



Company presentation



Road Show

MAY 2018

The Kofola Group

One of the most significant producers of non-alcoholic beverages in CEE and SEE



Revenues 12M17: € 264M
EBITDA 12M17: € 36M



8 production plants



2,182 employees



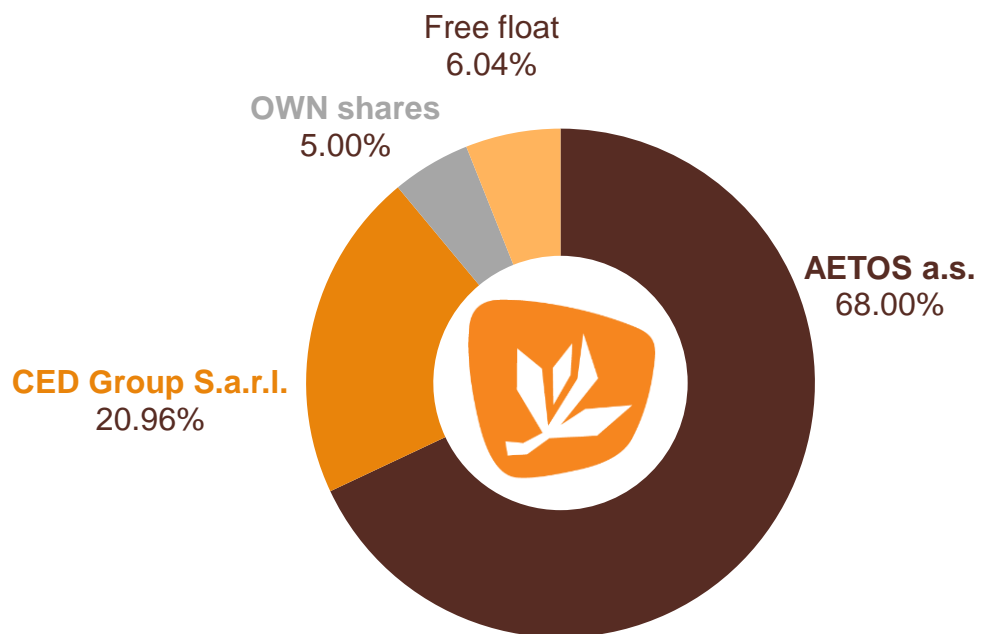
 - countries for expansion

EUR/CZK ex. rate: 26.330

Kofola ownership structure & Management

Current ownership structure

Potential exit of CED should attribute to increasing free float to 27%



CED...PEF VI manager by Enterprise Investors
AETOS...Jannis Samaras (CEO, founder) and his family & friends

Own shares...owned by Kofola subsidiary Radenska d.o.o.
(incentive management plan + other options)

Experienced & stable team



Jannis Samaras
CEO, founder
68% stake in Kofola
(via AETOS)



Daniel Buryš
Board member, CFO
In Kofola since 2010



Jiří Vlasák
Board member
Country manager Poland
In Kofola since 2010



René Musila
Board member, COO
In Kofola since 1993



Tomáš Jendřejek
Board member, Procurement Director
In Kofola since 1994



Marián Šefčovič
Board member,
Country Manager Adriatic region
In Kofola since 2002

VISION FOR KOFOLA

We want to become the soft drinks market leader in CzechoSlovakia and Adriatic region.

We want to anchor UGO and Leros as the leaders and creators of fresh and healthy drinks and develop new leg of business.

We will continue growing organically and via acquisitions.

We will continue regularly sharing profits with our shareholders.



Kofola Group in figures



CZECHIA

- **No. 2 player** in the soft drinks market
- **3rd most admired company**
- **UGO** leader in healthy live style refreshment



SLOVAKIA

- **No. 1 Player** in the soft drinks market both in Retail & HoReCa
- **36% HoReCa market share**



HoReCa means
hotel,
restaurant, café



SLOVENIA

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



CROATIA

- **No. 2 water brand**
- **No. 2 syrup brand**



POLAND

- **No. 2 syrup brand**
- **No. 3 cola brand**
- Private label soft drinks producer

Investment highlights



Exposure to **consumers in the CEE markets** with booming retail consumptions, falling unemployment and growing salaries



Focus on the **smaller markets**, difficult for global players to enter, and **offering higher profitability**



Strong brands, unique positioning (HoReCa) and focus on innovations especially in **fresh and healthy lifestyle** products



Benefit from **very strong cash flow** allowing for both growth and dividend payout

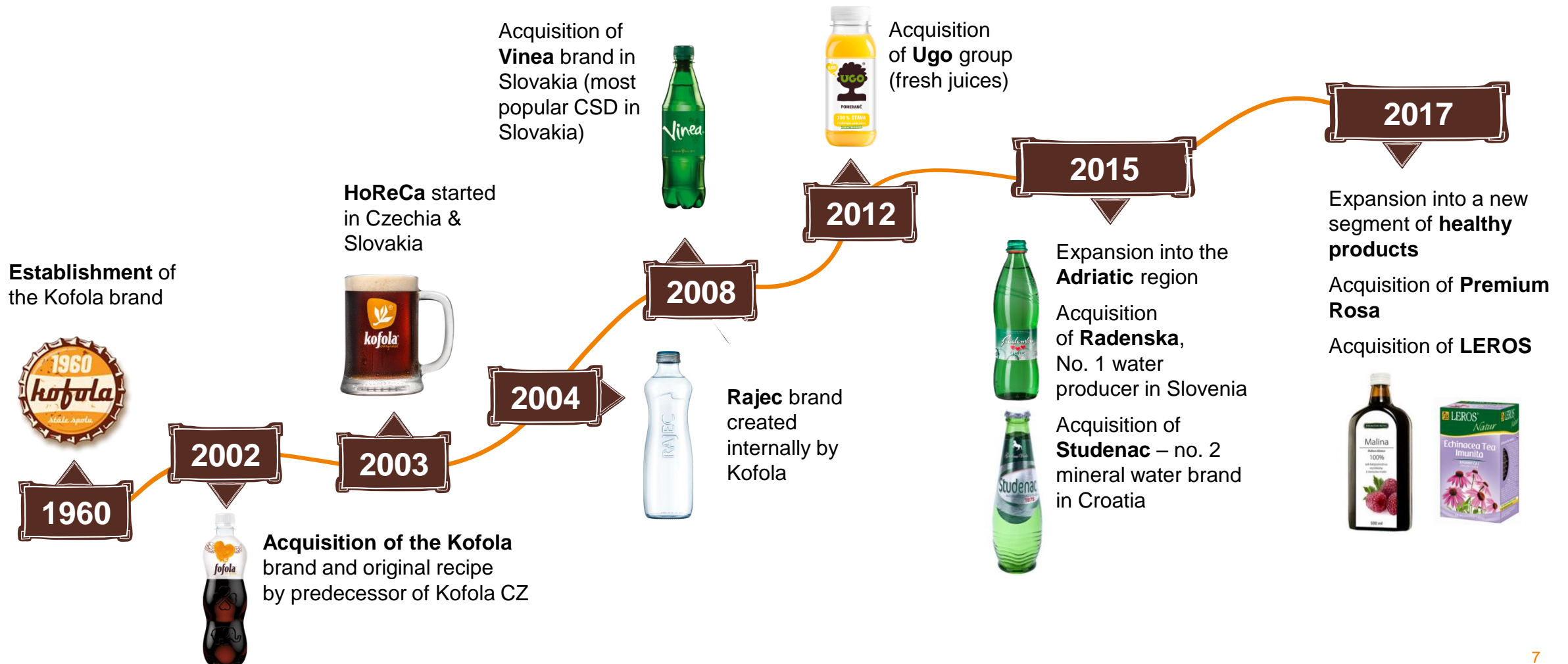


Developments aimed at **increase of free-float and liquidity**




Lower sugar prices with end of EU sugar import quotas from October 2017

History of successful acquisitions and development

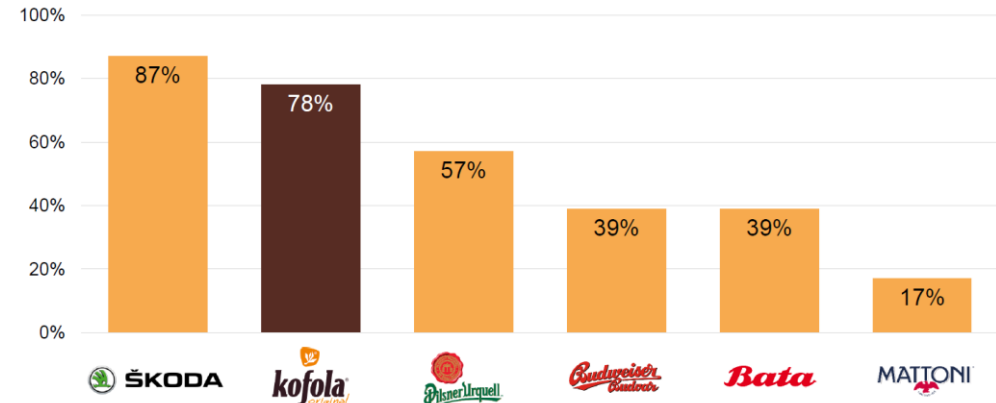


Kofola :

