



KOFOLA ČESKOSLOVENSKO A.S.  
INTERIM REPORT 9M 2016





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## KOFOLA GROUP

a leading producer of branded non-alcoholic beverages in Central and Eastern Europe



**CZK 5.4 BN 9M16**  
**REVENUES**



**7\***  
**PRODUCTION PLANTS**  
\* incl. acquisition of Studenac in Croatia



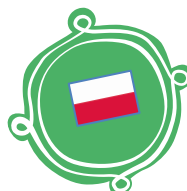
**2 000**  
**EMPLOYEES**



**LISTED ON**  
**PRAGUE STOCK EXCHANGE**  
**WARSAW STOCK EXCHANGE**



- ❖ no. 2 player in the soft drinks market
- ❖ 2nd most recognized brand in 2014 survey
- ❖ 3rd most recognized company in 2016 survey



- ❖ no. 2 syrup brand
- ❖ no. 3 cola brand
- ❖ one of leading private label soft drinks producers



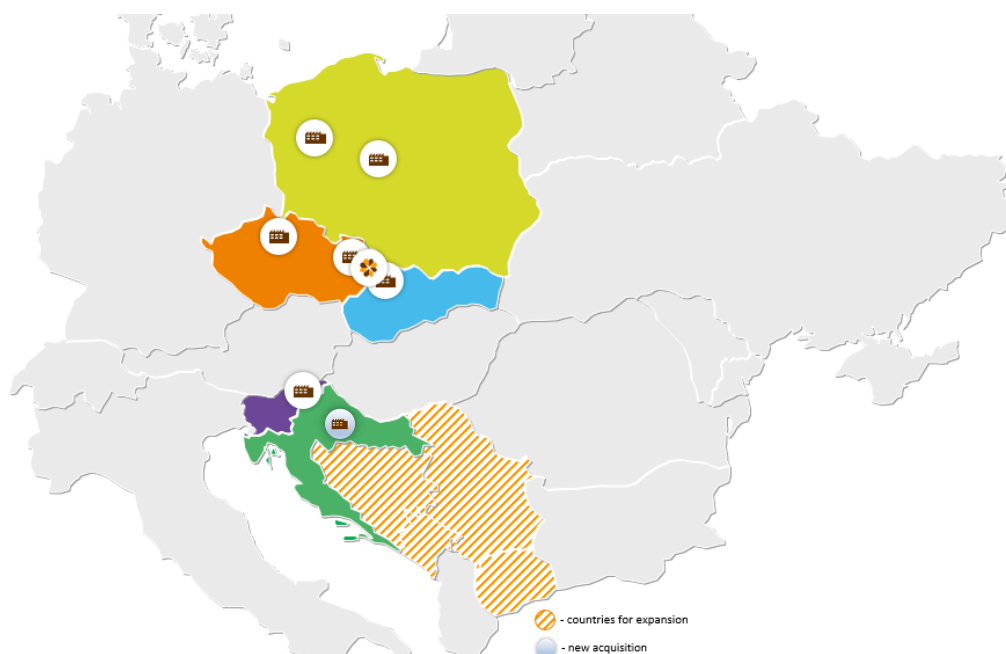
- ❖ no. 1 player in the soft drinks market in both Retail & HoReCa



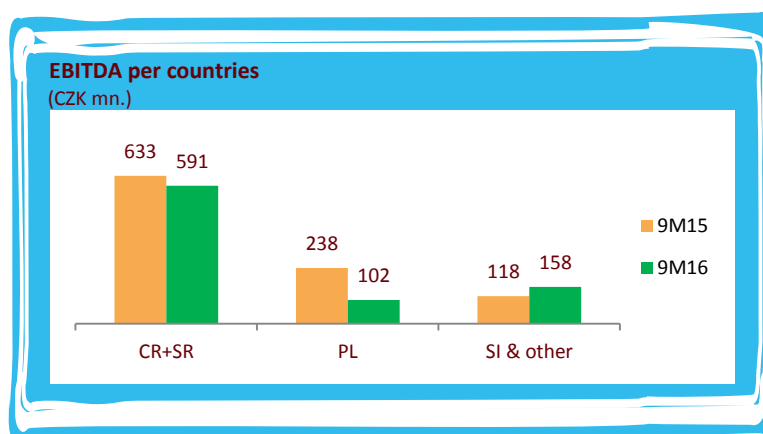
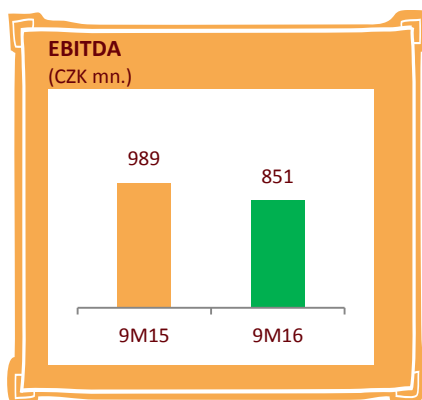
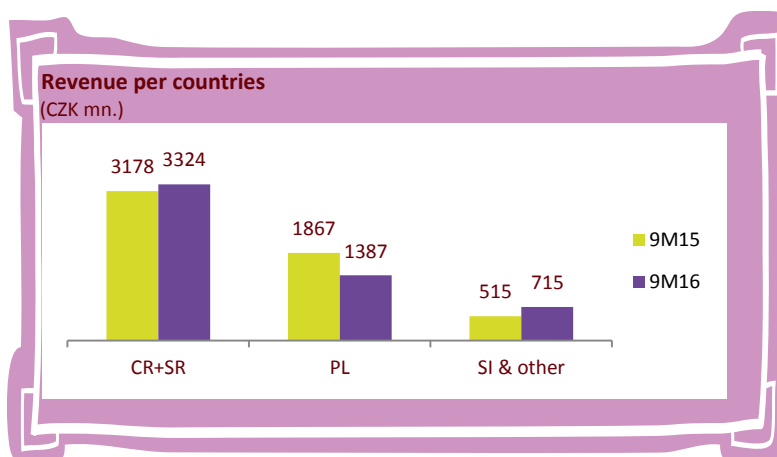
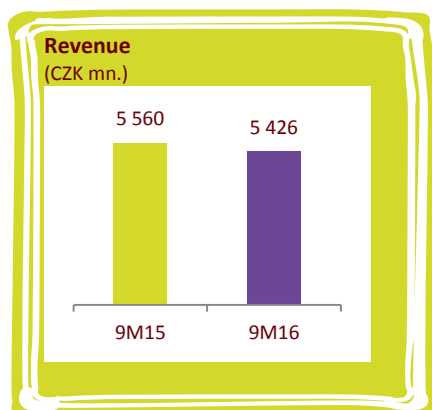
- ❖ no. 1 player in the soft drinks market in Slovenia
- ❖ no. 1 water brand in both Retail & HoReCa



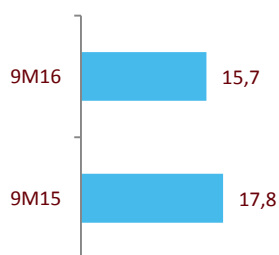
- ❖ production and distribution of PepsiCo products
- ❖ acquired brands Inka, Nara, Vočko



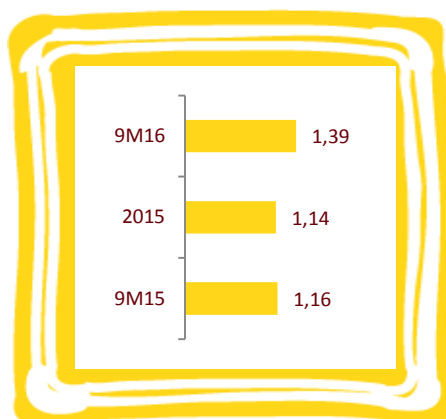
# 1. KOFOLA AT A GLANCE



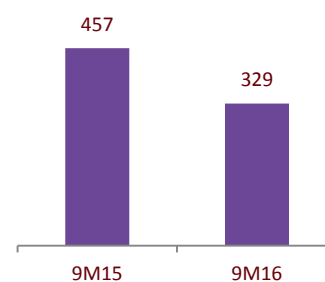
**EBITDA margin**  
(%)



**Net debt / EBITDA**



**Profit for the period**  
(CZK mn.)



The results and ratios above are based on adjusted results. For details on financial performance and reconciliation of reported and adjusted results refer to section 3.1.

## 2. KOFOLA GROUP

### 2.1. KOFOLA ČESKOSLOVENSKO

Kofola ČeskoSlovensko a.s. ("the Company") is a joint-stock company registered on 12 September 2012. Its registered office is Nad Porubkou 2278/31a, Ostrava, 708 00, Czech Republic and the identification number is 24261980. The Company is recorded in the Commercial Register kept by the Regional Court in Ostrava, section B, Insert No. 10735. The Company's websites are <http://www.firma.kofola.cz> and the phone number is +420 595 601 030.

### 2.2. KOFOLA GROUP

#### BASIC INFORMATION

Kofola ČeskoSlovensko a.s. is part of the Kofola Group, one of the leading producers and distributors of non-alcoholic beverages in Central and Eastern Europe. The Group has a leading market position on the CzechoSlovak market and is targeting to replicate its successes in the other CEE markets. The Group has limited activities in Russia.

The Group produces its products with care and love in seven main production plants located in the Czech Republic (two plants), Slovakia (one plant), Poland (two plants), Slovenia (one plant) and Croatia (one plant).

The Group distributes its products using a wide variety of packaging types including kegs, which enables the HoReCa channel clients to serve the widely popular drink of "Kofola Draught" while preserving its high-quality standard. The Group distributes its products through many distribution channels, including the retail channel (both the modern channel - retail chains, and the traditional channel - wholesalers and distributors serving convenience stores), as well as in the HoReCa and impulse channel, where the direct distribution concept has successfully been implemented in the Czech Republic and Slovakia.

#### KEY BRANDS

Key own brands include carbonated beverages Kofola, Vinea and Hoop Cola, waters Radenska and Rajec, syrups Jupí and Paola, beverages for children Jupík, energy drinks Semtex or fresh juices and bars UGO. On selected markets the Group distributes among others Rauch, Evian, Badoit or Vincentka products and under the licence produces RC Cola, Orangina, Rauch or Pepsi. The Group also produces and distributes water, carbonated and non-carbonated beverages and syrups under private labels for third parties, mostly big retail chains.

Despite the fact that the Group's portfolio includes more than 30, mostly well-established and recognisable brands with a wide market, the Group's key brand is Kofola.





## 2. KOFOLA GROUP

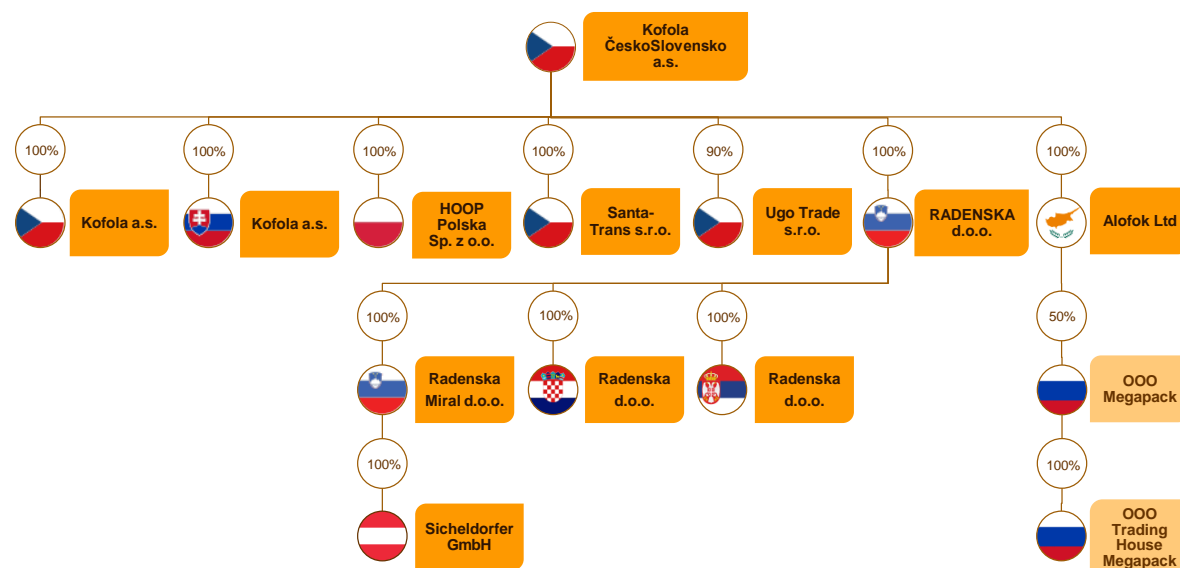


Main brands by main markets are shown in the visualisation below:



### 2.3. GROUP STRUCTURE

GROUP STRUCTURE CHART AS AT 30 SEPTEMBER 2016



On 1 August 2016, the court registered the cross-border merger of Kofola ČeskoSlovensko a.s., Kofola CS a.s., Kofola S.A., Kofola holdinška družba d.o.o. and PINELLI spol. s r.o.

## 2. KOFOLA GROUP



### DESCRIPTION OF THE GROUP COMPANIES

Name of entity	Place of business	Principal activities	Ownership interest and voting rights	
			30.9.2016	31.12.2015
<b>Holding companies</b>				
Kofola ČeskoSlovensko a.s.	Czech Republic	top holding company		
Alofok Ltd	Cyprus	holding	100.00%	100.00%
Kofola CS a.s.	Czech Republic	holding	- *	100.00%
Kofola holdinška družba d.o.o.	Slovenia	holding	- *	100.00%
KOFOLA S.A.	Poland	holding	- *	100.00%
<b>Production and trading</b>				
Kofola a.s.	Czech Republic	production and distribution of non-alcoholic beverages	100.00%	100.00%
Kofola a.s.	Slovakia	production and distribution of non-alcoholic beverages	100.00%	100.00%
PINELLI spol. s r.o.	Czech Republic	trademark licensing	- *	100.00%
Hoop Polska Sp. z o.o.	Poland	production and distribution of non-alcoholic beverages	100.00%	100.00%
UGO Trade s.r.o.	Czech Republic	operation of fresh bars chain	90.00%	90.00%
RADENSKA d.o.o. ***	Slovenia	production and distribution of non-alcoholic beverages	100.00% **	97.62%
Radenska d.o.o.	Croatia	inactive	100.00% **	97.62%
Radenska d.o.o.	Serbia	inactive	100.00% **	97.62%
Radenska Miral d.d.	Slovenia	trademark licensing	100.00% **	97.62%
Sicheldorfer GmbH	Austria	inactive	100.00% **	97.62%
<b>Transportation</b>				
SANTA-TRANS s.r.o.	Czech Republic	road cargo transport	100.00%	100.00%
<b>Associated companies</b>				
OOO Megapack	Russia	production of non-alcoholic and low-alcoholic beverages	50.00%	50.00%
OOO Trading House Megapack	Russia	sale and distribution of non-alcoholic and low-alcoholic beverages	50.00%	50.00%
<p>* On 1 August 2016, the court registered the cross-border merger of Kofola ČeskoSlovensko a.s., Kofola CS a.s., Kofola S.A., Kofola holdinška družba d.o.o. and PINELLI spol. s r.o.</p> <p>** On 25 July 2016, the Slovenian court approved the squeeze-out of Radenska d.d.'s minority shareholders. On 28 July 2016, Slovenian Central securities clearing corporation registered the squeeze-out and Kofola holdinška družba d.o.o. became the sole shareholder of Radenska d.d.</p> <p>*** On 2 September 2016, the Slovenian court approved the change of legal form of Radenska from Radenska d.d. to RADENSKA d.o.o.</p>				



## 2. KOFOLA GROUP



### 2.4. SUCCESSES AND AWARDS IN 2016



**Czech TOP 100** – Kofola ČeskoSlovensko a.s. the third most admired company in the Czech Republic in 2016. Repeatedly in top 5 since 2007.

**Agra 2016** - Radenska awarded 7 medals in an international quality assessment of fruit juices, soft drinks and bottled waters Agra, part of 54. International Fair of Agriculture and Food, Gornja Radgona.



**IIK GRAND PRIX 2016** – Kofola ČeskoSlovensko a.s. is the absolute winner of the Grand Prix of Internal Communications in 2016 for a project related to the entry of Kofola ČeskoSlovensko a.s. to the Prague Stock Exchange.

