

# kofola

drinks. life. emotion.



## Kofola Group results in 2012

Investor's Presentation

19 March 2013

- **Kofola Group in 2012**

- Summary of results and market conditions in 2012
- Markets, trends and strategy
- Profile and history of Kofola Group
- Shares and shares' price
- Contact

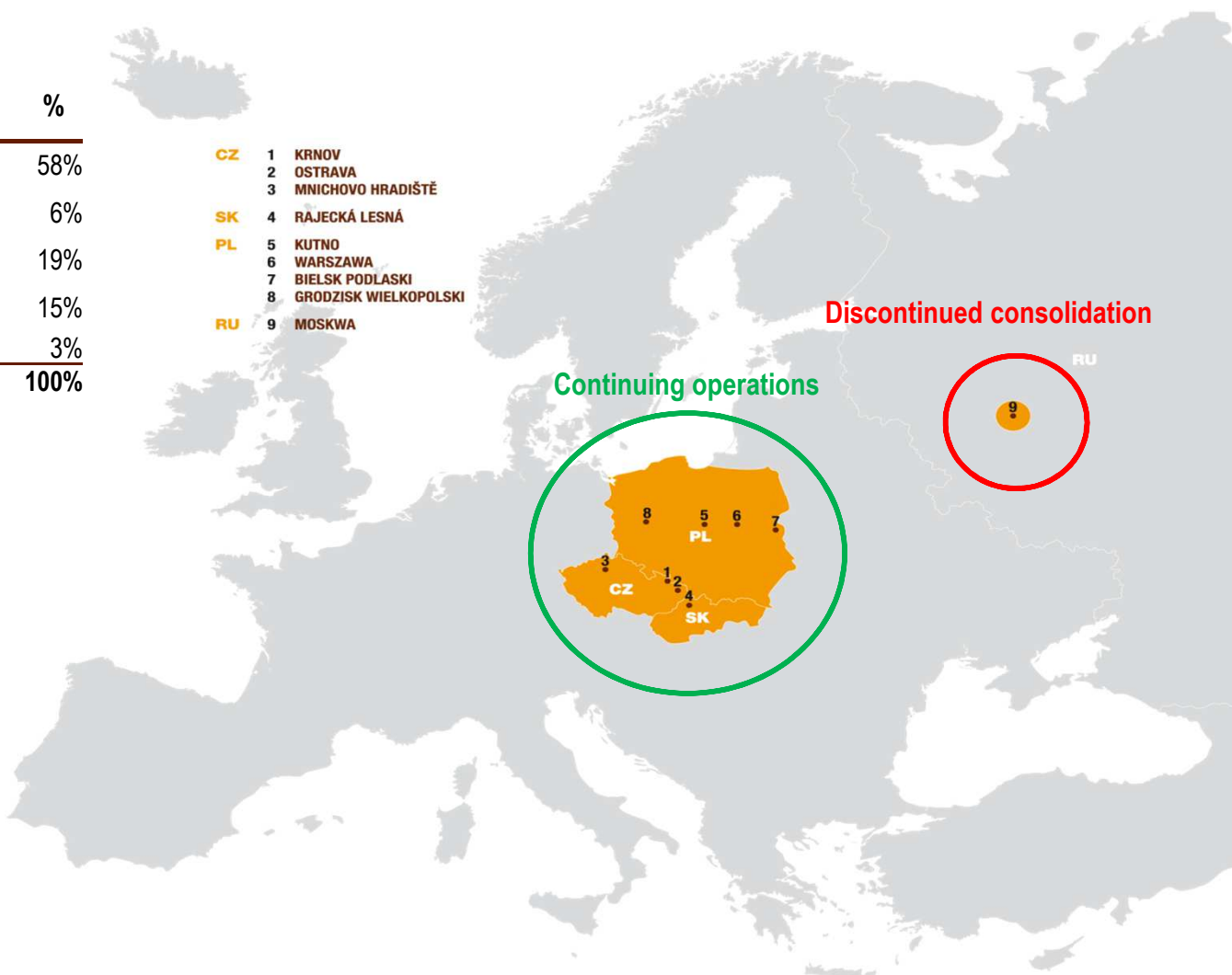


# KOFOLA GROUP IN 2012

Due to the focus of Kofola group on the middle Europe countries and termination of shareholder's agreement at the end of 2012, starting 2013 Kofola group will consolidate Megapack group by equity method. Therefore already in the consolidated financial statements for 2012 Megapack group is presented as **Discontinued consolidation**. **Continuing operations** are represented by Polish, Czech and Slovak entities.

| Segment revenues (Continuing operations)       | mIn PLN        | %           |
|------------------------------------------------|----------------|-------------|
| Carbonated beverages                           | 592.2          | 58%         |
| Non-carbonated beverages                       | 57.8           | 6%          |
| Waters                                         | 192.9          | 19%         |
| Syrups                                         | 153.7          | 15%         |
| Other                                          | 26.1           | 3%          |
| <b>Total revenues</b>                          | <b>1 022.7</b> | <b>100%</b> |
| <b>EBITDA (Continuing operations)</b>          | <b>129.9</b>   |             |
| <b>Operating cash flow</b>                     | <b>184.1</b>   |             |
| <b>Total assets</b>                            | <b>1 258.1</b> |             |
| <b>Equity</b>                                  | <b>537.0</b>   |             |
| <b>Net debt (Continuing operations)</b>        | <b>257.7</b>   |             |
| <b>Net debt/EBITDA (Continuing operations)</b> | <b>1.98x</b>   |             |
| <b>Net debt/Equity (Continuing operations)</b> | <b>0.48x</b>   |             |

- CZ** 1 KRNOV
- 2 OSTRAVA
- 3 MNICHOVO HRADIŠTĚ
- SK** 4 RAJECKÁ LESNÁ
- PL** 5 KUTNO
- 6 WARSZAWA
- 7 BIELSK PODLASKI
- 8 GRODZISK WIELKOPOLSKI
- RU** 9 MOSKWA



# OUR BRANDS



 CZ + SK

 PL

 RU

## KEY SUCCESSES AND REALIZED EVENTS IN 2012

| Event                                                                           | Effects                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|---------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Launches of new products                                                        | <p><b>Czech Republic and Slovakia:</b></p> <ul style="list-style-type: none"> <li>• Natelo (fruit drink sold heated to 37° C)</li> <li>• Chito „Ginger Beer” (ginger beer without alcohol)</li> <li>• Chito „Cloudy lemon”</li> <li>• Kofola „bez cukru” with stevia</li> <li>• Kofola with foam</li> <li>• Kofola „festiwalowa” with guave</li> <li>• Kofola „outdoor” with guarana</li> <li>• Jupik Aqua sport</li> </ul> <p><b>Poland:</b></p> <ul style="list-style-type: none"> <li>• Hoop Cola in 0,25l cans</li> <li>• New brand of syrups Jarmark Polski</li> <li>• New brand of water Białowieski Zdrój</li> <li>• Hoop Cola Spice</li> </ul> <p><b>Russia:</b></p> <ul style="list-style-type: none"> <li>• New format of low-alcohol drinks packaging – cans 0.33l</li> <li>• Low-alcohol drink Black Mamba</li> </ul> <ul style="list-style-type: none"> <li>• Jupik sweetened with stevia</li> <li>• New herbal flavors of Jupi syrups – Chamomile &amp; hip, Plantain &amp; Yarrow, Thyme &amp; Dandelion</li> <li>• Rajec water for infants</li> <li>• New tastes of Rajec water – gooseberry and cranberry</li> <li>• Vinea in 0,25l cans</li> <li>• Pickwick Ice Tea in 0,25l cans</li> </ul> <ul style="list-style-type: none"> <li>• Jupik Aqua sport</li> <li>• Pickwick Ice Tea</li> <li>• Vinea</li> </ul> <ul style="list-style-type: none"> <li>• New products in glass : lemonade KOE CHTO, fruit drinks ESKIMORS and Arctic water</li> </ul> |
| Megapack – discontinued consolidation                                           | <p>Due to the focus of Kofola group on the middle Europe countries and termination of shareholder’s agreement at the end of 2012, starting 2013 Kofola group will consolidate Megapack group by equity method. Therefore already in the consolidated financial statements for 2012 Megapack group is presented as <b>Discontinued consolidation. Continuing operations</b> are represented by Polish, Czech and Slovak entities.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Acquisition of producer of healthy drinks and operator of network of fresh bars | <p>On 1 December 2012 Kofola ČeskoSlovensko a.s. acquired 75 % share in UGO group. The Ugo group is owner of network of fresh bars in trading centers offering fresh juices (on place production and sale of fresh juices). The purpose of the acquisition is strengthening our position in the segment of healthy drinks and obtaining the platform for their distribution.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Increase of the presence in the retail segment in Russia                        | <p>In 2012 Megapack has signed agreements to sell its own products under the brands Hoop, Hooper's Hooch, Arctic and Jumper with several leading retail chains in Russia. This movement aims to increase the share of own product’s revenue of the Megapack Group which was confirmed by two times higher sales of water and three times higher sales of kids drinks.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