-  herbal cola drink
- 30% less sugar
- no acid phosphoric



Kofola is 2nd best traditional Czech brand



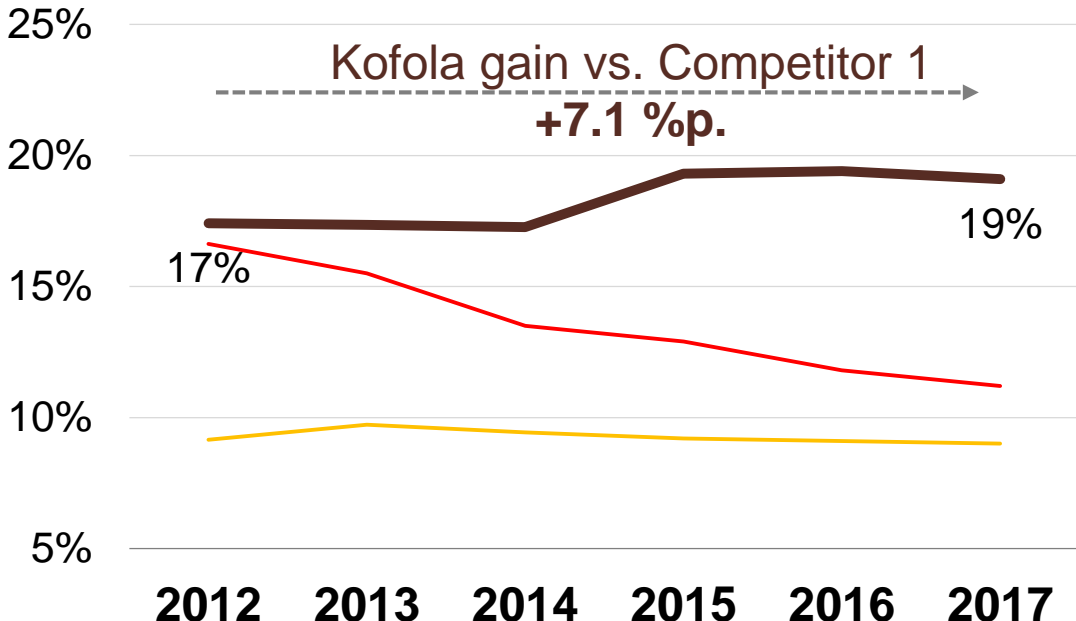
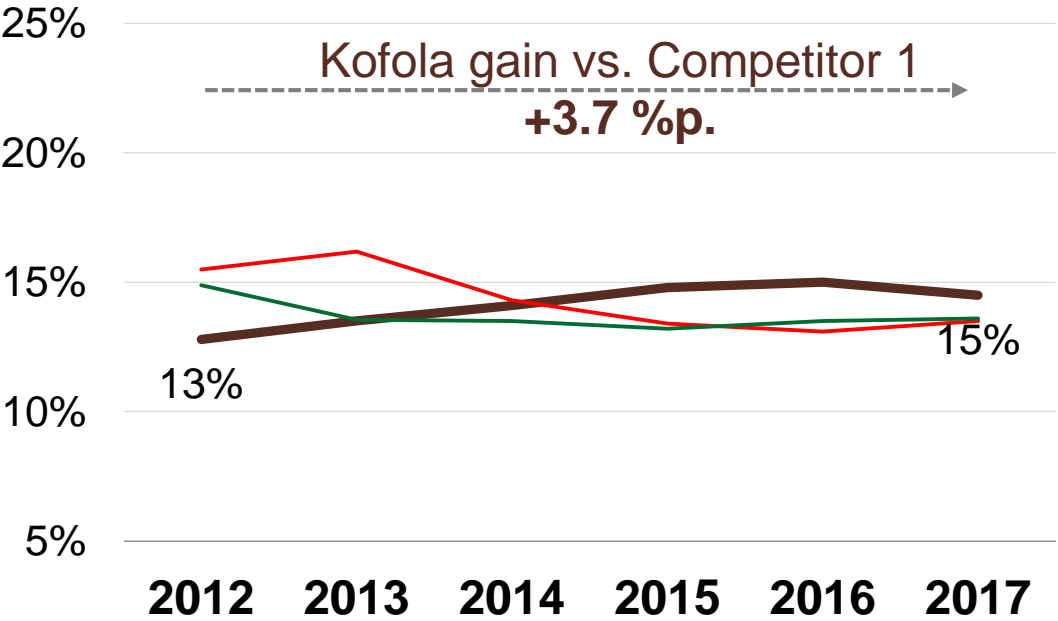
Explanation: 78% of marketing managers addressed by Ogilvy & Mather spontaneously listed Kofola among the top 5 most successful traditional Czech brands

The complete portfolio of strong brands

Kofola can successfully compete with global brands in Retail



Kofola Retail market share (VALUE)



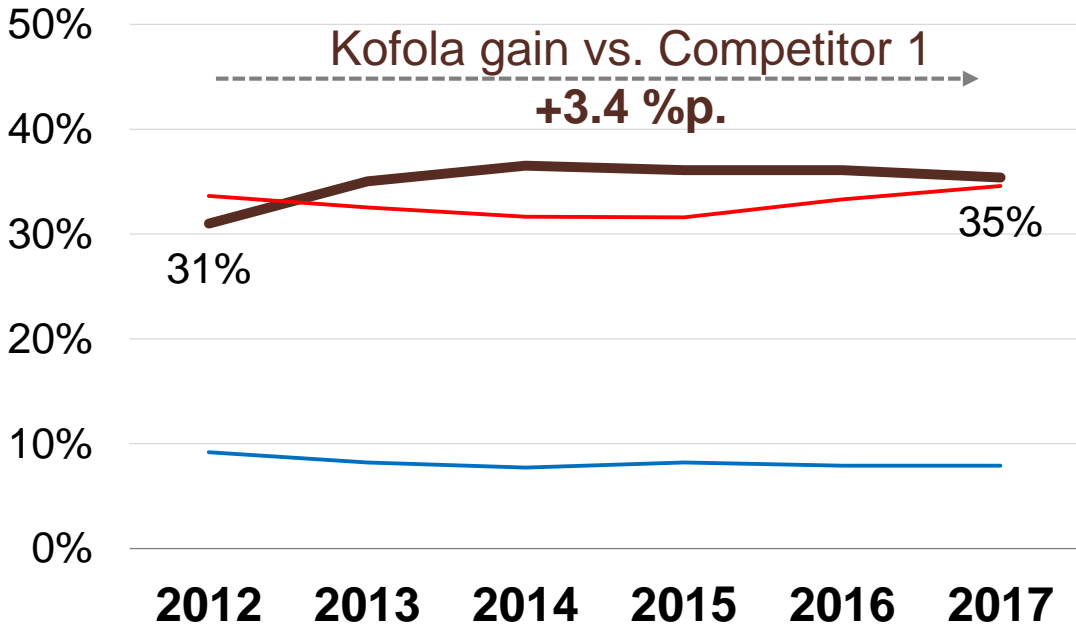
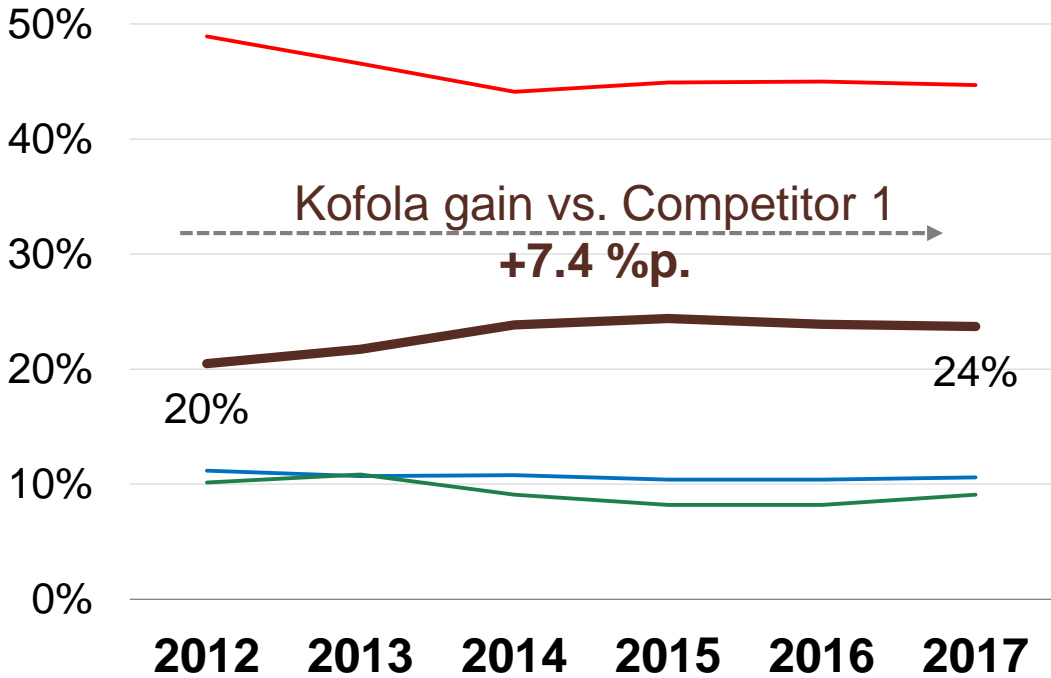
— Kofola — Competitor 1 — Competitor 2 — Competitor 3

Based on AC Nielsen and Data Servis, Kofola incl. exclusively distributed brands, Kofola gain vs. Competitor 1 calculated between 2017 and 2012

Kofola can successfully compete with global brands in HoReCa



Kofola HoReCa market share (VOLUME)



— Kofola — Competitor 1 — Competitor 2 — Competitor 3

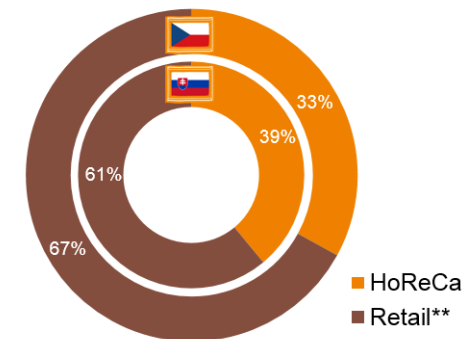
Based on AC Nielsen and Data Servis, Kofola incl. exclusively distributed brands, Kofola gain vs. Competitor 1 calculated between 2017 and 2012