**“Hit Handlu” 2016** - Hoop Polska Sp. z o.o. was awarded a “Hit Handlu” 2016 title for Paola Strawberry syrup.



## 3. BOARD OF DIRECTORS REPORT



### 3.1. BUSINESS OVERVIEW

#### OVERALL PERFORMANCE IN 9M16

Although this summer did not favor sales of soft drinks such as last year's, Kofola Group managed to increase sales in the Czech Republic, the Slovak Republic and Adriatic region by 9.4%.

The Group continues performing well on its core CzechoSlovak market, where its sales grew by almost 5 %. The growth was coming from all channels and the Group further strengthened its market share. Traditionally strong performance of key brands was supported in 9M by healthy and fresh UGO products, which are gaining on their importance in the Group. We are happy to see that our activities in direct distribution, sales support and marketing in CzechoSlovakia are attracting new consumers and related costs are reflected in the sales growth.

Similar picture is visible in Adriatic region (Slovenia+Ex-Yugo), where revenues grew by 12.4 % (13.7 % in local currency) like-to-like. We continue in building our presence in Adriatic countries outside of Slovenia through own sales and distribution organisation while extending the brand support for these countries. Thanks to this positive development CzechoSlovak and Adriatic markets are significantly growing their share on overall Group revenue (73.5 % in 9M 2016) and adjusted EBITDA (88 % in 9M 2016).

To strengthen our competitiveness in the Polish market we plan to consolidate production capacities and invest in new product development. We remain acquisitive in all relevant markets.

#### ADJUSTMENTS OF REPORTED PERFORMANCE AND POSITION

Presented below is a description of the financial performance and financial position of Kofola Group for 9M16. It should be read along with the financial statements and with other financial information contained in the attached condensed consolidated financial statements and condensed separate financial statements. The Board of Directors is presenting and commenting on the consolidated financial results adjusted for one-off events in the following sections of part A.

#### 3.1.1 ADJUSTED CONSOLIDATED FINANCIAL RESULTS

Adjusted consolidated financial results 9M16	9M16	One-off adjustments	9M16 adjusted
	CZK'000	CZK'000	CZK'000
Revenue	5 425 784	-	5 425 784
Cost of sales	(3 237 704)	-	(3 237 704)
<b>Gross profit</b>	<b>2 188 080</b>	-	<b>2 188 080</b>
Selling, marketing and distribution costs	(1 461 318)	18 000	(1 443 318)
Administrative costs	(329 533)	15 414	(314 119)
Other operating income, net	(2 123)	33 512	31 389
<b>Operating result</b>	<b>395 106</b>	<b>66 926</b>	<b>462 032</b>
<b>EBITDA</b>	<b>784 275</b>	<b>66 926</b>	<b>851 201</b>
Finance costs, net	(70 260)	-	(70 260)
Income tax	(58 949)	(3 420)	(62 369)
<b>Profit for the period</b>	<b>265 897</b>	<b>63 506</b>	<b>329 403</b>
- attributable to owners of Kofola ČeskoSlovensko a.s.	267 569	63 506	331 075

The operating profit of the Kofola Group for the 9-month period ended 30 September 2016 was affected by the following one-off items:

- Provision for impairment of financial receivable – Czech operation incurred net costs of CZK 18 000 thousand relating to the provision for impairment of financial receivable from an e-shop project. Tax applies at 19%.
- Merger costs - Czech operation incurred costs of CZK 7 418 thousand relating to the cross-border merger advisory.
- Acquisition costs – Slovenian operation incurred costs of CZK 5 191 thousand relating to the acquisition advisory.
- Due diligence costs – Polish operation incurred costs of CZK 2 805 thousand.
- Closure of Bielsk operation – Polish operation incurred costs of 33 512 thousand.

### 3. BOARD OF DIRECTORS REPORT

Adjusted consolidated financial results 9M15	9M15 CZK'000	One-off adjustments CZK'000	9M15 adjusted CZK'000
Revenue	5 524 819	35 073	5 559 892
Cost of sales	(3 243 819)	(22 214)	(3 266 033)
<b>Gross profit</b>	<b>2 281 000</b>	<b>12 859</b>	<b>2 293 859</b>
Selling, marketing and distribution costs	(1 402 339)	3 799	(1 398 540)
Administrative costs	(329 095)	16 644	(312 451)
Other operating income/(expenses), net	(62 910)	88 908	25 998
<b>Operating result</b>	<b>486 656</b>	<b>122 210</b>	<b>608 866</b>
<b>EBITDA</b>	<b>866 336</b>	<b>122 210</b>	<b>988 546</b>
Finance costs, net	(74 215)	-	(74 215)
Income tax	(54 575)	(23 220)	(77 795)
<b>Profit for the period</b>	<b>357 866</b>	<b>98 990</b>	<b>456 856</b>
- attributable to owners of Kofola ČeskoSlovensko a.s.	355 927	98 604	454 531

The operating profit of the Kofola Group for the 9-month period ended 30 September 2015 was affected by the following one-off items:

- Hoop Polska sp. z o.o. incurred extraordinary costs associated with the qualitative product complaints connected with the poor quality of packaging material. The net impact on Operating result was of CZK 85 566 thousand with impact on Income tax of CZK (16 258) thousand.
- Group restructuring advisory of CZK 10 613 thousand borne by KOFOLA S.A., charged in Administrative costs, with Income tax impact of CZK (2 016) thousand.
- WAD GROUP acquisition advisory costs of CZK 6 031 thousand related to Slovak operation, charged in Administrative costs, with Income tax impact of CZK (1 146) thousand.
- Kofola CS a.s. recorded a provision of CZK 20 000 thousand for costs relating to court litigation against a competitor of the Group for protection against unfair competition and infringement of Kofola trademarks. The income tax impact was of CZK (3 800) thousand.

#### 3.1.2 FINANCIAL PERFORMANCE IN 9M

Adjusted consolidated financial results	9M16 CZK'000	9M15 CZK'000	Change CZK'000	Change %
Revenue	5 425 784	5 559 892	(134 108)	(2.4%)
Cost of sales	(3 237 704)	(3 266 033)	28 329	(0.9%)
<b>Gross profit</b>	<b>2 188 080</b>	<b>2 293 859</b>	<b>(105 779)</b>	<b>(4.6%)</b>
Selling, marketing and distribution costs	(1 443 318)	(1 398 540)	(44 778)	3.2%
Administrative costs	(314 119)	(312 451)	(1 668)	0.5%
Other operating income, net	31 389	25 998	5 391	20.7%
<b>Operating result</b>	<b>462 032</b>	<b>608 866</b>	<b>(146 834)</b>	<b>(24.1%)</b>
<b>EBITDA</b>	<b>851 201</b>	<b>988 546</b>	<b>(137 345)</b>	<b>(13.9%)</b>
Finance costs, net	(70 260)	(74 215)	3 955	(5.3%)
Income tax	(62 369)	(77 795)	15 426	(19.8%)
<b>Profit for the period</b>	<b>329 403</b>	<b>456 856</b>	<b>(127 453)</b>	<b>(27.9%)</b>
- attributable to owners of Kofola ČeskoSlovensko a.s.	331 075	454 531	(123 456)	(27.2%)

#### REVENUE

In 9M16, the Group's revenue amounted to CZK 5 425 784 thousand and decreased by CZK 134 108 thousand or 2.4% from CZK 5 559 892 thousand in 9M15.

The decrease was caused by lower sales in Poland that was partially offset by the increase in CzechoSlovakia that came from Rauch, Vinea and Kofola, branded products as well as from growing network of UGO bars. The sales reflect the impact of the acquisition of Radenska at the end of 1Q15 (in 2015 figures, Radenska is included since 1 April). If Radenska was consolidated from 1 January 2015, revenue in CzechoSlovakia and Adriatic region in 9M16 would show a growth of almost 6% compared to 9M15.

In 9M16, the Group's revenue from sales of finished products and services amounted to CZK 5 066 457 thousand and decreased by CZK 218 059 thousand or 4% from CZK 5 284 516 thousand in 9M15.

### 3. BOARD OF DIRECTORS REPORT



In 9M16, the Group's revenue from sales of goods and materials amounted to CZK 359 327 thousand and increased by CZK 83 951 thousand (30.49%) from CZK 275 376 thousand in 9M15. The increase in revenue from sale of goods and materials was attributable mostly to sales of Rauch products.

The following table sets forth revenues from sales split by category of products for 9M16 and 9M15.

Product segments	9M16		9M15	
	Revenue	Share	Revenue	Share
	CZK' 000	%	CZK' 000	%
Carbonated beverages	2 498 231	46.04%	2 668 041	47.99%
Non-carbonated beverages	419 712	7.74%	367 841	6.62%
Waters	1 532 940	28.25%	1 496 016	26.91%
Syrups	551 136	10.16%	706 648	12.71%
Other	423 765	7.81%	321 346	5.77%
<b>Total</b>	<b>5 425 784</b>	<b>100.00%</b>	<b>5 559 892</b>	<b>100.00%</b>

The activities of the Group concentrate on the production of beverages in four market categories: carbonated beverages (including cola beverages), non-carbonated beverages, types of bottled water and syrups. Together these categories accounted for 92% of the Group's sales revenue in 9M16. In comparison with 9M15, the structure of sales by products changed as compared to the previous period mainly due to the acquisition of Radenska, which translated into a higher share of water in revenues, an increase in revenues from non-carbonated beverages due to increased distribution of Rauch products and an increase in revenue of 'Other' category products due to the growth of revenues from UGO fresh bars and higher sales of the energy drink Semtex. Syrups category is under pressure of competition and recorded decreased revenue.

The following table sets forth revenue from sales split by countries for 9M16 and 9M15. The allocation of revenue to a particular country segment is based on the geographical location of the customers.

Geographical segments	9M16		9M15	
	Revenue	Share	Revenue	Share
	CZK' 000	%	CZK' 000	%
Czech Republic	2 112 538	38.94%	1 971 520	35.46%
Slovakia	1 211 042	22.32%	1 206 426	21.70%
Poland	1 387 362	25.57%	1 867 295	33.59%
Slovenia	538 456	9.92%	401 301	7.22%
Export*	176 386	3.25%	113 350	2.03%
<b>Total</b>	<b>5 425 784</b>	<b>100.00%</b>	<b>5 559 892</b>	<b>100.00%</b>

\* including Croatia

Kofola grew its sales and market share in the Czech Republic, Slovakia and Slovenia. In total, the sales increased by 7.9% in comparison with 9M15 in these countries despite standard summer that did not bring so many tropical days like in 2015. This positive sales development was recorded in our most profitable HoReCa and impulse channels and confirmed continuous attractiveness of the product offering by the Group.

In Czechoslovakia, the UGO fresh bars' revenue grew by CZK 80 889 thousand to CZK 215 792 thousand (60% year-on-year) and are becoming more important part of the Group's offering. The results were achieved by continuous roll out of own fresh bars and salad bars from 27 to 35 (30 %) and franchised fresh and salad bars from 30 to 34 (13 %). The Group operated 68 fresh bars and salad bars as at 30 September 2016.

In Adriatic region, Kofola continues in its acquisition strategy. In February 2016, we acquired Nara, Inka and Vočko, Croatian brands with high growth potential for the Group. At the same time, the Group concluded a production and distribution contract with Pepsi. By the end of the year, we expect finalisation of the acquisition of Studenac in Croatia.

In comparison with 9M15, there was a decrease in revenue from sales in Poland driven by lower sales of private labels and lower sales in the traditional channel.

Total Group's revenues without Polish segment grew by 9.4% (CZK 345 825 thousand) in comparison with 9M15.

#### COST OF SALES

In 9M16, the Group's cost of sales amounted to CZK 3 237 704 thousand and decreased by CZK 28 329 thousand or 0.9% from CZK 3 266 033 thousand in 9M15.

In 9M16, the Group's cost of products and services sold amounted to CZK 2 940 290 thousand and decreased by CZK 62 534 thousand or 2 % from CZK 3 002 824 thousand in 9M15.

### 3. BOARD OF DIRECTORS REPORT



In 9M16, the Group's cost of goods and materials sold amounted to CZK 297 414 thousand and increased by CZK 34 205 thousand or 13.0% from CZK 263 209 thousand in 9M15. The significant increase in the cost of goods and materials sold was attributable mostly to the sale of Rauch products.

#### GROSS PROFIT

In 9M16, the Group's gross profit amounted to CZK 2 188 080 thousand and decreased by CZK 105 779 thousand or 4.6% from CZK 2 293 859 thousand in 9M15, this was mainly influenced by higher prices of sugar.

#### SELLING, MARKETING AND DISTRIBUTION COSTS

In 9M16, the Group's selling, marketing and distribution costs amounted to CZK 1 443 318 thousand and increased by CZK 44 778 thousand or 3.2% from CZK 1 398 540 thousand in 9M15. Net effect of the increase is influenced by increased costs of cca CZK 53 0000 in Radenska (acquired at the end of 1Q15 and as such the comparative period includes only its costs for 2Q15), where the costs increased in connection with building the sales and marketing team for the whole Adriatic region, decreased costs in Poland of cca 101 000 TCZK, the remaining part was driven by continuing development of direct distribution in the Czech Republic and an increase in sales support and marketing costs in CzechoSlovakia. The effectiveness of these costs was demonstrated by marketing campaigns attracting significant interactive communication with consumers, as well as sales growth above the market growth in these countries.

#### ADMINISTRATIVE COSTS

In 9M16, the Group's administrative costs amounted to CZK 314 119 thousand and decreased by CZK 1 668 thousand or 0.5% from CZK 312 451 thousand in 9M15.

#### OTHER OPERATING INCOME, NET

In 9M16, the Group's net other operating income amounted to CZK 31 389 thousand and was higher by CZK 5 391 thousand than net other operating income of CZK 25 998 thousand in 9M15.

#### EBITDA

The following table sets forth information regarding EBITDA for 9M16 and 9M15.

Adjusted EBITDA	9M16	9M15
	CZK' 000 / %	CZK' 000 / %
EBITDA*	851 201	988 546
EBITDA margin**	15.7%	17.8%

\* EBITDA refers to operating result plus depreciation and amortisation  
 \*\* Calculated as (EBITDA/Revenue) \*100%

The following table sets forth information regarding EBITDA split by countries for 9M16 and 9M15.

Adjusted EBITDA by countries	9M16		9M15	
	EBITDA	EBITDA margin	EBITDA	EBITDA margin
	CZK' 000	%	CZK' 000	%
Czech Republic	273 490	12.9%	313 113	15.9%
Slovakia	318 234	26.3%	320 305	26.5%
Poland	102 257	7.4%	237 617	12.7%
Slovenia	159 074	29.5%	114 970	28.6%
Export	(1 854)	(1.1%)	2 541	2.2%
<b>Total</b>	<b>851 201</b>	<b>15.7%</b>	<b>988 546</b>	<b>17.8%</b>

The decrease of EBITDA is mainly caused by decreased performance in Poland and in the Czech Republic by decreasing syrup segment, further expansion costs of UGO and costs of HoReCa market share development. Even though the cyclical syrup segment shows a decline, we managed to keep our market share.

The EBITDA achieved by the Group in Poland decreased as a result of decreased sales mainly of private labels. The management decided about the termination of one of three production plants as part of the plan to increase the profitability of Polish operation.

The EBITDA in Slovenia generated by the Radenska Group increased both because of 3 quarters being included in 2016 (only 2Q and 3Q is included in 2015) but also on like-to-like basis. The potential of Slovenian EBITDA profitability is not fully exploited due to the costs related to building the sales team and increased marketing costs.

### 3. BOARD OF DIRECTORS REPORT



The Group's EBITDA margins achieved on the CzechoSlovak market in 9M16 continue to be substantially higher than in Poland. This is because of its strong presence in the HoReCa distribution channel, where non-alcoholic beverages can be sold with higher margins to loyal customers (both restaurants and end consumers). Significant part of revenues in Poland comes from private labels.

The Group's EBITDA without Poland is flat in comparison with 9M15.

#### OPERATING PROFIT

Due to the reasons described above, in 3Q16, the Group's operating profit amounted to CZK 462 032 thousand as compared to an operating profit of CZK 608 866 thousand in 9M15, showing 24.1% decrease.

#### FINANCE COSTS, NET

In 9M16, the Group's net finance costs amounted to CZK 70 260 thousand and decreased by CZK 3 955 thousand as compared to CZK 74 215 thousand in 9M15. Decreased net finance costs are mainly influenced by decreased foreign exchange losses by CZK (8 000) thousand and increased loss from revaluation of derivatives by CZK (3 400) thousand when compared with last year. Net finance costs include also the share in the loss of associate that in 9M16 amounted to CZK (633) thousand compared to profit of CZK 53 thousand in 9M15.