## KEY SUCCESSES AND REALIZED EVENTS IN 2012

| Event                                                               | Effects                                                                                                                                                                                                                                                                                                                      |
|---------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Start-up of the production of beverages in glass in Russia</b>   | In 4Q 2012 Megapack group started production on new glass line. New products are going to widen our portfolio which should support our position in the retail chains and gastro segment.                                                                                                                                     |
| <b>Issue of bonds by KOFOLA S.A.</b>                                | On 20 February 2012 KOFOLA S.A. has issued bonds (series A <sup>3</sup> ) in total value of PLN16.85 million.                                                                                                                                                                                                                |
| <b>Bonds KOFOLA S.A. traded on Catalyst and BondSpot S.A.</b>       | On 30 March 2012, KOFOLA SA bonds (ie, series A <sup>1</sup> , A <sup>2</sup> and A <sup>3</sup> ) were introduced to the Alternative Trading System (Catalyst) and the wholesale market BondSpot S.A.                                                                                                                       |
| <b>Assimilation of bonds - series A<sup>2</sup> i A<sup>3</sup></b> | On 29 June 2012 Management Board of KDPW adopted a resolution about assimilation of A <sup>2</sup> and A <sup>3</sup> bonds series. Since 3 July 2012 both series are presented as A <sup>2</sup> .                                                                                                                          |
| <b>Signing of loan agreements by Hoop</b>                           | On 28 March 2012 agreement amending and consolidating Term Loan Agreement (due on 22 March 2014) in the amount of PLN 57 million and the contract agreement amending and consolidating the overdraft in the amount of PLN 57 million (due on 28 March 2013) was signed between Hoop Polska Sp. z o.o. and a bank consortium. |
| <b>Dividend payment to shareholders of KOFOLA S.A.</b>              | On 6 December 2012 dividend of PLN 23.3 million was paid which means 0,89 PLN/share.                                                                                                                                                                                                                                         |
| <b>Shares buy back</b>                                              | During 2012 KOFOLA S.A. bought back 2 599 of own shares. The shares buy back program was ended on 31 December 2012.                                                                                                                                                                                                          |
| <b>Change of name of a Subsidiary</b>                               | On 30 March 2012 Kofola Holding a.s. was renamed to Kofola ČeskoSlovensko a.s.                                                                                                                                                                                                                                               |
| <b>Liquidation of a Subsidiary in Hungary</b>                       | On 9 August 2012 the Management Board of KOFOLA S.A. has obtained from Hungarian court registry official information about finalizing the process of liquidation of our Hungarian subsidiary - Kofola Zrt.in liquidation.                                                                                                    |
| <b>Merger of subsidiaries</b>                                       | On 29 December 2012 Kofola Sp. z o.o. and Kofola ČeskoSlovensko a.s. merged. The merger had character of incorporation. The successor is Kofola ČeskoSlovensko a.s.                                                                                                                                                          |



## Kofola Bez Cukru (Sugar free)

The new version Kofola bez Cukru with altered sugar-free recipe that tastes better to customers. The product has lower volume of calories thanks to usage of a new natural sweetener that does not contain calories - Stevia. This is the first product with Stevia in the portfolio of the Group. The product is sold in bottles with a capacity of 0.5l, 1.0l and 2.0l on the Czech and Slovak market.

## Markets



## Rajec Infant water

Water for the youngest (can be drunk without boiling) thanks to very stable composition and very low content of nitrogen ions (<10mg/l). Water comes from a special borehole located in Rajecka Dolina. With this water Kofola Group has entered for the first time the category of infant waters. Water is available on Czech and Slovak market in 0.75l and 1.5l bottles.



## Ice tea Pickwick and Vinea in cans

We have extended our portfolio of Ice teas and Vinea by the can version (0.25l). This size is ideal for those who are on the move and they want a small, tasty drink. Cans available on Czech, Slovak and Polish market.



## Chito Ginger beer and Chito Cloudy lemon

We have extended family of Chito drinks: non-alcoholic Ginger beer and lemonade Cloudy Lemon. Both products are available in glass bottles (0.33l) and are distributed in the gastronomic channel. Products available on the Czech and Slovak market.





### Jupik Aqua Sport

New product in the portfolio of tasted waters for children. New Jupik Aqua Sport contains vitamin B. Product is available in bottles of 0.5l, with sport closure protecting our little ones from flooding. Available on the Polish, Czech and Slovak market.

### Markets



### Hoop Cola in can

For the first time Hoop Cola is offered in cans in the modern capacity of 0.25l. Ideal for those for whom previous capacity of 0.5l was too large for immediate consumption. Product available only in Poland.



### Jarmark Polski – new brand in portfolio

New family of syrups offered by Hoop in the economy segment. Jarmark Polski should compete with lower-cost syrups offered by our competitors.

Syrup available in glass bottles with a capacity of 0.43l and 0.97l. Offered only in Poland.



### New tastes of Pickwick Ice Tea – Green tea and strawberry, White tea and lemon

New refreshing tastes of Ice teas will help us strengthen our position in the “ice tea” segment. Product produced without using preservatives which promotes healthy lifestyle. Product available in 0,5l bottles and offered on Polish, Czech and Slovak market..





## Markets



### **Kofola “festivalova” with guava and Kofola “outdoor” with quarana.**

New refreshing tastes of Kofola in small packaging. These products should help us to strengthen our position in the “on the go” segment. Product available in 0,5l bottles on Czech and Slovak market.



### **Jupik sweetened with stevia**

First product of the Group for children sweetened with stevia (no sugar added) which promotes healthy lifestyle. Product is available in bottles of 0.5l, with sport closure protecting our little ones from flooding. Product offered on Polish, Czech and Slovak market.



### **New herbal flavors of Jupi syrups – Chamomile & hip, Plantain & Yarrow, Thyme & Dandelion**

New special flavors of Jupi syrups based on traditional recipes of our grannies. Our competitors do not have such a flavors in their portfolio. The syrups are produced without using preservatives which promotes healthy lifestyle. Product offered 0,43l glass bottles on Czech and Slovak market. O those market syrups in PET bottles dominate which gives syrups in glass a mark of luxury.





### Białowiecki Zdrój

Białowiecki Zdrój is natural spring water from the very heart of pure nature (area of Podlasie). Complete novelty on the Polish market is water with addition of herbs - chamomile and lemon balm. The new brand of water should help us improve our position in the water segment in Poland. Product available in 1.5l and 0.75l on the Polish market.

### Markets



### Semtex Cool

Limited edition Semtex energy drink for gastro segment with „special effect for Your tongue”. Product offered on the Czech and Slovak market in 0.25l cans.



### New Kofola 1l

New attractive 1l bottle for Kofola for the „on the go” segment. New in this format is Kofola “outdoor” with guarana. Product offered on the Czech and Slovak market. Product is promoted within campaign: “We colonize the world with Kofola” [www.kofolonizace.cz](http://www.kofolonizace.cz)



### HOOP Cola Spice

New limited edition of HOOP Cola with interesting spicy taste. The product is available in pet bottles of 2l.



### Rynki



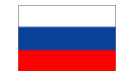
#### Natelo – revolution on the soft drinks market.

NATELO is a unique product. There is no such a product all over the world. What makes it so unique? NATELO is not hot or cold but warm. It is heated to human body temperature of 37 °C. It is not tea or coffee but a fruit drink with original tastes that makes You warm. The drink is packaged in a specially heat-resistant PET and is offered on places with high traffic of people in Czech and Slovakia. Most important thing: It tastes great!



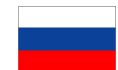
#### New products in glass in Russia.

At the end of 2012 the Megapack group started production of products in glass: lemonade Koe Chto (0,52 l), fruit drinks Eskimors (0,95l) and flavored Arctic water (0,52l). These products should support our position in the retail segment and HoReCa channel in Russia.



#### Black Mamba

Black Mamba is new product in the low-alcohol drinks segment. Product will be available in cans of 0,33l and in three tastes: Rum with chocolate, Whiskey with cola and Cognac with almonds. Alcohol content is 7%.



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# MARKET CONDITIONS IN 2012

## Macro-economics

- Still high prices of sugar, isoglucose and glucose-fructose syrup.
- Consumers are still cost sensitive
- High unemployment rate is limiting the consumer's baskets in the countries where Kofola Group is active
- Continuing trend when the home consumption of consumers increasing and substituting the consumption in the restaurants
- Prohibition in the Czech republic in September and October 2012 resulted in short term fall in the demand for our products in restaurants.

## Market /competition

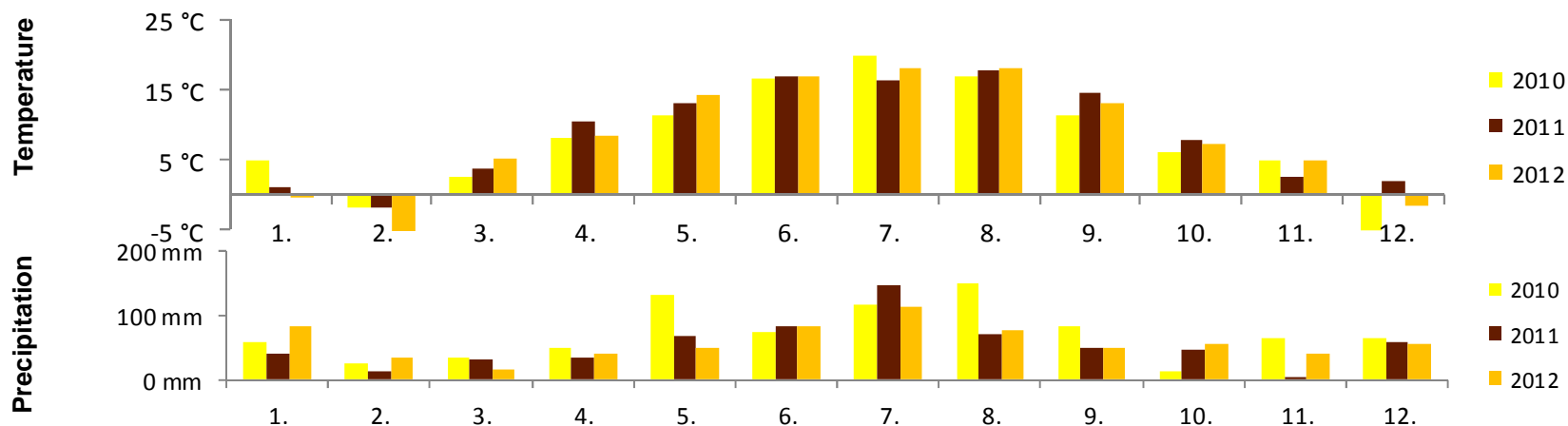
- Due to a decrease of consumers demand, the beverage producers started price war to defense their market shares
- Increasing power of retail chains due to a market consolidation in Russia and reversing this long term trend in Poland.
- Faster increase of turnover in discount chains

