1 135	786
Bank costs and charges	842	765
Other financial expense	224	1
Total financial expense	8 083	6 851

5.5 Share in the result of associates

The item includes share in the profit of the Megapack Group for the current period of PLN 105 thousand attributable to the KOFOLA S.A. Group (1.1.2014 – 30.6.2014: PLN 108 thousand share in the profit of the Megapack Group).

5.6 Changes in allowances

Changes in allowances	Receivables	Inventories	Financial assets
As at 1.1.2015	18 138	2 370	800
Currency differences from translation	206	6	-
Increase due to creation	996	7 726	-
Decrease due to release	(3 418)	(1 677)	-
Decrease due to usage	(595)	(102)	-
As at 30.6.2015	15 327	8 323	800

* Radenska Group was acquired on 17 March 2015

5.7 Dividends paid and declared

Dividends from ordinary shares	1.1.2015 - 30.6.2015	1.1.2014 - 30.6.2014
Dividends declared in the given period	-	17 004
Dividends paid out in the given period	-	-
Dividends declared	-	17 004

5.8 Income tax

Main income tax elements for the 6-month period ended 30 June 2015 and for the 6-month period ended 30 June 2014 were as follows:

Income tax	1.1.2015 - 30.6.2015	1.1.2014 - 30.6.2014
Income Statement		
Current income tax	4 840	6 265
Current income tax charge	4 828	6 269
Adjustments of current income tax from previous years	12	(4)
Deferred income tax	1 453	(629)
Related to arising and reversing of temporary differences	(10 895)	(629)
Related to tax losses	12 348	-
Income tax recorded in consolidated income statement	6 293	5 636

5.9 Earnings per share

The basic earnings per share is calculated by dividing the net profit for the period attributable to ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding during the period.

The diluted earnings 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 own shares not subject to dividends).

Data relating to the profits and shares used to calculate basic and diluted profit per share are presented below:

	1.1.2015 - 30.6.2015	1.1.2014 - 30.6.2014
Net profit / (loss) attributable to shareholders of the parent company	29 197	17 791
	1.1.2015 - 30.6.2015	1.1.2014 - 30.6.2014
Weighted average number of issued common shares used to calculate the regular earnings per share ratio	26 160 379	26 170 003
Shares buy-back	-	(9 624)
Weighted average number of issued common shares	26 160 379	26 160 379
Impact of dilution:		
Subscription warrants	-	-
Adjusted weighted average number of common shares used to calculate diluted earnings per share	26 160 379	26 160 379

No other transactions involving ordinary shares or potential ordinary shares, except for registration of capital reduction, 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:

Basic earnings per share (PLN/share)	1.1.2015 - 30.6.2015	1.1.2014 - 30.6.2014
Net profit / (loss) attributable to shareholders of the parent company	29 197	17 791
Weighted average number of issued common shares	26 160 379	26 160 379
Regular earnings per share attributable to shareholders of the parent company	1.1161	0.6801
Diluted earnings per share (PLN/share)	1.1.2015 - 30.6.2015	1.1.2014 - 30.6.2014
Net profit / (loss) attributable to shareholders of the parent company	29 197	17 791
Adjusted weighted average number of common shares used to calculate diluted earnings per share	26 160 379	26 160 379
Diluted earnings per share attributable to shareholders of the parent company	1.1161	0.6801

5.10 Tangible fixed assets

In the reporting period of six-months ended 30 June 2015, the additions to tangible fixed assets were of PLN 132 374 thousand. The most significant additions were the aseptic line under the financial leasing used by Kofola a.s. (Slovakia) and the tangible fixed assets in the acquired subsidiary Radenska d.d.

5.11 Intangible fixed assets

Goodwill arose from the acquisition of Pinelli spol. s r.o. in 2011 and the acquisition of production part of Klimo s.r.o. in 2006.

The main recognised brands are Kofola, Vinea, Hoop Cola, Paola, Citrocola, Semtex, UGO and Radenska.

In the reporting period of six-months ended 30 June 2015, the additions to intangible fixed assets were of PLN 24 125 thousand. The most significant additions were the Radenska brand, the software in Kofola CS a.s. and other assets in the acquired subsidiary Radenska d.d.

5.12 Investment in associates

The main activities of the Megapack Group are the provision of beverage bottling services to third parties, production of own beverages, as well as their distribution on the territory of the Russian Federation.