#### PROFIT BEFORE TAX

Due to the reasons described above, in 9M16, the Group's profit before tax amounted to CZK 391 772 thousand and decreased by CZK 142 879 thousand as compared to profit before tax of CZK 534 651 thousand in 9M15.

#### INCOME TAX

In 9M16, income tax recorded by the Group amounted to CZK 62 369 thousand as compared to CZK 77 795 thousand in 9M15.

#### NET PROFIT FOR THE PERIOD

Due to the reasons described above, in 9M16, the Group's profit for the period amounted to CZK 329 403 thousand as compared to a profit for the period of CZK 456 856 thousand in 9M15.

### 3.1.3 FINANCIAL PERFORMANCE IN 3Q

Adjusted consolidated financial results	3Q16	3Q15	Change	Change
	CZK'000	CZK'000	CZK'000	%
Revenue	1 921 403	2 167 830	(246 427)	(11.4%)
Cost of sales	(1 098 685)	(1 263 989)	165 304	(13.1%)
<b>Gross profit</b>	<b>822 718</b>	<b>903 841</b>	<b>(81 123)</b>	<b>(9.0%)</b>
Selling, marketing and distribution costs	(518 945)	(533 744)	14 799	(2.8%)
Administrative costs	(99 662)	(127 589)	27 927	(21.9%)
Other operating income, net	804	3 137	(2 333)	(74.4%)
<b>Operating result</b>	<b>204 915</b>	<b>245 645</b>	<b>(40 730)</b>	<b>(16.6%)</b>
<b>EBITDA</b>	<b>337 231</b>	<b>380 467</b>	<b>(43 236)</b>	<b>(11.4%)</b>
Finance costs, net	(14 002)	(36 425)	22 423	(61.6%)
Income tax	(17 389)	(19 286)	1 897	(9.8%)
<b>Profit for the period</b>	<b>173 524</b>	<b>189 934</b>	<b>(16 410)</b>	<b>(8.6%)</b>
- attributable to owners of Kofola ČeskoSlovensko a.s.	175 342	189 383	(14 041)	(7.4%)

In 3Q16, the Group's revenue decreased by 11.4% compared to 3Q15, this was mainly caused by decreased revenue in Poland in amount of cca CZK 240 000 thousand (36%), in local currency by 34%. The Group's revenue without Poland decreased by CZK 10 476 thousand (0.7%).

Administrative costs decreased by 21.9% compared to 3Q15, mainly in CzechoSlovakia and Slovenia.

Net finance costs decreased by CZK 22 423 thousand, which was caused mainly by decreased foreign exchange losses (lower by CZK 9 000 thousand) and decreased losses from revaluation of derivatives (lower by CZK 5 000 thousand) when compared with 3Q15.

The Group's EBITDA without Poland decreased by CZK 5 508 thousand (1.7%).



## 3. BOARD OF DIRECTORS REPORT

### 3.1.4 FINANCIAL POSITION

Condensed statement of financial position	30.9.2016	31.12.2015	Change	Change
	CZK'000	CZK'000	CZK'000	%
<b>Total assets</b>	<b>8 319 681</b>	<b>8 491 014</b>	<b>(171 333)</b>	<b>(2.0%)</b>
Non-current assets, out of which:	<b>4 880 861</b>	<b>5 095 724</b>	<b>(214 863)</b>	<b>(4.2%)</b>
<i>Property, plant and equipment</i>	<i>3 328 003</i>	<i>3 508 993</i>	<i>(180 990)</i>	<i>(5.2%)</i>
<i>Intangible assets</i>	<i>1 161 130</i>	<i>1 176 524</i>	<i>(15 394)</i>	<i>(1.3%)</i>
<i>Goodwill</i>	<i>86 302</i>	<i>86 302</i>	-	-
<i>Investment in associates</i>	<i>177 395</i>	<i>155 921</i>	<i>21 474</i>	<i>13.8%</i>
<i>Deferred tax assets</i>	<i>74 678</i>	<i>96 803</i>	<i>(22 125)</i>	<i>(22.9%)</i>
<i>Other</i>	<i>53 353</i>	<i>71 181</i>	<i>(17 828)</i>	<i>(25.0%)</i>
Current assets, out of which:	<b>3 438 820</b>	<b>3 395 290</b>	<b>43 530</b>	<b>1.3%</b>
<i>Inventories</i>	<i>526 344</i>	<i>501 093</i>	<i>25 251</i>	<i>5.0%</i>
<i>Trade and other receivables</i>	<i>1 032 190</i>	<i>934 452</i>	<i>97 738</i>	<i>10.5%</i>
<i>Cash and cash equivalents</i>	<i>1 762 095</i>	<i>1 940 008</i>	<i>(177 913)</i>	<i>(9.2%)</i>
<i>Assets held for sale</i>	<i>113 862</i>	<i>3 506</i>	<i>110 356</i>	<i>3 147.6%</i>
<i>Other</i>	<i>4 329</i>	<i>16 231</i>	<i>(11 902)</i>	<i>(73.3%)</i>
<b>Total equity and liabilities</b>	<b>8 319 681</b>	<b>8 491 014</b>	<b>(171 333)</b>	<b>(2.0%)</b>
Equity	3 102 244	2 870 202	232 042	8.1%
Non-current liabilities	1 666 709	1 750 669	(83 960)	(4.8%)
Current liabilities	3 550 728	3 870 143	(319 415)	(8.3%)

#### ASSETS

At the end of 9M16, the Group's Property, plant and equipment amounted to CZK 3 328 003 thousand and decreased by CZK 180 990 thousand or 5.2 % from CZK 3 508 993 thousand at the end of 2015. This change was mainly caused by reclassification to assets held for sale of CZK 110 348 thousand (assets held for sale from closed Bielsk plant), additions and finance lease additions totalling CZK 333 414 thousand and on the other hand the depreciation charge of CZK 354 754 thousand. The additions comprise mainly a building in the production area and sales support equipment in the Czech Republic and the expenditure for hall under construction in Poland.

As at 30 September 2016, Intangible assets were of CZK 1 161 130 thousand and decreased by CZK 15 394 thousand or 1.3 % in comparison with 31 December 2015 mainly because of a purchase of brands Inka, Nara and Vočko in Croatia and amortization of CZK 34 415 thousand.

The Group's current assets as at 30 September 2016 amounted to CZK 3 438 820 thousand, of which 51 % is represented by Cash and cash equivalents, 30 % is represented by Trade and other receivables and 15 % is formed by Inventories. The increase of CZK 43 530 thousand or 1.3 % is mainly attributable to reclassified assets held for sale and increased trade and other receivables and decreased cash. The year-to-date change in working capital is affected by seasonality. When compared with balance sheet as of 30 September 2015, current trade and other receivables decreased by CZK 66 999 thousand (6.0 %) and inventories decreased by CZK 32 821 thousand (6.0 %). Cash and cash equivalents in RADENSKA d.o.o. accounts for about 65 % of the Group's total cash and the Group expects its utilisation among others for future acquisition opportunities or loan payout.

Deferred tax asset decreased by CZK 22 125 thousand to CZK 74 678 thousand, of which CZK 74 057 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 30 September 2016, the Group's current and non-current liabilities amounted to CZK 5 217 437 thousand, which constitutes a 7.0% (CZK 403 375 thousand) decrease compared to CZK 5 620 812 thousand at the end of December 2015. The loan for financing RADENSKA d.o.o. acquisition with carrying amount of CZK 1 745 065 thousand as at 30 September 2016 is a main component of Group's liabilities. Based on the amendment to the loan for acquisition of Radenska the repayment date of Facility B of that loan of CZK 960 496 thousand was changed from 30 September 2016 to 30 September 2017.

The Group's consolidated net debt (calculated as total non-current and current liabilities relating to credits, loans, bonds, leases and other debt instruments less cash and cash equivalents) amounted to CZK 1 360 282 thousand as at 30 September 2016, which represents an increase of CZK 83 400 thousand or 7.0 % compared to CZK 1 276 882 thousand as at 31 December 2015. This increase is attributable mainly to the decreased cash from payment of CAPEX.

The Group's consolidated net debt / 12m Adjusted EBITDA as at 30 September 2016 was of 1.39 compared to 1.14 at the end of 2015.

## 3. BOARD OF DIRECTORS REPORT



The Group's provisions decreased by CZK 36 437 thousand from CZK 221 392 thousand to CZK 184 919 thousand, mainly due to the release of provisions for yearly employees' bonuses and other provisions. If the balance sheet was adjusted for one-off provision related to Bielsk plant closure, the balance would be CZK 166 820 thousand.

### 3.1.5 CASHFLOWS

#### NET CASH FLOW FROM OPERATING ACTIVITIES

In 9M16 the Group's net cash flow from operating activities amounted to CZK 467 646 thousand and decreased by CZK 346 511 thousand or 43% from CZK 814 157 thousand in 9M15. This was influenced by Polish and Slovenian operations. The effect of Polish activity with impact of about CZK 261 000 thousand was caused by strong cash-EBITDA in 9M15 which was a combination of both very good business result and favourable working capital changes, and on the other hand, decreasing performance in 9M16. Additionally, the effect of Slovenian activity with impact of almost CZK 100 000 thousand, was caused by the acquisition at the end of 1Q15, when cash-favourable 2Q15 and 3Q15 (water season) were included in consolidated figures. Less cash favourable 1Q16 (off-season) is included in current period plus 2Q16 bears increased selling, marketing and acquisition costs compared to last year.

#### NET CASH FLOW FROM INVESTING ACTIVITIES

In 9M16, the Group's net cash outflow from investing activities amounted to CZK (462 404) thousand and decreased by CZK 542 951 thousand from CZK (1 005 355) thousand in 9M15. The outflow decrease related mainly to the prior year acquisition of Radenska and on the other hand, higher capital expenditure as compared to the previous period.

#### NET CASH FLOW FROM FINANCING ACTIVITIES

In 9M16, the Group's net cash flow from financing activities amounted to CZK (179 159) thousand and decreased by CZK 1 652 494 thousand from CZK 1 473 335 thousand in 9M15. The decrease was mainly a result of the prior year bank loan utilisation for financing the Radenska acquisition.

### 3.1.6 EXPECTED DEVELOPMENT IN SUBSEQUENT 6 MONTHS

Kofola Group will continue to deliver its products across Central and Eastern Europe, improving the efficiency of direct distribution in the Czech Republic and extending sales support in the Adriatic region.

The Group will enlarge the portfolio in the Adriatic region and further expand in the region.

The Polish operation decreased revenue mainly in private label business and the traditional channel. HOOP Polska implemented new pricing policy aiming to increase margins to be able to invest in new products, such as latest new products HOOP orange or HOOP lemon that were well accepted by the market, functional water Arctic that shows promising results in its segment, and other new products that are prepared for 2017. New ATL campaign is ready to be launched at the beginning of November to support HOOP Cola brand and new HOOP brand soft drinks.

## 3.2. MAIN EVENTS

#### EXPANSION IN ADRIATIC REGION

In January 2016, the Group became an exclusive producer and distributor of PepsiCo portfolio products in the Croatian market. Cooperation with PepsiCo in Slovenian market has functioned for more than 20 years.

In the first quarter of 2016, the Group acquired the brands Vočko, Nara and Inka from the Croatian non-alcoholic drinks producer Badel 1862. The Group also became a distributor of Badel's drinks in HoReCa segment.

Kofola ČeskoSlovensko a.s., as the guarantor, entered on 20<sup>th</sup> September 2016 into a Share Purchase Agreement regarding 100% of Podravka d.d.'s business share in the company Studenac d.o.o., based in Lipik, Matije Gupca No 120, MBS: 070116739 (hereinafter: Studenac), with the company RADENSKA d.o.o. (hereinafter: Radenska), Boračeva 37, 9252 Radenci, Slovenia, as the purchaser. Studenac is a traditional mineral water brand. The transaction is scheduled to be completed by the end of the year.

These opportunities represent an extension of the Group's portfolio in the Croatian market and a further expansion of the Group's presence in the region.

### 3. BOARD OF DIRECTORS REPORT



#### WITHDRAWAL FROM ACQUISITION OF WAD GROUP, A.S.

Kofola Group decided to withdraw from the acquisition of WAD GROUP, a. s., owner of 40-percent share in WATER HOLDING, a. s. that is a 100-percent shareholder of Slovenské pramene a žriedla, a.s., Stredoslovenské žriedla, a.s. and Zlatá studňa, s.r.o.

Based on the share purchase agreement concluded on 19 June 2015, Kofola should have entered into WATER HOLDING as a minority shareholder, Kofola regarded the conditions necessary for the approval of the transaction imposed by the Antimonopoly office of the Slovak Republic as currently hardly realisable.

#### CONSOLIDATION OF PRODUCTION IN POLAND

On 27 July 2016, the Hoop Polska management board announced the restructuring plan, concerning concentration of production in two plants and end of activity in the plant in Bielsk Podlaski. The decision to consolidate capacity will help to maintain high quality, strengthen the competitiveness of the company in the coming years and is a response to increasing price pressure in the Polish market.

When the restructuring process is finished, Hoop Polska plans to start very intensive and assertive activities in the areas of product development and promotion.

#### SQUEEZE-OUT OF RADENSKA MINORITY SHAREHOLDERS

On 25 July 2016, the Slovenian court approved the squeeze-out of Radenska d.d.'s minority shareholders. On 28 July 2016, Slovenian Central securities clearing corporation registered the squeeze-out and Kofola holdinška družba d.o.o. became the sole shareholder of Radenska d.d.

#### CROSS BORDER MERGER

The Board of Directors of Kofola ČeskoSlovensko a.s. announced that on 1 August 2016, the Regional Court in Ostrava registered the cross-border merger with the effective date 1 January 2016.

As a result of the merger the following companies were dissolved ("Dissolving Companies"):

- Kofola CS a.s. (CZ),
- PINELLI spol. s r.o. (CZ),
- Kofola S.A. (PL),
- Kofola, holdinška družba d.o.o. (SI).

All assets and liabilities of the Dissolving Companies have been transferred to Kofola ČeskoSlovensko a.s. under universal succession.

#### RADENSKA'S CHANGE OF LEGAL FORM

On 2 September 2016, the Slovenian court approved the change of legal form from Radenska d.d. to RADENSKA d.o.o.

## 4. CORPORATE GOVERNANCE



### 4.1. SHARES AND SHAREHOLDERS

#### 4.1.1 SHARE CAPITAL

As at 30 September 2016, the share capital of Kofola ČeskoSlovensko a.s. totalled CZK 2 229 500 000 and comprised 22 295 000 common registered shares with a nominal value of CZK 100 each, issued as book-entry shares under Czech law in particular under the Czech Companies Act, with the ISIN CZ0009000121.

The Share capital of the Company is fully paid up. The shares have been admitted for trading on the Prague Stock Exchange and the Warsaw Stock Exchange.

#### 4.1.2 SHAREHOLDERS STRUCTURE

Group shareholders structure	30.9.2016	
	Number of shares pcs	Share %
KSM Investment S.A.	11 321 383	50.78%
CED GROUP S. a r.l.	8 311 196	37.28%
René Musila	581 231	2.61%
Tomáš Jendřejek	581 190	2.61%
Others	1 500 000	6.72%
<b>Total shares volume</b>	<b>22 295 000</b>	<b>100.00%</b>



CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS 9M 2016  
KOFOLA ČESKOSLOVENSKO A.S.

# 1. CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS



## 1.1. CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the 9-month and 3-month period ended 30 September 2016 and 30 September 2015 in CZK thousand.