## Regulation

- Increase of VAT in Czech Republic by 4 p.p. from January 2012
- Increase of excise duties from alcoholic beverages in Russia from January 2012.
- Change in the size of the packing of alcopops (decrease from 0,5l to 0,33l) in Russia
- Since January 2012 obligation to put excise tax stamps on each low alcohol drink in Russia

## Weather

### Comparison of temperature and precipitation in the Central Europe



# FINANCIAL RESULTS OF KOFOLA GROUP IN 2012 AND 2011 ADJUSTED BY ONE OFF TRANSACTIONS [TPLN]

|                                                                  | 2012<br>IFRS   | One-off<br>transactions | 2012<br>Adjusted |
|------------------------------------------------------------------|----------------|-------------------------|------------------|
| <b>Continuing operations</b>                                     |                |                         |                  |
| Revenues                                                         | 1,022,663      | -                       | 1,022,663        |
| Cost of sales                                                    | (675,766)      | -                       | (675,766)        |
| <b>Gross profit</b>                                              | <b>346,897</b> | <b>-</b>                | <b>346,897</b>   |
| Selling, marketing and distribution costs                        | (241,709)      | -                       | (241,709)        |
| Administrative costs                                             | (52,364)       | -                       | (52,364)         |
| Other operating revenues/(costs) – net                           | 1,575          | 1,670                   | 3,245            |
| <b>Operating result (EBIT)</b>                                   | <b>54,399</b>  | <b>1,670</b>            | <b>56,069</b>    |
| <b>EBITDA</b>                                                    | <b>128,267</b> | <b>1,670</b>            | <b>129,937</b>   |
| Financial result – net                                           | (18,841)       | -                       | (18,841)         |
| Income tax                                                       | (8,896)        | -                       | (8,896)          |
| <b>Net profit for the period</b>                                 | <b>26,662</b>  | <b>1,670</b>            | <b>28,332</b>    |
| <b>Discontinued consolidation</b>                                |                |                         |                  |
| <b>Net profit for the period from discontinued consolidation</b> | <b>2,276</b>   | <b>-</b>                | <b>2,276</b>     |
| <b>Net profit for the period</b>                                 | <b>28,938</b>  | <b>1,670</b>            | <b>30,608</b>    |
| - Attributable to shareholders of parent                         | 28,943         | 1,670                   | 30,613           |

| 2011                                                             | Comparatives in the IFRS<br>consolidated financial<br>statements for 2012 | Correction by<br>one off<br>transactions | 2012<br>Adjusted<br>recalculated |
|------------------------------------------------------------------|---------------------------------------------------------------------------|------------------------------------------|----------------------------------|
| <b>Continuing operations</b>                                     |                                                                           |                                          |                                  |
| Revenues                                                         | 984,105                                                                   | 984,105                                  | 980,302                          |
| Cost of sales                                                    | (630,547)                                                                 | (629,935)                                | (628,020)                        |
| <b>Gross profit</b>                                              | <b>353,558</b>                                                            | <b>354,170</b>                           | <b>352,282</b>                   |
| Selling, marketing and distribution costs                        | (252,137)                                                                 | (249,993)                                | (248,827)                        |
| Administrative costs                                             | (55,629)                                                                  | (55,042)                                 | (54,573)                         |
| Other operating revenues/(costs) – net                           | 2,824                                                                     | 2,824                                    | 2,795                            |
| <b>Operating result (EBIT)</b>                                   | <b>48,616</b>                                                             | <b>51,960</b>                            | <b>51,678</b>                    |
| <b>EBITDA</b>                                                    | <b>116,944</b>                                                            | <b>120,288</b>                           | <b>119,793</b>                   |
| Financial result – net                                           | (17,375)                                                                  | (17,375)                                 | (17,397)                         |
| Income tax                                                       | (9,222)                                                                   | (9,631)                                  | (9,634)                          |
| <b>Net profit for the period</b>                                 | <b>22,019</b>                                                             | <b>24,954</b>                            | <b>24,647</b>                    |
| <b>Discontinued consolidation</b>                                |                                                                           |                                          |                                  |
| <b>Net profit for the period from discontinued consolidation</b> | <b>2,213</b>                                                              | <b>2,213</b>                             | <b>2 290</b>                     |
| <b>Net profit for the period</b>                                 | <b>24,232</b>                                                             | <b>27,167</b>                            | <b>26 937</b>                    |
| - Attributable to shareholders of parent                         | 24,232                                                                    | 27,167                                   | 26 937                           |

- In the consolidated income statement Megapack group is presented only in one position as net profit for the period from discontinued consolidation. Other lines of the consolidated income statement do not contain Megapack group at all.
- Results in 2012 were influenced by impairment of fixed assets of PLN 1 670 thousands.
- In 2011 EBIT and EBITDA were influenced by one-off restructuring costs in Czech and Slovakia amounting to PLN 3 343 thousand, impact on Net profit was PLN 2 934 thousand.
- To obtain better comparability of data, the financial statements of the foreign companies of the Group for 2011 have been translated into the Polish zloty using the exchange rates from 2012.



# FINANCIAL RESULTS OF KOFOLA GROUP IN 2012 AND 2011 [TPLN]

|                                                                      | 2012           | 2011*          | Change         | %             |
|----------------------------------------------------------------------|----------------|----------------|----------------|---------------|
| <b>Continuing operations</b>                                         |                |                |                |               |
| Revenues                                                             | 1,022,663      | 980,302        | 42,361         | 4.3%          |
| Adjusted cost of sales                                               | (675,766)      | (628,020)      | (47,746)       | 7.6%          |
| <b>Adjusted gross profit</b>                                         | <b>346,897</b> | <b>352,282</b> | <b>(5,385)</b> | <b>(1.5%)</b> |
| Adjusted selling, marketing and distribution costs                   | (241,709)      | (248,827)      | 7,118          | (2.9%)        |
| Adjusted administrative costs                                        | (52,364)       | (54,573)       | 2,209          | (4.0%)        |
| Adjusted other operating revenues/(costs) – net                      | 3,245          | 2,795          | 450            | 16.1%         |
| <b>Adjusted operating result (EBIT)</b>                              | <b>56,069</b>  | <b>51,678</b>  | <b>4,391</b>   | <b>8.5%</b>   |
| <b>Adjusted EBITDA</b>                                               | <b>129,937</b> | <b>119,793</b> | <b>10,144</b>  | <b>8.5%</b>   |
| Financial result – net                                               | (18,841)       | (17,397)       | (1,444)        | 8.3%          |
| Adjusted income tax                                                  | (8,896)        | (9,634)        | 738            | (7.7%)        |
| <b>Adjusted net profit for the period from continuing operations</b> | <b>28,332</b>  | <b>24,647</b>  | <b>3,685</b>   | <b>15.0%</b>  |
| <b>Discontinued consolidation</b>                                    |                |                |                |               |
| <b>Net profit for the period from discontinued consolidation</b>     | <b>2,276</b>   | <b>2,290</b>   | <b>(14)</b>    | <b>(0.6%)</b> |
| <b>Adjusted net profit for the period</b>                            | <b>30,608</b>  | <b>26,937</b>  | <b>3,671</b>   | <b>13.6%</b>  |
| - Attributable to shareholders of parent                             | 30,613         | 26,937         | 3,676          | 13.6%         |

\* Data for 2011 were translated into the Polish zloty using the exchange rates from 2012

In 2012 on a competitive market Kofola group has increased consolidated revenues by 4.3%. Despite still very high prices of raw materials Kofola Group was able to increase adjusted EBIT by 8.5% and adjusted profit attributable to shareholders of the parent company by 13.6%.