Statement of financial position (in PLN ths.)	30.6.2015	31.12.2014	30.6.2014
Current assets (short-term)	56 473	60 681	95 088
Fixed assets (long-term)	28 911	27 076	39 650
Short-term liabilities	(43 063)	(49 770)	(71 653)
Long-term liabilities	(3 312)	(3 336)	(6 204)
Net assets	39 009	34 651	56 881

Income statement (in PLN ths.)	1.1.2015 - 30.6.2015	1.1.2014 - 31.12.2014	1.1.2014 - 30.6.2014
Revenue	81 199	237 149	112 624
Net profit (loss) for the financial year	210	3 628	216
Share on profit attributable to KOFOLA S.A. Group	105	1 814	108

Investment in associate (in PLN ths.)	1.1.2015 - 30.6.2015	1.1.2014 - 31.12.2014 (restated)*	1.1.2014 - 30.6.2014 (restated)*
Opening balance	28 493	45 820	45 820
Group's share on profit	105	1 814	108
Group's share on other comprehensive income	-	(9)	-
Dividends received	-	(3 415)	-
Currency translation	3 423	(15 717)	(848)
Closing balance	32 021	28 493	45 080

* refer to note 4.7

5.13 Credits, loans and issued bonds

INDEBTEDNESS OF THE GROUP FROM THE CREDITS AND LOANS AND FROM EMITTED BONDS

As at 30 June 2015, the Group's total credit and loan debt amounted to PLN 413 209 thousand and increased by PLN 257 170 thousand compared to 31 December 2014, mainly due to the bank loan for acquisition of Radenska d.d. with the balance of PLN 277 678 thousand as at 30 June 2015. The loan bears an interest of 3M PRIBOR plus margin and the final repayment date is 31 March 2024.

As at 30 June 2015, KOFOLA S.A. has obligations from issued bonds in the total amount of PLN 51 764 thousand. Liabilities from interests and obligations from bonds maturing in October 2018 in the amount of PLN 50 017 thousand are disclosed in long-term liabilities, and the liabilities from interests in the amount of PLN 1 747 thousand are presented in short-term liabilities.

CREDIT TERMS AND TERMS AND CONDITIONS OF BONDS ISSUE

Based on credit agreements and Terms and Conditions of the Bonds Issue (TCBI), the companies of the Group are required to meet specified financial ratios (covenants). In accordance with the requirements of IAS 1, a breach of credit terms that may potentially limit unconditional access to credits in the nearest year makes it necessary to classify such liabilities as short-term.

All Terms and Conditions of the Bonds Issue were met.

As such the Group did not perform any change in presentation.

5.14 Future commitments, contingent assets and liabilities

As at 30 June 2015, the Group issued following guarantees to third parties.

Entity providing guarantees	Entity receiving guarantees	Credit value on balance sheet day which were subject to guarantee		The period for which guarantees has been provided	The entity for which liabilities guarantees were provided	Type of relationship between the Company and the entity committed to loan
		in currency	in PLN			
Kofola CS a.s.	Unicredit Bank a.s.	3 982 T EUR	16 702	8/2015	Santa-Trans.SK s.r.o. (SR)	third party *
Kofola CS a.s.	Unicredit Bank a.s.	5 301 T EUR	22 235	12/2022	Santa-Trans.SK s.r.o. (SR)	third party *
Kofola CS a.s.	ČSOB Leasing a.s.	752 T CZK	116	5/2020	Kolonial.cz s.r.o.	third party *
Kofola CS a.s.	ČSOB Leasing a.s.	396 T CZK	61	5/2020	Kolonial.cz s.r.o.	third party *
Kofola CS a.s.	ČSOB Leasing a.s.	662 T CZK	102	4/2020	Kolonial.cz s.r.o.	third party *
Kofola CS a.s.	ČSOB Leasing a.s.	1 533 T CZK	236	3/2020	Kolonial.cz s.r.o.	third party *
Total loans and guarantees issued as at 30.6.2015			39 452	PLN thousand		

* The fair value of the guarantees is close to zero (fair valuation in level 3).

5.15 Court litigations

The KOFOLA S.A. Group is involved in certain legal proceedings that are incidental to the ordinary conduct of its business. The Issuer does not conduct any judicial, administrative or arbitration proceedings and has not conducted such proceedings in the period of first half 2015, which, in the Issuer's best opinion, could have/had in the past first half material impact on the financial situation.

Nevertheless it is worth to mention that there are pending denationalisation proceedings with respect to denationalisation claims of legal successors of the former owners of Radenska – Wilhelmina Höhn Šarič and Ante Šarič. The claimant fulfilled all the formal requirements (filed a motion for an interim injunction in due time) for the preservation of his option of an in-kind return of Radenska. Considering that the motion for the interim injunction was never decided upon, the return of the company in kind is unlikely as it would interfere with bona fide third party rights and established case-law of the European Court of Human Rights. However, the fact that the Republic of Slovenia failed to decide on the motion for an interim injunction (and therefore breached an individual's rights) should be considered as a separate legal basis for a claim for compensation from the Republic of Slovenia and not Radenska and/or its past, present or future shareholders.

The legal outcome of these proceedings remains highly unclear and uncertain. If the denationalisation beneficiaries would eventually succeed with their claims on in-kind return, Radenska's enterprise would need to be returned to the beneficiaries together with significant compensation payments which, as consequence, could have a material adverse effect on the Group's business, financial condition and results of operations.

5.16 Information on transactions with related parties

Ultimate controlling party is represented by private individuals.

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

Receivables from related companies	30.6.2015	31.12.2014	30.6.2014
- from associates	26	24	21
Total receivables from related companies	26	24	21

Liabilities to related companies	30.6.2015	31.12.2014	30.6.2014
- towards shareholders of KSM Investment (loan)	5 491	5 394	5 337
Total liabilities towards related companies	5 491	5 394	5 337

Total remuneration paid to the members of the Board of Directors and Supervisory Board of KOFOLA S.A. in the six-month period ended 30 June 2015 amounted to PLN 5 862 thousand (in the six-month period ended 30 June 2014 amounted to PLN 3 295 thousand).