Consolidated statement of profit or loss	Note	9M 2016 CZK'000	3Q 2016 CZK'000	9M 2015 CZK'000	3Q 2015 CZK'000
Revenue from the sale of finished products and services	4.1	5 066 457	1 795 364	5 249 443	2 063 193
Revenue from the sale of goods and materials	4.1	359 327	126 039	275 376	104 957
<b>Revenue</b>		<b>5 425 784</b>	<b>1 921 403</b>	<b>5 524 819</b>	<b>2 168 150</b>
Cost of products and services sold	4.2	(2 940 290)	(1 000 597)	(2 980 610)	(1 165 263)
Cost of goods and materials sold	4.2	(297 414)	(98 088)	(263 209)	(98 929)
<b>Cost of sales</b>		<b>(3 237 704)</b>	<b>(1 098 685)</b>	<b>(3 243 819)</b>	<b>(1 264 192)</b>
<b>Gross profit</b>		<b>2 188 080</b>	<b>822 718</b>	<b>2 281 000</b>	<b>903 958</b>
Selling, marketing and distribution costs	4.2	(1 461 318)	(518 945)	(1 402 339)	(533 709)
Administrative costs	4.2	(329 533)	(103 303)	(329 095)	(135 542)
Other operating income	4.3	55 316	17 815	31 050	7 730
Other operating expenses	4.4	(57 439)	(50 523)	(93 960)	(31 121)
<b>Operating profit</b>		<b>395 106</b>	<b>167 762</b>	<b>486 656</b>	<b>211 316</b>
Finance income	4.5	9 943	(330)	23 432	8 217
Finance costs	4.6	(79 570)	(17 632)	(97 700)	(43 997)
Share of profit/(loss) of associate	4.11	(633)	3 960	53	(645)
<b>Profit before income tax</b>		<b>324 846</b>	<b>153 760</b>	<b>412 441</b>	<b>174 891</b>
Income tax expense	4.7	(58 949)	(17 389)	(54 575)	(12 764)
<b>Profit for the period</b>		<b>265 897</b>	<b>136 371</b>	<b>357 866</b>	<b>162 127</b>
<i>Attributable to:</i>					
Owners of Kofola ČeskoSlovensko a.s.		267 569	138 189	355 927	161 962
Non-controlling interests		(1 672)	(1 818)	1 939	165
<b>Earnings per share for profit attributable to the ordinary equity holders of the company (in CZK)</b>					
Basic earnings per share	4.8	12.00	6.20	16.14*	7.35*
Diluted earnings per share	4.8	12.00	6.20	16.14*	7.35*

\* restated to show the impact of capital reorganisation in 2015

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes.



# 1. CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS



## 1.2. CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the 9-month and 3-month period ended 30 September 2016 and 30 September 2015 in CZK thousand.

Consolidated statement of other comprehensive income	Note	9M 2016 CZK '000	3Q 2016 CZK '000	9M 2015 CZK '000	3Q 2015 CZK '000
<b>Profit for the period</b>		<b>265 897</b>	<b>136 371</b>	<b>357 866</b>	<b>162 127</b>
<b>Other comprehensive income</b>					
<i>Items that may be reclassified to profit or loss:</i>					
Exchange differences on translation of foreign subsidiaries		(55 040)	(19 866)	(19 885)	(21 598)
Exchange differences on translation of foreign associate	4.11	22 107	2 236	(6 352)	(31 206)
<b>Other comprehensive income for the period, net of tax</b>		<b>(32 933)</b>	<b>(17 630)</b>	<b>(26 237)</b>	<b>(52 804)</b>
<b>Total comprehensive income for the period</b>		<b>232 964</b>	<b>118 741</b>	<b>331 629</b>	<b>109 323</b>
<b>Attributable to:</b>					
Owners of Kofola ČeskoSlovensko a.s.		234 636	120 714	331 341	109 271
Non-controlling interests		(1 672)	(1 973)	288	52

The above consolidated statement of other comprehensive income should be read in conjunction with the accompanying notes.

# 1. CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS



## 1.3. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 September 2016, 31 December 2015 and 30 September 2015 in CZK thousand.

Assets	Note	30.9.2016 CZK'000	31.12.2015 CZK'000	30.9.2015 CZK'000
<b>Non-current assets</b>		<b>4 880 861</b>	<b>5 095 724</b>	<b>4 980 174</b>
Property, plant and equipment	4.9	3 328 003	3 508 993	3 357 893
Goodwill	4.10	86 302	86 302	87 613
Intangible assets	4.10	1 161 130	1 176 524	1 184 202
Investment in associate	4.11	177 395	155 921	175 086
Other receivables		46 560	56 348	40 275
Other non-financial assets		6 793	14 833	16 362
Deferred tax assets		74 678	96 803	118 743
<b>Current assets</b>		<b>3 438 820</b>	<b>3 395 290</b>	<b>3 515 425</b>
Assets classified as held for sale		113 862	3 506	3 529
<b>Current assets excl. Assets classified as held for sale</b>		<b>3 324 958</b>	<b>3 391 784</b>	<b>3 511 896</b>
Inventories		526 344	501 093	559 165
Trade and other receivables		1 032 190	934 452	1 099 189
Income tax receivables		4 329	16 231	8 537
Cash and cash equivalents		1 762 095	1 940 008	1 845 005
<b>Total assets</b>		<b>8 319 681</b>	<b>8 491 014</b>	<b>8 495 599</b>
<b>Liabilities and equity</b>				
<b>Equity attributable to owners of Kofola ČeskoSlovensko a.s.</b>		<b>3 098 047</b>	<b>2 820 969</b>	<b>2 858 311</b>
Share capital	1.5	2 229 500	2 229 500	151 440
Share premium and capital reorganisation reserve	1.5	(1 962 871)	(1 962 871)	-
Other reserves	1.5	2 081 482	2 085 568	2 088 525
Foreign currency translation reserve	1.5	133 777	166 710	210 657
Own shares	1.5	(922)	-	(22 665)
Retained earnings	1.5	617 081	302 062	430 354
<b>Equity attributable to non-controlling interests</b>		<b>4 197</b>	<b>49 233</b>	<b>50 067</b>
<b>Total equity</b>	1.5	<b>3 102 244</b>	<b>2 870 202</b>	<b>2 908 378</b>
<b>Non-current liabilities</b>		<b>1 666 709</b>	<b>1 750 669</b>	<b>1 724 149</b>
Bank credits and loans	4.14	968 179	994 323	999 978
Bonds issued	4.13	326 669	325 885	325 240
Finance lease liabilities		173 829	199 620	188 873
Provisions		23 249	24 940	24 630
Other liabilities		53 706	47 903	35 965
Deferred tax liabilities		121 077	157 998	149 463
<b>Current liabilities</b>		<b>3 550 728</b>	<b>3 870 143</b>	<b>3 863 072</b>
Bank credits and loans	4.14	1 581 429	1 637 805	1 581 000
Bonds issued	4.13	15 047	3 657	15 229
Finance lease liabilities		57 224	55 600	50 054
Trade and other payables		1 701 530	1 975 230	1 963 812
Income tax liabilities		22 680	1 399	9 945
Other financial liabilities		11 148	-	23 791
Provisions		161 670	196 452	219 241
<b>Total liabilities</b>		<b>5 217 437</b>	<b>5 620 812</b>	<b>5 587 221</b>
<b>Total liabilities and equity</b>		<b>8 319 681</b>	<b>8 491 014</b>	<b>8 495 599</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

# 1. CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS



## 1.4. CONSOLIDATED STATEMENT OF CASH FLOWS

for the 9-month and 3-month period ended 30 September 2016 and 30 September 2015 in CZK thousand.

Consolidated statement of cash flows	Note	9M 2016 CZK '000	3Q 2016 CZK '000	9M 2015 CZK '000	3Q 2015 CZK '000
<b>Cash flows from operating activities</b>					
Profit before income tax		324 846	153 760	412 441	174 891
Adjustments for:					
Non-cash movements					
Depreciation and amortisation		389 169	132 316	379 680	134 822
Net interest	4.5, 4.6	56 917	18 081	58 025	23 011
Share of profit of associate	4.11	633	(3 960)	(53)	645
Change in the balance of provisions and adjustments		(21 547)	38 512	(3 710)	(28 273)
Revaluation of derivatives		6 935	(1 066)	-	-
Gain on sale of PPE and intangible assets		(1 614)	(452)	(6 013)	(352)
Net exchange differences		(790)	2 344	(11 820)	(10 132)
Other		(9 998)	(24 223)	10 224	2 783
Cash movements					
Income taxes paid		(41 934)	(12 836)	(92 675)	(32 161)
Change in operating assets and liabilities					
Change in receivables		(99 501)	251 662	(126 247)	312 416
Change in inventories		(23 101)	29 899	(63 080)	72 019
Change in payables		(112 369)	(202 033)	257 385	(214 498)
<b>Net cash inflow from operating activities</b>		<b>467 646</b>	<b>382 004</b>	<b>814 157</b>	<b>435 171</b>
<b>Cash flows from investing activities</b>					
Sale of property, plant and equipment		10 885	4 484	12 895	6 995
Acquisition of property, plant and equipment and intangible assets*		(442 700)	(134 942)	(277 567)	(86 911)
Sale of financial assets		-	-	2 245	2 245
Purchase of financial assets		(6 500)	-	(11 163)	-
Acquisition of subsidiary, net of cash acquired**		(37 358)	(37 358)	(713 305)	-
Interest received		1 017	743	3 040	2 189
Loans granted		-	-	(21 500)	(21 500)
Other		12 252	-	-	-
<b>Net cash outflow from investing activities</b>		<b>(462 404)</b>	<b>(167 073)</b>	<b>(1 005 355)</b>	<b>(96 982)</b>
<b>Cash flows from financing activities</b>					
Finance lease payments		(45 406)	(14 851)	(53 581)	(17 039)
Proceeds from loans and bank credits		191 046	61 728	1 961 852	6 854
Repayment of loans and bank credits		(268 215)	(75 782)	(380 317)	(100 452)
Dividends paid to the minority shareholders		-	-	(2 546)	(2 546)
Interest and bank charges paid		(47 184)	(15 343)	(52 073)	(13 548)
Other		(9 400)	-	-	-
<b>Net cash outflow from financing activities</b>		<b>(179 159)</b>	<b>(44 248)</b>	<b>1 473 335</b>	<b>(126 731)</b>
Net increase (decrease) in cash and cash equivalents		(173 917)	170 683	1 282 137	211 458
<b>Cash and cash equivalents at the beginning of the period</b>		<b>1 940 008</b>	<b>1 592 583</b>	<b>568 764</b>	<b>1 645 962</b>
Effects of exchange rate changes on cash and cash equivalents		(3 996)	(1 171)	(5 896)	(12 415)
<b>Cash and cash equivalents at the end of the period</b>		<b>1 762 095</b>	<b>1 762 095</b>	<b>1 845 005</b>	<b>1 845 005</b>
* including the brands Inka, Nara, Vočko					
** squeeze out of Radenska NCI					

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

# 1. CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS



## 1.5. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the 9-month and 3-month period ended 30 September 2016, 9-month period ended 30 September 2015 and 12-month period ended 31 December 2015 in CZK thousand.

Consolidated statement of changes in equity	Note	Equity attributable to owners of Kofola ČeskoSlovensko a.s.						Total	Equity attributable to non-controlling interests	Total equity
		Share capital	Share premium and capital reorganisation reserve	Other reserves	Foreign currency translation reserve	Own shares	Retained earnings/ (Accumulated deficit)			
		CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000			
<b>Balance at 1 January 2016</b>		<b>2 229 500</b>	<b>(1 962 871)</b>	<b>2 085 568</b>	<b>166 710</b>	<b>-</b>	<b>302 062</b>	<b>2 820 969</b>	<b>49 233</b>	<b>2 870 202</b>
Profit/(loss) for the period	1.1	-	-	-	-	-	267 569	267 569	(1 672)	265 897
Other comprehensive income		-	-	-	(32 933)	-	-	(32 933)	-	(32 933)
<b>Total comprehensive income for the period</b>	1.2	<b>-</b>	<b>-</b>	<b>-</b>	<b>(32 933)</b>	<b>-</b>	<b>267 569</b>	<b>234 636</b>	<b>(1 672)</b>	<b>232 964</b>
Own shares purchase		-	-	-	-	(3 743)	-	(3 743)	-	(3 743)
Own shares transfer		-	-	-	-	2 821	-	2 821	-	2 821
Squeeze out of NCI		-	-	-	-	-	43 364	43 364	(43 364)	-
Transfer		-	-	(4 086)	-	-	4 086	-	-	-
<b>Balance at 30 September 2016</b>		<b>2 229 500</b>	<b>(1 962 871)</b>	<b>2 081 482</b>	<b>133 777</b>	<b>(922)</b>	<b>617 081</b>	<b>3 098 047</b>	<b>4 197</b>	<b>3 102 244</b>
<b>Balance at 1 July 2016</b>		<b>2 229 500</b>	<b>(1 962 871)</b>	<b>2 077 768</b>	<b>151 252</b>	<b>(933)</b>	<b>439 242</b>	<b>2 933 958</b>	<b>49 534</b>	<b>2 983 492</b>
Profit/(loss) for the period	1.1	-	-	-	-	-	138 189	138 189	(1 818)	136 371
Other comprehensive income		-	-	-	(17 475)	-	-	(17 475)	(155)	(17 630)
<b>Total comprehensive income for the period</b>	1.2	<b>-</b>	<b>-</b>	<b>-</b>	<b>(17 475)</b>	<b>-</b>	<b>138 189</b>	<b>120 714</b>	<b>(1 973)</b>	<b>118 741</b>
Own shares transfer		-	-	-	-	11	-	11	-	11
Squeeze out of NCI		-	-	-	-	-	43 364	43 364	(43 364)	-
Transfer		-	-	3 714	-	-	(3 714)	-	-	-
<b>Balance at 30 September 2016</b>		<b>2 229 500</b>	<b>(1 962 871)</b>	<b>2 081 482</b>	<b>133 777</b>	<b>(922)</b>	<b>617 081</b>	<b>3 098 047</b>	<b>4 197</b>	<b>3 102 244</b>

# 1. CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS



Consolidated statement of changes in equity	Note	Equity attributable to owners of Kofola ČeskoSlovensko a.s.						Total	Equity attributable to non-controlling interests	Total equity
		Share capital	Share premium and capital reorganisation reserve	Other reserves	Foreign currency translation reserve	Own shares	Retained earnings/ (Accumulated deficit)			
		CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000			
<b>Balance at 1 January 2015</b>		<b>151 499</b>	<b>-</b>	<b>2 004 024</b>	<b>235 031</b>	<b>(2 811)</b>	<b>181 706</b>	<b>2 569 449</b>	<b>7 380</b>	<b>2 576 829</b>
Profit for the period	1.1	-	-	-	-	-	355 927	355 927	1 939	357 866
Other comprehensive income		-	-	-	(24 586)	-	-	(24 586)	(1 651)	(26 237)
<b>Total comprehensive income for the period</b>	1.2	<b>-</b>	<b>-</b>	<b>-</b>	<b>(24 586)</b>	<b>-</b>	<b>355 927</b>	<b>331 341</b>	<b>288</b>	<b>331 629</b>
Dividends		-	-	-	212	-	(24 106)	(23 894)	(2 528)	(26 422)
Transfers		-	-	84 442	-	-	(84 442)	-	-	-
Share capital reduction		(59)	-	59	-	-	-	-	-	-
Own shares purchase		-	-	-	-	(19 854)	-	(19 854)	-	(19 854)
Acquisition of subsidiary		-	-	-	-	-	1 269	1 269	44 927	46 196
<b>Balance at 30 September 2015</b>		<b>151 440</b>	<b>-</b>	<b>2 088 525</b>	<b>210 657</b>	<b>(22 665)</b>	<b>430 354</b>	<b>2 858 311</b>	<b>50 067</b>	<b>2 908 378</b>
<b>Balance at 1 January 2016</b>		<b>151 499</b>	<b>-</b>	<b>2 004 024</b>	<b>235 031</b>	<b>(2 811)</b>	<b>181 706</b>	<b>2 569 449</b>	<b>7 380</b>	<b>2 576 829</b>
Profit for the period	1.1	-	-	-	-	-	227 657	227 657	1 344	229 001
Other comprehensive income		-	-	-	(68 533)	-	-	(68 533)	(1 890)	(70 423)
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(68 533)</b>	<b>-</b>	<b>227 657</b>	<b>159 124</b>	<b>(546)</b>	<b>158 578</b>
Dividends		-	-	-	212	-	(24 106)	(23 894)	(2 528)	(26 422)
Transfers		-	-	84 442	-	-	(84 442)	-	-	-
Acquisition of subsidiary		-	-	-	-	-	1 269	1 269	44 927	46 196
Own shares purchase		-	-	-	-	(19 854)	-	(19 854)	-	(19 854)
Share capital reduction		(59)	-	(2 898)	-	2 957	-	-	-	-
Capital restructuring		2 050 560	(2 068 268)	-	-	19 708	(22)	1 978	-	1 978
Shares issue		27 500	105 397	-	-	-	-	132 897	-	132 897
<b>Balance at 31 December 2015</b>		<b>2 229 500</b>	<b>(1 962 871)</b>	<b>2 085 568</b>	<b>166 710</b>	<b>-</b>	<b>302 062</b>	<b>2 820 969</b>	<b>49 233</b>	<b>2 870 202</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

## 2. GENERAL INFORMATION



### 2.1. CORPORATE INFORMATION

#### GENERAL INFORMATION

Kofola ČeskoSlovensko a.s. (until 19 June 2015 Ywaki Consulting a.s.) (“the Company”) is a joint-stock company registered on 12 September 2012. Its registered office is Nad Porubkou 2278/31a, Ostrava, 708 00, Czech Republic (until 19 June 2015 Karolinská 661/4, Praha 8, 186 00, Czech Republic) and the identification number is 24261980. The Company is recorded in the Commercial Register kept by the Regional Court in Ostrava, section B, Insert No. 10735. The Company’s websites are <http://www.firma.kofola.cz> and the phone number is +420 595 601 030.