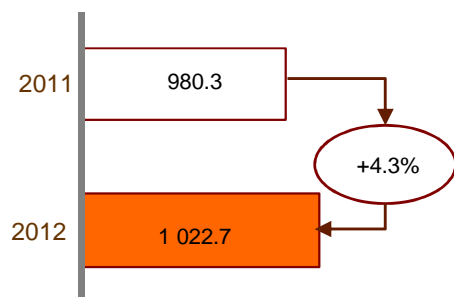


# FINANCIAL RESULTS OF KOFOLA GROUP IN 2012 [MPLN]

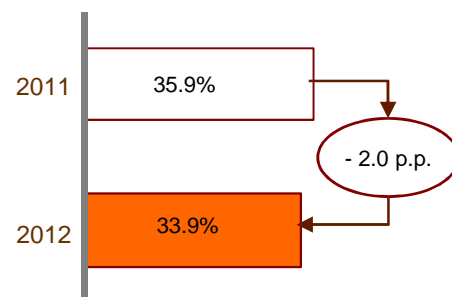
Legend:  2011  
 2012

## Comments on 2012 results

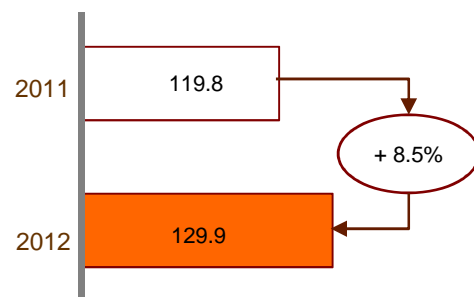
Revenues  
(Continuing operations)



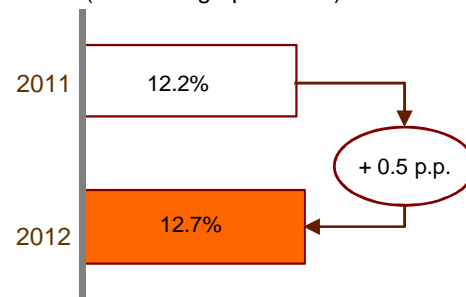
Gross margin  
(Continuing operations)



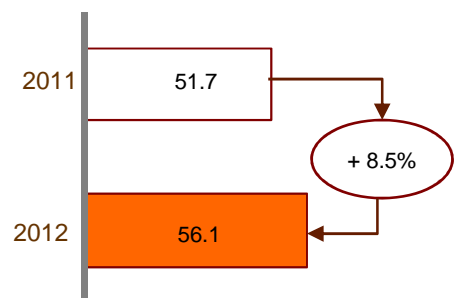
EBITDA  
(Continuing operations)



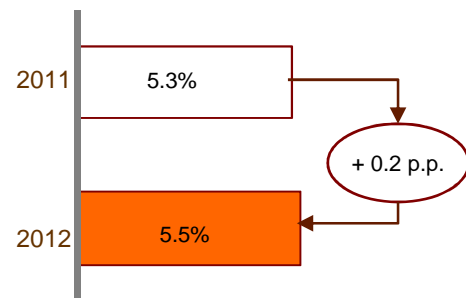
EBITDA margin  
(Continuing operations)



EBIT  
(Continuing operations)



EBIT margin  
(Continuing operations)



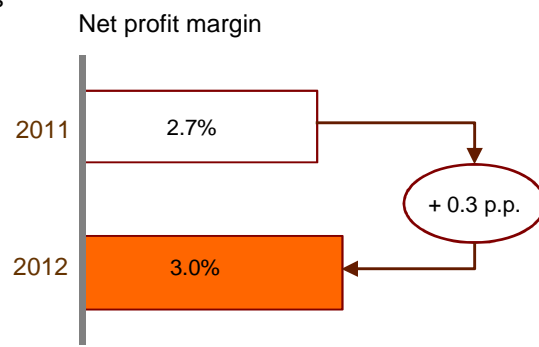
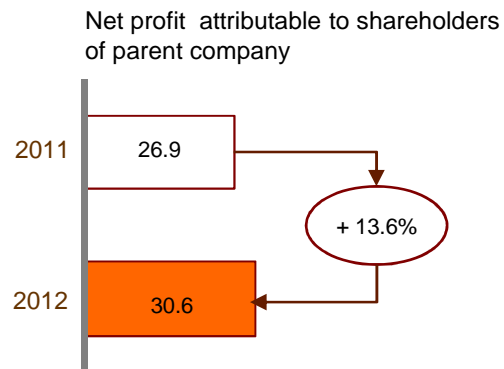
- Increase of revenues by 4.3% thanks to higher by PLN 26.5 million revenues of Kofola SK and higher by PLN 14.5 million revenues of Kofola CZ.
- Increase of revenues despite termination of the operations of PCD.
- Decrease of gross margin by 2.0 p.p. thanks to high prices of raw materials, unfavourable FX rate movement and inability of full transfer of increased raw material prices on the final customer.
- Significant increase of EBITDA and EBIT thanks to implemented in 2011 cost saving program and optimization of logistics costs within the Group that resulted in by PLN 9.8 million lower operating costs compared to 2012.
- Increase of EBITDA from continuing operations by PLN 10.1 million, i.e. by 8.5%.
- Increase of EBIT from continuing operations by PLN 4.4 million, i.e. by 8.5%.
- Increase of EBITDA margin from continuing operations by 0.5 p.p.
- Increase of EBIT margin from continuing operations by 0.2 p.p.

**Increase of EBIT and EBITDA from continuing operations by 9 %**



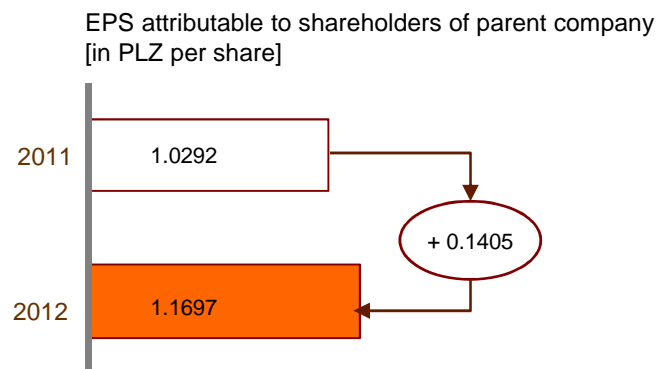
# FINANCIAL RESULTS OF KOFOLA GROUP IN 2012 [MPLN]

Legend:  2011  
 2012



## Comments on net profit for 2012

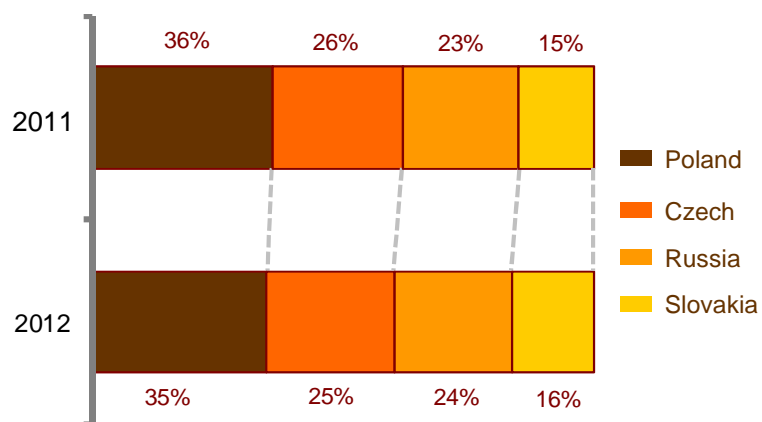
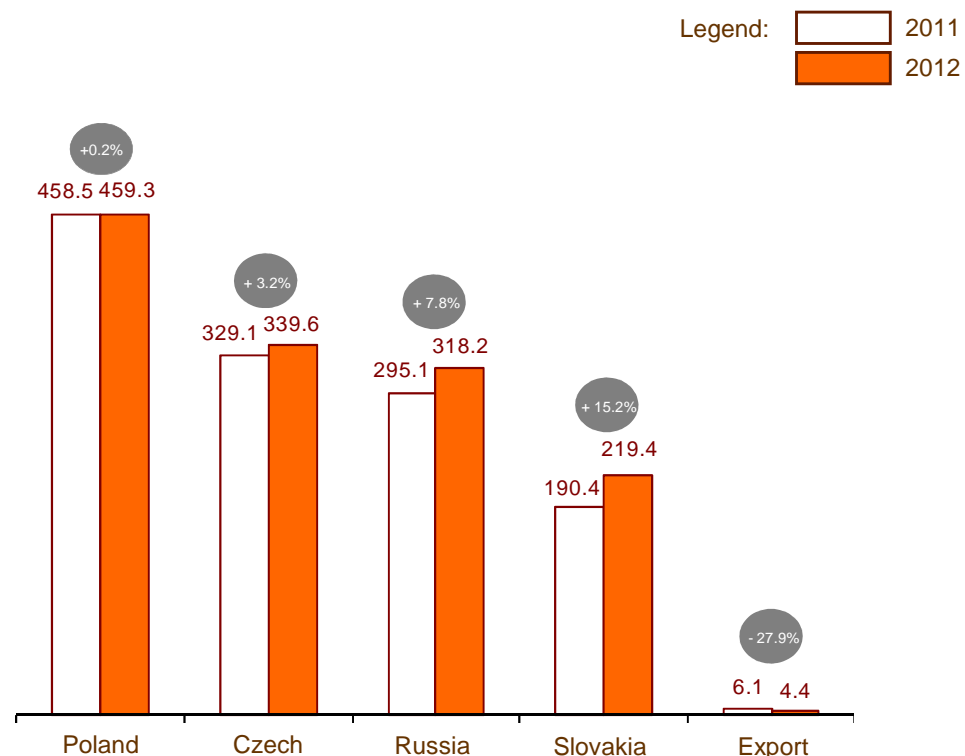
- Increase of net profit attributable to shareholders of parent company by PLN 3.7 million thanks to increase of EBIT.
- Increase of net profit margin by 0.3 p.p.
- Increase of EPS attributable to shareholders of parent company by 0.14 PLN per share.



**Increase of net profit attributable to shareholders of parent company by 14%**



# SALES IN INDIVIDUAL GEOGRAPHICAL SEGMENTS\* FOR 2012 [MPLN]



\*data for 2011 were not recalculated using 2012 FX rate

## Geographical segments

### • Poland

Increase of sales by 0.2% thanks to increased revenues at Hoop by PLN 12.5 million, i.e. 2.8%.

Decrease of revenues at PCD by PLN 11.7 million thanks to termination of the operations of the company.

### • Czech

Increase of sales by 3.2% in PLN (4.6% in local currency).

