



2016 RESULTS

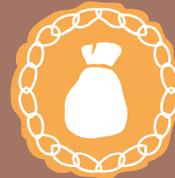
Investor presentation



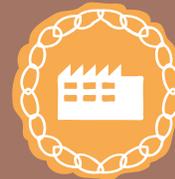
20 March 2017

The Kofola Group

One of the most significant producers of non-alcoholic beverages in Central and Eastern Europe



Revenues 2016: € 259M
EBITDA 2016: € 39M



7 production plants



2,100 employees



countries for expansion

EUR/CZK ex. rate: 27.033

Kofola Group in figures



CZECHIA

- **No. 2 player** in the soft drinks market
- **Kofola and Jupí the most trustful brands in 2016 survey***
- **3rd most admired company in 2016 survey****



SLOVAKIA

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



POLAND

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



SLOVENIA

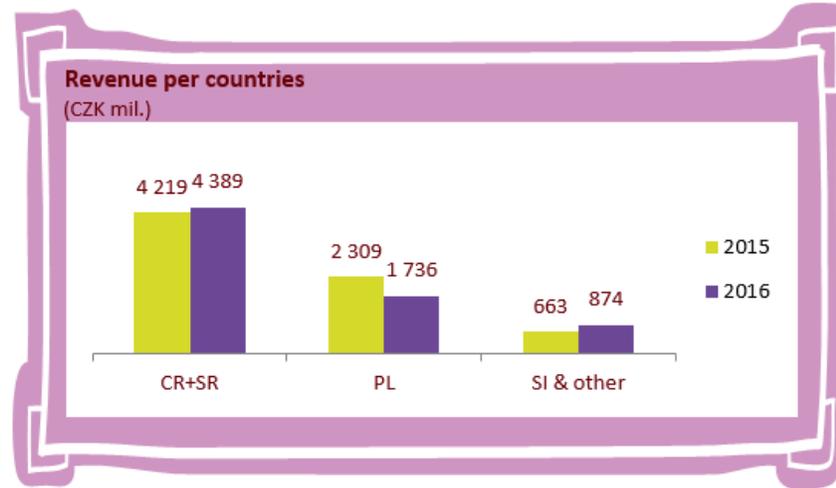
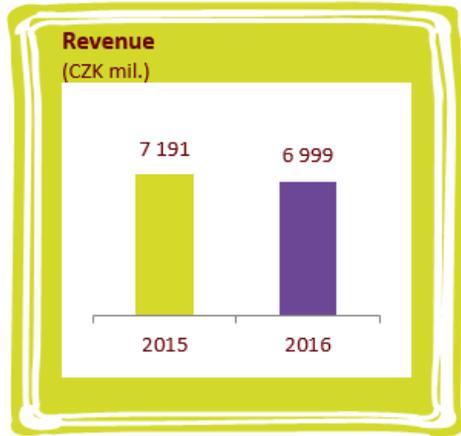
- **No. 1 player in the soft drinks market in Slovenia**
- **No. 1 water brand** in both Retail & HoReCa



CROATIA

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

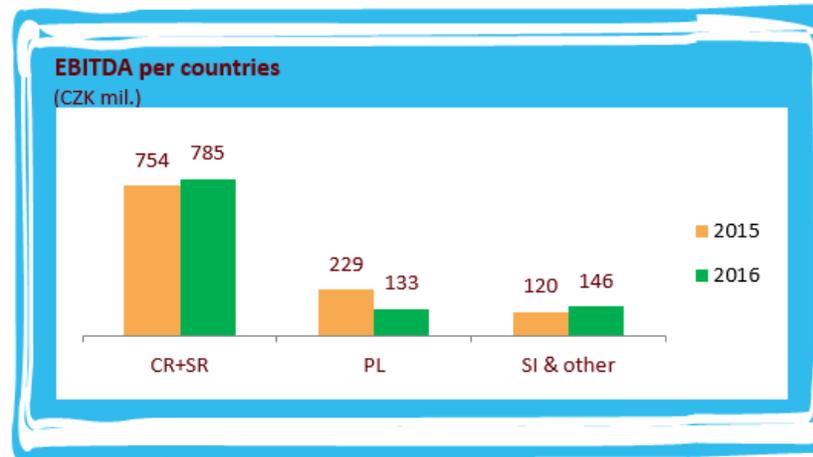
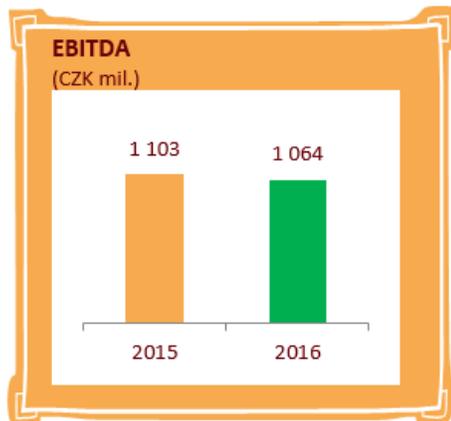
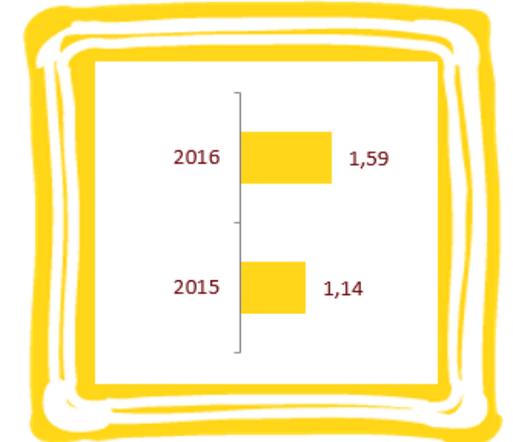
Kofola Group Key Highlights*



Profit for the period
(CZK mil.)