Main area of activity of Kofola ČeskoSlovensko a.s. in 2016 was holding of the subsidiary.

Kofola ČeskoSlovensko a.s. is part of the Kofola Group, one of the leading producers and distributors of non-alcoholic beverages in Central and Eastern Europe. Besides the traditional markets of the Czech Republic and Slovakia where the Group is a leader, the Group is also present in Poland and in Slovenia with limited activities in Russia. The Group produces drinks with care and love in seven production plants (incl. Croatia) and key brands include Kofola, Hoop Cola, Jupí, Jupík, Rajec, Radenska, Paola, Semtex and Vinea. On selected markets the Group distributes among others Rauch, Evian or Badoit products and under the licence produces RC Cola or Orangina.

#### STOCK EXCHANGE LISTING

Kofola ČeskoSlovensko a.s. is listed on Prague Stock Exchange (ticker KOFOL) and on Warsaw stock Exchange (ticker KOF).

#### MANAGEMENT

As at 30 September 2016, the composition of the Board of Directors, Supervisory Board and Audit Committee was as follows:

##### *BOARD OF DIRECTORS*

- Janis Samaras – Chairman
- René Musila
- Tomáš Jendřejek
- Daniel Buryš
- Jiří Vlasák
- Roman Zúrik

##### *SUPERVISORY BOARD*

- René Sommer – Chairman
- Jacek Woźniak
- Pavel Jakubík
- Moshe Cohen-Nehemia
- Petr Pravda
- Ivan Jakúbek

##### *AUDIT COMMITTEE*

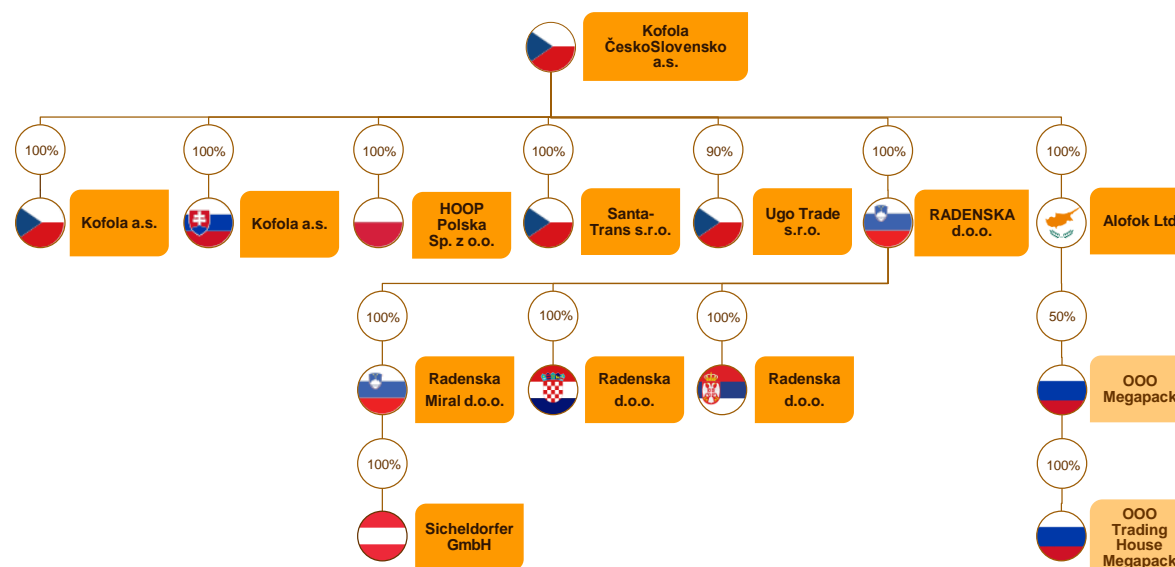
- Marek Piech – Chairman
- Pavel Jakubík
- Ivan Jakúbek



## 2. GENERAL INFORMATION

### 2.2. GROUP STRUCTURE

GROUP STRUCTURE CHART AS AT 30 SEPTEMBER 2016



#### DESCRIPTION OF THE GROUP COMPANIES

Name of entity	Place of business	Principal activities	Ownership interest and voting rights	
			30.6.2016	31.12.2015
<b>Holding companies</b>				
Kofola ČeskoSlovensko a.s.	Czech Republic	top holding company		
Alofok Ltd	Cyprus	holding	100.00%	100.00%
Kofola CS a.s.	Czech Republic	holding	- *	100.00%
Kofola holdinška družba d.o.o.	Slovenia	holding	- *	100.00%
KOFOLA S.A.	Poland	holding	- *	100.00%
<b>Production and trading</b>				
Kofola a.s.	Czech Republic	production and distribution of non-alcoholic beverages	100.00%	100.00%
Kofola a.s.	Slovakia	production and distribution of non-alcoholic beverages	100.00%	100.00%
PINELLI spol. s r.o.	Czech Republic	trademark licensing	- *	100.00%
Hoop Polska Sp. z o.o.	Poland	production and distribution of non-alcoholic beverages	100.00%	100.00%
UGO Trade s.r.o.	Czech Republic	operation of fresh bars chain	90.00%	90.00%
RADENSKA d.o.o. ***	Slovenia	production and distribution of non-alcoholic beverages	100.00% **	97.62%
Radenska d.o.o.	Croatia	inactive	100.00% **	97.62%
Radenska d.o.o.	Serbia	inactive	100.00% **	97.62%
Radenska Miral d.d.	Slovenia	trademark licensing	100.00% **	97.62%
Sicheldorfer GmbH	Austria	inactive	100.00% **	97.62%
<b>Transportation</b>				
SANTA-TRANS s.r.o.	Czech Republic	road cargo transport	100.00%	100.00%
<b>Associated companies</b>				
OOO Megapack	Russia	production of non-alcoholic and low-alcoholic beverages	50.00%	50.00%
OOO Trading House Megapack	Russia	sale and distribution of non-alcoholic and low-alcoholic beverages	50.00%	50.00%
* On 1 August 2016, the court registered the cross-border merger of Kofola ČeskoSlovensko a.s., Kofola CS a.s., Kofola S.A., Kofola holdinška družba d.o.o. and PINELLI spol. s r.o.				
** On 25 July 2016, the Slovenian court approved the squeeze-out of Radenska d.d.'s minority shareholders. On 28 July 2016, Slovenian Central securities clearing corporation registered the squeeze-out and Kofola holdinška družba d.o.o. became the sole shareholder of Radenska d.d.				
*** On 2 September 2016, the Slovenian court approved the change of legal form from Radenska d.d. to RADENSKA d.o.o.				

### 3.1. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

#### BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the laws binding in the Czech Republic and with International Financial Reporting Standards (“IFRS”), as well as the interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) adopted by the European Union, published and effective for reporting periods beginning 1 January 2016.

The condensed consolidated financial statements have been prepared on a going concern basis and in accordance with the historical cost method, except for financial assets and liabilities measured at fair value, and the assets, liabilities and contingent liabilities of the acquiree, which were stated at fair value as at the date of the acquisition as required by IFRS 3.

The condensed consolidated financial statements include the consolidated statement of the financial position, consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and explanatory notes.

The Group’s condensed consolidated financial statements cover the period ended 30 September 2016 and contains comparatives for the period ended 30 September 2015.

The condensed consolidated financial statements are presented in Czech crowns (“CZK”), and all values, unless stated otherwise, are presented in CZK 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 section 3.6.

#### ADOPTION OF CHANGES TO STANDARDS

The Group has not changed its accounting policies as a result of standards and interpretations adopted by the European Union effective for the reporting periods starting from 1 January 2016. The Group has not early-adopted any standard.

The management of the Group is analysing potential impact of the not-yet effective standards on the consolidated financial statements of the Group.

### 3.2. FUNCTIONAL AND PRESENTATION CURRENCY

The condensed consolidated financial statements are presented in Czech Korunas (CZK), which is the Company’s functional and presentation currency.

### 3.3. FOREIGN CURRENCY TRANSLATION

The financial statements items of the group entities are measured using their functional currency. Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions.

Monetary assets and liabilities expressed as at the balance sheet date in foreign currencies are translated using the closing exchange rate announced by the Czech National Bank for the end of the reporting period, and all foreign exchange gains or losses are recognized in profit or loss under:

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

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

Exchange differences on loans granted to subsidiaries forming a part of an investment are transferred, as part of consolidation adjustments, from profit or loss to other comprehensive income and accumulated in Foreign currency translation reserve in equity.

### 3. SIGNIFICANT ACCOUNTING POLICIES

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

Closing exchange rates	30.9.2016	31.12.2015	30.9.2015
CZK/EUR	27.020	27.025	27.180
CZK/PLN	6.256	6.340	6.404
CZK/RUB	0.383	0.335	0.371
CZK/USD	24.210	24.824	24.266

Average exchange rates	1.1.2016 - 30.9.2016	1.1.2015 - 31.12.2015	1.1.2015 - 30.9.2015
CZK/EUR	27.035	27.283	27.357
CZK/PLN	6.206	6.525	6.584
CZK/RUB	0.356	0.406	0.416
CZK/USD	24.225	24.600	24.564

The results and financial position of foreign operations are translated into CZK as follows:

- assets and liabilities for each statement of financial position presented at closing exchange rates announced by the Czech National Bank for the balance sheet date,
- income and expense for each statement of profit or loss at average exchange rates announced by the Czech National Bank for the reporting period, unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions,
- the resulting exchange differences are recognised in other comprehensive income and accumulated in equity,
- cashflow statement items at the average exchange rate announced by the Czech National Bank for the reporting period, unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions. The resulting foreign exchange differences are recognized under the “Other currency differences from translation” item of the cash-flow statement.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

#### 3.4. CONSOLIDATION METHODS

The consolidation methods based on which the present financial statements have been prepared have not changed compared to the methods used in the annual consolidated financial statements for the twelve-month period ended 31 December 2015.

#### 3.5. ACCOUNTING METHODS

The accounting methods based on which the present financial statements have been prepared have not changed compared to the methods used in the annual consolidated financial statements for the twelve-month period ended 31 December 2015.

## 3. SIGNIFICANT ACCOUNTING POLICIES



### 3.6. SIGNIFICANT ESTIMATES

Since some of the information contained in the consolidated financial statements cannot be measured precisely, the Group's management must perform estimates to prepare the consolidated financial statements. Management verifies the estimates based on changes in the factors taken into account at their calculation, new information or past experiences. For this reason, the estimates made as at 30 September 2016 may be changed in the future. The main estimates pertain to the following matters:

Estimates	Type of information
Impairment of goodwill and individual tangible and intangible assets	Key assumptions used to determine the recoverable amount: Impairment indicators, used models, discount rates, growth rates.
Impairment of investment in associates	Key assumptions used to determine the recoverable amount: Impairment indicators, used 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 products, the stability of the market segment, competition.
Income tax	Assumptions used to recognise deferred income tax assets.

### 3.7. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors approved the present condensed interim consolidated financial statements for publication on 7 November 2016.

## 4. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS



### 4.1. SEGMENT INFORMATION

The Board of Directors of Kofola ČeskoSlovensko a.s. is the chief operating decision maker responsible for operational decision-making and uses segment results to decide on the allocation of resources to the segments and to assess segments' performance. The Board of Directors examine the group's performance from a product and geographic perspective and has identified the following reportable business segments:

#### Geographic segments

- Czech Republic
- Slovakia
- Poland
- Slovenia
- Export

#### Product segments

- Carbonated beverages
- Non-carbonated beverages (incl. UGO fresh bottles)
- Waters
- Syrups
- Other (e.g. UGO fresh bars, energy drinks, isotonic drinks, transportation and other services)

The Group applies the same accounting methods to all segments. These policies 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.

The Group identified one customer in the nine-month period ended 30 September 2016 that generated more than 10% of the Group's consolidated revenue. The Group's revenue from this customer in 9M16 amounted to CZK 806 733 thousand (9M15: CZK 1 154 213 thousand).

## 4. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS



### GEOGRAPHIC SEGMENTS

1.1.2016 – 30.9.2016	Czech Republic	Slovakia	Poland	Slovenia	Export	Subtotal	Consolidation adjustments	Russia	Total
	CZK '000	CZK '000	CZK '000	CZK '000	CZK '000	CZK '000	CZK '000	CZK '000	CZK '000
<b>Revenue</b>	2 317 668	1 456 226	1 433 098	576 767	176 386	5 960 145	(534 361)	-	5 425 784
External revenue	2 112 538	1 211 042	1 387 362	538 456	176 386	5 425 784	-	-	5 425 784
Inter-segment revenue	205 130	245 184	45 736	38 311	-	534 361	(534 361)	-	-
<b>Operating expenses</b>	(2 249 090)	(1 233 168)	(1 432 178)	(472 363)	(178 240)	(5 565 039)	534 361	-	(5 030 678)
Related to external revenue	(2 043 960)	(987 984)	(1 386 442)	(434 052)	(178 240)	(5 030 678)	-	-	(5 030 678)
Related to inter-segment revenue	(205 130)	(245 184)	(45 736)	(38 311)	-	(534 361)	534 361	-	-
<b>Operating result</b>	<b>68 578</b>	<b>223 058</b>	<b>920</b>	<b>104 404</b>	<b>(1 854)</b>	<b>395 106</b>	-	-	<b>395 106</b>
Finance income / (costs), net						259 962	(329 589)	-	(69 627)
- within segment						(69 627)	-	-	(69 627)
- between segments						329 589	(329 589)	-	-
Share of loss of associate						-	-	(633)	(633)
<b>Profit/(loss) before income tax</b>						655 068	(329 589)	(633)	324 846
Income tax expense						(58 970)	21	-	(58 949)
<b>Profit/(loss) for the period</b>	<b>354 248</b>	<b>163 769</b>	<b>(10 178)</b>	<b>90 157</b>	<b>(1 898)</b>	<b>596 098</b>	<b>(329 568)</b>	<b>(633)</b>	<b>265 897</b>
<b>EBITDA</b>	<b>245 267</b>	<b>318 234</b>	<b>68 745</b>	<b>153 883</b>	<b>(1 854)</b>	<b>784 275</b>	-	-	<b>784 275</b>
<b>Assets and liabilities</b>									
Segment assets	6 552 819	1 558 241	1 686 554	2 161 705	3 511	11 962 830	(3 820 544)	177 395	8 319 681
<b>Total assets</b>	<b>6 552 819</b>	<b>1 558 241</b>	<b>1 686 554</b>	<b>2 161 705</b>	<b>3 511</b>	<b>11 962 830</b>	<b>(3 820 544)</b>	<b>177 395</b>	<b>8 319 681</b>
Segment liabilities	3 815 863	1 009 037	726 870	276 064	1 482	5 829 316	(611 879)	-	5 217 437
Equity									3 102 244
<b>Total liabilities and equity</b>									<b>8 319 681</b>
<b>Other segment information</b>									
Additions to PPE and Intangible assets	201 045	43 076	53 030	36 263	-	333 414	-	-	333 414
Depreciation and amortisation	176 689	95 176	67 825	49 479	-	389 169	-	-	389 169