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

5.17 Financial instruments

Table below presents financial instruments measured at fair value, according to different valuations methods. Levels are defined as follows:

- Quoted prices (unadjusted) for identical assets or liabilities in an active market (Level 1).
- Market inputs to valuation model other than Level 1 inputs, which are observable on the market for the asset or liability either directly (as price) or indirectly (based on prices) (Level 2).
- Market inputs to valuation model, for the asset or liability, not based on observable market data (unobservable market inputs) (Level 3).

The fair value of the following financial assets and liabilities approximates their carrying value:

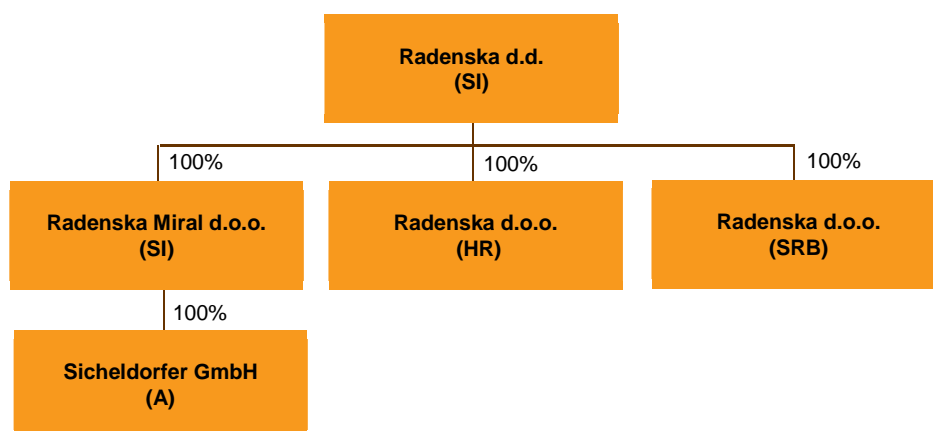
- Trade receivables and other receivables
- Other financial assets
- Cash and cash equivalents
- Trade liabilities and other liabilities
- Credit and loans

5.18 Acquisition of subsidiary

ACQUISITION OF RADENSKA GROUP

On 17 March 2015, Kofola družba za upravljanje d.o.o. acquired 87.16% of the shares and voting interest in Radenska d.d., producer of natural mineral and spring water products in Slovenia. The consideration transferred comprised cash of PLN 245 172 thousand (EUR 59 959 thousand). The Group determined the acquisition date as 31 March 2015 and the transactions for period 17 March 2015 to 31 March 2015 were considered not material. On 8 April 2015, conditions precedent to the acquisition of stake in Radenska d.d. have been met and Kofola družba za upravljanje d.o.o. acquired additional 6.82% shares and voting interest in Radenska d.d. for PLN 19 119 thousand (EUR 4 693 thousand) and on 22 May 2015, upon the following takeover bid, additional 3.64% of shares was acquired for PLN 10 249 thousand (EUR 2 501 thousand). As of 30 June 2015, the Group holds a total of 97.62% of shares in Radenska d.d.

Radenska Group has the following structure:



The following table summarizes the recognized amounts of assets acquired and liabilities assumed at the date of acquisition.

	Radenska Group (consolidated book value)	Fair value adjustments	Radenska Group (consolidated fair value)
Tangible fixed assets	83 189	(3 726)	79 463
Intangible fixed assets	1 734	20 589	22 322
Other financial assets	2 220	-	2 220
Deferred tax assets	16 462	633	17 096
Inventories	12 095	-	12 095
Trade receivables and other receivables	20 861	-	20 861
Cash and cash equivalents	169 599	-	169 599
Provisions	(21 251)	-	(21 251)
Deferred tax liability	102	(3 500)	(3 398)
Trade liabilities and other liabilities	(17 042)	-	(17 042)
Other financial liabilities	(676)	-	(676)
Total identifiable net assets acquired	267 294	13 996	281 290

Intangible fixed assets fair value adjustment of PLN 20 589 thousand with deferred tax liability adjustment of PLN (3 500) thousand relates to brands Radenska and Ora. Tangible fixed assets fair value adjustment of PLN (3 726) thousand with deferred tax asset adjustment of PLN 633 thousand relates to a revaluation of an administrative building.

The following table summarizes the consideration transferred, non-controlling interest, net assets acquired and goodwill.

	(PLN ths.)
Consideration transferred	274 540
Non-controlling interest	6 750
Net assets acquired	(281 290)
Goodwill	-

The valuation of net assets is prepared on the provisional basis. If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

If the acquisition took place as of 1 January 2015, the Group's revenues would have been increased by PLN 20 484 thousand, Operating result for the six-month period ending 30 June 2015 would have been increased by PLN 944 thousand and Net profit for the six-month period ending 30 June 2015 would have been increased by PLN 376 thousand.