Net debt / EBITDA



EBITDA margin
(%)



* adjusted for one-offs

Results of Kofola Group - 2016

Reconciliation of reported and adjusted results	Reported	One-offs	Adjusted
	CZK mil.	CZK mil.	CZK mil.
Revenue	6 999.0	-	6 999.0
Cost of sales	(4 210.5)	(1.1)	(4 211.6)
Gross profit	2 788.5	(1.1)	2 787.4
Selling, marketing and distribution costs	(1 911.0)	31.1	(1 876.9)
Administrative costs	(445.0)	41.9	(403.1)
Other operating income/(expense), net	(168.6)	202.5	33.9
Operating result	263.9	277.4	541.3
EBITDA	786.9	277.4	1 064.3
Finance costs, net	(93.5)	-	(93.5)
Income tax	(87.0)	(18.8)	(105.8)
Profit for the period	83.4	258.6	342.1
- attributable to shareholders of the parent	86.4	258.6	345.1

One-offs:

- Closure of Bielsk and reorganization costs – CZK 36 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 (non-cash)
- Assets impairments – CZK 24 mil. (non-cash)

Group Results Comparison*

Results comparison	2016	2015	Change	Change
	CZK mil.	CZK mil.	CZK mil.	%
Revenue	6 999.0	7 190.8	(191.8)	(2.7%)
Cost of sales	(4 211.6)	(4 352.1)	140.5	(3.2%)
Gross profit	2 787.4	2 838.7	(51.3)	(1.8%)
Selling, marketing and distribution costs	(1 876.9)	(1 884.4)	7.5	(0.4%)
Administrative costs	(403.1)	(385.5)	(17.6)	4.6%
Other operating income, net	33.9	20.6	13.3	64.8%
Operating result	541.3	589.4	(48.1)	(8.2%)
EBITDA	1 064.3	1 102.6	(38.3)	(3.5%)
Finance costs, net	(93.5)	(112.4)	18.9	(16.8%)
Income tax	(105.8)	(103.1)	(2.7)	2.6%
Profit for the period	342.1	373.9	(31.8)	(8.5%)
- attributable to shareholders of the parent	345.1	372.2	(27.1)	(7.3%)

- Revenue decrease attributable to Poland, mostly offset by growth of Radenska, Rauch and Ugo.
- Group selling costs flat, net effect of decreased costs in Poland and increased costs in Adriatic and Ugo.
- Increased admin costs, net effect of increased admin costs in Adriatic which exceeded decreased costs in Poland.
- Net finance costs decreased due to decreased foreign exchange losses (by CZK 13 mil.) and decreased loss from revaluation of derivatives (by CZK 9 mil.)

The Group's Revenue without Poland increased by CZK 381 mil. (7.8%).

The Group's EBITDA without Poland increased by CZK 57 mil. (6.6%).

* adjusted for one-offs

4Q Group Results Comparison*

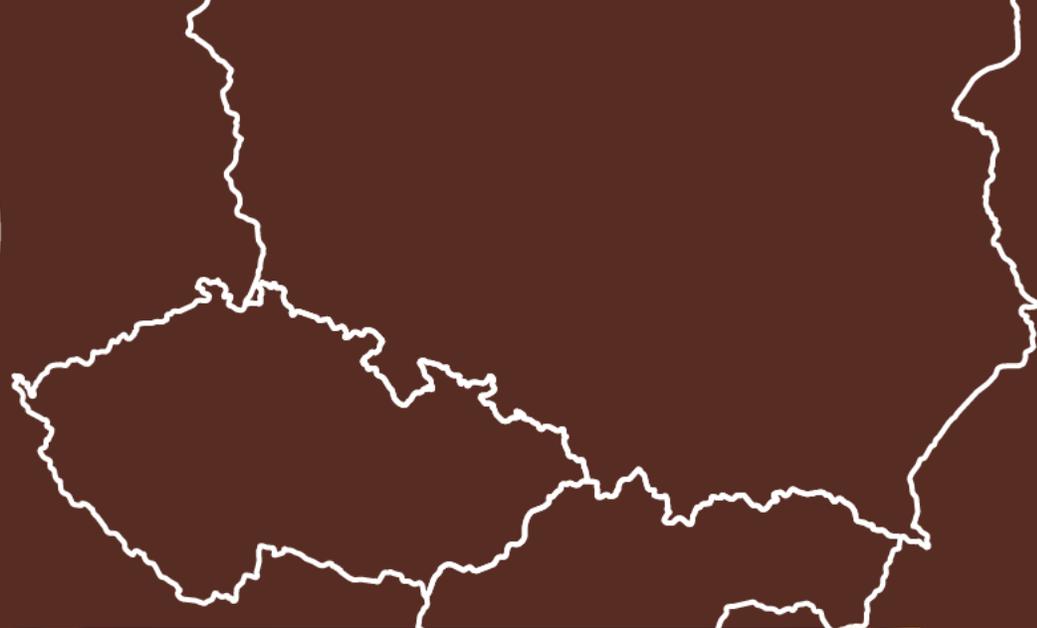
Results comparison	4Q2016	4Q2015	Change	Change
	CZK mil.	CZK mil.	CZK mil.	%
Revenue	1 573.2	1 630.9	(57.7)	(3.5%)
Cost of sales	(973.9)	(1 086.1)	112.2	(10.3%)
Gross profit	599.3	544.8	54.5	10.0%
Selling, marketing and distribution costs	(433.5)	(485.9)	52.3	(10.8%)
Administrative costs	(88.9)	(73.0)	(15.9)	21.8%
Other operating income, net	2.5	(5.4)	7.9	(146.3%)
Operating result	79.3	(19.5)	98.8	(507.8%)
EBITDA	213.2	114.1	99.1	86.9%
Finance costs, net	(23.2)	(38.2)	15.0	(39.2%)
Income tax	(43.4)	(25.2)	(18.2)	71.7%
Profit for the period	12.7	(82.9)	95.6	(115.3%)
- attributable to shareholders of the parent	14.0	(82.3)	96.3	(117.0%)

- Revenue decreased mainly in Poland (by CZK 93 mil.).
- Administrative costs increased mainly in CzechoSlovakia and Slovenia.
- Net finance costs decreased by CZK 15 mil., mainly by decreased foreign exchange losses (lower by CZK 5 mil.) and decreased loss from revaluation of derivatives (lower by CZK 12 mil.).

The Group's revenue without Poland increased by CZK 35 mil. (3.0%).

The Group's EBITDA without Poland increased by CZK 55 mil. (48.4%).