## 4. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS



1.1.2015 – 30.9.2015	Czech Republic	Slovakia	Poland	Slovenia	Export	Subtotal	Consolidation adjustments	Russia	Total
	CZK '000	CZK '000	CZK '000	CZK '000	CZK '000	CZK '000	CZK '000	CZK '000	CZK '000
<b>Revenue</b>	2 148 946	1 464 321	1 905 581	405 265	113 626	6 037 739	(512 920)	-	5 524 819
External revenue	1 971 520	1 206 426	1 832 222	401 301	113 350	5 524 819	-	-	5 524 819
Inter-segment revenue	177 426	257 895	73 359	3 964	276	512 920	(512 920)	-	-
<b>Operating expenses</b>	(2 040 244)	(1 238 187)	(1 840 689)	(320 878)	(111 085)	(5 551 083)	512 920	-	(5 038 163)
Related to external revenue	(1 862 818)	(980 292)	(1 767 330)	(316 914)	(110 809)	(5 038 163)	-	-	(5 038 163)
Related to inter-segment revenue	(177 426)	(257 895)	(73 359)	(3 964)	(276)	(512 920)	512 920	-	-
<b>Operating result</b>	<b>108 702</b>	<b>226 134</b>	<b>64 892</b>	<b>84 387</b>	<b>2 541</b>	<b>486 656</b>	-	-	<b>486 656</b>
Finance income / (costs), net						447 099	(521 367)	-	(74 268)
- within segment						(74 268)	-	-	(74 268)
- between segments						521 367	(521 367)	-	-
Share of profit of associate						-	-	53	53
<b>Profit/(loss) before income tax</b>						933 755	(521 367)	53	412 441
Income tax expense						(55 529)	954	-	(54 575)
<b>Profit/(loss) for the period</b>	<b>315 822</b>	<b>168 247</b>	<b>268 818</b>	<b>122 778</b>	<b>2 561</b>	<b>878 226</b>	<b>(520 413)</b>	<b>53</b>	<b>357 866</b>
<b>EBITDA</b>	<b>293 113</b>	<b>314 274</b>	<b>141 438</b>	<b>114 970</b>	<b>2 541</b>	<b>866 336</b>	-	-	<b>866 336</b>
<b>Assets and liabilities</b>									
Segment assets	4 611 836	1 537 056	2 553 979	2 208 650	22 849	10 934 370	(2 613 857)	175 086	8 495 599
<b>Total assets</b>	<b>4 611 836</b>	<b>1 537 056</b>	<b>2 553 979</b>	<b>2 208 650</b>	<b>22 849</b>	<b>10 934 370</b>	<b>(2 613 857)</b>	<b>175 086</b>	<b>8 495 599</b>
Segment liabilities	3 966 119	923 982	1 245 315	2 100 730	14 787	8 250 933	(2 663 712)	-	5 587 221
Equity									2 908 378
<b>Total liabilities and equity</b>									<b>8 495 599</b>
<b>Other segment information</b>									
Additions to PPE and Intangible assets	128 684	209 029	40 241	728 743	79	1 106 776	-	-	1 106 776
Depreciation and amortisation	184 411	88 140	76 546	30 583	-	379 680	-	-	379 680



## 4. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### PRODUCT SEGMENTS

1.1.2016 - 30.9.2016	Carbonated beverages CZK '000	Non-carbonated beverages CZK '000	Waters CZK '000	Syrups CZK '000	Other CZK '000	Total CZK '000
Revenue	2 498 231	419 712	1 532 940	551 136	423 765	5 425 784

1.1.2015 - 30.9.2015	Carbonated beverages CZK '000	Non-carbonated beverages CZK '000	Waters CZK '000	Syrups CZK '000	Other CZK '000	Total CZK '000
Revenue	2 632 968	367 841	1 496 016	706 648	321 346	5 524 819

### SEASONAL AND CYCLICAL NATURE OF THE OPERATIONS

#### 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 2015, about 17% (21% in 2014) of revenue from the sales of finished products and services was earned in the 1st quarter, with 30% (28% in 2014), 30% (28% in 2014) and 23% (24% in 2014) of the annual consolidated revenues earned in the 2nd, 3rd and 4th quarters, respectively.

#### CYCLICAL NATURE

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

## 4. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS



### 4.2. EXPENSES BY NATURE

Expenses by nature	9M 2016 CZK'000	9M 2015 CZK'000
Depreciation of Property, plant and equipment and amortisation of Intangible assets	389 169	379 680
Employee benefits expenses (i)	863 529	785 966
Consumption of materials and energy	2 491 931	2 574 160
Cost of goods and materials sold	297 414	263 209
Services	899 464	978 066
Rental costs	89 815	85 513
Taxes and fees	38 691	40 307
Insurance costs	11 906	12 404
Change in allowance to inventory	(3 236)	6 321
Change in allowance to trade receivables	17 783	(25 829)
Other cost/(income)	8 282	(45 977)
<b>Total expenses by nature*</b>	<b>5 104 748</b>	<b>5 053 820</b>
Change in finished products and work in progress	(76 193)	(78 567)
<b>Reconciliation of expenses by nature to expenses by function</b>	<b>5 028 555</b>	<b>4 975 253</b>
Selling, marketing and distribution costs	1 461 318	1 402 339
Administrative costs	329 533	329 095
Costs of products and services sold	2 940 290	2 980 610
Cost of goods and materials sold	297 414	263 209
<b>Total costs of products sold, merchandise and materials, sales costs and administrative costs</b>	<b>5 028 555</b>	<b>4 975 253</b>

\* excluding other operating income and expenses

#### (i) Employee benefits expenses

Employee benefits expenses	9M 2016 CZK'000	9M 2015 CZK'000
Salaries	659 052	605 511
Social security and other benefit costs	111 184	73 287
Retirement benefit plan expenses	93 293	107 168
<b>Total employee benefits expenses</b>	<b>863 529</b>	<b>785 966</b>

### 4.3. OTHER OPERATING INCOME

Other operating income	9M 2016 CZK'000	9M 2015 CZK'000
Net gain from the sale of PPE and intangible assets	1 614	5 702
Release of impairment of property, plant and equipment	29	-
Release of allowance to receivables	940	-
Gain from liquidation of PPE and intangible assets	-	356
Received donations	332	-
Compensation claims	11 140	-
Received penalties and damages	3 309	3 516
Tax return	230	53
Release of provisions	22 847	-
Other	14 875	21 423
<b>Total other operating income</b>	<b>55 316</b>	<b>31 050</b>

## 4. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS



### 4.4. OTHER OPERATING EXPENSES

Other operating expenses	9M 2016 CZK'000	9M 2015 CZK'000
Loss from liquidation of PPE and intangible assets	-	53
Provided donations, sponsorship	7 652	6 966
Paid penalties and damages	236	6 024
Other tax paid	205	217
Creation of provisions - plant closure in Poland	17 952	-
Creation of allowances to receivables related to compensation claims	11 140	-
Severance - plant closure in Poland	15 347	-
Recall expenses HOOP	-	54 608
Litigation	-	20 000
Other	4 907	6 092
<b>Total other operating expenses</b>	<b>57 439</b>	<b>93 960</b>

### 4.5. FINANCE INCOME

Finance income	9M 2016 CZK'000	9M 2015 CZK'000
Interest from:		
– bank deposits	2 650	2 146
– credits and loans granted	138	3 720
– receivables	-	-
Exchange gains	3 386	15 150
Gain from revaluation of derivatives	2 966	-
Other	803	2 416
<b>Total finance income</b>	<b>9 943</b>	<b>23 432</b>

### 4.6. FINANCE COSTS

Finance costs	9M 2016 CZK'000	9M 2015 CZK'000
Interest from:		
– bank loans and credits, finance lease and bonds	59 705	63 891
Exchange losses	473	20 318
Loss from the sale of shares and other securities	10	-
Bank costs and charges	9 328	8 217
Loss from revaluation of derivatives	9 901	3 496
Other	153	1 778
<b>Total finance costs</b>	<b>79 570</b>	<b>97 700</b>

### 4.7. INCOME TAX

#### 4.7.1 INCOME TAX RECOGNISED IN PROFIT OR LOSS

Main income tax elements for the nine-month period ended 30 September 2016 and 30 September 2015 were as follows:

Income tax expense	9M 2016 CZK'000	9M 2015 CZK'000
<b>Current income tax</b>	<b>75 932</b>	<b>66 228</b>
Current income tax on profits for the year	76 018	66 228
Adjustments for current income tax of prior periods	(86)	-
<b>Deferred income tax</b>	<b>(16 983)</b>	<b>(11 653)</b>
Related to arising and reversing of temporary differences	7 333	(84 630)
Related to tax losses	(24 339)	72 977
Other	23	-
<b>Income tax expense</b>	<b>58 949</b>	<b>54 575</b>

The income tax rate applicable to the majority of the Group's 2016 and 2015 income is 19%.

## 4. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS



### 4.8. EARNINGS PER SHARE

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

	9M 2016 CZK'000	9M 2015*
<b>Profit for the period attributable to owners of Kofola ČeskoSlovensko a.s.</b>	<b>267 569</b>	<b>355 927</b>

	9M 2016 pcs	9M 2015*
Weighted average number of ordinary shares for EPS calculation	22 295 000	22 066 124
Effect of own shares	(2 470)	(7 716)
<b>Weighted average number of ordinary shares used to calculate basic earnings per share</b>	<b>22 292 530</b>	<b>22 058 408</b>
Dilution adjustments	-	-
<b>Adjusted weighted average number of ordinary shares used to calculate diluted earnings per share</b>	<b>22 292 530</b>	<b>22 058 408</b>

\* restated to show the impact of capital reorganisation in 2015

Based on the above information, the basic and diluted earnings per share amounts to:

Basic earnings per share (CZK/share)	9M 2016 CZK'000	9M 2015*
<b>Profit for the period attributable to owners of Kofola ČeskoSlovensko a.s.</b>	<b>267 569</b>	<b>355 927</b>
Weighted average number of ordinary shares used to calculate basic earnings per share (pcs)	22 292 530	22 058 408
<b>Basic earnings per share attributable to owners of Kofola ČeskoSlovensko a.s. (CZK)</b>	<b>12.00</b>	<b>16.14</b>

\* restated to show the impact of capital reorganisation in 2015

Diluted earnings per share (CZK/share)	9M 2016 CZK'000	9M 2015*
<b>Profit for the period attributable to owners of Kofola ČeskoSlovensko a.s.</b>	<b>267 569</b>	<b>355 927</b>
Adjusted weighted average number of ordinary shares used to calculate diluted earnings per share (pcs)	22 292 530	22 058 408
<b>Diluted earnings per share attributable to owners of Kofola ČeskoSlovensko a.s. (CZK)</b>	<b>12.00</b>	<b>16.14</b>

\* restated to show the impact of capital reorganisation in 2015

### 4.9. PROPERTY, PLANT AND EQUIPMENT

The additions to Property, plant and equipment were of CZK 309 518 thousand in 9M16.

The investment projects realised by the Group in 9M16 comprise primarily addition of a building in the production area and sales support equipment in the Czech Republic, new vehicles in Santa Trans and the expenditure for hall under construction in Poland.

### 4.10. INTANGIBLE FIXED ASSETS

The Goodwill consists of the goodwill from acquisition of PINELLI spol. s r.o. acquired in April 2011 and goodwill from acquisition of production part of Klimo s.r.o. by Kofola a.s. (Czech Republic) in 2006.

Amortisation of trademarks and other rights is charged to Selling, marketing and distribution costs.

The value of trademarks includes, among others, the value of such trademarks as: Kofola, Vinea, Radenska, Hoop Cola, Paola, Citrocola, Semtex, Erektus and UGO.

In the reporting period of nine-months ended 30 September 2016, the additions to intangible fixed assets were of CZK 23 896 thousand. The most significant additions were purchased brands Inka, Nara and Vočko in Croatia.

## 4. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS



### 4.11. INVESTMENT IN ASSOCIATE

#### 4.11.1 000 MEGAPACK

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.

Investment in associate	9M2016 CZK'000	2015 CZK'000	9M2015 CZK'000
<b>Opening balance</b>	<b>155 921</b>	<b>181 385</b>	<b>181 385</b>
Share of profit/(loss) attributable to the Group	(633)	(3 393)	53
Share of other comprehensive income attributable to the Group	-	-	-
Dividends received	-	-	-
Exchange difference	20 107	(22 071)	(6 352)
<b>Closing balance</b>	<b>177 395</b>	<b>155 921</b>	<b>175 086</b>

Statement of financial position	30.9.2016 CZK'000	31.12.2015 CZK'000	30.9.2015 CZK'000
Current assets	251 278	173 109	197 724
Non-current assets	147 339	139 404	154 887
Current liabilities	(168 633)	(108 519)	(122 060)
Non-current liabilities	(17 218)	(16 758)	(18 123)
<b>Net assets</b>	<b>212 766</b>	<b>187 236</b>	<b>212 428</b>

Statement of profit or loss	9M2016 CZK'000	2015 CZK'000	9M2015 CZK'000
Revenue	433 790	917 046	744 411
Profit/(loss) for the period	(1 266)	(6 786)	106
<b>Share of profit/(loss) attributable to Kofola ČeskoSlovensko group</b>	<b>(633)</b>	<b>(3 393)</b>	<b>53</b>

### 4.12. DIVIDENDS

Declared dividends	9M 2016 CZK'000	9M 2015 CZK'000
Declared dividend	-	23 894
Dividend per share (CZK/share) *	-	1.0832

\* declared dividend divided by the number of shares outstanding as of dividend record date

### 4.13. BONDS

On 4 October 2013, according to resolution of the Board of Directors from 12 August 2013, amended on 25 September 2013, KOFOLA S.A. issued 110 pieces of bonds denominated in Czech Crowns with total nominal value of CZK 330 000 thousand.

Bonds issued:

- were not subject to public offering,
- were offered in private placements through underwriters, i.e. Česká spořitelna a.s. and PPF banka a.s., based on a subscription agreement from 3 October 2013,
- nominal value of one bond was CZK 3 000 000,
- issue price of one bond represented 99.0% of the nominal value,
- maturity of bonds was 60 months from the date of issue, i.e. 4 October 2018,
- interest shall be calculated annually, the end of the first interest period was planned for 4 October 2014,
- interest rate – 12M PRIBOR plus a margin of 415 basis points,
- purpose of the bond issue was to obtain funds which will be used primarily to diversify the sources of financing and refinance part of the existing debt of the Group.

Bonds issued have been put on the regulated market of the Prague Stock Exchange, the first listing took place on 7 October 2013.

## 4. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS



As at 30 September 2016, the Group has a liability from issued bonds in the total amount of CZK 341 716 thousand. Liabilities from interests and obligations from bonds maturing in October 2018 of CZK 326 669 thousand are disclosed in non-current liabilities, and the liabilities from interests of CZK 15 047 thousand are presented in current liabilities. The interest was paid on 4 October 2016.

Own bonds issued	Currency	30.9.2016 CZK'000	30.9.2015 CZK'000	Interest terms	Maturity date
Bonds issued KOFOLA VAR/18	CZK	341 716	340 469	12M PRIBOR + margin	10/2018
<b>Bonds issued total</b>		<b>341 716</b>	<b>340 469</b>		

### 4.14. BANK CREDITS AND LOANS

As at 30 September 2016, the Group's total bank loans and credits amounted to CZK 2 549 608 thousand and decreased by CZK 82 520 thousand compared to 31 December 2015.

Based on the amendment to the loan for acquisition of Radenska the repayment date of Facility B of that loan of CZK 960 496 thousand was changed from 30 September 2016 to 30 September 2017 and as such the amount was reclassified from current bank credits and loans to non-current bank credits and loans.

### 4.15. FUTURE COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

As at 30 September 2016 the Group companies provided the following guarantees for third party entities:

Entity providing guarantees	Entity receiving guarantees	Currency	Guarantee amount FCY'000	Guarantee amount CZK'000	Guarantee period	Guarantees provided to	Relationship
Kofola ČeskoSlovensko a.s.	Unicredit Bank a.s.	EUR	4 733	127 893	12/2022	Santa-Trans.SK s.r.o.	third party*
	ČSOB Leasing	CZK	571	571	5/2020	Kolonial.cz s.r.o.	third party*
	ČSOB Leasing	CZK	290	290	5/2020	Kolonial.cz s.r.o.	third party*
	ČSOB Leasing	CZK	1 211	1 211	3/2020	Kolonial.cz s.r.o.	third party*
	ČSOB Leasing	CZK	377	377	4/2018	Kolonial.cz s.r.o.	third party*
	Deutsche Leasing ČR	CZK	526	526	11/2020	Kolonial.cz s.r.o.	third party*
<b>Total guarantees issued</b>			<b>130 868</b>				

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

### 4.16. LEGAL AND ARBITRATION PROCEEDINGS

#### DENATIONALISATION PROCEEDINGS AGAINST RADENSKA

There are pending denationalisation proceedings with respect to denationalisation claims of the legal successors of the former owners of Radenska – Wilhelmina Höhn Šarič and Ante Šarič. Although the denationalisation claims have been in the process of being decided on for many years (some for more than two decades), the competent authorities have still not ruled. Although the current decisions are favourable for Radenska, there is a significant risk that they are ill-founded and could therefore be reversed as there is no relevant case law. Therefore, the legal outcome of these proceedings remains highly unclear and uncertain.

#### OTHER PROCEEDINGS

Some of the Group Companies are routinely involved in legal proceedings which arise in the ordinary course of the Group's business but which are not material to the Group. The Company is not involved in any judicial, administrative or arbitration proceedings and has not conducted such proceedings in the past.

Apart from the above denationalisation proceedings, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened, of which the Company and/or Group is aware, including any claims against the directors of the Company) which may have, or have had during the 12 months prior to the date of these financial statements, an effect on the financial position or profitability of the Company and/or the Group.