Horeca: a very profitable channel

- **High market entry barriers** leading to **limited competition** – usually only 2 global players + 1 local like Kofola
- **Higher margins** comparing to retail channel
- **Loyalty** – low fluctuation of clients
- Additional **marketing tool** supporting brand awareness
- Successful **direct distribution** model



Kofola HoReCa sales in total sales 2017



* based on Data Servis and Canadean (volume terms); ** including private label



RAJEC

UGO

hoop
cola

Successful
acquisitions

rupi

kofola

Radenska



ADRIATIC REGION M&A STRATEGY



2015 – Radenska Acquisition (for 7.5 EBITDA multiple) as an initial step for the Adriatic market expansion

- Expansion to other Adriatic countries (Slovenia, Croatia, Bosnia)
- Production and distribution of PepsiCo products in Slovenia and Croatia
- Focus on the HoReCa channel by developing direct distribution



Radenska traditional mineral water (since 1869)
Slovenia market leader

Adriatic
performance

MEUR	2015	2 017	i17/15
Revenues	24,1	40,3	29%
EBITDA	5,9	7,1	10%



Croatia & Slovenia
Pepsi bottler and distributor



2017 – STUDENAC Acquisition

- Rising revenues in Croatia also thanks Radenska and Pepsi.
- Croatian market opportunity due to bankruptcy of Agrokor.
- We see potential upside to increase our market share



Studenac mineral water (since 1875)
Kofola is Croatia Nr. 2 water producer

Healthy Products Acquisitions



new independent pillar



- In March 2018 acquired LEROS – leading producer of high quality products from medicinal plants and quality natural teas.
- **40-year tradition, leading share in pharmacy channel**
- Another segment for Kofola - based on herbs and authentic healthy raw materials.
- Revenues in 2017 over 5,2 MEUR

- Important part of the healthy lifestyle strategy of Kofola (July 2017).
- Start up that records double-digit sales growth.
- Kofola will expand its portfolio of healthy food products: syrups, juices, jams, products made from medicinal plants from certified farms.
- Purchase price: 2,5 MEUR
- Group revenue 2017: 2,4 MEUR (6 months).



RAJEC.

rupi

UGO

UGO healthy life style innovation

kofola

Radenska

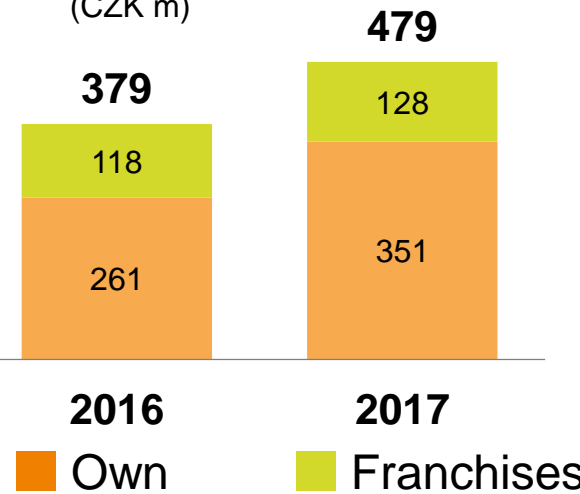


Fresh juice concept committed to a healthy lifestyle

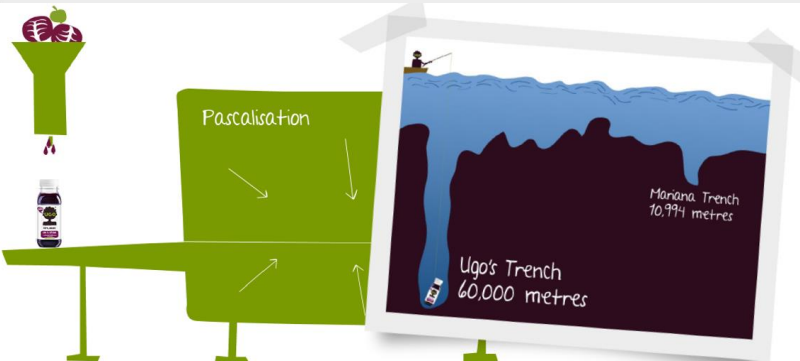
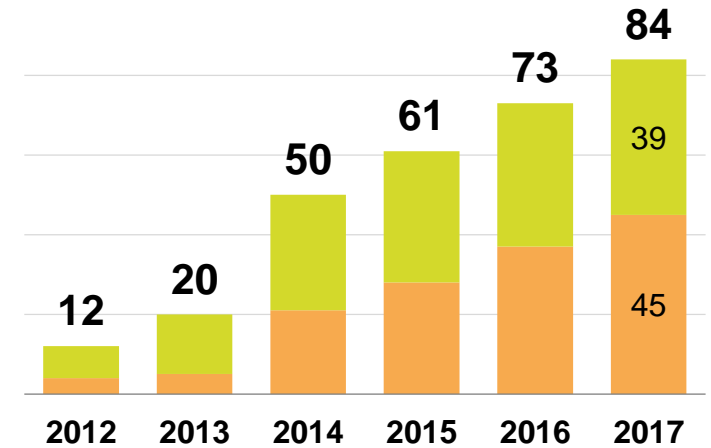


Ugo bars sales

(CZK m)



Substantial increase in number of bars



High pressure processing technology innovative use in juice category

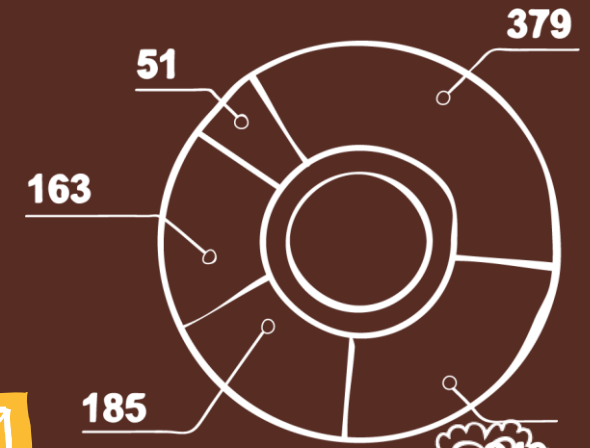
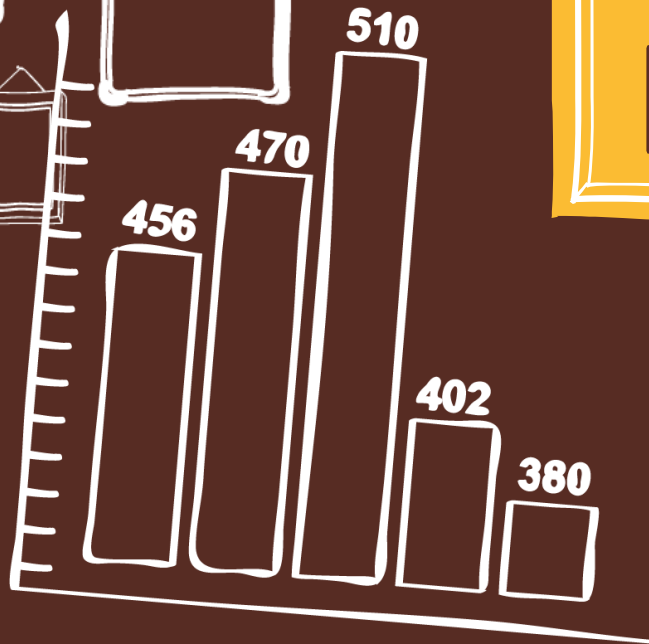