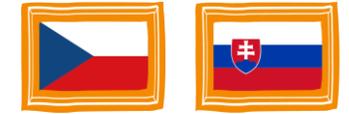
* adjusted for one-offs



Country Overview

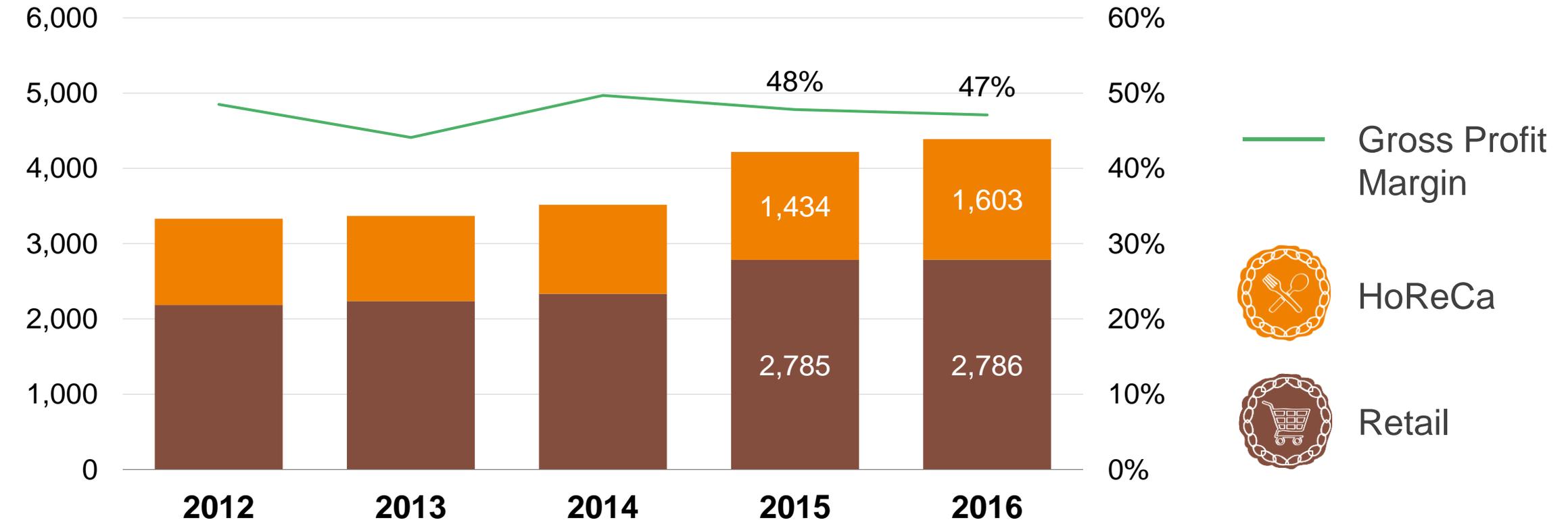


CZ & SK: Solid results & strong brands position



Kofola sales on Retail & HoReCa
CzechoSlovak market

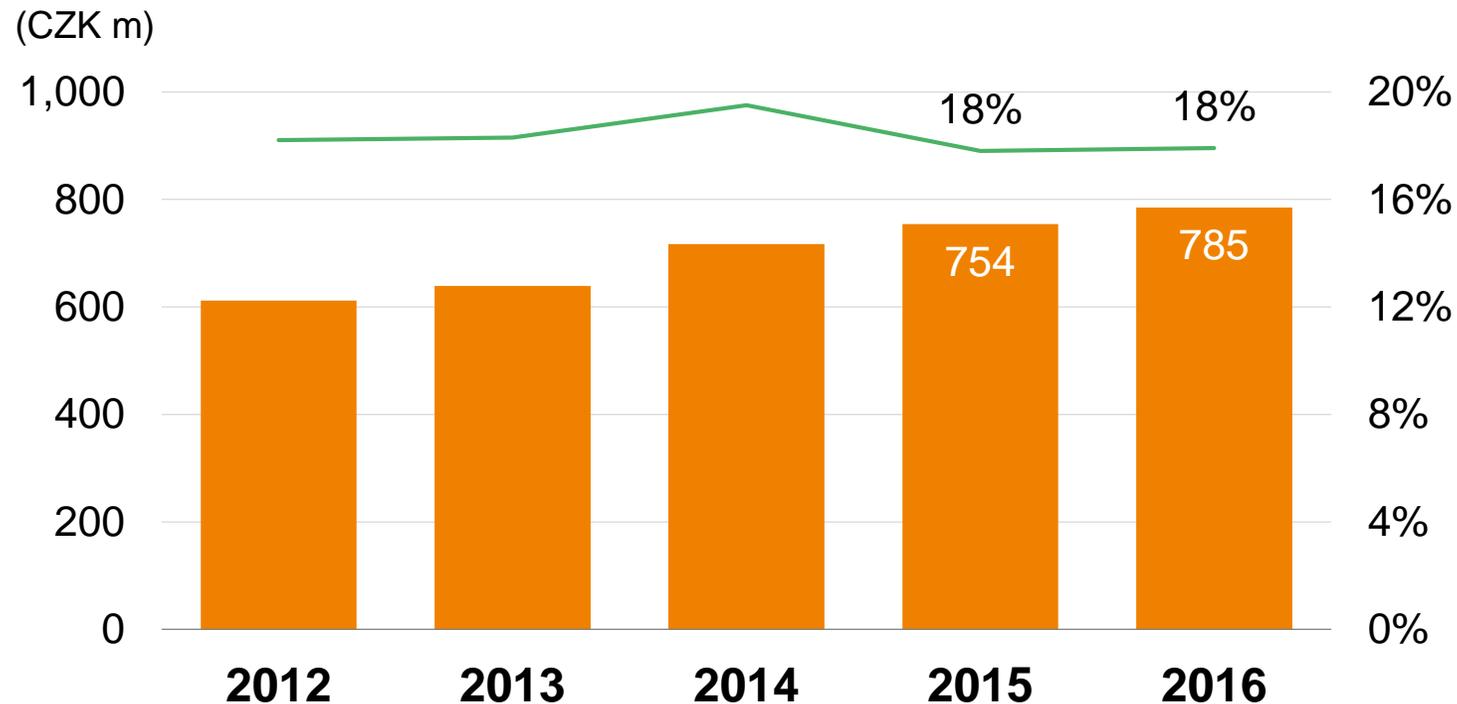
(CZK m)



Key CzechoSlovak segment with rising EBITDA



Adjusted EBITDA & EBITDA margin



- High EBITDA margin reflects high operational efficiency due to high market share and share of HoReCa business