5.19 Other matters

WAD GROUP ACQUISITION

On 19 June 2015, Kofola S.A. entered into a share purchase agreement to acquire 100% share in Slovak WAD GROUP a.s. that holds 40% share in WATER HOLDING a.s., a parent company of Slovenské pramene a žriedla a.s., Stredoslovenské žriedla a.s. a Zlatá studňa s.r.o. Water Holding Group is one of the leaders on Slovak bottled water market. Key brands of the group are Budiš, Fatra, Gemerka and Zlatá Studňa.

The acquisition is subject to approval of the Antimonopoly office of the Slovak Republic. As at the date of these financial statements, the procedure was still in progress.

The Group's Operating result for the 6-month period ended 30 June 2015 is affected by one-off costs relating to this acquisition of PLN 551 thousand.

GROUP RESTRUCTURING

The management considers internal change in the group structure. The main aim of the Change is to migrate the headquarters of the Group's holding company into the Czech Republic and to list the shares in the Group's holding company both on the Warsaw Stock Exchange and the Prague Stock Exchange. As a result of the change if and when it happens the Group's holding company shall be a company incorporated and having its seat in the Czech Republic.

In order to facilitate the transaction, the Company has engaged both legal and financial advisors resulting in the Group's Operating result for the 6-month period ended 30 June 2015 being affected by one-off costs relating to this advisory by PLN 757 thousand.

The transaction will be carried out if and when all required consents, including corporate consents required by laws will be obtained and is also subject to favourable market conditions.

5.20 Subsequent events

DIVIDEND PAYMENT RESOLUTION FOR SHAREHOLDERS OF KOFOLA S.A.

According to Resolution No. 22 from 8 July 2015 the Ordinary General Meeting of KOFOLA S.A. designated part of the net profit generated by the KOFOLA S.A. in 2014, in the amount of PLN 3 662 thousand for the payment of dividend.

Shares from each series (A, B, C, D, E, F, G) excluding own shares, were part of the dividend that amounted to PLN 0.14 per share. The dividend date was set for 31 August 2015 and the payment of the dividend was set for 16 November 2015.

BOARD AUTHORISATION TO PURCHASE OWN SHARES

In accordance with Resolution No. 23 from 8 July 2015 the Ordinary General Meeting of KOFOLA S.A. authorized, under the conditions and within the limits set out in the adopted resolution, the Board of Directors of KOFOLA S.A. to purchase its own shares for cancellation and thus reduction of the share capital of the KOFOLA S.A. The total number of shares covered by the Redemption Programme will be no more than 105 911 shares, which constitutes approximately 0.40% of the share capital, the resources allocated to the Programme may not exceed PLN 6.037 thousand and the price of acquired shares will be PLN 57 per share.

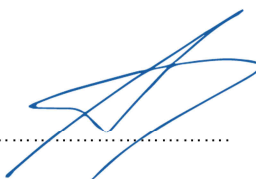
PRODUCTION HALL

HOOP Polska Sp. z o.o. entered into an agreement on 21 July 2015 to build a new production hall with installations and technical equipment. Under the agreement, a new car park will also be build and the infrastructure will be modernized in the old production hall. The aseptic production line for soft drinks will be installed in the newly constructed hall, while the remaining area will be used for storage purposes. The contract value amounts to PLN 17.3 million.

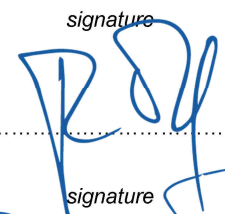
No other material events have occurred after the balance sheet date.

SIGNATURES OF THE COMPANY'S REPRESENTATIVES:

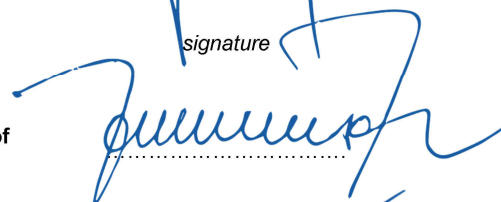
19.8.2015	Janis Samaras	Chairman of the Board of Directors
<i>date</i>	<i>name and surname</i>	<i>position/role</i>
19.8.2015	René Musila	Member of the Board of Directors
<i>date</i>	<i>name and surname</i>	<i>position/role</i>
19.8.2015	Tomáš Jendřejek	Member of the Board of Directors
<i>date</i>	<i>name and surname</i>	<i>position/role</i>
19.8.2015	Daniel Buryš	Member of the Board of Directors
<i>date</i>	<i>name and surname</i>	<i>position/role</i>
19.8.2015	Marián Šefčovič	Member of the Board of Directors
<i>date</i>	<i>name and surname</i>	<i>position/role</i>
19.8.2015	Jiří Vlasák	Member of the Board of Directors
<i>date</i>	<i>name and surname</i>	<i>position/role</i>
19.8.2015	Roman Zúrik	Member of the Board of Directors
<i>date</i>	<i>name and surname</i>	<i>position/role</i>