NOT PASTEURIZED
NOT FROM CONCENTRATES

+76% Y/Y
GROWTH

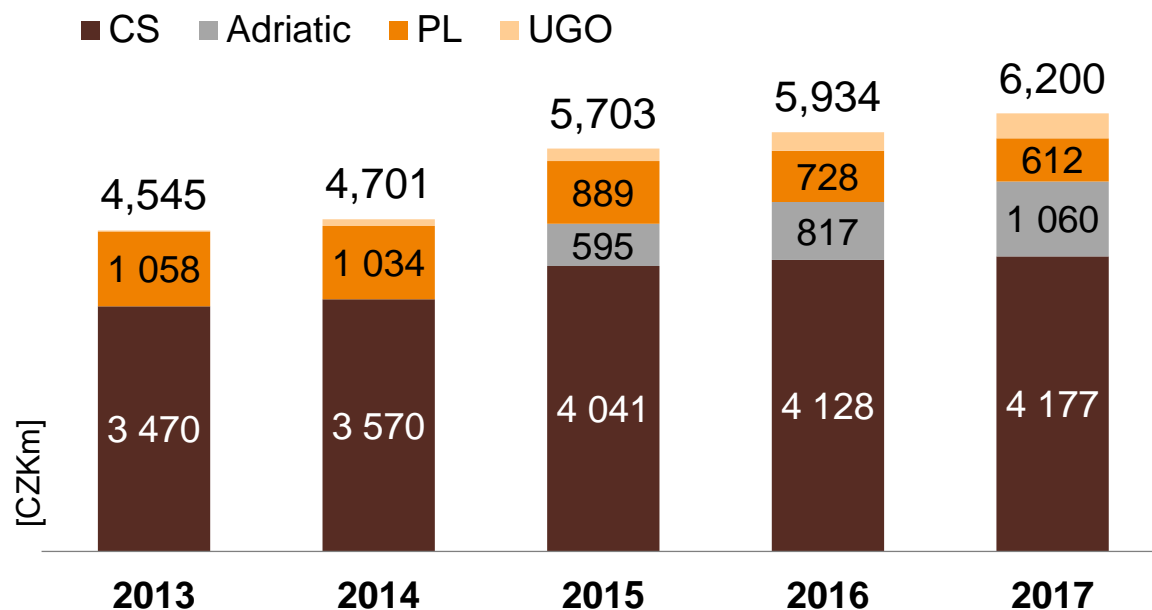


Consolidated Financial Performance Indicators

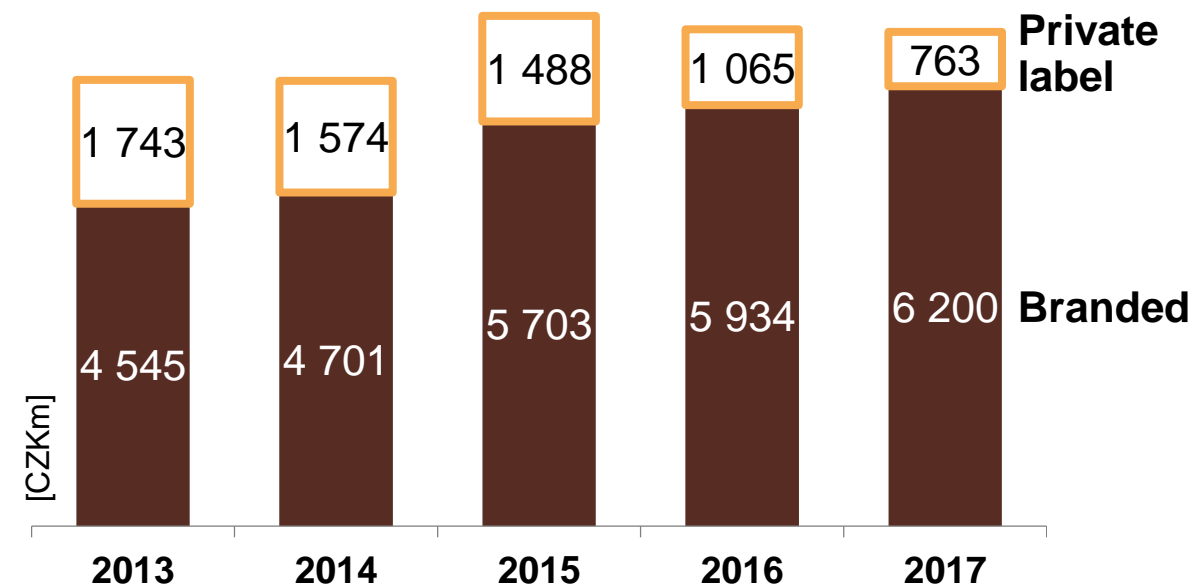


Focus on growing brand sales development

Brand revenues



Total revenues

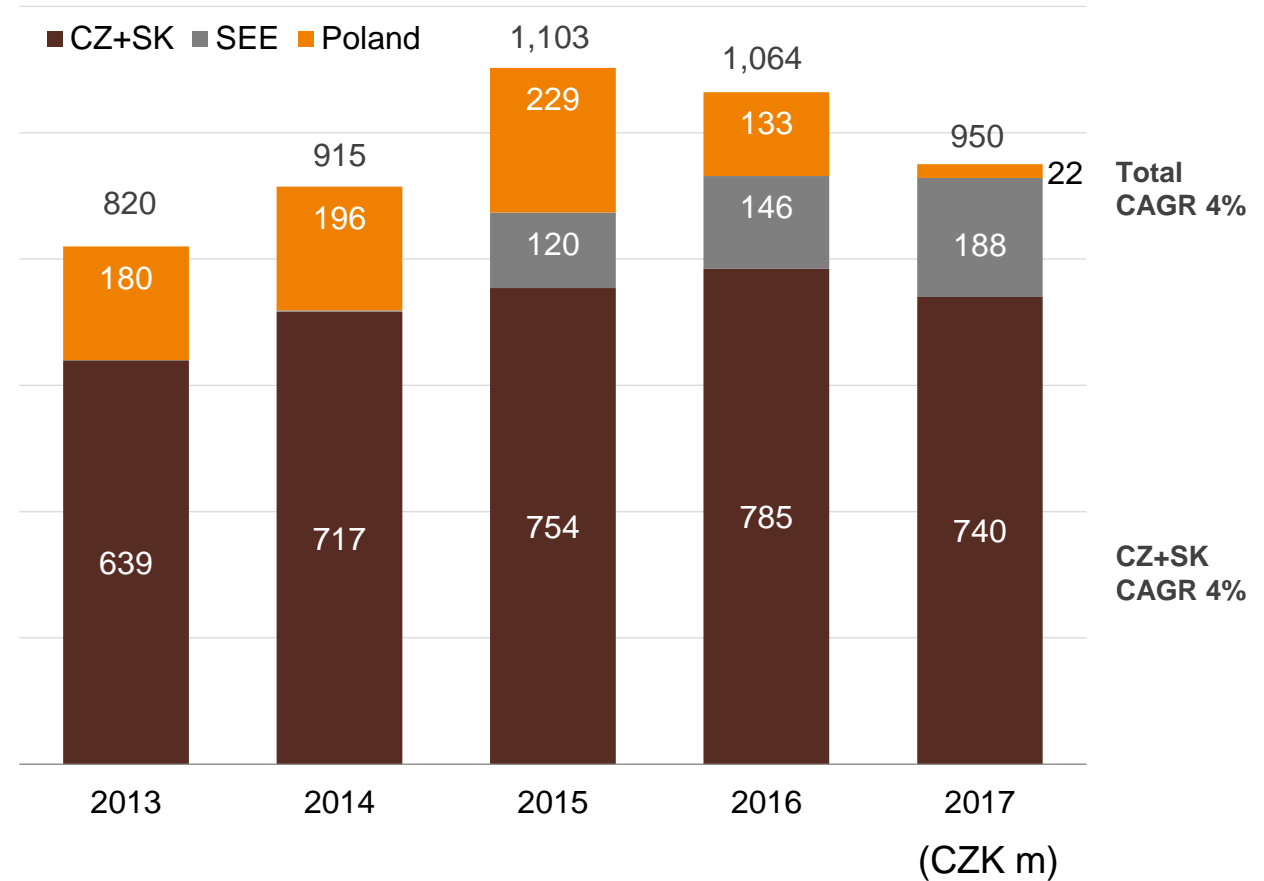


- Constant growth in revenue of branded products – 3Y CAGR of 4.2% and 5Y CAGR of 8.1%
- 2017 revenue decrease attributable to Poland, partly offset by growth of sales in other regions driven by growth in Adriatic and UGO

Consolidated adjusted EBITDA

Guidance for 2018
1,000 MCZK

- EBITDA growth in 2013 – 2015 resulting from business improvement on all Kofola markets and channels
- CZ + SK + Adriatic markets showed stable growth in EBITDA
- Net decrease in total EBITDA in 2016 and 2017 was due to worse performance in Poland,, which was partially compensated by improvement in Slovenia
 - Adriatic market saw power of local brands investment and business model proper implementation
 - CZ + SK experienced increased costs of sugar, increased logistic costs (Slovakia) and increased selling and marketing expenses (Ugo)
 - Poland saw decreased sales mainly of private labels



* See page 34 for discussion on adjustments for 2017 EBITDA

KOFOLA Group Results 3M 2018

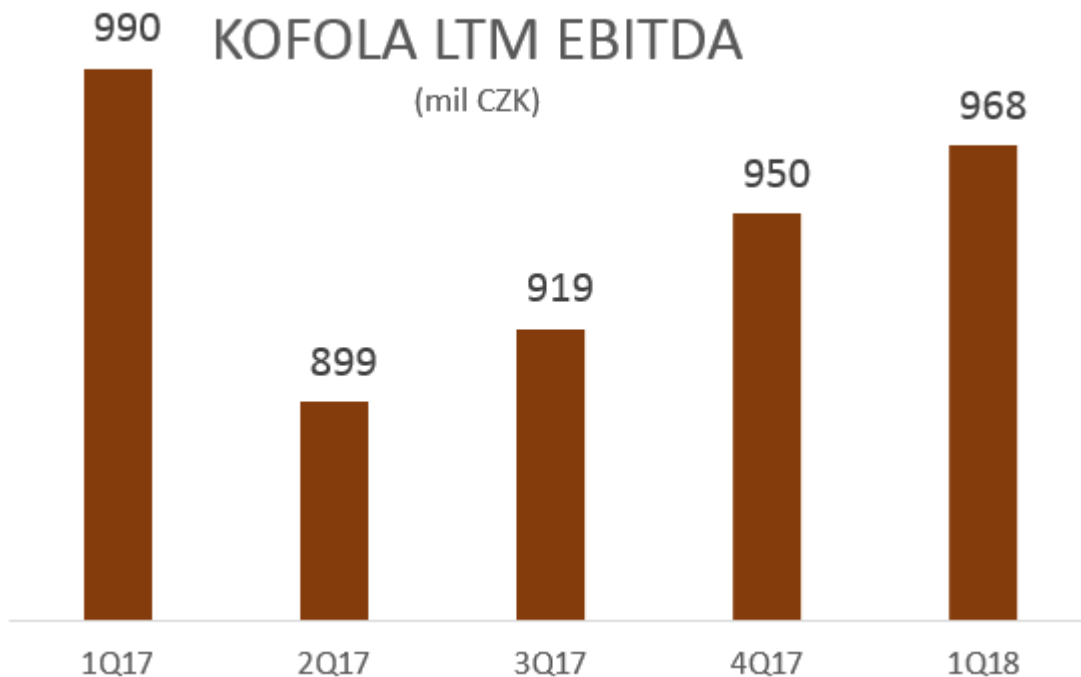
Results comparison	3M18	3M17	Change	Change
	CZK mil.	CZK mil.	CZK mil.	%
Revenue	1 434.0	1 343.5	90.4	6.7%
Cost of sales	(894.3)	(873.3)	(21.0)	2.4%
Gross profit	539.7	470.2	69.4	14.8%
Selling, marketing and distribution costs	(479.6)	(440.8)	(38.7)	8.8%
Administrative costs	(99.8)	(88.2)	(11.6)	13.1%
Other operating income, net	2.4	1.1	1.3	118.8%
Operating result	(37.3)	(57.7)	20.4	(35.5%)
EBITDA	97.3	79.0	18.3	23.2%
Finance costs, net	(27.5)	(12.8)	(14.6)	113.9%
Income tax	(3.4)	2.1	(5.4)	(263.2%)
Profit for the period	(68.1)	(68.4)	0.4	(0.6%)
- attributable to shareholders of the parent	(66.8)	(67.5)	0.6	(0.9%)

- Revenue grew in all segments except Poland. Main increase in Czechia, thanks to Kofola, Rauch, Vinea and increased sales in Ugo. Sales in the Adriatic region increased by 17.2 %.
- Increased selling costs in CzechoSlovakia (mainly marketing), Ugo (selling O/H including personnel costs), partly compensated by lower costs in Poland.
- Increased admin costs mainly in Ugo.
- Increased finance costs due to higher FX losses.