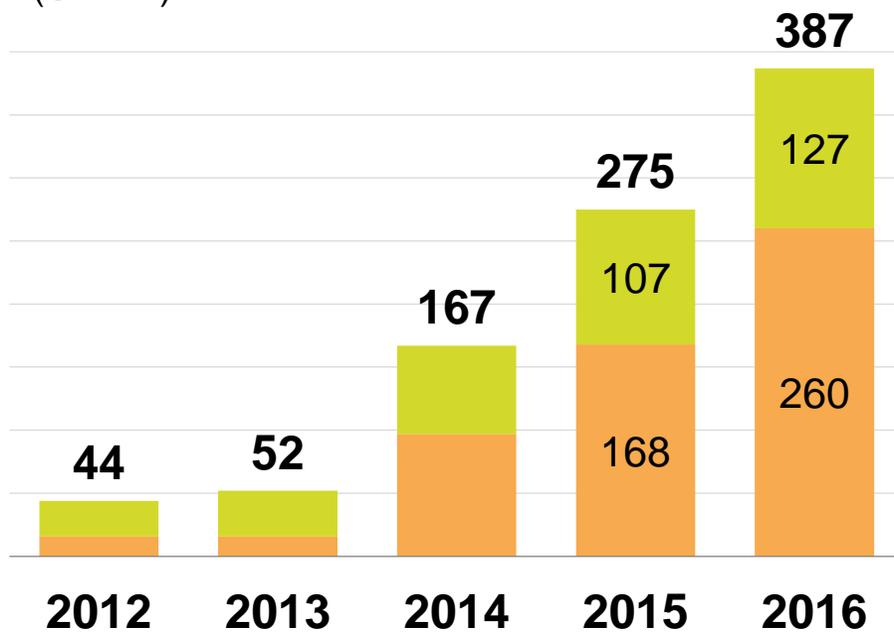
Share in group's
EBITDA: 74%

Fresh juice concept committed to a healthy lifestyle

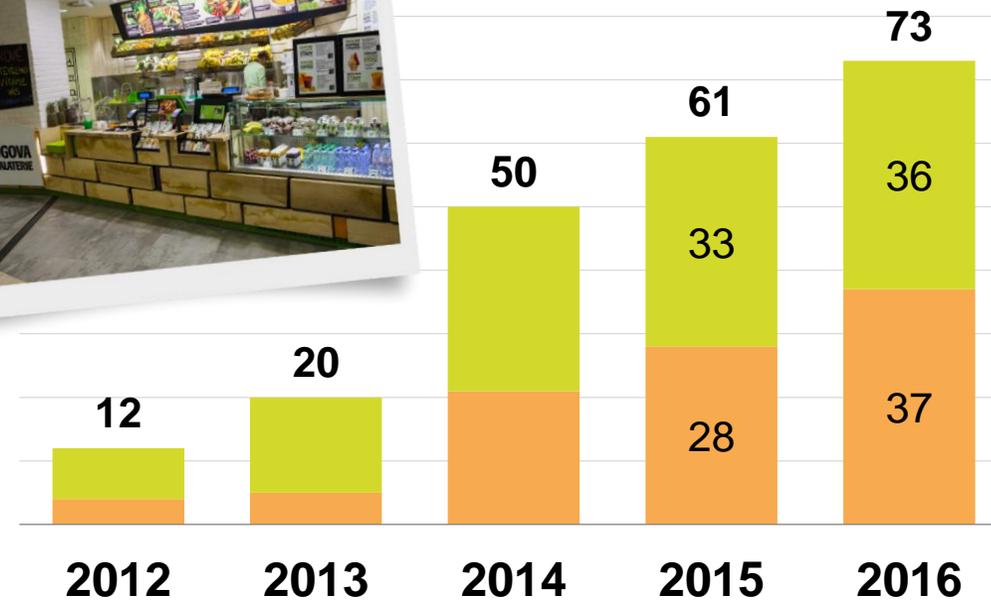


Mr. Ugo sales + Ugo franchise sales

(CZK m)