Increase of revenues in the traditional and modern channel by 7.6% (in CZK) while the segment has increased by 0.5%

Revenues in the most profitable gastronomy channel increased by 1.3% (in CZK) while the segment has dropped by 3.3%.

### • Russia (Discontinued consolidation)

Increase of sales by 7.8% in PLN (4.2% in local currency).

The increase in revenues is mainly related to the low-alcohol drinks segment. In Q3 2011 Megapack was in the process of renewing the license for alcohol production and sale of low alcohol drinks and prolonged administrative procedures caused interruption in production and sales.

### • Slovakia

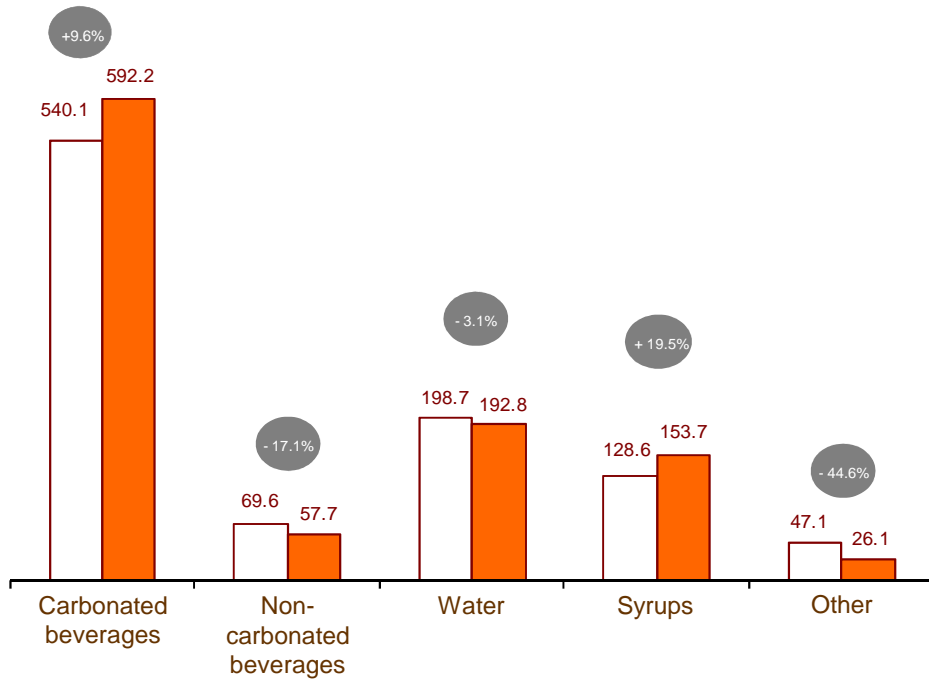
Increase of sales by 15.2% in PLN (14.0% in local currency).

Increase of revenues in the traditional and modern channel by 14.2% (in EUR) while the segment has decreased by 0.2%.

Revenues in the most profitable gastronomy channel increased by 7.6% (in EUR) while the segment has dropped by 1.4%.

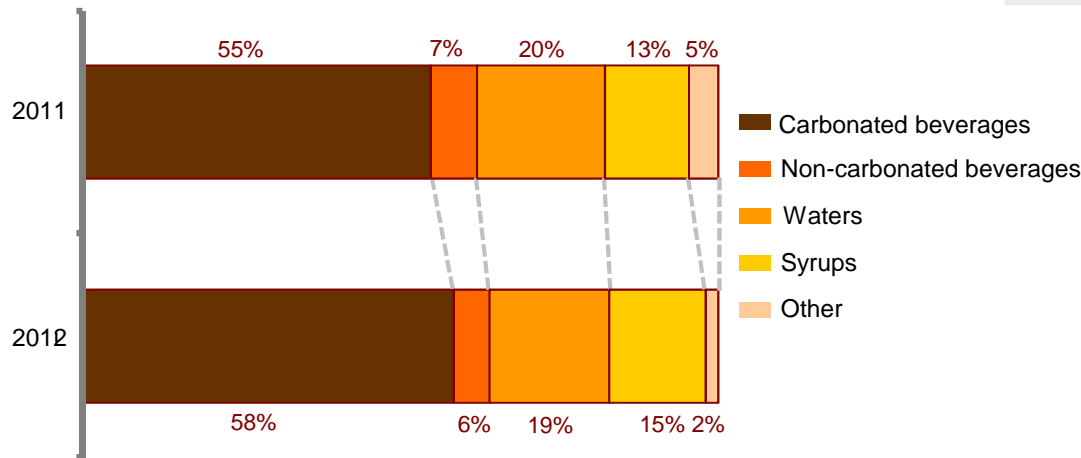
# SALES IN INDIVIDUAL PRODUCT SEGMENTS (CONTINUING OPERATIONS)\* FOR 2012 [MPLN]

Legend:  2011  
 2012



## Segment reporting by product groups (Continuing operations)

- Increase in the segment of Carbonated beverages thanks to higher sales of Kofola, Hoop Cola and Vinea.
- Decrease in revenues observed in non carbonated drinks segment resulting from a long time fall in this category. The speed of the fall has been slowed down by introducing innovations (Ice teas, redefinition of Jupi drinks, Natelo)
- Decrease in the segment of waters is caused by drop of the segment in Czech Republic and Poland that was compensated by increase in Slovakia.
- The increase in the category of syrups thanks to concentration of activities in the category, introduced innovations, strong advertising and customers looking for value that helped to increase sales of syrups.
- Drop in the segment of other drinks due to canceling distribution of Ice coffee Nescafe Xpress, ending of production of energy drink R20 and canceling distribution of low alcohol drinks by PCD in 2011.

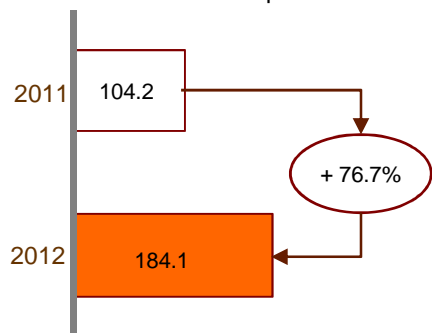


\*data for 2011 were not recalculated using 2012 FX rate

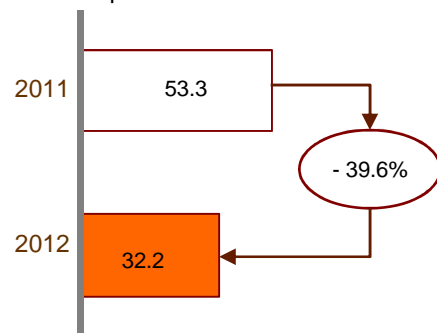
# FINANCIAL RESULTS OF KOFOLA GROUP IN 2012 [MPLN]

Legend:  2011  
 2012

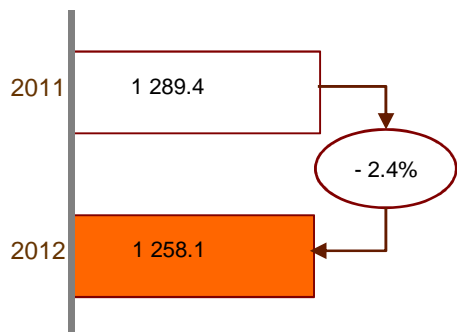
Cash Flow from operations\*



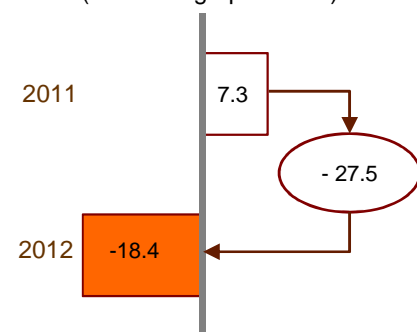
CapEx\*



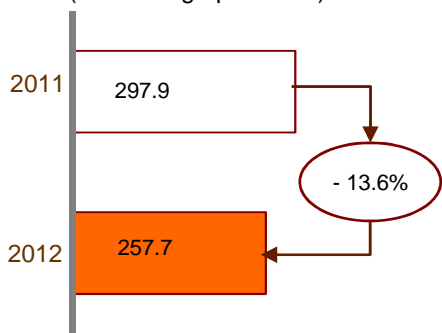
Total assets



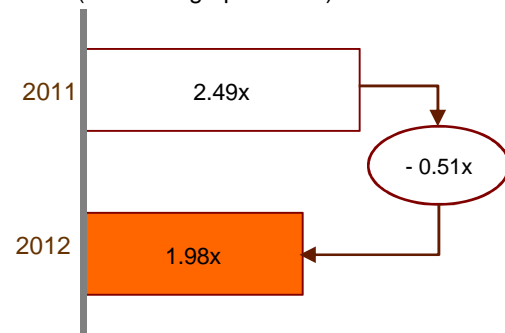
Working capital  
(Continuing operations)



Net debt  
(Continuing operations)



Net debt /EBITDA  
(Continuing operations)



\*data for 2011 were not recalculated using 2012 FX rate

## Cash flow and net debt

- Increase of operating cash flow by PLN 79.9 million due to higher profit before tax and positive impacts of working capital changes.
- Drop in CapEx by PLN 21.1 million – effect of high basis from 2011 (put in use of hot bottling line in Czech republic, start of investment in glass line in Russia and in filler in Poland).
- Decrease of net debt from continuing operations by PLN 40.2 million.
- Decrease of working capital from continuing operations by PLN 25.7 million.
- Decrease of net debt/EBITDA from continuing operations from 2.49x in 2011 to 1.98x in 2012.