## 4. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS



### 4.17. RELATED PARTY TRANSACTIONS

#### 4.17.1 SHAREHOLDERS STRUCTURE

Share capital structure Name of entity	Number of shares	% in share capital	30.9.2016	
			% in share capital	% in voting rights
KSM Investment S.A.	11 321 383	50.78%	50.78%	50.78%
CED GROUP S. a r.l.	8 311 196	37.28%	37.28%	37.28%
René Musila	581 231	2.61%	2.61%	2.61%
Tomáš Jendřejek	581 190	2.61%	2.61%	2.61%
Others	1 500 000	6.72%	6.72%	6.72%
<b>Total</b>	<b>22 295 000</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

Ultimate controlling party is represented by private individuals.

#### 4.17.2 SUBSIDIARIES AND ASSOCIATES

Interests in subsidiaries and associates are set out in section 2.2.

#### 4.17.3 REMUNERATION OF THE GROUP'S KEY MANAGEMENT PERSONNEL

Presented below is the structure of the remuneration paid out to persons with executive authority in 9M16. All costs were paid by the Company, except for the remuneration of Other key management personnel which was paid by other Group entities.

Remuneration of the Group's key management personnel	Amounts paid for activities in the Company's Board of Directors		Amounts paid for activities in the Company's Supervisory board		Amounts paid for activities in the Company's Audit committee		Amounts paid for other activities within the Group	
	Financial compensation	Non-financial compensation	Financial compensation	Non-financial compensation	Financial compensation	Non-financial compensation	Financial compensation	Non-financial compensation
	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000
Members of the Company's Board of Directors	-	-	-	-	-	-	22 138	753
Members of the Company's Supervisory board	-	-	461	-	-	-	7 069	279
Members of the Company's Audit committee	-	-	-	-	70	-	-	-
Other key management personnel of the Group	-	-	-	-	-	-	10 910	87
<b>Total remuneration of the Group's key management personnel</b>	<b>-</b>	<b>-</b>	<b>461</b>	<b>-</b>	<b>70</b>	<b>-</b>	<b>40 117</b>	<b>1 119</b>

#### 4.17.4 OTHER RELATED PARTY TRANSACTIONS

Presented below are the total amounts of transactions concluded with the Group's related parties:

Other related party transactions	Balance as at	
	30.9.2016	31.12.2015
	CZK'000	CZK'000
Liability to shareholders of KSM Investment S.A.	(44 473)	(45 366)
<b>Total</b>	<b>(44 473)</b>	<b>(45 366)</b>

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



## 4. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS



### 4.18. FINANCIAL INSTRUMENTS

#### 4.18.1 FINANCIAL INSTRUMENTS CATEGORIES

Fair value of Trade receivables, Other financial receivables, Cash and cash equivalents, Trade liabilities and Other financial liabilities is close to carrying amounts since the interest payable on them is either close to market rates or they are short-term.

Financial instruments	Financial assets at amortised cost	Derivatives at fair value through profit or loss	Financial liabilities at amortised cost	Total
	CZK'000	CZK'000	CZK'000	CZK'000
Trade and other receivables	904 104	-	-	904 104
Cash and cash equivalents	1 762 095	-	-	1 762 095
Derivatives (i)	-	(19 051)	-	(19 051)
Bank credits and loans	-	-	(2 549 608)	(2 549 608)
Bonds issued	-	-	(341 716)	(341 716)
Trade and other payables	-	-	(1 530 103)	(1 530 103)
<b>Total</b>	<b>2 666 199</b>	<b>(19 051)</b>	<b>(4 421 427)</b>	<b>(1 774 279)</b>

#### (i) Fair value of derivatives

The Group has concluded interest rate swap and commodity swap for diesel price. These derivatives are classified as held for trading and accounted for at fair value through profit or loss.

Measured derivatives are not traded in active markets, however all significant inputs required for fair value measurement are observable and as such the Group has included this instrument in Level 2 of fair value hierarchy levels.

### 4.19. SUBSEQUENT EVENTS

On 7 November 2016, the Board of Directors decided to pay an advance dividend of CZK 156 065 thousand for the year 2016.

No other events have occurred after the end of the reporting period that would require adjusting the amounts recognised or disclosures made in the condensed consolidated financial statements.



CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS 9M 2016  
KOFOLA ČESKOSLOVENSKO A.S.

# 1. CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS



## 1.1. SEPARATE STATEMENT OF PROFIT OR LOSS

for the 9-month period ended 30 September 2016 in CZK thousand.

Consolidated statement of profit or loss	Note	9M 2016 CZK'000
Revenue from the sale of finished products and services		289 230
Revenue from the sale of goods and materials		72
<b>Revenue</b>		<b>289 302</b>
Cost of products and services sold	4.2	(28 813)
Cost of goods and materials sold		-
<b>Cost of sales</b>		<b>(28 813)</b>
<b>Gross profit</b>		<b>260 489</b>
Selling, marketing and distribution costs	4.2	(138 314)
Administrative costs	4.2	(184 864)
Other operating income	4.3	2 904
Other operating expenses	4.4	(3 097)
<b>Operating profit</b>		<b>(62 883)</b>
Finance income	4.5	548 412
Finance costs	4.6	(60 954)
<b>Profit before income tax</b>		<b>424 575</b>
Income tax expense	4.7	36 186
<b>Profit for the period</b>		<b>460 761</b>
<b>Earnings per share (in CZK)</b>		
Basic earnings per share	4.8	20.67
Diluted earnings per share	4.8	20.67

The above separate statement of profit or loss should be read in conjunction with the accompanying notes. Due to the merger described in 2.1. no comparative figures are presented for 9M15.

## 1.2. SEPARATE STATEMENT OF OTHER COMPREHENSIVE INCOME

for the 9-month period ended 30 September 2016 in CZK thousand.

Separate statement of other comprehensive income	Note	9M 2016 CZK'000
<b>Profit for the period</b>		<b>460 761</b>
<b>Other comprehensive income for the period</b>		<b>-</b>
<b>Total comprehensive income for the period</b>		<b>460 761</b>

The above separate statement of other comprehensive income should be read in conjunction with the accompanying notes. Due to the merger described in 2.1. no comparative figures are presented for 9M15.

# 1. CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS



## 1.3. SEPARATE STATEMENT OF FINANCIAL POSITION

as at 30 September 2016 and 31 December in CZK thousand.

Assets	Note	30.9.2016 CZK'000	1.1.2016 CZK'000
<b>Non-current assets</b>		<b>4 265 654</b>	<b>4 309 831</b>
Property, plant and equipment	4.9	48 169	49 128
Goodwill	4.10	30 675	30 675
Intangible assets	4.10	364 354	369 074
Investment in subsidiaries	4.11	3 611 103	3 565 501
Other receivables		45 059	54 848
Loans provided to related parties		166 094	240 405
Other non-financial assets		200	200
Deferred tax assets		-	-
<b>Current assets</b>		<b>679 431</b>	<b>364 010</b>
Inventories		-	-
Trade and other receivables		499 808	110 848
Income tax receivables		2 802	7 160
Cash and cash equivalents		176 821	246 002
<b>Total assets</b>		<b>4 945 085</b>	<b>4 673 841</b>
<b>Liabilities and equity</b>			
<b>Total equity</b>		<b>2 449 097</b>	<b>2 114 258</b>
Share capital	1.5	2 229 500	2 229 500
Other reserves	1.5	(495 266)	(371 265)
Own shares	1.5	(922)	-
Retained earnings	1.5	715 785	256 023
<b>Non-current liabilities</b>		<b>1 099 623</b>	<b>1 283 174</b>
Bank credits and loans	4.12	705 665	746 506
Bonds issued	4.11	326 669	325 885
Finance lease liabilities		10 562	7 641
Provisions		-	-
Other liabilities		49 530	159 759
Deferred tax liabilities		7 197	43 383
<b>Current liabilities</b>		<b>1 396 364</b>	<b>1 276 409</b>
Bank credits and loans	4.12	1 077 212	1 070 729
Bonds issued	4.11	15 047	3 657
Finance lease liabilities		5 312	3 844
Trade and other payables		216 904	106 386
Income tax liabilities		-	-
Other financial liabilities		51 148	51 298
Provisions		30 741	40 495
<b>Total liabilities</b>		<b>2 495 987</b>	<b>2 559 583</b>
<b>Total liabilities and equity</b>		<b>4 945 085</b>	<b>4 673 841</b>

The above separate statement of financial position should be read in conjunction with the accompanying notes. Due to the merger described in 2.1., comparative figures are presented as of 1 January 2016.

# 1. CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS



## 1.4. SEPARATE STATEMENT OF CASH FLOWS

for the 9-month period ended 30 September 2016 in CZK thousand.

Consolidated statement of cash flows	Note	9M 2016 CZK '000
<b>Cash flows from operating activities</b>		
Profit before income tax		424 575
Adjustments for:		
Non-cash movements		
Depreciation and amortisation		42 368
Net interest and dividends	4.5, 4.6	(499 494)
Change in the balance of provisions and adjustments		2 672
Gain on sale of PPE and intangible assets		(1 002)
Net exchange differences		3 506
Other		1 300
Cash movements		
Income taxes paid		4 358
Change in operating assets and liabilities		
Change in receivables		(8 064)
Change in payables		(7 697)
<b>Net cash inflow from operating activities</b>		<b>(37 478)</b>
<b>Cash flows from investing activities</b>		
Sale of property, plant and equipment		32
Acquisition of property, plant and equipment and intangible assets*		(41 305)
Purchase of financial assets		(6 500)
Acquisition of subsidiary, net of cash acquired **		(37 365)
Dividends received		192 318
Interest received		71
Loans granted		(75 883)
<b>Net cash outflow from investing activities</b>		<b>31 368</b>
<b>Cash flows from financing activities</b>		
Finance lease payments		(3 423)
Proceeds from loans and bank credits		53 942
Repayment of loans and bank credits		(82 964)
Interest and bank charges paid		(26 882)
Other		(3 744)
<b>Net cash outflow from financing activities</b>		<b>(63 071)</b>
Net increase (decrease) in cash and cash equivalents		(69 181)
<b>Cash and cash equivalents at the beginning of the period</b>		<b>246 002</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>176 821</b>

\* including the brands Inka, Nara, Vočko

\*\* squeeze out of Radenska NCI

The above separate statement of cash flows should be read in conjunction with the accompanying notes. Due to the merger described in 2.1., no comparative figures are presented for 9M15.

## 1.5. SEPARATE STATEMENT OF CHANGES IN EQUITY

for the 9-month period ended 30 September 2016 in CZK thousand.

Separate statement of changes in equity	Note	Share capital CZK'000	Other reserves CZK'000	Own shares CZK'000	Retained earnings CZK'000	Total equity CZK'000
<b>Balance at 1 January 2016</b>		<b>2 229 500</b>	<b>(371 265)</b>	-	<b>256 023</b>	<b>2 114 258</b>
Profit for the period	1.1	-	-	-	460 761	460 761
<b>Total comprehensive income for the period</b>	1.2	-	-	-	<b>460 761</b>	<b>460 761</b>
Purchase of own shares		-	-	(3 743)	-	(3 743)
Own shares transfer		-	-	2 821	-	2 821
Acquisition of brand in merger		-	(125 000)	-	-	(125 000)
Transfer		-	999	-	(999)	-
<b>Balance at 30 September 2016</b>		<b>2 229 500</b>	<b>(495 266)</b>	<b>(922)</b>	<b>715 785</b>	<b>2 449 097</b>

The above separate statement of changes in equity should be read in conjunction with the accompanying notes. Due to the merger described in 2.1., no comparative figures are presented.

## 2. GENERAL INFORMATION



### 2.1. CORPORATE INFORMATION

#### GENERAL INFORMATION

Kofola ČeskoSlovensko a.s. (until 19 June 2015 Ywaki Consulting a.s.) (“the Company”) is a joint-stock company registered on 12 September 2012. Its registered office is Nad Porubkou 2278/31a, Ostrava, 708 00, Czech Republic (until 19 June 2015 Karolinská 661/4, Praha 8, 186 00, Czech Republic) and the identification number is 24261980. The Company is recorded in the Commercial Register kept by the Regional Court in Ostrava, section B, Insert No. 10735. The Company’s websites are <http://www.firma.kofola.cz> and the phone number is +420 595 601 030.

Main area of activity of Kofola ČeskoSlovensko a.s. in 2016 was holding of the subsidiaries.

Kofola ČeskoSlovensko a.s. is part of the Kofola Group, one of the leading producers and distributors of non-alcoholic beverages in Central and Eastern Europe. Besides the traditional markets of the Czech Republic and Slovakia where the Group is a leader, the Group is also present in Poland and in Slovenia with limited activities in Austria and Russia. The Group produces drinks with care and love in seven production plants (incl. Croatia) and key brands include Kofola, Hoop Cola, Jupí, Jupík, Rajec, Radenska, Paola, Semtex and Vinea. On selected markets the Group distributes among others Rauch, Evian or Badoit products and under the licence produces RC Cola or Orangina.

#### CROSS BORDER MERGER

The Board of Directors of Kofola ČeskoSlovensko a.s. announced that on 1 August 2016, the Regional Court in Ostrava registered the cross-border merger with the effective date 1 January 2016.

As a result of the merger the following companies were dissolved (“Dissolving Companies”):

- Kofola CS a.s. (CZ),
- PINELLI spol. s r.o. (CZ),
- Kofola S.A. (PL),
- Kofola, holdinška družba d.o.o. (SI).

All assets and liabilities of the Dissolving Companies have been transferred to Kofola ČeskoSlovensko a.s. under universal succession.

#### STOCK EXCHANGE LISTING

Kofola ČeskoSlovensko a.s. is listed on Prague Stock Exchange (ticker KOFOL) and on Warsaw stock Exchange (ticker KOF).

#### MANAGEMENT

##### BOARD OF DIRECTORS

- Janis Samaras – Chairman
- René Musila
- Tomáš Jendřejek
- Daniel Buryš
- Jiří Vlasák
- Roman Zúrik

##### SUPERVISORY BOARD

- René Sommer – Chairman
- Jacek Woźniak
- Pavel Jakubík
- Moshe Cohen-Nehemia
- Petr Pravda
- Ivan Jakúbek

##### AUDIT COMMITTEE

- Marek Piech – Chairman
- Pavel Jakubík
- Ivan Jakúbek

#### KOFOLA ČESKOSLOVENSKO A.S.

Condensed interim separate financial statements for the nine-month period ended 30 September 2016  
In accordance with IAS 34 as adopted by EU

### 3.1. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

#### BASIS OF PREPARATION

The condensed separate financial statements have been prepared in accordance with the laws binding in the Czech Republic and with International Financial Reporting Standards (“IFRS”), as well as the interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) adopted by the European Union, published and effective for reporting periods beginning 1 January 2016.

The condensed separate financial statements have been prepared on a going concern basis and in accordance with the historical cost method, except for financial assets and liabilities measured at fair value, and the assets, liabilities and contingent liabilities of the acquiree, which were stated at fair value as at the date of the acquisition as required by IFRS 3.

The condensed separate financial statements include the separate statement of the financial position, separate statement of profit or loss, separate statement of other comprehensive income, separate statement of changes in equity, separate statement of cash flows and explanatory notes.

The separate financial statements cover the 9-month period ended 30 September 2016 and contain comparatives for the 9-month period ended 30 September 2015.

The separate financial statements are presented in Czech crowns (“CZK”), and all values, unless stated otherwise, are presented in CZK 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 separate financial statements as disclosed in section 3.5.

#### ADOPTION OF CHANGES TO STANDARDS

The Company has not changed its accounting policies as a result of standards and interpretations adopted by the European Union effective for the reporting periods starting from 1 January 2016. The Group has not early-adopted any standard.

The management of the Company is analysing potential impact of not-yet effective standards on the financial statements of the Company.

### 3.2. FUNCTIONAL AND PRESENTATION CURRENCY

The separate financial statements are presented in Czech Korunas (CZK), which is the Company’s functional and presentation currency.

### 3.3. FOREIGN CURRENCY TRANSLATION

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions.