Substantial increase in number of bars



Own

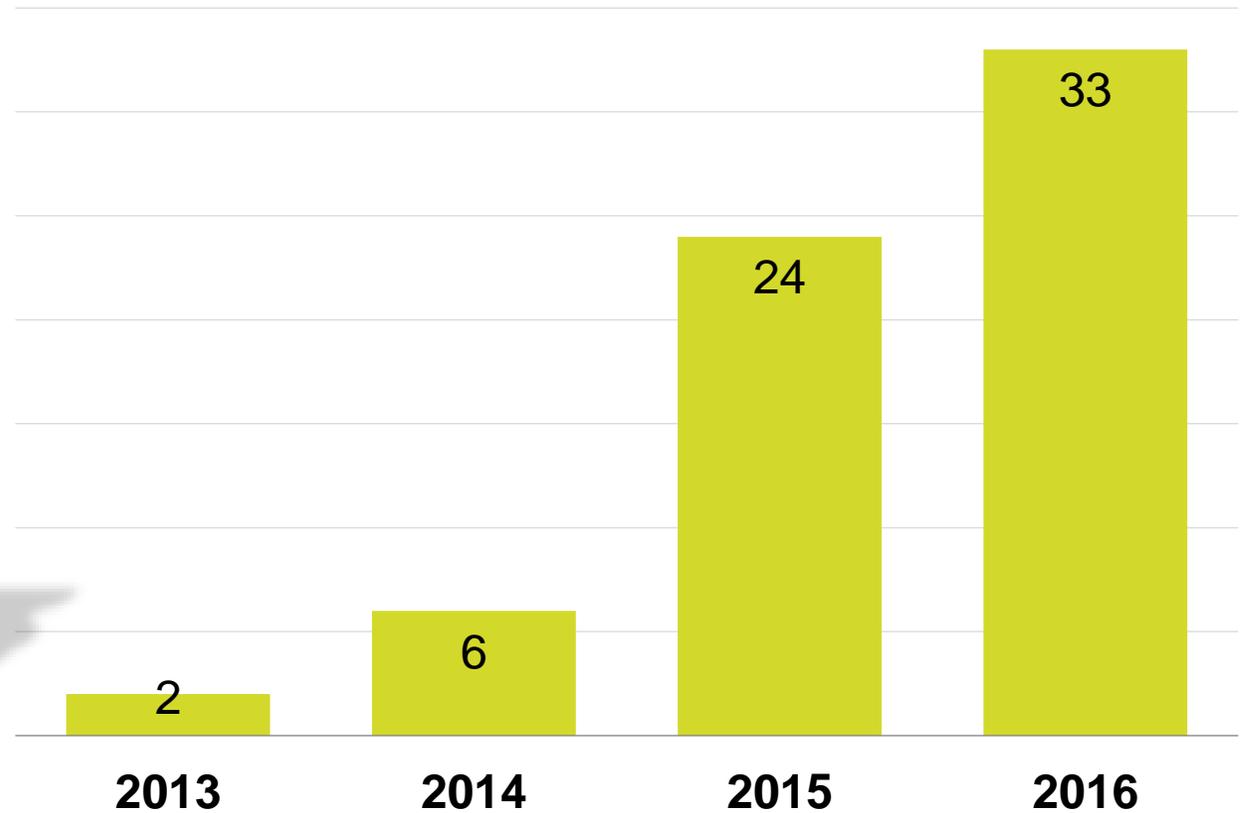
Franchises



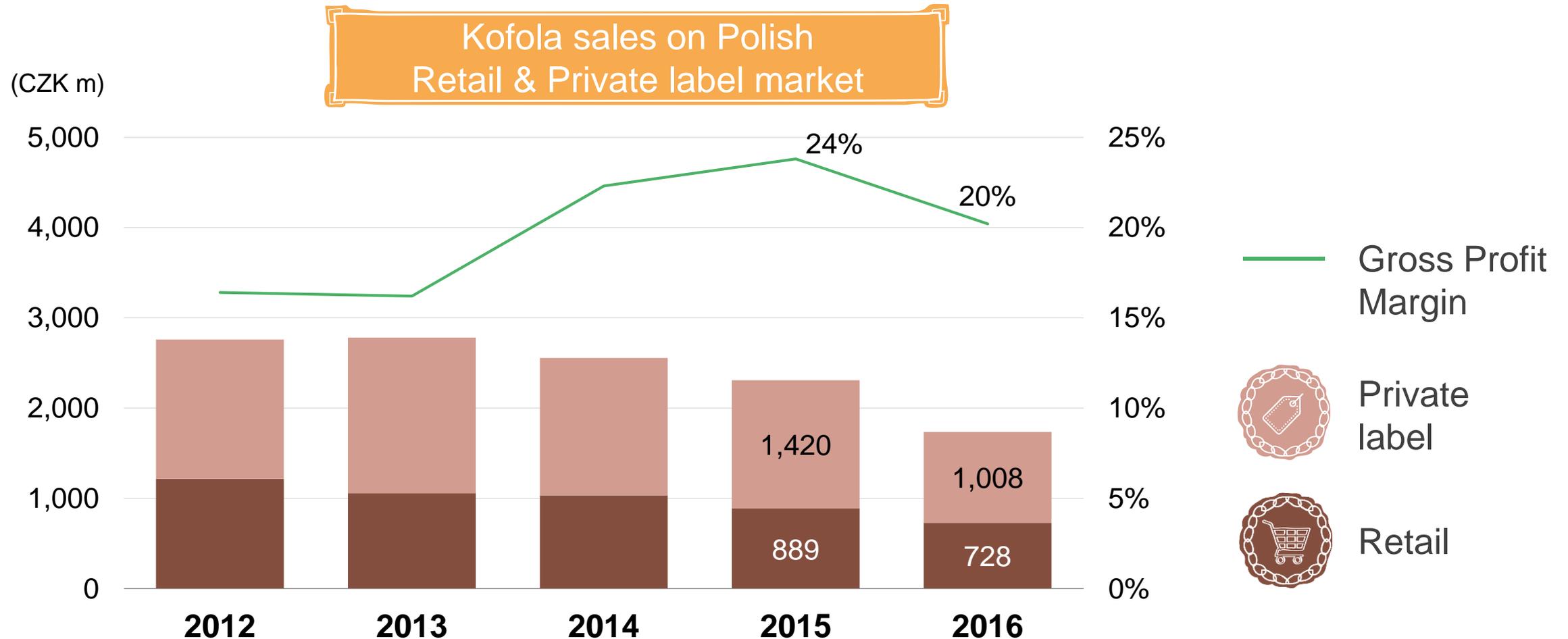
Excellent growth of Ugo bottles sales



(CZK m)