The Group's revenue without Poland increased by CZK 116 mil. (10.9%).

* adjusted for one-offs

KOFOLA Group LTM (Last Twelve Months) EBITDA

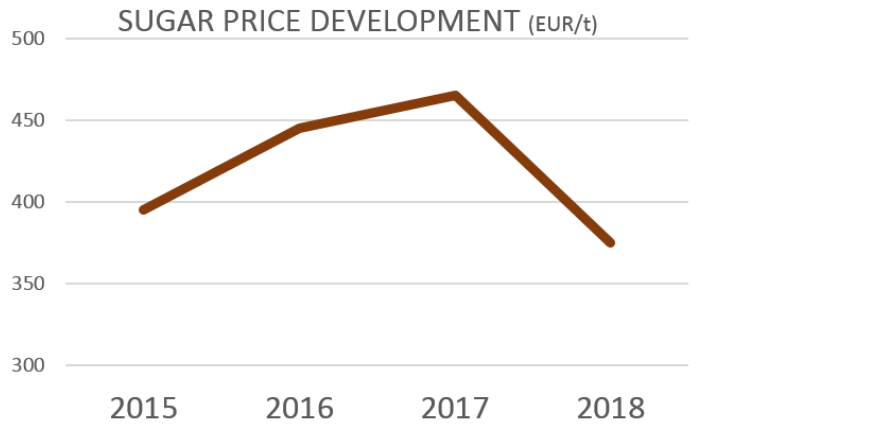


KOFOLA GROUP <i>mil CZK</i>	1Q17	2Q17	3Q17	4Q17	1Q18
LTM Revenue	6 876	6 866	6 927	6 963	7 054
LTM Gross profit	2 741	2 762	2 808	2 829	2 909
LTM EBITDA adjusted	990	899	919	950	968
<i>LTM margin</i>	14%	13%	13%	14%	14%

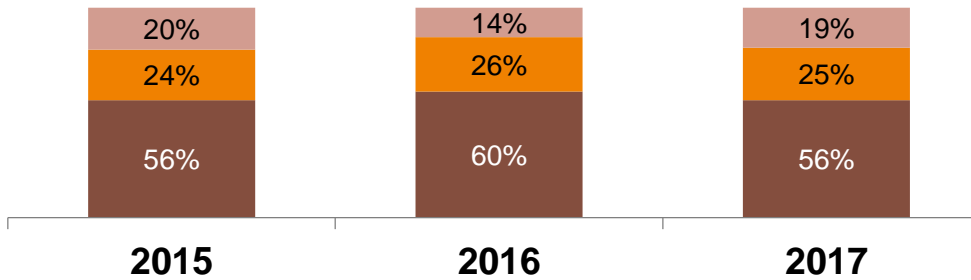
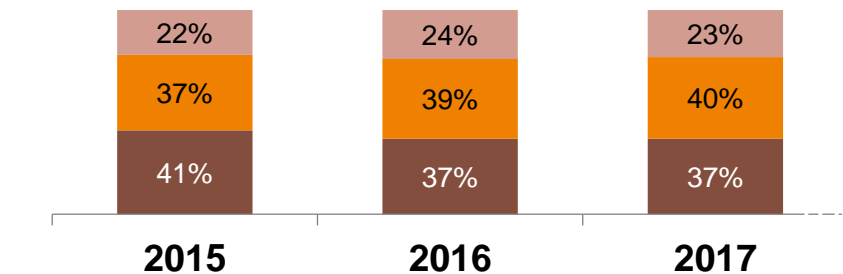
IMPROVING PERFORMANCE IN LAST QUARTERS

* adjusted for one-offs

Direct material costs



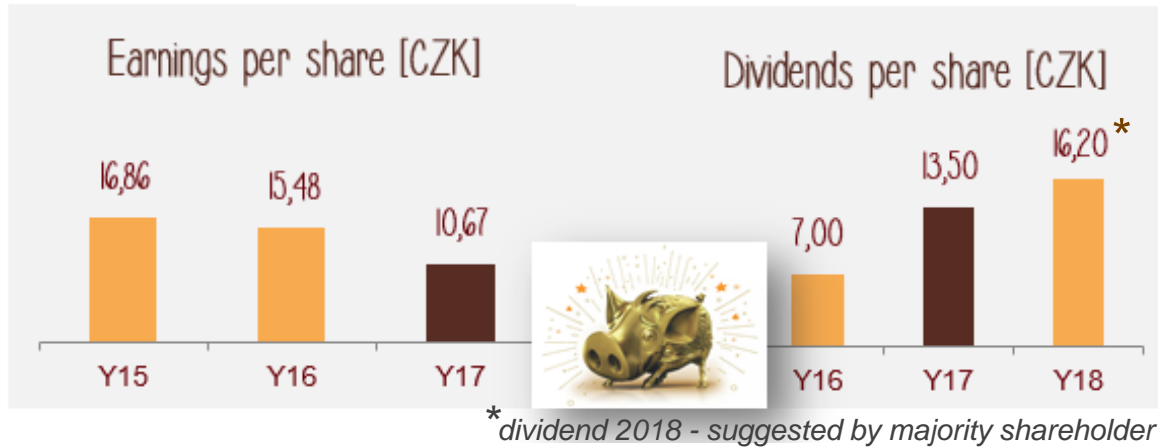
- Sugar price increase 17/16: +10,5%.
- Direct impact on EBITDA: - €3M
- OCT 2017: the end of EU sugar import quotas
- Positive sugar price development in 2018
- Stabilization on world sugar price in next years



■ Packaging% ■ Sweeteners% ■ Other% — Total

■ Packaging% ■ Sweeteners% ■ Other% — Total

Financial position and dividend policy



DIVIDEND POLICY

Aim of dividend distribution to shareholders of Kofola of at least

60% of its consolidated net profit

achieved in each financial year from 2017 until 2020, subject to sufficient distributable profits.

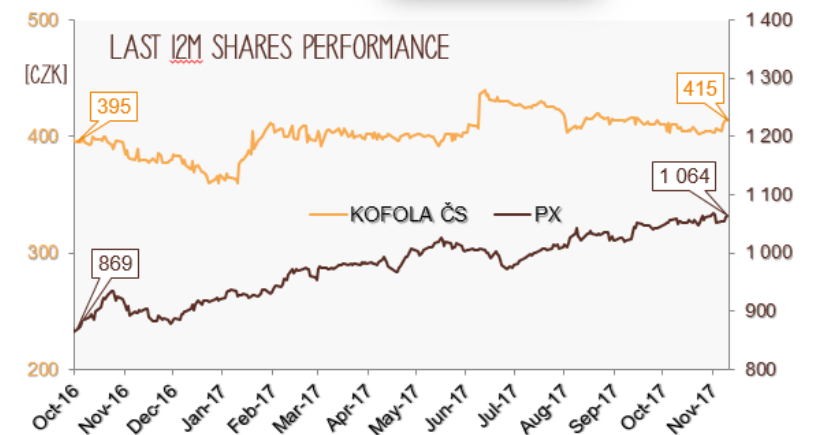
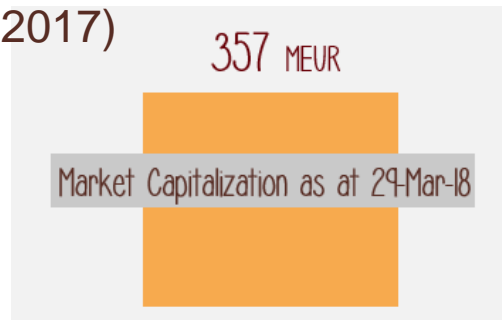
- **Operating Cash Flow / EBITDA 2017: 76%**

- **Net debt / EBITDA 2017: 2.5x**

(including 5% own shares buy back in 2017)

- **CAPEX in 2017: € 19M**

(similar level for next 3 years)