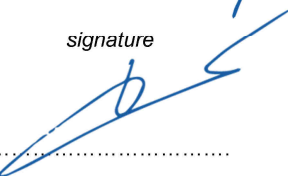
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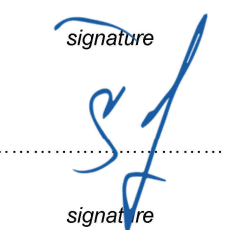
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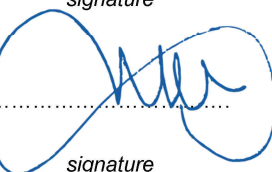
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SIGNATURE OF PERSON RESPONSIBLE FOR BOOKKEEPING:

19.8.2015	Rafał Leduchowski	Chief Accountant
<i>date</i>	<i>name and surname</i>	<i>position</i>



signature

6.1 Standalone income statement

for the 6-month period ended 30 June 2015 (reviewed) and for the 6-month period ended 30 June 2014 (reviewed) in PLN thousand.

Income Statement	Note	1.1.2015 - 30.6.2015	1.1.2014 - 30.6.2014
Revenue from dividends		29 146	17 214
Administrative costs	9.1	(2 536)	(1 558)
Other operating income		-	12
Other operating expenses	9.4	(7 322)	-
Operating profit/loss		19 288	15 668
Financial income	9.2	2 456	2 167
Financial expense	9.3	(2 052)	(2 245)
Profit/loss before tax		19 692	15 590
Income tax	9.6	-	(13)
Net profit/loss for the period		19 692	15 577
Earnings per share (in PLN)			
- basic from profit for the period		0.7527	0.5954
- diluted from profit for the period		0.7527	0.5954

6.2 Standalone statement of comprehensive income

for the 6-month period ended 30 June 2015 (reviewed) and for the 6-month period ended 30 June 2014 (reviewed) in PLN thousand.

Statement of comprehensive income	Note	1.1.2015 - 30.6.2015	1.1.2014 - 30.6.2014
Net profit/loss for the period		19 692	15 577
Other comprehensive income		-	-
Total comprehensive income	6.5	19 692	15 577

6.3 Standalone statement of financial position

As at 30 June 2015 (reviewed), 31 December 2014 (audited) and 30 June 2014 (reviewed) in PLN thousand.

ASSETS	Note	30.6.2015	31.12.2014	30.6.2014
Fixed assets (long-term)		822 707	833 480	851 734
Tangible fixed assets		268	268	268
Investment in subsidiaries and associates	9.7	731 088	737 933	744 681
Loans granted to related parties		90 935	94 862	106 381
Deferred tax assets		416	416	404
Current assets (short-term)		38 101	5 021	10 286
Trade receivables and other receivables		33 156	3 726	9 082
Cash and cash equivalents		4 945	1 295	1 204
TOTAL ASSETS		860 808	838 501	862 020

LIABILITIES AND EQUITY	Note	30.6.2015	31.12.2014	30.6.2014
Equity		781 124	761 454	767 028
Share capital		26 160	26 170	26 170
Supplementary capital		725 722	725 712	725 712
Own shares		(453)	(431)	(431)
Retained earnings		29 695	10 003	15 577
Long-term liabilities		72 523	71 992	72 575
Bonds issued		50 017	49 879	49 156
Other long-term liabilities		22 506	22 113	23 419
Short-term liabilities		7 161	5 055	22 417
Bonds issued		1 747	571	1 798
Trade liabilities and other liabilities		5 413	4 484	3 614
Other financial liabilities		1	-	17 005
Total liabilities		79 684	77 047	94 992
TOTAL LIABILITIES AND EQUITY		860 808	838 501	862 020

6.4 Standalone cash flow statement

for the 6-month period ended 30 June 2015 (reviewed) and for the 6-month period ended 30 June 2014 (reviewed) in PLN thousand.

Cash flow statement	Note	1.1.2015 - 30.6.2015	1.1.2014 - 30.6.2014
Cash flows on operating activity			
Profit (loss) before tax		19 692	15 590
Adjustments for the following items:			
Non-cash movements			
Net interest and dividends		(28 991)	(17 159)
Impairment		7 165	-
Other		(341)	(363)
Gains and losses on foreign exchange differences		34	129
Cash movements			
Dividends received		-	8 699
Change in working capital			
(Increase) / decrease in the balance of receivables		(335)	(292)
(Increase) / decrease in the balance of liabilities		625	(4 434)
Net cash flows on operating activity		(2 151)	2 170
Cash flows on investing activity			
Dividends and interest received		1 539	-
Proceeds from repaid loans		4 262	-
Net cash flows on investing activity		5 801	-
Cash flows on financial activity			
Interest paid		-	(3 149)
Net cash flows on financing activity		-	(3 149)
Total net cash flow		3 650	(979)
Cash at the beginning of the period		1 295	2 183
Cash at the end of the period		4 945	1 204

6.5 Separate statement of changes in equity

for the 6-month period ended 30 June 2015 (reviewed), 12-month period ended 31 December 2014 (audited) and the 6-month period ended 30 June 2014 (reviewed) in PLN thousand.