Monetary assets and liabilities expressed as at the balance sheet date in foreign currencies are translated using the closing exchange rate announced by the Czech National Bank for the end of the reporting period, and all foreign exchange gains or losses are recognized in profit or loss under:

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

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



### 3. SIGNIFICANT ACCOUNTING POLICIES



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

Closing exchange rates	30.9.2016	31.12.2015	30.9.2015
CZK/EUR	27.020	27.025	27.180
CZK/PLN	6.256	6.340	6.404
CZK/RUB	0.383	0.335	0.371
CZK/USD	24.210	24.824	24.266

Average exchange rates	1.1.2016 - 30.9.2016	1.1.2015 - 31.12.2015	1.1.2015 - 30.9.2015
CZK/EUR	27.035	27.283	27.357
CZK/PLN	6.206	6.525	6.584
CZK/RUB	0.356	0.406	0.416
CZK/USD	24.225	24.600	24.564

### 3.4. 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 annual separate financial statements for the year 2015.

### 3.5. SIGNIFICANT ESTIMATES

Since some of the information contained in the separate financial statements cannot be measured precisely, the Company's management must perform estimates to prepare the separate financial statements. Management verifies the estimates based on changes in the factors taken into account at their calculation, new information or past experiences. For this reason, the estimates made as at 30 September 2016 may be changed in the future. The main estimates pertain to the following matters:

Estimates	Type of information
Impairment of investments in subsidiaries and associates	Key assumptions used to determine the recoverable amount: Impairment indicators, used models, discount rates, growth rates.
Income tax	Assumptions used to recognise deferred income tax assets.

### 3.6. APPROVAL OF SEPARATE FINANCIAL STATEMENTS

The Board of Directors approved the present separate financial statements for publication on 7 November 2016.

## 4. NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS



### 4.1. SEGMENT INFORMATION

Because of the holding nature of the Company and the lack of operational activities, the operating segments are not reported.

### 4.2. EXPENSES BY NATURE

Expenses by nature	9M 2016 CZK'000
Depreciation of Property, plant and equipment and amortisation of Intangible assets	42 368
Employee benefits expenses (i)	147 774
Consumption of materials and energy	5 861
Services	132 676
Rental costs	5 626
Taxes and fees	2 018
Insurance costs	1 282
Change in allowance to trade receivables	12 426
Other cost/(income)	1 960
<b>Total expenses by nature*</b>	<b>351 991</b>
<b>Reconciliation of expenses by nature to expenses by function</b>	<b>351 991</b>
Selling, marketing and distribution costs	138 314
Administrative costs	184 864
Costs of products and services sold	28 813
<b>Total costs of products sold, merchandise and materials, sales costs and administrative costs</b>	<b>351 991</b>

\* excluding other operating income and expenses

#### (i) Employee benefits expenses

Employee benefits expenses	9M 2016 CZK'000
Salaries	112 519
Social security and other benefit costs	14 629
Retirement benefit plan expenses	20 626
<b>Total employee benefits expenses</b>	<b>147 774</b>

### 4.3. OTHER OPERATING INCOME

Other operating income	9M 2016 CZK'000
Net gain from the sale of PPE and intangible assets	1 002
Received penalties and damages	31
Release of provision	411
Other	963
<b>Total other operating income</b>	<b>2 407</b>

### 4.4. OTHER OPERATING EXPENSES

Other operating expenses	9M 2016 CZK'000
Provided donations, sponsorship	2 384
Paid penalties and damages	217
<b>Total other operating expenses</b>	<b>2 601</b>

## 4. NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

### 4.5. FINANCE INCOME

Finance income	9M 2016 CZK'000
Interest from:	
– bank deposits	1 785
– credits and loans granted	7 932
Received dividends	534 497
Exchange gains	214
Other	1 364
<b>Total finance income</b>	<b>545 792</b>

### 4.6. FINANCE COSTS

Finance costs	9M 2016 CZK'000
Interest from:	
– bank loans and credits, finance lease and bonds	44 720
Loss from the sale of shares and other securities	10
Bank costs and charges	3 703
Loss from revaluation of derivatives	9 901
<b>Total finance costs</b>	<b>58 334</b>

### 4.7. INCOME TAX

#### 4.7.1 INCOME TAX RECOGNISED IN PROFIT OR LOSS

Main income tax elements for the nine-month period ended 30 September 2016 were as follows:

Income tax expense	9M 2016 CZK'000
<b>Current income tax</b>	-
<b>Deferred income tax</b>	<b>(36 186)</b>
Related to arising and reversing of temporary differences	(17 577)
Related to tax losses	(18 609)
<b>Income tax expense</b>	<b>(36 186)</b>

The income tax rate is 19%.

## 4. NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS



### 4.8. EARNINGS PER SHARE

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

	9M 2016 CZK'000
<b>Profit for the period attributable to owners of Kofola ČeskoSlovensko a.s.</b>	<b>460 761</b>

	9M 2016 pcs
Weighted average number of ordinary shares for EPS calculation	22 295 000
Effect of own shares	(2 470)
<b>Weighted average number of ordinary shares used to calculate basic earnings per share</b>	<b>22 292 820</b>
Dilution adjustments	-
<b>Adjusted weighted average number of ordinary shares used to calculate diluted earnings per share</b>	<b>22 292 820</b>

Based on the above information, the basic and diluted earnings per share amounts to:

<b>Basic earnings per share (CZK/share)</b>	9M 2016 CZK'000
<b>Profit for the period attributable to owners of Kofola ČeskoSlovensko a.s.</b>	<b>460 761</b>
Weighted average number of ordinary shares used to calculate basic earnings per share (pcs)	22 292 820
<b>Basic earnings per share attributable to owners of Kofola ČeskoSlovensko a.s. (CZK)</b>	<b>20.67</b>

<b>Diluted earnings per share (CZK/share)</b>	9M 2016 CZK'000
<b>Profit for the period attributable to owners of Kofola ČeskoSlovensko a.s.</b>	<b>460 761</b>
Adjusted weighted average number of ordinary shares used to calculate diluted earnings per share (pcs)	22 292 820
<b>Diluted earnings per share attributable to owners of Kofola ČeskoSlovensko a.s. (CZK)</b>	<b>20.67</b>

### 4.9. PROPERTY, PLANT AND EQUIPMENT

The additions to Property, plant and equipment were of CZK 20 498 thousand in 9M16.

The investment projects realised by the Company in 9M16 comprise primarily addition of a buying new vehicles and sales support equipment.

### 4.10. INTANGIBLE FIXED ASSETS

The Goodwill consists of the goodwill from acquisition of PINELLI spol. s r.o. acquired in April 2011.

Amortisation of trademarks and other rights is charged to Selling, marketing and distribution costs.

The value of trademarks includes, among others, the value of such trademarks as: Kofola, Citrocola, Semtex and Erektus.

In the reporting period of nine-months ended 30 September 2016, the additions to intangible fixed assets were of CZK 23 033 thousand. The most significant additions were purchased brands Inka, Nara and Vočko in Croatia.

## 4. NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS



### 4.11. BONDS

On 4 October 2013, according to resolution of the Board of Directors from 12 August 2013, amended on 25 September 2013, KOFOLA S.A. issued 110 pieces of bonds denominated in Czech Crowns with total nominal value of CZK 330 000 thousand.

Bonds issued:

- were not subject to public offering,
- were offered in private placements through underwriters, i.e. Česká spořitelna a.s. and PPF banka a.s., based on a subscription agreement from 3 October 2013,
- nominal value of one bond was CZK 3 000 000,
- issue price of one bond represented 99.0% of the nominal value,
- maturity of bonds was 60 months from the date of issue, i.e. 4 October 2018,
- interest shall be calculated annually, the end of the first interest period was planned for 4 October 2014,
- interest rate – 12M PRIBOR plus a margin of 415 basis points,
- purpose of the bond issue was to obtain funds which will be used primarily to diversify the sources of financing and refinance part of the existing debt of the Group.

Bonds issued have been put on the regulated market of the Prague Stock Exchange, the first listing took place on 7 October 2013.

As at 30 September 2016, the Company has a liability from issued bonds in the total amount of CZK 341 716 thousand. Liabilities from interests and obligations from bonds maturing in October 2018 of CZK 326 669 thousand are disclosed in non-current liabilities, and the liabilities from interests of CZK 15 047 thousand are presented in current liabilities. The interest was paid on 4 October 2016.

Own bonds issued	Currency	30.9.2016 CZK'000	Interest terms	Maturity date
Bonds issued KOFOLA VAR/18	CZK	341 716	12M PRIBOR + margin	10/2018
<b>Bonds issued total</b>		<b>341 716</b>		

### 4.12. BANK CREDITS AND LOANS

As at 30 September 2016, the Company's total bank loans and credits amounted to CZK 1 782 877 thousand and decreased by CZK 34 358 thousand compared to 1 January 2016.

Based on the amendment to the loan for acquisition of Radenska the repayment date of Facility B of that loan of CZK 960 496 thousand was changed from 30 September 2016 to 30 September 2017 and as such the amount was reclassified from current bank credits and loans to non-current bank credits and loans.

## 4. NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

### 4.13. FUTURE COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

As at 30 September 2016 the Company provided the following guarantees for third party entities:

Entity providing guarantees	Entity receiving guarantees	Currency	Guarantee amount FCY'000	Guarantee amount CZK'000	Guarantee period	Guarantees provided to	Relationship
Kofola ČeskoSlovensko a.s.	Oberbank Leasing	CZK	1 289	1 289	2/2017	Kofola a.s. (CZ)	subsidiary
	Oberbank Leasing	CZK	579	579	2/2017	Kofola a.s. (CZ)	subsidiary
	Oberbank Leasing	CZK	366	366	10/2017	Kofola a.s. (CZ)	subsidiary
	ČSOB a.s.	CZK	25 424	25 424	3/2019	Kofola a.s. (CZ)	subsidiary
	ČSOB a.s.	CZK	289 136	289 136	notice of termination	Kofola a.s. (CZ)	subsidiary
	ČSOB a.s.	CZK	5 667	5 667	2/2018	Kofola a.s. (CZ)	subsidiary
	Unicredit Bank a.s.	EUR	4 733	127 893	12/2022	Santa-Trans.SK s.r.o.	third party*
	ČSOB Leasing	CZK	571	571	5/2020	Kolonial.cz s.r.o.	third party*
	ČSOB Leasing	CZK	290	290	5/2020	Kolonial.cz s.r.o.	third party*
	ČSOB Leasing	CZK	1 211	1 211	3/2020	Kolonial.cz s.r.o.	third party*
	ČSOB Leasing	CZK	377	377	4/2018	Kolonial.cz s.r.o.	third party*
	Deutsche Leasing ČR	CZK	526	526	11/2020	Kolonial.cz s.r.o.	third party*
	City-Arena PLUS a.s.	EUR	7	184	8/2020	UGO Trade s.r.o.	subsidiary
	Toyota Leasing S.A.	EUR	129	3 495	2/2018	Hoop Polska Sp. z o.o.	subsidiary
<b>Total guarantees issued</b>			<b>457 008</b>				

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

### 4.14. INVESTMENT IN SUBSIDIARIES

Investment in subsidiaries Name of entity	Ownership interest		Carrying amount	
	30.9.2016 %	1.1.2016 %	30.9.2016 CZK'000	1.1.2016 CZK'000
Kofola a.s. (CZ)	100.00%	100.00%	197 498	197 498
Kofola a.s. (SK)	100.00%	100.00%	51 023	51 023
Hoop Polska Sp. z o.o.	100.00%	100.00%	1 312 832	1 312 832
Santa-Trans (CZ)	100.00%	100.00%	8 760	8 760
UGO Trade s.r.o.	90.00%	90.00%	73 876	73 876
RADENSKA d.o.o.	100.00%	97.62%	1 860 411	1 814 809
Alofok Ltd.	100.00%	100.00%	106 703	106 703
<b>Total investment in subsidiaries</b>			<b>3 611 103</b>	<b>3 565 501</b>

The Company has not identified any impairment indicator regarding its investment in subsidiaries.

### 4.15. RELATED PARTY TRANSACTIONS

#### 4.15.1 SHAREHOLDERS STRUCTURE

Share capital structure Name of entity	30.9.2016		
	Number of shares	% in share capital	% in voting rights
KSM Investment S.A.	11 321 383	50.78%	50.78%
CED GROUP S. a r.l.	8 311 196	37.28%	37.28%
René Musila	581 231	2.61%	2.61%
Tomáš Jendřejek	581 190	2.61%	2.61%
Others	1 500 000	6.72%	6.72%
<b>Total</b>	<b>22 295 000</b>	<b>100.00%</b>	<b>100.00%</b>

Ultimate controlling party is represented by private individuals.

#### 4.15.2 SUBSIDIARIES AND ASSOCIATES

Interests in subsidiaries and associates are set out in section 4.14.

## 4. NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS



### 4.15.3 REMUNERATION OF THE GROUP'S KEY MANAGEMENT PERSONNEL

Presented below is the structure of the remuneration paid out to persons with executive authority in 9M16. All costs were paid by the Company, except for the remuneration of Other key management personnel which was paid by other Group entities.

Remuneration of the Group's key management personnel	Amounts paid for activities in the Company's Board of Directors		Amounts paid for activities in the Company's Supervisory board		Amounts paid for activities in the Company's Audit committee		Amounts paid for other activities within the Group	
	Financial compensation	Non-financial compensation	Financial compensation	Non-financial compensation	Financial compensation	Non-financial compensation	Financial compensation	Non-financial compensation
	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000
Members of the Company's Board of Directors	-	-	-	-	-	-	22 138	753
Members of the Company's Supervisory board	-	-	461	-	-	-	7 069	279
Members of the Company's Audit committee	-	-	-	-	70	-	-	-
Other key management personnel of the Group	-	-	-	-	-	-	10 910	87
<b>Total remuneration of the Group's key management personnel</b>	<b>-</b>	<b>-</b>	<b>461</b>	<b>-</b>	<b>70</b>	<b>-</b>	<b>40 117</b>	<b>1 119</b>

### 4.15.4 OTHER RELATED PARTY TRANSACTIONS

Presented below are the total amounts of transactions concluded with the Group's related parties:

Other related party transactions	Profit or loss impact 9M2016		Balance as at 30.9.2016	
	Revenues	Costs	Assets	Liabilities
	CZK'000	CZK'000	CZK'000	CZK'000
Alofok Ltd	-	-	811	-
Hoop Polska Sp. z o.o.	3 772	(3 212)	205 911	(247)
Kofola a.s. (CZ)	141 604	(2 492)	82 042	(201 000)
Kofola a.s. (SK)	106 139	(22 371)	252 626	-
KSM Investment S.A.	-	-	-	(44 473)
Radenska, d.d.	33 817	(39)	8 136	-
Santa-Trans s.r.o.	1 753	(446)	760	(75)
UGO Trade s.r.o.	1 320	(7)	42 004	(7)
<b>Total</b>	<b>288 405</b>	<b>(28 567)</b>	<b>592 290</b>	<b>(245 802)</b>

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

### 4.16. SUBSEQUENT EVENTS

On 7 November 2016, the Board of Directors decided to pay an advance dividend of CZK 156 065 thousand for the year 2016.

No other events have occurred after the end of the reporting period that would require adjusting the amounts recognised and disclosures made in the separate financial statements.



# STATUTORY DECLARATION AND APPROVAL FOR PUBLICATION



## STATUTORY DECLARATION OF PERSONS RESPONSIBLE FOR THE INTERIM REPORT OF KOFOLA ČESKOSLOVENSKO A.S.

To the best of our knowledge, the 9M16 interim report of Kofola ČeskoSlovensko a.s. gives a true and fair view of the financial position, business activities and financial performance of Kofola ČeskoSlovensko a.s. and its group for the nine-month period ended 30 September 2016 and of the outlook for future development of the financial position, business activities and financial performance.

The 9M16 interim report was approved for publication on 7 November 2016.

<b>7.11.2016</b> <i>date</i>	<b>Janis Samaras</b> <i>name and surname</i>	<b>Chairman of the Board of Directors</b> <i>position/role</i>	 <i>signature</i>
<b>7.11.2016</b> <i>date</i>	<b>René Musila</b> <i>name and surname</i>	<b>Member of the Board of Directors</b> <i>position/role</i>	 <i>signature</i>
<b>7.11.2016</b> <i>date</i>	<b>Tomáš Jendřejek</b> <i>name and surname</i>	<b>Member of the Board of Directors</b> <i>position/role</i>	 <i>signature</i>
<b>7.11.2016</b> <i>date</i>	<b>Daniel Buryš</b> <i>name and surname</i>	<b>Member of the Board of Directors</b> <i>position/role</i>	 <i>signature</i>
<b>7.11.2016</b> <i>date</i>	<b>Jiří Vlasák</b> <i>name and surname</i>	<b>Member of the Board of Directors</b> <i>position/role</i>	 <i>signature</i>
<b>7.11.2016</b> <i>date</i>	<b>Roman Zúrik</b> <i>name and surname</i>	<b>Member of the Board of Directors</b> <i>position/role</i>	 <i>signature</i>