Polish strategy - project up to 2018

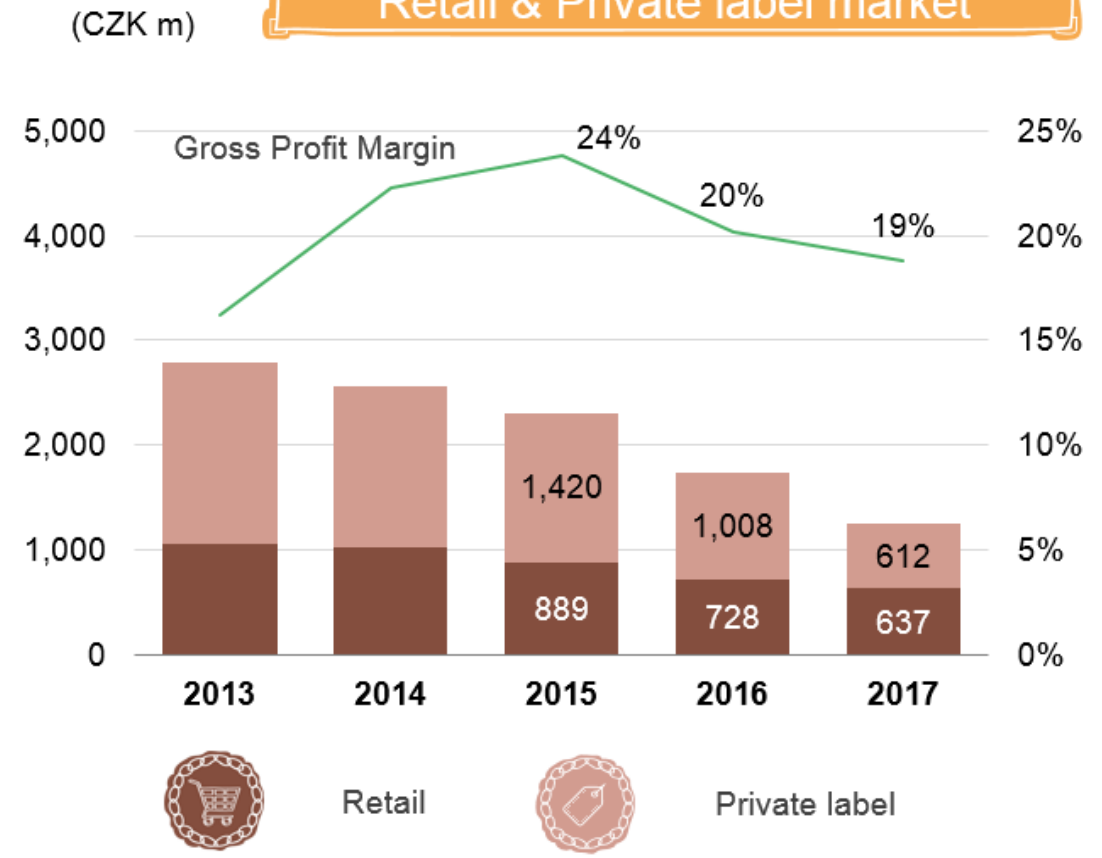


- **Experienced management** with commercial background and focus on results improvement.
- Production efficiency **optimization** with focus on own brands, supported by private labels.
- Lower sales but **standard profitability** (target 10%).
- **Concentration of production** in one plant (Kutno), the most modern plant in the group.
- Distribution of **Nestea** – from 2018.



Share in group's EBITDA 2017 is 2% (2016: 13%)

Kofola sales on Polish Retail & Private label market



Strategic option - HOOP EXIT



- A contingency plan assumes **divestment of the HOOP** business in 2018
- Our **successful acquisition Premium Rosa** will be integrated with LEROS – a new healthy segment

HOOP exit impact to Kofola Group:

- **17% decrease** of Kofola Group sales
- **No real impact to EBITDA** performance
- **Dividend** distribution availability risk

Group Results 12M* - without HOOP	12M17	12M16	Change	Change
	CZK mil.	CZK mil.	CZK mil.	%
Revenue	5 761.0	5 262.5	498.5	9.5%
EBITDA	938.2	931.1	7.1	0.8%

Group Results 12M* - with HOOP	12M17	12M16	Change	Change
	CZK mil.	CZK mil.	CZK mil.	%
Revenue	6 963.3	6 999.0	(35.7)	(0.5%)
EBITDA	950.2	1 064.4	(114.2)	(10.7%)

* adjusted for one-offs

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presented by

Jannis Samaras, CEO

Daniel Buryš, CFO

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A collection of white line-art icons representing various photo frames and shapes, scattered around the central text. The icons include rectangular frames with different patterns (hatched, solid), rounded rectangular frames, circular frames with scalloped edges, and simple geometric shapes like circles and squares.

Appendix

Consolidated Income Statements

Adjusted consolidated financial results	3M18	3M17	2017*	2016*	2015*	2014*	2013*
	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000
Revenue	1,433,952	1,343,528	6,963,278	6,998,960	7,190,838	6,275 391	6,287,894
Cost of sales	(894,272)	(873,303)	(4,134,081)	(4,211,593)	(4,352,102)	(3,881 359)	(4,300,767)
Gross profit	539,680	470,225	2,829,197	2,787,367	2,838,736	2,394 032	1,987,127
Selling, marketing and distribution costs	(479,559)	(440,839)	(2,092,992)	(1,876,854)	(1,884,399)	(1,607 706)	(1,388,750)
Administrative costs	(99,781)	(88,190)	(373,702)	(403,059)	(385,491)	(317,937)	(273,591)
Other operating income, net	2,418	1,105	22,444	33,903	20,567	(25,564)	42,939
Operating result	(37,242)	(57,699)	384,947	541,357	589,413	442,825	367,725
EBITDA	97,272	78,962	950,175	1,064,360	1,102,614	914,820	800,398

* Audited

In 2013, EBITDA was adjusted by one-off items: on the one hand impairment of goodwill, brands and fixed assets relating to Polish operations in a total amount of CZK 879 million and on the other hand profit from the significant disposal of fixed assets in the amount of CZK 19 million.

In 2014, EBITDA was adjusted by one-off item relating to impairment of investment in associate in the amount of CZK 44 million.

In 2015, EBITDA was adjusted by one-off items: qualitative product complaints in Hoop Poland connected with a poor quality of packaging material, the net impact on operating result is of CZK 103 million, CZK 70 million related to advisory costs related to acquisitions and restructuring project and positive effect of CZK 18 million related to court litigation against a competitor of the Group for protection against unfair competition and infringement of Kofola trademarks.

In 2016, EBITDA was adjusted by one-off items: closure of Bielsk and reorganization costs (CZK 3 mil.), merger, acquisition and due diligence costs (CZK 47 mil.), income of CZK 29 mil. from insurance income connected with qualitative product complaints and release of provision for legal case, costs of WSE delisting (CZK 3 mil.), impairment costs – in Polish operation CZK 70 mil. and CZK 126 mil. In Russian associate, assets impairments – CZK 24 mil.

In 2017, EBITDA was adjusted by one-off items: net operating income from the sale of warehouse (CZK 2.9 mil.), costs connected with SAP implementation (CZK 6.3 mil.), costs connected with the liquidation of an inactive subsidiary in Sicheldorfer (CZK 1.8 mil.), revenue from the sale of building (CZK 11.6 mil.), net operating income from the sale of production lines in Poland (CZK 37.8 mil.), costs connected with maintenance of Bielsk Podlaski plant and release of provision (CZK 3.9 mil.), costs connected with the closure of Grodzisk (CZK 43.8 mil.), net operating income from compensation and release of provision connected with prior years qualitative product complaints (CZK 41.6 mil.), impairment costs (CZK 112.4 mil.), acquisition costs – Czech operation incurred costs of CZK 14.5 mil. and costs of CZK 4.4 mil. connected with closing “Na grilu” operation in Ugo.

Consolidated Statements of Financial Position & Cash Flow Statements

Consolidated statement of financial position	31.3.2018	31.3.2017	31.12.2017	31.12.2016	31.12.2015**	31.12.2014	31.12.2013
	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000
Non-current assets	4,843,700	4,930,977	4,786,195	4,915,863	5,095,724	4,171,985	6,287,894
Current assets	1,935,599	2,922,661	1,792,673	3,104,020	3,395,290	1,787,877	1,734,245
Total assets	6,779,299	7,853,638	6,578,868	8,019,883	8,491,014	5,959,862	5,867,100
Equity attributable to owners of Kofola ČeskoSlovensko a.s.	1,890,386	2,722,714	1,977,670	2,736,572	2,810,188	2,569,449	2,515,253
Equity attributable to non-controlling interests	(4,895)	1,864	(3,684)	2,896	49,233	7,380	4,971
Total equity	1,885,491	2,724,578	1,973,986	2,739,468	2,859,421	2,576,829	2,520,224
Non-current liabilities	2,358,667	1,546,481	1,855,652	1,580,357	1,750,669	1,029,534	986,258
Current liabilities	2,535,141	3,582,579	2,749,230	3,700,058	3,880,924	2,353,499	2,360,618
Total liabilities	4,893,808	5,129,060	4,604,882	5,280,415	5,631,593	3,383,033	3,346,876
Total liabilities and equity	6,779,299	7,853,638	6,578,868	8,019,883	8,491,014	5,959,862	5,867,100

Consolidated statement of cash flows	3M18	3M17	2017	2016	2015**	2014	2013
	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000
Net cash flow from operating activities	(79,477)	(185,789)	719,995	655,330	935,241	962,426	686,880
Net cash flow from investing activities	(178,611)	(86,305)	(468,963)	(748,667)	(1,136,775)	(241,703)	(194,908)
Net cash flow from financing activities	181,894	25,957	(1,352,846)	(420,418)	1,546,637	(352,204)	(508,828)
Cash and cash equivalents at the beginning of the period	289,594	1,421,014	1,421,014	1,940,008	568,764	201,669	220,192*
Cash and cash equivalents at the end of the period	212,197	1,177,422	289,594	1,421,014	1,940,008	568,764	201,669

* Including cash flow from deconsolidated companies as at 1 January 2013 (Megapack group), ** Restated. All periods audited

Results of Kofola Group - 3M18

Reconciliation of reported and adjusted results	Reported CZK mil.	One-offs CZK mil.	Adjusted CZK mil.
Revenue	1 434.0	-	1 434.0
Cost of sales	(894.3)	-	(894.3)
Gross profit	539.7	-	539.7
Selling, marketing and distribution costs	(479.6)	-	(479.6)
Administrative costs	(104.0)	4.3	(99.8)
Other operating income/(expense), net	1.0	1.4	2.4
Operating result	(42.9)	5.7	(37.3)
EBITDA	91.6	5.6	97.3
Finance costs, net	(27.5)	-	(27.5)
Income tax	(3.4)	-	(3.4)
Profit for the period	(73.7)	5.7	(68.1)
- attributable to shareholders of the parent	(72.5)	5.6	(66.8)

One-offs:

- Net other operating income from the sale of production lines in Poland of CZK 4.6 mil.
- Costs connected with maintenance of closed plant Bielsk Podlaski plant of CZK 2.1 mil. (in Polish segment).
- Costs connected with maintenance of closed plant Grodzisk Wielkopolski plant and other restructuring costs of CZK 3.9 mil. (in Polish segment).
- Acquisition costs – Czech operation incurred costs of CZK 4.3 mil.