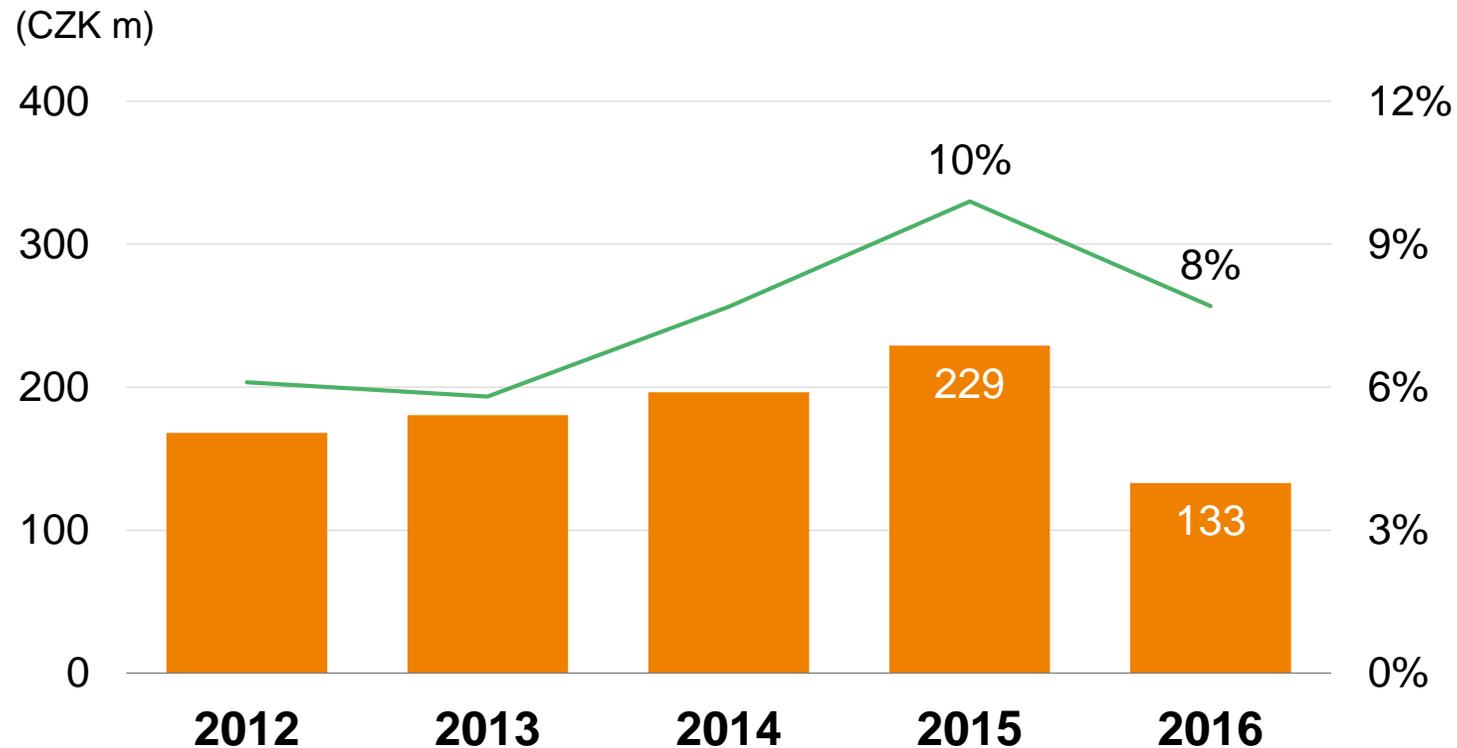
Polish market: Change of business model



Ebitda margin decrease



Adjusted EBITDA & EBITDA margin



- Market investments should be financed by further cost reduction resulting from business optimization

Share in group's
EBITDA: 12.5%
(2015: 21%)

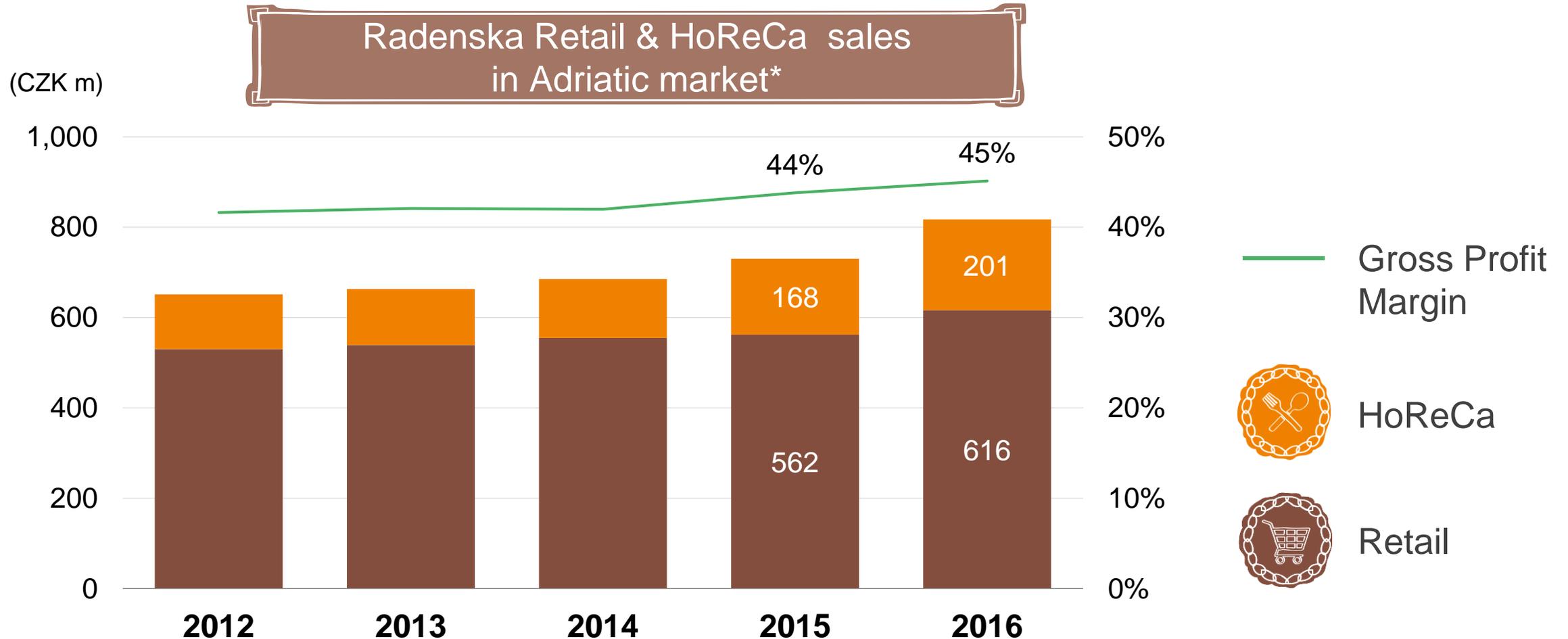
New Polish strategy - project up to 2018



- New management appointed
- Production efficiency optimization with focus on own brands, supported by private labels
- Development/acquisitions of additional 2–3 brands
- Lower sales but standard profitability (10%)
- Discontinuation of production in Bielsk Podlaski with concentration of production in two remaining production facilities will lead to improved competitiveness