**Safe level of Net debt  
1.98 x EBITDA**

- Kofola Group in 2012
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# POSITION OF THE GROUP IN THE MAIN SEGMENTS

Legend:



Leader



Viceleader

|                                          | PL | CZ | SK | RU |
|------------------------------------------|----|----|----|----|
| <b>Cola beverages</b>                    | 3  | 2  | 2  | -  |
| <b>Carbonated beverages</b>              | 7  | 2  | 2  | -  |
| <b>Waters</b>                            | 11 | 4  | 1  | -  |
| <b>Sirups and concentrates</b>           | 2  | 1  | 3  | -  |
| <b>Beverages for children</b>            | 5  | 2  | 2  | 3  |
| <b>Energy drinks</b>                     | -  | 5  | 11 | -  |
| <b>Soft alcohol beverages (alcopops)</b> | -  | -  | -  | 2  |

- Stable second position on Czech and Slovak market.
- Strong position in the segment for carbonated beverages in Slovakia was achieved due to an acquisition of Vinea brand in 2008.
- Since 2008, Kofola Group is a leader in the natural spring waters in Slovakia. Position achieved due to changes in segment strategy and innovations.
- Leading position of Jupí syrup brand in Czech and second position of Paola syrup brand in Poland. Third in Slovakia. We continuously increase our market share in this segment on all markets.
- Pioneer activities in the segment of beverages for children on Czech and Slovak markets (Jupík, Jupík Aqua). On the Czech and Slovak market second position behind Kubik.
- Energy drink Semtex is continuously strengthening its position on Czech and Slovak market..
- Alco-pops products have a strong position in Russia (unfortunately, in a declining market - due to restrictions on sales and marketing of alcoholic beverages).



## Kofola Group's approach to market trends and development

### HEALTHY FOOD AND BEVERAGES

### INCREASING SHARE OF OUTDOOR ACTIVITIES

### CUSTOMERS LOOKS FOR THE VALUE

### PRICES OF RAW MATERIALS

### GLOBALIZATION AND GROWING INDIVIDUALISM

- More healthy beverages (waters, children beverages) with lower sugar content compared to other competitors and beverages with herbs and trees extracts
- First drinks with stevia (natural sweetener - without calories) - Kofola bez cukru (Sugar free), Jupik with stevia
- Introducing in 2011 hot filling line allowed us to introduce many new products without preservatives (syrups, aloe vera drinks, ice teas, beverages for children)
- Promotion of healthy life style ([www.hravezizdrave.cz](http://www.hravezizdrave.cz), [www.hravozizdravo.sk](http://www.hravozizdravo.sk), [www.trzymajforme.pl](http://www.trzymajforme.pl))
- Entrance to „on-the-go” market (kiosks, vending machines, gyms, schools, work places etc.)
- Increasing share of small formats in the product portfolio (most of the news up to 0.5l)
- Increasing number of restaurants supplied by Kofola Group (direct distribution in Slovakia since 2009)
- Dedicated sales team for gastronomy clients in Czech
- Systematical decreasing of production and logistics costs
- Dedicated team to handle the food discount stores and products "Private label".
- Focus on brands dedicated to Czech and Poland markets
- Focus on value added for customers
- Search for alternative suppliers
- Bottle weight reduction
- Healthy drinks with lower sugar content
- Increasing the share of recycled granules
- Extension of the agreements with suppliers
- Using production/distribution licenses, introduction of global brands in CEE markets (e.g Orangina, Pickwick Ice Tea, RC Cola)
- Innovations acceptable for the majority of customers
- Engaging the customers in the promotion of positive emotions related to Kofola Group's brands

### RAW MATERIALS/ ENVIRONMENT

- Still high prices of sugar, isoglucose and glucose-fructose syrup.
- Expected response of competition to high commodity prices - price increases

### NEW PRODUCTS

- UGO – new fresh fruit-vegetables juices
- Since 1 February Kofola group became distributor of luxury water brands Evian and Badoit for Czech republic and Slovakia
- Kofola cherry in cans of 0.25l
- Jupi syrups in new tastes – apple and pear

### AUSTERITY MEASURES

- Further optimization of logistic processes to further reduce costs
- Further bottle weight reduction
- Tunning of fixed costs

### REVENUES

- Inventing new products and extending distribution of new products.
- Price increases
- Controlled price promotions in order to rebuild the gross margin on sales



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# MISSION AND VISION

## Mission:

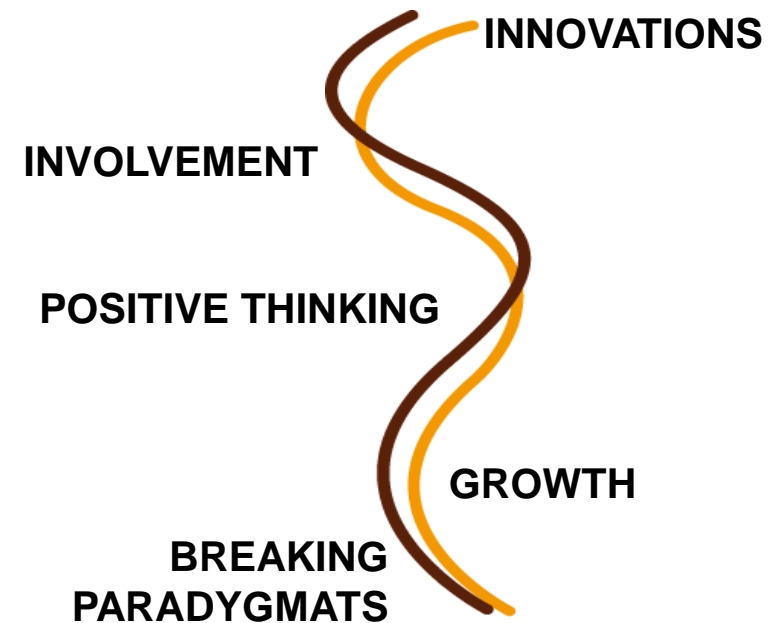
We are Kofola. With enthusiasm we strive for what is truly important in life: to love, to live healthy and always look for new ways.

## Vision:

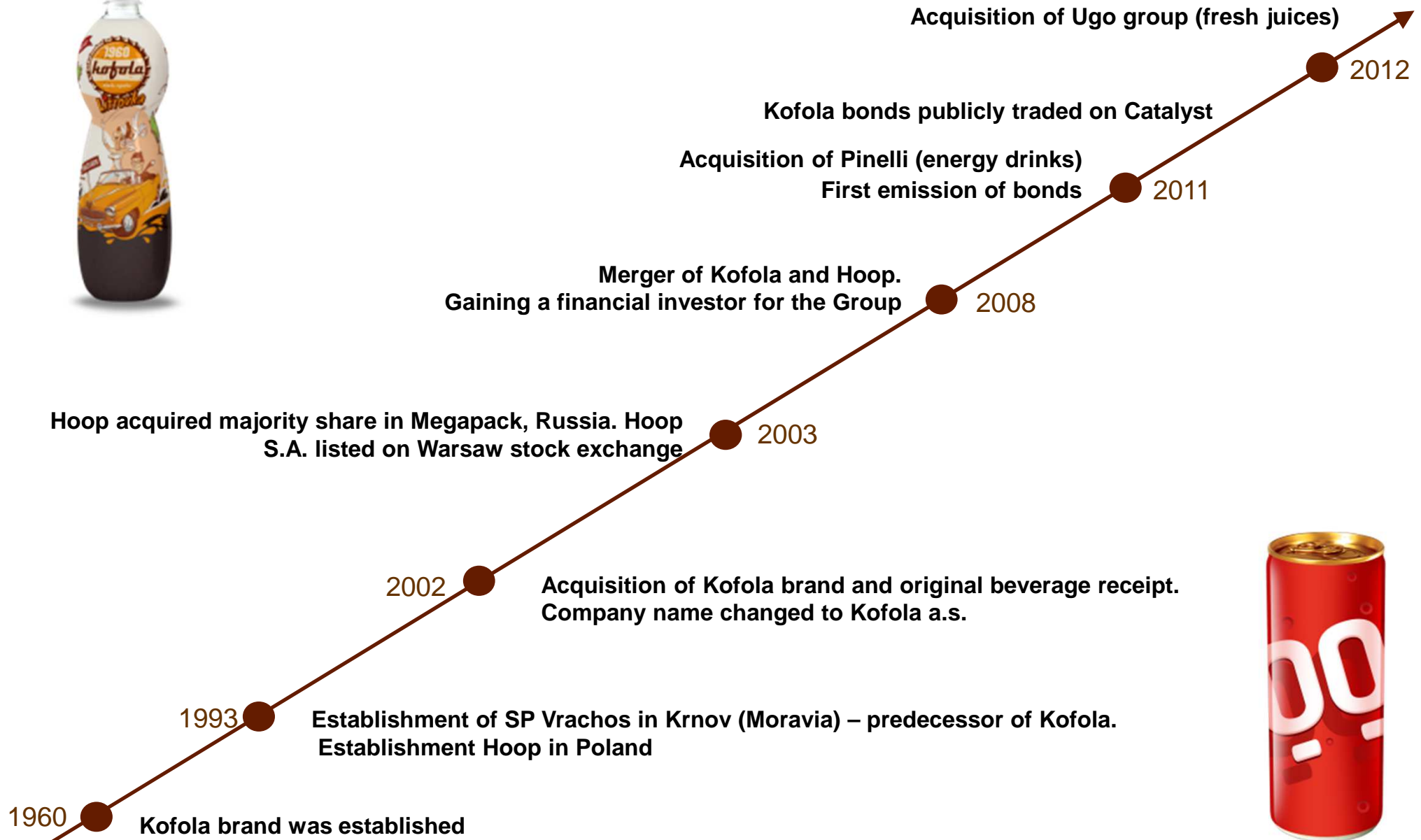
By 2017 we want to be Czechoslovak leader in gastro and impulse, stabilize retail and offer our beverages in a healthier form and as till now we will produce our products with the greatest care and love.