Group Results Comparison last 6M*

Results comparison	4Q17 +1Q18 CZK mil.	4Q16 +1Q17 CZK mil.	Change CZK mil.	Change %
Revenue	3 043.2	2 916.7	126.5	4.3%
Cost of sales	(1 872.3)	(1 847.2)	(25.1)	1.4%
Gross profit	1 170.9	1 069.5	101.4	9.5%
Selling, marketing and distribution costs	(959.0)	(874.4)	(84.6)	9.7%
Administrative costs	(187.9)	(177.1)	(10.8)	6.1%
Other operating income, net	19.0	3.6	15.4	425.8%
Operating result	43.0	21.6	21.4	99.0%
EBITDA	341.7	292.1	49.6	17.0%
Finance costs, net	(42.9)	(36.1)	(6.8)	19.0%
Income tax	(52.7)	(41.3)	(11.4)	27.5%
Profit for the period	(52.6)	(55.8)	3.2	(5.7%)
- attributable to shareholders of the parent	(48.9)	(53.5)	4.6	(8.6%)

- Key products price increased
- Successful innovations launch (Royal Crown)
- Raw material (sugar) price positive development

* adjusted for one-offs

Results of Kofola Group - 12M17

Reconciliation of reported and adjusted results	Reported	One-offs	Adjusted
	CZK mil.	CZK mil.	CZK mil.
Revenue	6 963.3	-	6 963.3
Cost of sales	(4 134.1)	-	(4 134.1)
Gross profit	2 829.2	-	2 829.2
Selling, marketing and distribution costs	(2 094.7)	1.7	(2 093.0)
Administrative costs	(395.8)	22.1	(373.7)
Other operating income/(expense), net	(47.0)	69.4	22.4
Operating result	291.7	93.2	384.9
EBITDA	857.0	93.2	950.2
Finance costs, net	(24.8)	-	(24.8)
Income tax	(114.7)	(14.1)	(128.8)
Profit for the period	152.2	79.1	231.3
- attributable to shareholders of the parent	158.8	79.1	237.9

One-offs:

- Net operating income from the sale of warehouse of CZK 2.9 mil. (in Slovenian segment).
- Costs connected with SAP implementation of CZK 6.3 mil. (in Slovenian segment).
- Costs connected with the liquidation of an inactive subsidiary in Sieldorfer of CZK 1.8 mil.
- Revenue from the sale of building of CZK 11.6 mil. (in Slovenian segment).
- Net operating income from the sale of production lines in Poland of CZK 37.8 mil.
- Costs of CZK 3.9 mil. connected with maintenance of Bielsk Podlaski plant and release of provision (in Polish segment).
- Costs of CZK 43.8 mil. connected with the closure of Grodzisk (in Polish segment).
- Net operating income of CZK 41.6 mil. from compensation and release of provision connected with prior years qualitative product complaints (in Polish segment).
- Impairment costs of CZK 112.4 mil. (in Polish segment).
- Acquisition costs – Czech operation incurred costs of CZK 14.5 mil.
- Costs of CZK 4.4 mil. connected with closing “Na grilu” operation in Ugo.

Group Results Comparison 12M*

Results comparison	12M17	12M16	Change	Change
	CZK mil.	CZK mil.	CZK mil.	%
Revenue	6 963.3	6 999.0	(35.7)	(0.5%)
Cost of sales	(4 134.1)	(4 211.6)	77.5	(1.8%)
Gross profit	2 829.2	2 787.4	41.8	1.5%
Selling, marketing and distribution costs	(2 093.0)	(1 876.9)	(216.1)	11.5%
Administrative costs	(373.7)	(403.1)	29.4	(7.3%)
Other operating income, net	22.4	33.9	(11.5)	(33.8%)
Operating result	384.9	541.3	(156.4)	(28.9%)
EBITDA	950.2	1 064.4	(114.2)	(10.7%)
Finance costs, net	(24.8)	(93.5)	68.7	(73.4%)
Income tax	(128.8)	(105.8)	(23.0)	21.8%
Profit for the period	231.3	342.0	(110.7)	(32.4%)
- attributable to shareholders of the parent	237.9	345.1	(107.2)	(31.1%)

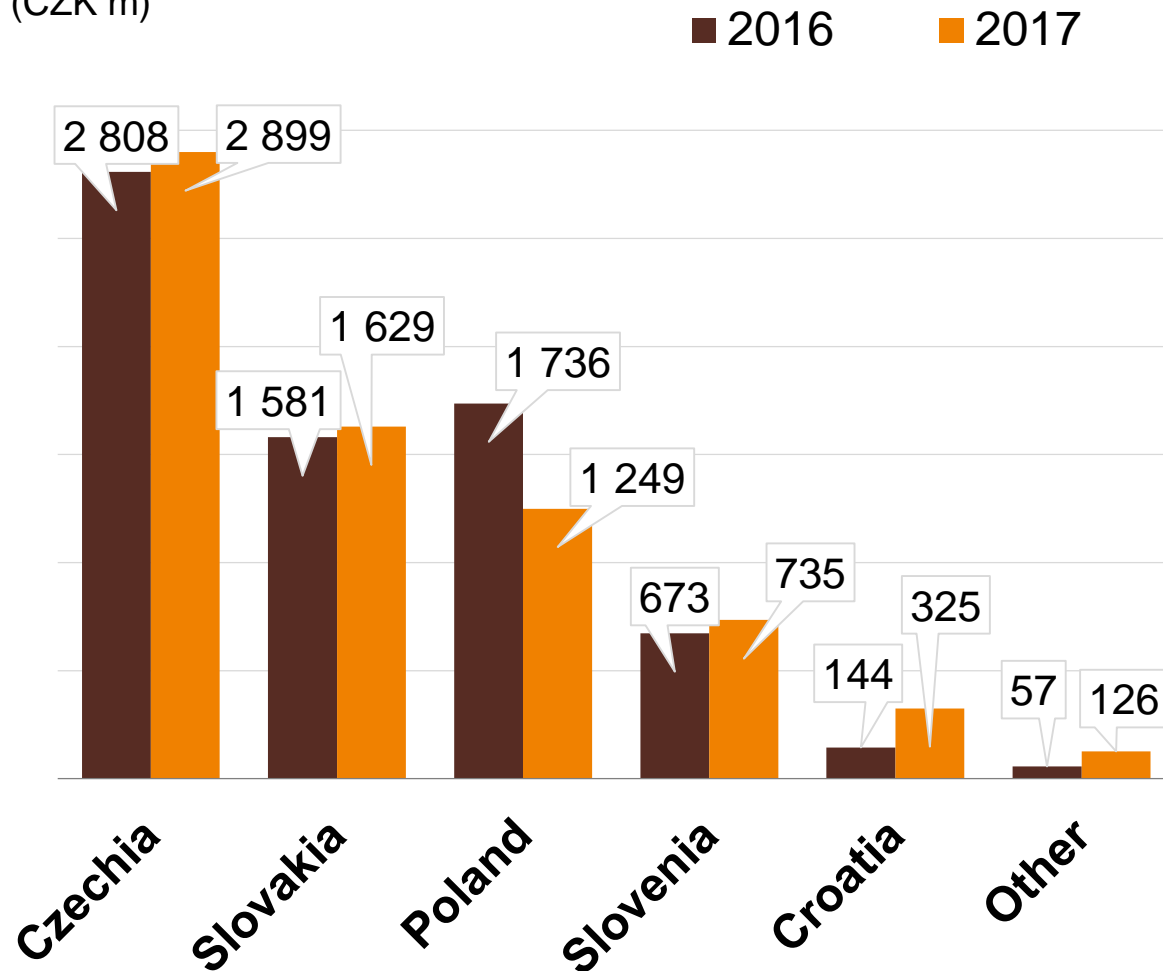
The Group's revenue without Poland increased by CZK 452 mil. (8.6%).

* adjusted for one-offs

- Revenue decrease caused by lower sales in Poland that were partially offset by the increase in CzechoSlovakia from Rajec, Rauch, Semtex and mainly Vinea, increased sales in Ugo and increased sales in Slovenia and Croatia.
- Increase of gross profit – net effect of increase in Adriatic, Ugo, Czechia and decrease in Poland and Slovakia. Gross profit margin increased by 0.8 p.p. from 39.83% in 2016 to 40.63% achieved in 2017.
- Selling costs increasing, influenced by increased costs of cca CZK 74 mil. in UGO (further expansion – increased number of larger bars, increased marketing costs – first TV campaign, increased salaries due to increased number of bars), also due to acquired Studenac and Premium Rosa subsidiaries – effect of CZK 109 mil., by increased costs in CzechoSlovakia (increased logistic and marketing costs) which were partly compensated by lower costs in Poland.
- Decreased admin costs, driven by decreased admin costs in CzechoSlovakia (lower salaries due to unpaid bonuses a post-merger savings).
- Increased financial result influenced by increased foreign exchange gains of cca CZK 39 mil., positive effect of revaluation derivatives of cca CZK 22 mil. and lower interest from loans.