Adriatic market: Developing strong brands

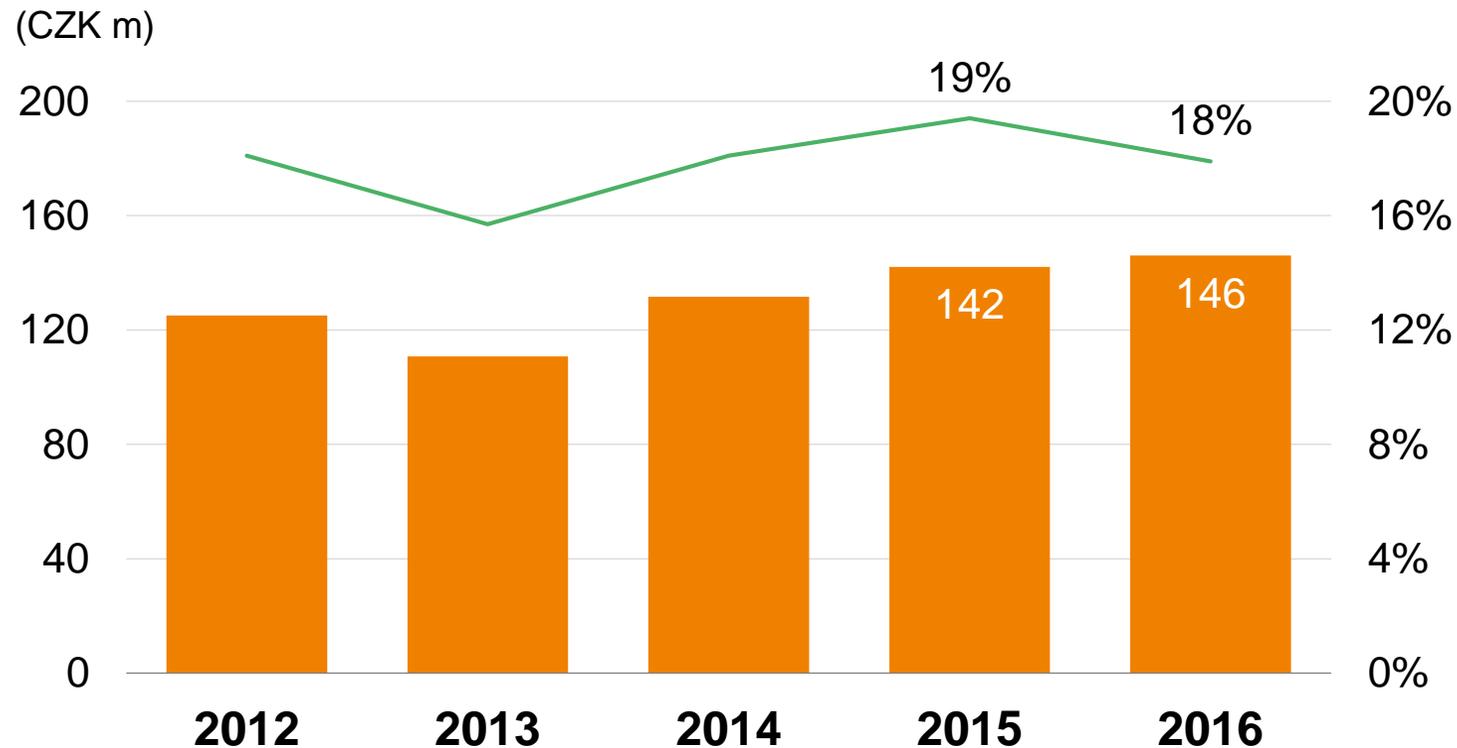


* based on geographical segment data; 2012–2014 based on publicly available Radenska historical financial statements (source: www.ajpes.si) and management data, adjusted data, including preacquisition result in 1Q2015

Margins reflecting competitive strength of Radenska



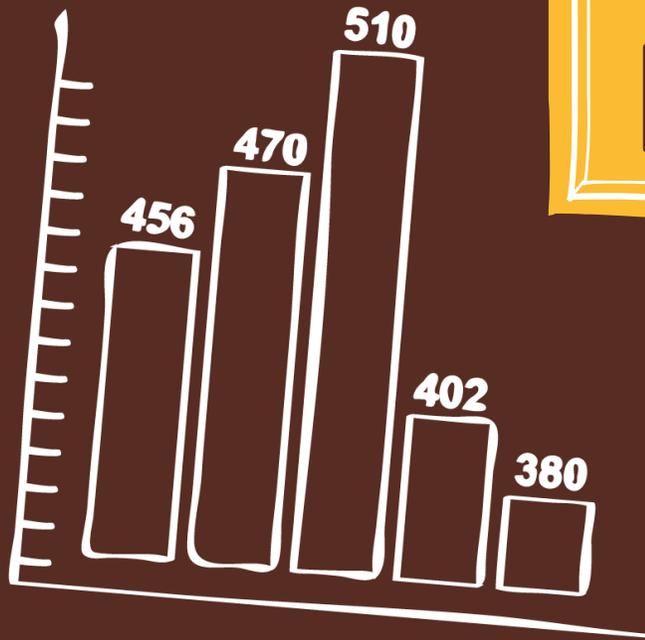
Adjusted EBITDA & EBITDA margin*



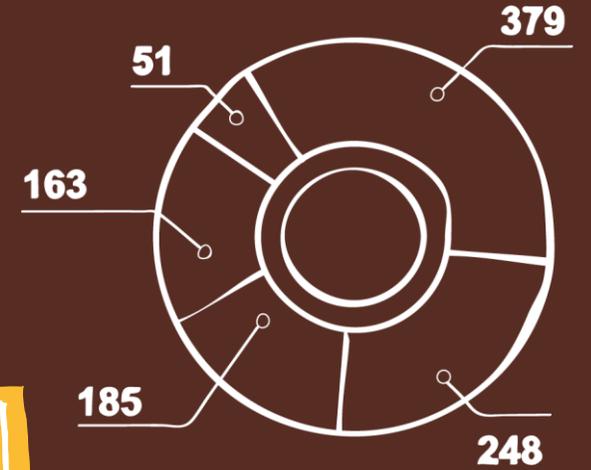
- Limited contribution to margin from other brands. Still room to grow in HoReCa with full soft drink portfolio
- EBITDA margin should improve in near future due to post acquisition synergies

Share in group's
EBITDA: 14%

* based on geographical segment data; 2012–2014 based on publicly available Radenska historical financial statements (source: www.ajpes.si) and management data, adjusted data, including preacquisition result in 1Q2015



Consolidated Financial Performance Indicators



Consolidated Revenues

(CZK m)