## Our core competences are our DNA:

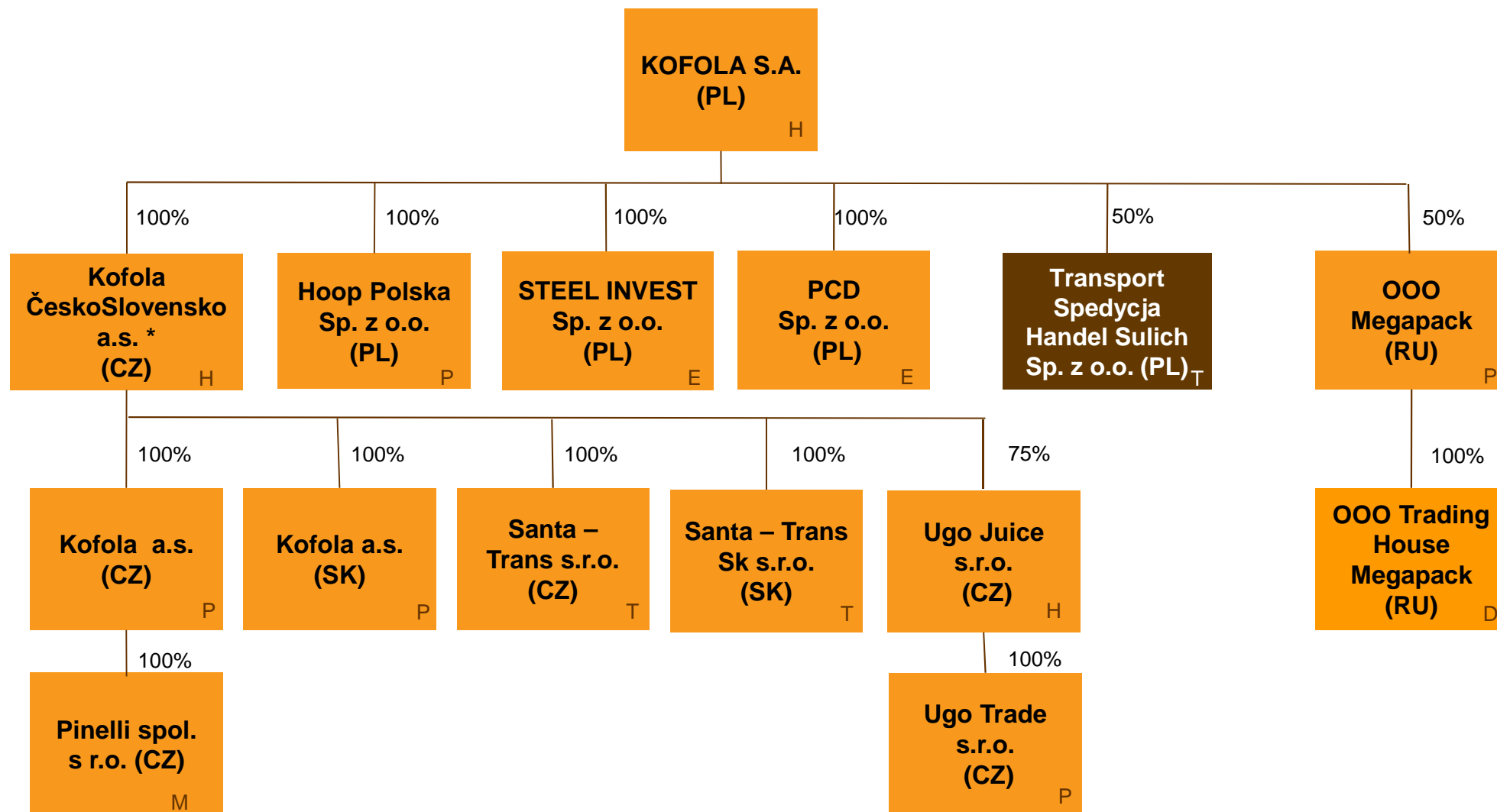
- We aim to be one step ahead
- We are constantly looking for new opportunities to grow
- Our business is created by our consumers, customers, suppliers and employees
- We bring emotion
- We work where we are at home and we know the local culture



# HISTORY OF KOFOLA GROUP



# LEGAL STRUCTURE OF KOFOLA GROUP AT THE END OF 2012



## Legend:

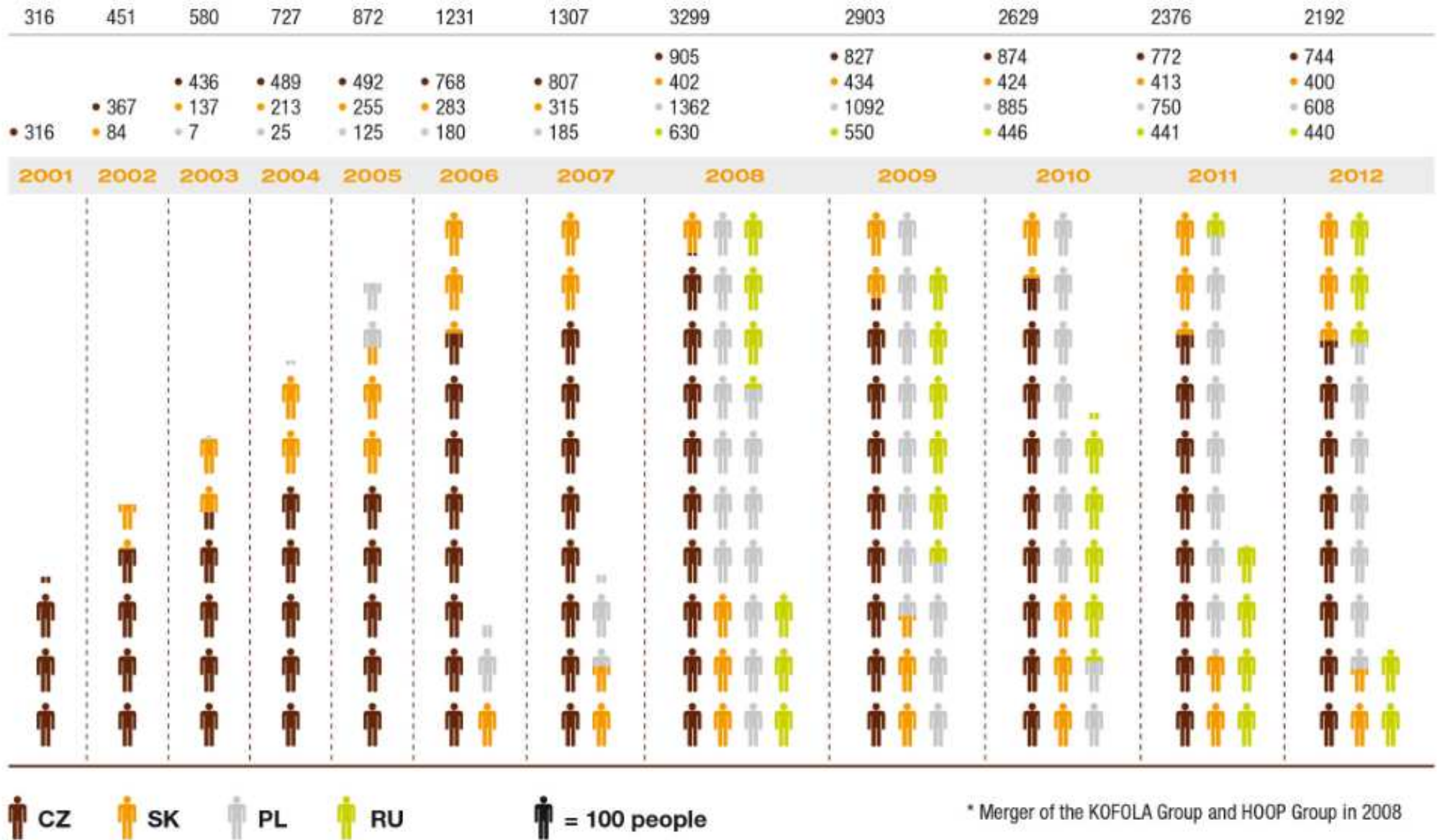
- Fully consolidated entity
- Entity consolidated using equity method

P – sales and production      T – transportation      M – landlord of fixed assets

D – distribution      H – holding company

E – terminating operations      \* – till 30.3.2012 name of the company Kofola Holding a.s.

# NUMBER OF EMPLOYEES IN INDIVIDUAL COUNTRIES SINCE 2001



# DISTRIBUTION CHANNELS

|                                                                   | PL | CZ | SK | RU |
|-------------------------------------------------------------------|----|----|----|----|
| <b>Modern channels</b><br>(retail chains)                         | ●  | ●  | ●  | ●  |
| <b>Traditional channels</b><br>(wholesalers and distributors)     | ●  | ●  | ●  | ●  |
| <b>HoReCa</b>                                                     |    | ●  | ●  |    |
| <b>B2B</b><br>(private labels, co-packing,<br>toll-manufacturing) | ●  |    |    | ●  |
| <b>Direct distribution</b>                                        |    |    | ●  |    |
| <b>Vending machines</b>                                           |    | ●  |    |    |

- Kofola Group has a strong position in modern channels (in both supermarkets and discount stores in all countries).
- Although, the sales activity slowly moving to modern distribution channels, traditional channels remains the second strongest channel.
- Very strong position of HoReCa channel in Czech and Slovakia where Kofola is sold from kegs.
- Segment B2B requires unique knowledge. We produce and sell private labels for our strategic partners as well as products of global beverages producers. Toll-manufacturing contract with the worldwide Top beverages manufacturer.
- Direct distribution (DD) was fully launched in Slovakia since 4Q 2009. DD allowed to increased gross profit and improved cash flows, but caused higher logistic costs on the other side. Transition to the Cross Dock model from Q4 2011.
- First 2,000 vending machines were introduced in Czech in 2010. Operation of the vending machines is outsourced to external company.