Geographical segment sales (MCZK)

(CZK m)

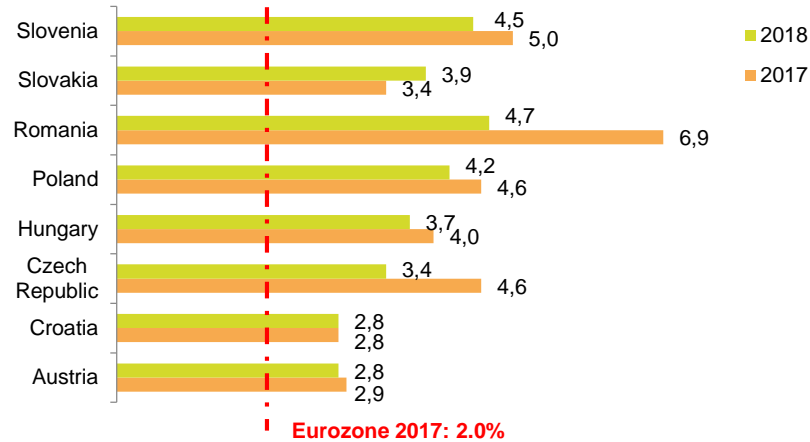


- **Czech Republic**
Revenues increased by 3.3%, due to increased sales of Rauch, Rajec, Vinea and Semtex. UGO increased revenue by 39.2%.
- **Slovakia**
Revenues growing by 3.0%, keeping leading position in both Retail and HoReCa segment in terms of market share. Sales in our most profitable HoReCa and Impulse channels grew, Impulse by double digits. Increased sales of both Rauch and Kofola brands.
- **Poland**
Revenue decreased by 28.1%, mainly due to lower sales of private labels and brands in traditional channel.
- **Adriatic region**
Adriatic segment shown increased revenue by 29.8%, also thanks to acquisition of Studenac – growing sales of brand Radenska in Croatia (post-acquisition synergies).

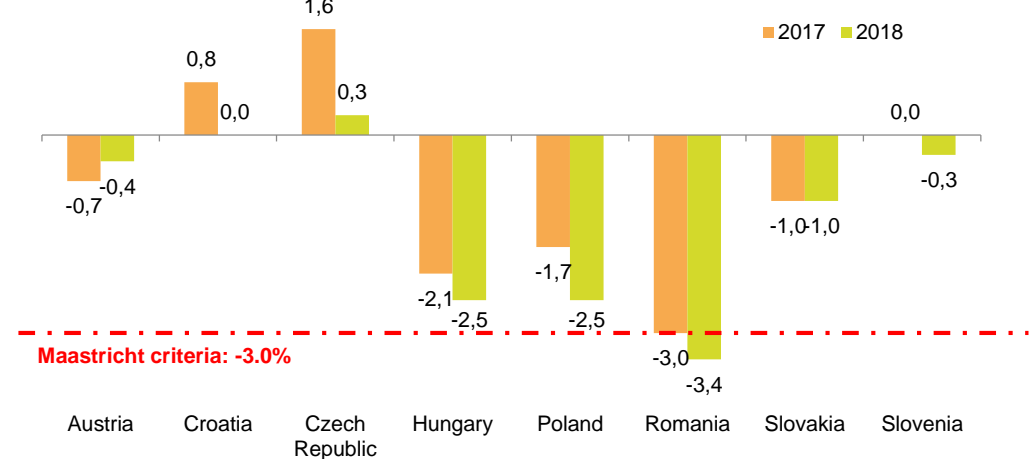
Macroeconomic forecast of CEE region

- Real GDP growth of between 2.8 – 4.7% is expected this year in CEE and Austria. Real GDP growth to be driven by solid domestic demand, as wage growth and declining unemployment support economic activity in CEE. Solid public finances across CEE.
- These are risks to the upside to our current GDP forecast as EU fund inflow is still relatively moderate and could surprise on the positive side.

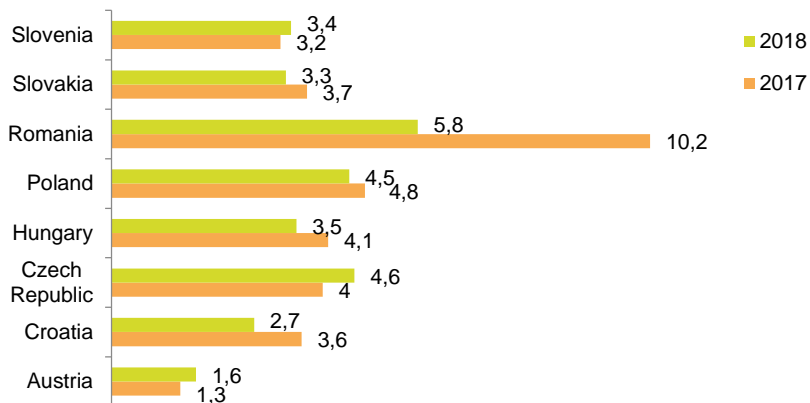
Real GDP growth



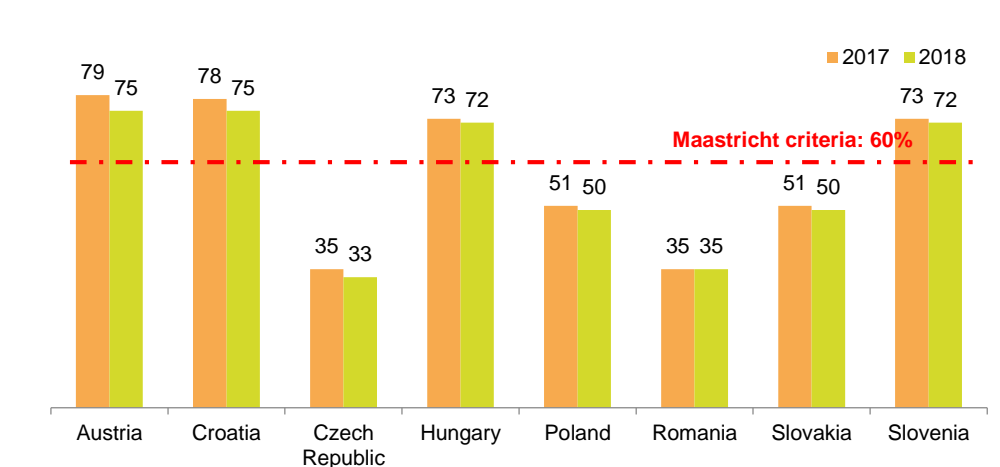
Budget balance (% of GDP)



Private consumption (y/y growth %)



Gross public debt (% of GDP)



Macroeconomic forecast of CEE region

Real GDP growth (%)	2016	2017f	2018f	2019f
Croatia	3.2	2.8	2.8	2.7
Czech Republic	2.5	4.6	3.4	2.9
Hungary	2.2	4.0	3.7	3.3
Poland	2.9	4.6	4.2	3.3
Romania	4.8	6.9	4.7	3.0
Serbia	2.8	1.9	2.8	3.0
Slovakia	3.3	3.4	3.9	4.2
Slovenia	3.1	5.0	4.5	4.1
CEE8 average	3.1	4.7	4.0	3.2

Average inflation (%)	2016	2017f	2018f	2019f
Croatia	-1.1	1.1	1.4	1.9
Czech Republic	0.7	2.5	2.1	1.9
Hungary	0.4	2.4	2.4	3.5
Poland	-0.6	2.0	1.7	2.2
Romania	-1.5	1.3	4.6	2.8
Serbia	1.6	3.0	2.9	3.6
Slovakia	-0.5	1.3	2.2	2.3
Slovenia	-0.1	1.4	1.5	1.8
CEE8 average	-0.4	1.9	2.4	2.4

Unemployment (%)	2016	2017f	2018f	2019f
Croatia	13.1	11.3	10.1	9.2
Czech Republic	3.6	2.4	2.6	3.1
Hungary	5.1	4.2	3.9	3.9
Poland	8.9	7.2	6.5	6.7
Romania	5.9	4.9	4.9	5.0
Serbia	15.3	13.2	11.6	11.1
Slovakia	9.6	8.1	7.2	6.6
Slovenia	8.0	6.8	6.3	5.8
CEE8 average	7.6	6.2	5.7	5.7

Public debt (%GDP)	2016	2017f	2018f	2019f
Croatia	80.6	78.0	74.8	71.9
Czech Republic	36.8	34.6	33.4	23.6
Hungary	73.9	72.6	71.5	69.7
Poland	54.2	50.6	50.2	52.9
Romania	37.6	35.2	34.8	35.4
Serbia	71.9	61.3	58.4	55.2
Slovakia	51.8	50.9	49.8	47.3
Slovenia	78.3	72.8	71.5	67.7
CEE8 average	53.4	50.3	49.3	49.4

Private consumption (%)	2016	2017f	2018f	2019f
Croatia	3.5	3.6	2.7	2.5
Czech Republic	3.6	4.0	4.6	3.4
Hungary	3.8	4.1	3.5	3.2
Poland	3.8	4.8	4.5	4.0
Romania	7.3	10.2	5.8	4.0
Serbia	0.8	1.8	3.5	3.8
Slovakia	2.6	3.7	3.3	2.9
Slovenia	4.3	3.2	3.4	3.3
CEE8 average	4.1	5.1	4.4	3.7

Budget Balance (%GDP)	2016	2017f	2018f	2019f
Croatia	-0.9	0.8	0.0	-0.5
Czech Republic	0.7	1.6	0.3	0.3
Hungary	-1.9	-2.1	-2.5	-2.5
Poland	-2.4	-1.5	-2.5	-2.3
Romania	-3.0	-3.0	-3.4	-2.9
Serbia	-1.3	1.2	-0.5	-0.5
Slovakia	-2.2	-1.0	-1.0	-0.6
Slovenia	-1.8	0.0	-0.3	0.0
CEE8 average	-1.8	-1.0	-1.8	-1.6