Statement of changes in equity	Note	Share capital	Supplementary capital	Own shares	Retained earnings / (Accumulated losses)	Total equity
As at 1.1.2014		26 170	908 887	(69)	(166 171)	768 817
Net profit for the period		-	-	-	15 577	15 577
Total comprehensive income		-	-	-	15 577	15 577
Dividend payment		-	(17 004)	-	-	(17 004)
Own shares		-	-	(362)	-	(362)
Transfers		-	(166 171)	-	166 171	-
As at 30.6.2014		26 170	725 712	(431)	15 577	767 028
As at 1.1.2014		26 170	908 887	(69)	(166 171)	768 817
Net profit for the period		-	-	-	10 003	10 003
Total comprehensive income		-	-	-	10 003	10 003
Dividend payment		-	(17 004)	-	-	(17 004)
Own shares		-	-	(362)	-	(362)
Transfers		-	(166 171)	-	166 171	-
As at 31.12.2014		26 170	725 712	(431)	10 003	761 454
As at 1.1.2015		26 170	725 712	(431)	10 003	761 454
Net profit for the period		-	-	-	19 692	19 692
Total comprehensive income		-	-	-	19 692	19 692
Decrease of share capital		(10)	10	-	-	-
Own shares		-	-	(22)	-	(22)
As at 30.6.2015		26 160	725 722	(453)	29 695	781 124

Information about the Company:

Name: KOFOLA Spółka Akcyjna ("the Company", "the Issuer")

Registered office: ul. Wschodnia 5, 99-300 Kutno.

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

Registration organ: the Regional Court for Łódź – Śródmieście in Łódź, XX Business Division of the National Court Register, KRS 0000134518.

The Company has been formed for an unspecified time.

The Company's separate financial information covers the six-month period ended 30 June 2015 and includes comparatives for the six-month period ended 30 June 2014.

The Company is the parent company of the KOFOLA S.A. Group („the Group”, „the KOFOLA S.A. Group”) and prepares consolidated financial information.

8.1 Basis for the preparation of the condensed interim separate financial information

The condensed separate financial statements have been prepared in accordance with the laws binding in the Republic of Poland, in accordance with International Accounting Standard ("IAS 34") as well as the interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") as adopted by the European Union, and therefore complies with Article 4 of the EU Directive on the application of international accounting standards. The separate financial statements have been prepared on a going concern basis and in accordance with the historical cost method, with the exception of financial assets and financial liabilities stated at fair value.

The condensed separate financial statements are to be read along with the audited annual separate financial statements of KOFOLA S.A. prepared in accordance with International Financial Reporting Standards (IFRS), containing notes ("the separate financial statements prepared in accordance with IFRS") for the year ended 31 December 2014.

The condensed separate financial statements consist of the separate statement of financial position, the separate income statement, the separate statement of comprehensive income, the separate statement of changes in equity, the separate cash flow statement, and selected explanatory notes.

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

8.2 Statement of compliance

This condensed separate financial statements have been prepared in accordance with IAS 34 as adopted by the EU.

8.3 Functional currency and presentation currency

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

8.4 Translation of amounts expressed in foreign currencies

Transactions expressed in currencies other than 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 in currencies other than the Polish Zloty are translated as at the balance sheet date 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 item financial income/(expense).

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 measured 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 for preparation of the financial statements:

Currency rate at the end of the period	30.6.2015	31.12.2014	30.6.2014
PLN/CZK	0.1538	0.1537	0.1515
PLN/EUR	4.1944	4.2623	4.1609
PLN/RUB	0.0676	0.0602	0.0897
PLN/USD	3.7645	3.5072	3.0473

Average currency rate, calculated as arithmetical mean of currencies on last day of each month in the period	1.1.2015 - 30.6.2015	1.1.2014 - 31.12.2014	1.1.2014 - 30.6.2014
PLN/CZK	0.1504	0.1520	0.1522
PLN/EUR	4.1341	4.1893	4.1784
PLN/RUB	0.0649	0.0821	0.0867
PLN/USD	3.7269	3.1784	3.0539

8.5 Accounting methods

The accounting policy and methods based on which the financial information contained in this report has been prepared have not changed compared to the separate financial statements for the year 2014.

8.6 Correction of errors and changes in presentation

No correction of errors and no changes in presentation took place in the reporting period.

8.7 Approval of financial information

The Board of Directors approved the present separate financial statements for publication on 19 August 2015.

9.1 Expenses by nature

Expenses by type	1.1.2015 - 30.6.2015	1.1.2014 - 30.6.2014
Costs of employee benefits and retirement benefits	60	68
Consumption of materials and energy	4	4
Services	2 379	1 441
Rental costs	36	36
Taxes and fees	8	9
Property and life insurance	29	-
Other expenses	20	-
Total expenses by type	2 536	1 558
Reconciliation of expenses by type to expenses by function	2 536	1 558
Administrative costs	2 536	1 558
Total costs of products, merchandise and materials sold, sales costs and overhead costs	2 536	1 558

Costs of employee benefits and retirement benefits	1.1.2015 - 30.6.2015	1.1.2014 - 30.6.2014
Cost of salary	48	61
Social security and other benefits costs	7	7
Retirement benefits expenses or retirement benefit plan expenses	5	-
Total costs of employee benefits and retirement benefits	60	68

9.2 Financial income

Financial income	1.1.2015 - 30.6.2015	1.1.2014 - 30.6.2014
Financial interest income from:		
– bank deposits	1	-
– credits and loans granted	1 856	2 057
Other financial income	599	110
Total financial income	2 456	2 167

Financial interest income relates to the loan granted to subsidiaries Kofola CS a.s. and Hoop Polska Sp. z o.o.