## SUCSESSES AND AWARDS IN 2012 1/2

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- **Jannis Samaras**, CEO of Kofola SA became **Entrepreneur of year 2011** in the Czech Republic



- **Czech TOP 100** – Kofola a.s. the fifth most admired company in the Czech Republic in 2011. Continuously in top 5 since 2007

- **Paola syrups** were selected as **Product of the year 2012** by customers and received the title “Consumer Choice”. Product of the Year - **Innovation 2012**.



- **Marek Kmiecik**, marketing director of Hoop Polska Sp. z o.o. won the competition **Marketing director of 2011**.

- **Hoop Polska Sp. z o. o.**, was awarded the title **Responsible Employer in 2012**, taking the prestigious position among the leaders of HR.





- New line of syrups **Jupi Superhusty** (super dense) was chosen by customers as **Product of 2012** and obtained title Customer's choice. Product of the year. **Inovation of 2012.**

- **Jupik Aqua Sport** chosen as hit of 2012 in FMCG segment.



**Marek Kmiecik**, marketing director of Hoop Polska Sp. z o.o. – **Men of marketing and sale of Brief 2012.**

**Kofola a.s. (CZ)** obtained price **RHODOS – company with the most impressive image** in the category of producers and suppliers of beverages.

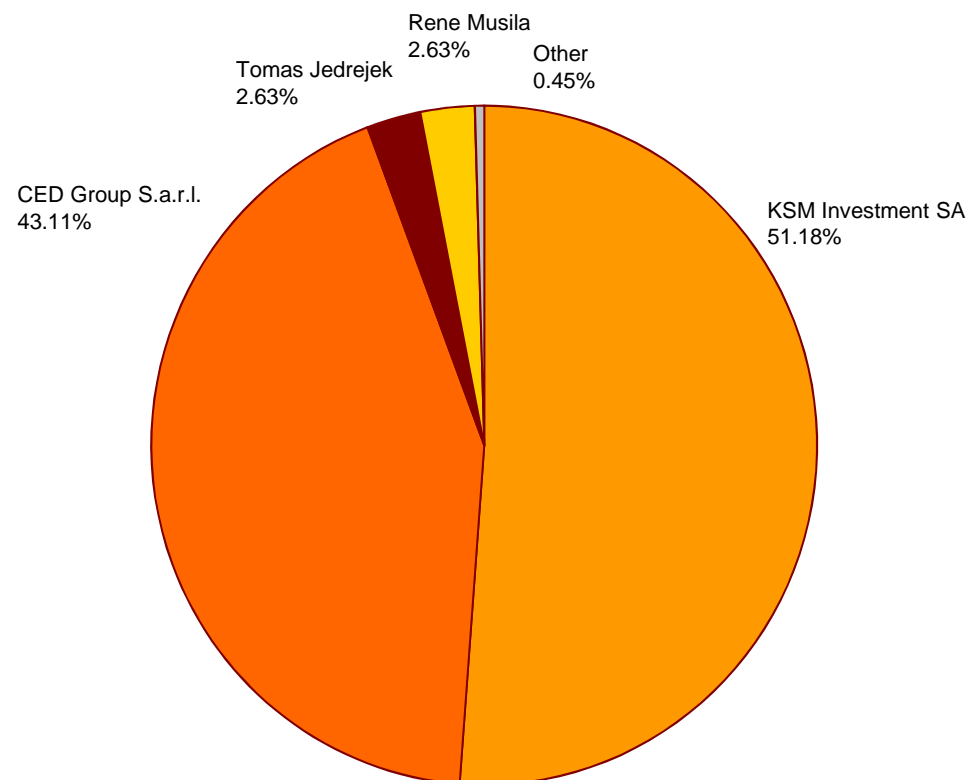




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# SHAREHOLDER STRUCTURE



Share capital comprises 26,172,602 shares in following structure:

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13,088,576 shares in series A-E approved for trading

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13,084,026 shares in series F-G not in trading

## Equity

### Management motivation program

- As at 18 December 2009, Kofola Group approved rules for management motivation program. Program includes 45 key managers from the Group companies.
- Program's goal was systematical growth of Group financial results and shares price.
- On 18 August 2010, Kofola S.A. issued 26,843 inscribed A-series subscription warrants, entitling members of the Company's and subsidiaries' management staff to take up a total of 26,843 ordinary H-series bearer's shares at an issue price of 43.20 PLN per share.
- Share option program covered the period from 2009 to 2012 and guaranteed the possibility to purchase the shares in case the Group financial targets (net profit, EBITDA) are met.
- Program was canceled at the end of 2012.

### Shares buy back

- The GM of Shareholders had authorized the Management Board to acquire company's own shares for their redemption and reduction of share capital. During 2012 Kofola S.A. has bought back 2 599 of own shares. The program was ended on 31 December 2012.

# SHARE PRICE AND TURNOVER

Avg. share price in 2011

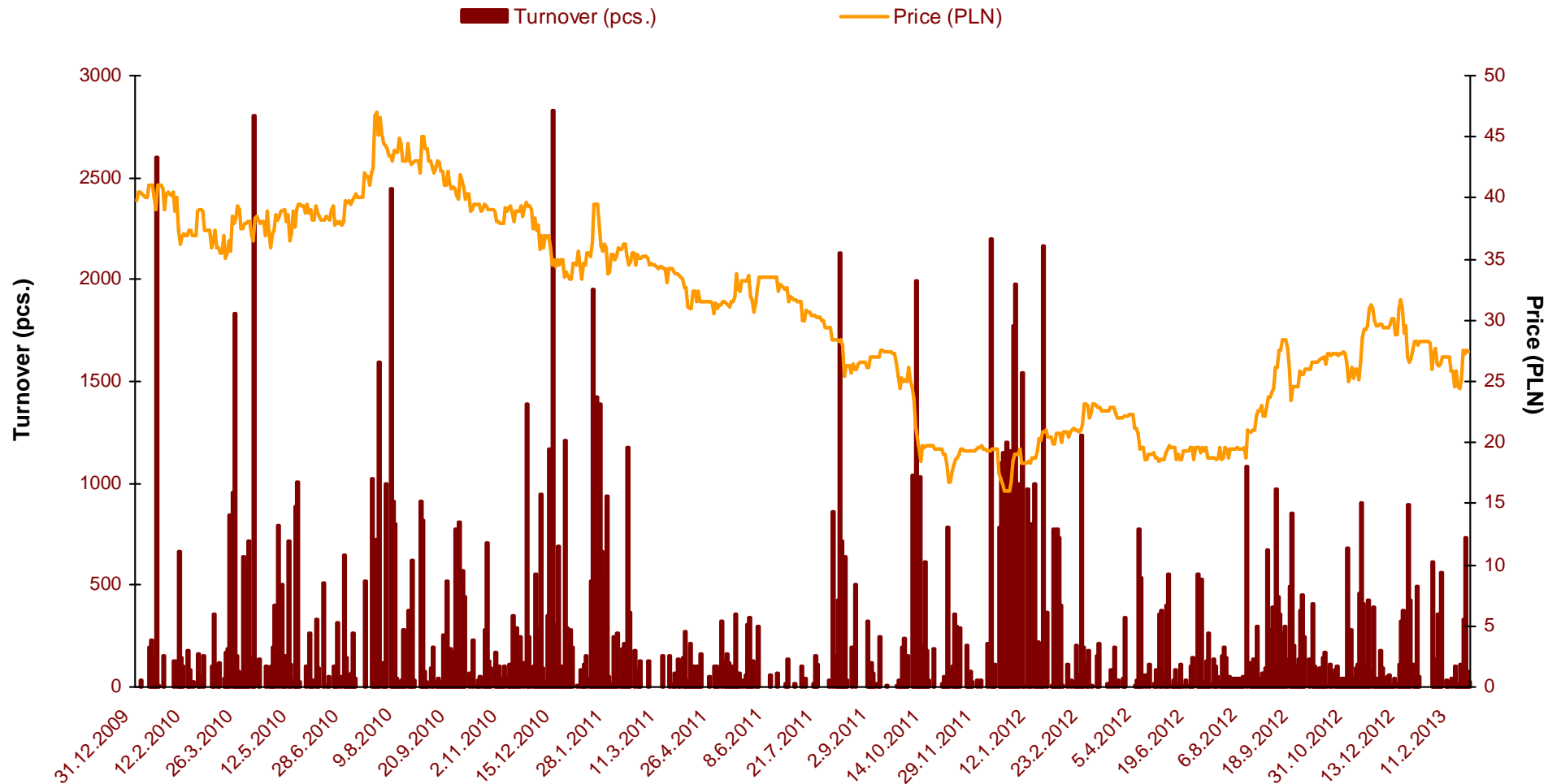
28.0 PLN Avg. share price in 2012

22.6 PLN

Average daily transaction activity in 2011

201 pcs. Average daily transaction activity in 2012

187 pcs.



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# KOFOLA S.A.

Should you have any question related to Kofola S.A. do not hesitate to contact our investor relations office:

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