9.3 Financial expenses

Financial expenses	1.1.2015 - 30.6.2015	1.1.2014 - 30.6.2014
Financial interest expense from:		
– bonds issued	2 012	1 302
– liabilities acquired within the Group	-	808
Net financial losses from realised FX differences	34	129
Bank costs and charges	6	6
Total financial expenses	2 052	2 245

9.4 Changes in provisions and impairment allowances

Changes in provisions and impairment allowances	Receivables	Tangible fixed assets	Financial assets
As at 1.1.2015	1 166	104	173 246
Increase due to recognition	-	-	7 165
Increase due to creation	109	-	-
Decrease due to release	(332)	-	-
As at 30.6.2015	943	104	180 411

The Company recognised an impairment of its investment in subsidiary Alofok Ltd. that holds an associate OOO Megapack of PLN 7 165 thousand as a result of unfavourable development of Russian Rouble.

9.5 Dividends paid and declared

Dividends from ordinary shares	1.1.2015 - 30.6.2015	1.1.2014 - 30.6.2014
Declared during the period	-	17 004
Paid during the period	-	-
Dividends from ordinary shares	-	17 004

9.6 Income tax

Main income tax elements for the period of six-month ended 30 June 2015 and for the period of six-month ended 30 June 2014:

Income tax	1.1.2015 - 30.6.2015	1.1.2014 - 30.6.2014
Income Statement		
Deferred income tax	-	13
Related with recognition and reversal of temporary differences	-	13
Income tax charge/discharge recorded in the income statement	-	13

9.7 Information on transactions with related parties

Ultimate controlling party is represented by private individuals.

Revenue of KOFOLA S.A. arising from interest from loans granted to related parties for the six-month period of 2015 amounted to PLN 1 856 thousand.

Revenue arising from guarantees issued for the six-month period of 2015 amounted to PLN 599 thousand.

The value of services purchased by KOFOLA S.A. in the six-month period of 2015 from related parties amounted to PLN 1 482 thousand and concerned primarily rental costs, maintenance costs for financial reporting and accounting and legal services.

Interest expense on debt acquired from related parties for the six-month period of 2015 amounted to PLN 759 thousand.

Receivables from related parties	30.6.2015	31.12.2014	30.6.2014
- from consolidated subsidiaries	33 307 *	3 516	8 548 *
Total receivables from related companies	33 307	3 516	8 548

* main part relates to dividend receivable

Liabilities towards related parties	30.6.2015	31.12.2014	30.6.2014
- towards consolidated subsidiaries **	27 667	25 364	26 561
Total liabilities towards related companies	27 667	25 364	26 561

** main part relates to the liabilities acquired within the Group

Remuneration paid via Group companies to the members of the Board of Directors and Supervisory Board of KOFOLA S.A. in the six-month period ended 30 June 2015 amounted to PLN 5 862 thousand (in the comparative period of 2014 amounted to PLN 3 295 thousand).

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

LOANS GRANTED TO RELATED PARTIES

Loans granted to related parties	30.6.2015	31.12.2014	30.6.2014
Long-term loans, including:			
Principal	66 018	70 299	73 538
Interest	24 917	24 563	32 843
Total	90 935	94 862	106 381

This item consists of the loan granted to Kofola CS a.s. (in CZK) with maturity date in October 2036 and of subordinated loans granted during the reporting period to Hoop Poland Sp. z o.o. (in PLN) with maturity date in December 2017.

INVESTMENT IN SUBSIDIARIES AND ASSOCIATES

Company Name	Registered office	Range of activity	Consolidation method	Direct or indirect % part in share capital	% part in voting rights	Net book value		
						30.6.2015	31.12.2014	30.6.2014
1. Kofola CS a.s.	Czech Republic, Ostrava	holding	Acquisition accounting	100,00%	100,00%	481 704	481 704	481 704
2. Hoop Polska Sp. z o.o.	Poland, Kutno	production and sale of non-alcoholic beverages	Acquisition accounting	100,00%	100,00%	207 071	207 071	207 071
3. Alofok Ltd.	Cyprus, Limassol	holding	Acquisition accounting	100,00%	100,00%	41 994	49 159	55 906
4. Kofola ČeskoSlovensko a.s.	Czech Republic, Ostrava	inactive	Acquisition accounting	100,00%	100,00%	319	-	-
TOTAL						731 088	737 934	744 681

9.8 Contingent assets and liabilities

Entity providing guarantees	Entity receiving guarantees	Credit value on balance sheet day which were subject to guarantee		The period for providing guarantees	The entity for which liabilities guarantees were provided	Kind of relationship between the entity providing and entity receiving
		in currency	in thous.PLN			
KOFOLA S.A.	Bank Millennium S.A.	7 000 T PLN	7 000	12/2020	Hoop Polska Sp. z o.o.	subsidiary
KOFOLA S.A.	Bank BPH S.A.	7 000 T PLN	7 000	12/2020	Hoop Polska Sp. z o.o.	subsidiary
KOFOLA S.A.	Bank Millennium S.A.	- T PLN *	-	12/2020	Hoop Polska Sp. z o.o.	subsidiary
KOFOLA S.A.	Bank BPH S.A.	- T PLN *	-	12/2020	Hoop Polska Sp. z o.o.	subsidiary
KOFOLA S.A.	Toyota Leasing S.A.	268 T EUR	1 123	6/2015	Hoop Polska Sp. z o.o.	subsidiary
KOFOLA S.A.	Krajowa Spółka Cukrowa S.A.	730 T PLN	730	9/2015	Hoop Polska Sp. z o.o.	subsidiary
KOFOLA S.A.; Kofola a.s. (CZ); Kofola a.s. (SR)	ČSOB a.s. + ČS a.s.	853 994 T CZK	131 344	3/2024	Kofola CS a.s.	subsidiary
KOFOLA S.A.; Kofola a.s. (CZ); Kofola a.s. (SR)	ČSOB a.s. + ČS a.s.	960 496 T CZK	147 724	9/2016	Kofola CS a.s.	subsidiary
Total guarantees issued as at 30.6.2015			294 921	PLN thousand		

* The fair value of the guarantees is close to zero (fair valuation in level 3).

Remuneration of KOFOLA S.A. for granting the above mentioned guarantees in the reporting period amounted to PLN 599 thousand.

9.9 Subsequent events

DIVIDEND PAYMENT RESOLUTION FOR SHAREHOLDERS OF KOFOLA S.A.

According to Resolution No. 22 from 8 July 2015 the Ordinary General Meeting of KOFOLA S.A. designated part of the net profit generated by the KOFOLA S.A. in 2014, in the amount of PLN 3 662 thousand for the payment of dividend.

Shares from each series (A, B, C, D, E, F, G) excluding own shares, were part of the dividend that amounted to PLN 0.14 per share. The dividend date was set for 31 August 2015 and the payment of the dividend was set for 16 November 2015.

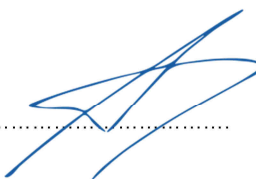
BOARD AUTHORISATION TO PURCHASE OWN SHARES

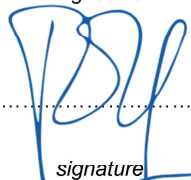
In accordance with Resolution No. 23 from 8 July 2015 the Ordinary General Meeting of KOFOLA S.A. authorized, under the conditions and within the limits set out in the adopted resolution, the Board of Directors of KOFOLA S.A. to purchase its own shares for cancellation and thus reduction of the share capital of the KOFOLA S.A. The total number of shares covered by the Redemption Programme will be no more than 105 911 shares, which constitutes approximately 0.40% of the share capital, the resources allocated to the Programme may not exceed PLN 6.037 thousand and the price of acquired shares will be PLN 57 per share.


No other material events have occurred after the balance sheet date.

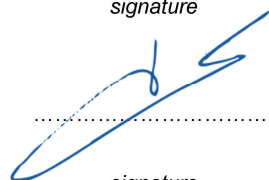
SIGNATURES OF THE COMPANY'S REPRESENTATIVES:

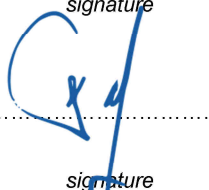
19.8.2015	Janis Samaras	Chairman of the Board of Directors
<i>date</i>	<i>name and surname</i>	<i>position/role</i>
19.8.2015	René Musila	Member of the Board of Directors
<i>date</i>	<i>name and surname</i>	<i>position/role</i>
19.8.2015	Tomáš Jendřejek	Member of the Board of Directors
<i>date</i>	<i>name and surname</i>	<i>position/role</i>
19.8.2015	Daniel Buryš	Member of the Board of Directors
<i>date</i>	<i>name and surname</i>	<i>position/role</i>
19.8.2015	Marián Šefčovič	Member of the Board of Directors
<i>date</i>	<i>name and surname</i>	<i>position/role</i>
19.8.2015	Jiří Vlasák	Member of the Board of Directors
<i>date</i>	<i>name and surname</i>	<i>position/role</i>
19.8.2015	Roman Zúrik	Member of the Board of Directors
<i>date</i>	<i>name and surname</i>	<i>position/role</i>



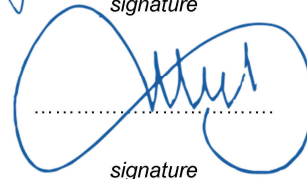
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SIGNATURE OF PERSON RESPONSIBLE FOR BOOKKEEPING:

19.8.2015	Rafał Leduchowski	Chief Accountant
<i>date</i>	<i>name and surname</i>	<i>position</i>



signature