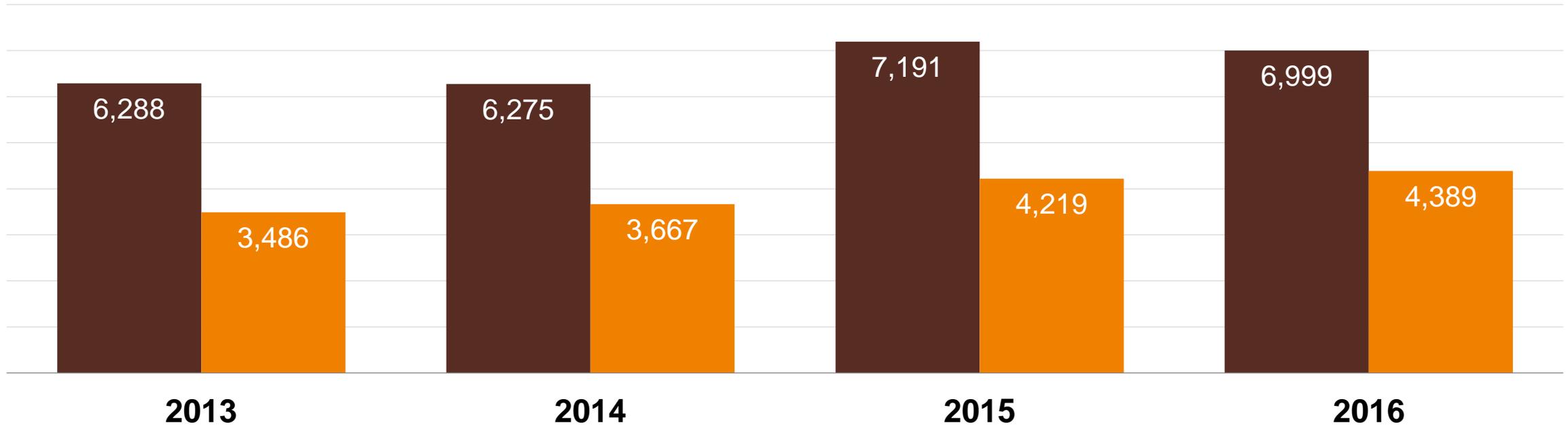
CAGR

+4%

+8%

■ Total

■ CZ+SK

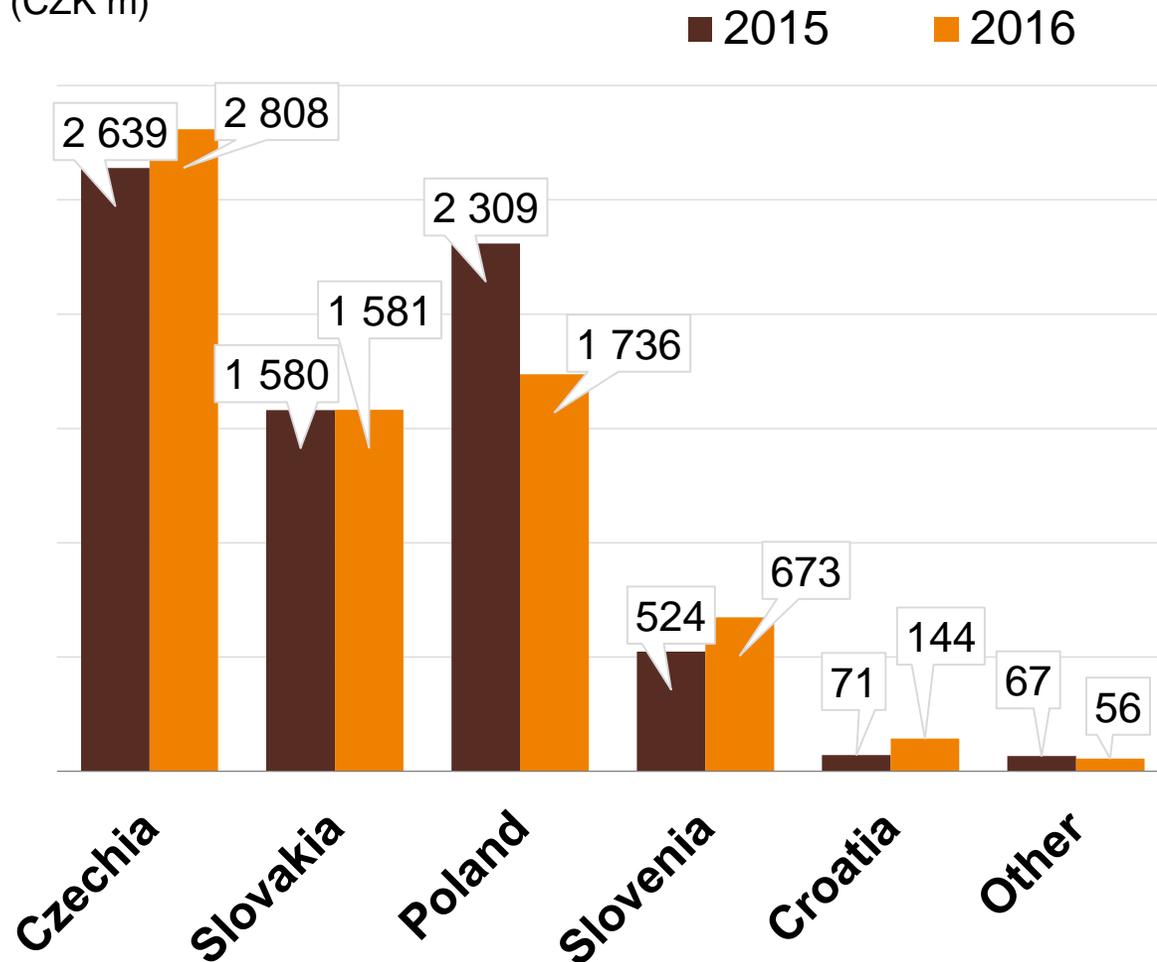


- 2016- very good performance on Czech and Slovak markets but overall performance influenced by Poland
- Strong sales in 2015 influenced by exceptional weather

CAGR calculated between 2016 and 2013

Geographical segment sales (MCZK)

(CZK m)



- **Czech Republic**

Revenues increased by 6.4%, mainly due to production and distribution of Rauch products, increased sales of Kofola and Semtex. Sales in our most profitable HoReCa and Impulse channels grew, Impulse by double digits. UGO generated increased revenue of 53%.

- **Slovakia**

Revenues flat, but keeping leading position in the retail segment as well as HoReCa segment in terms of market share. Sales in our most profitable HoReCa and Impulse channels grew, Impulse by double digits.

- **Poland**

Revenue decreased by 24.8%, mainly due to lower sales of private labels and brands in traditional channel.

- **Adriatic region**

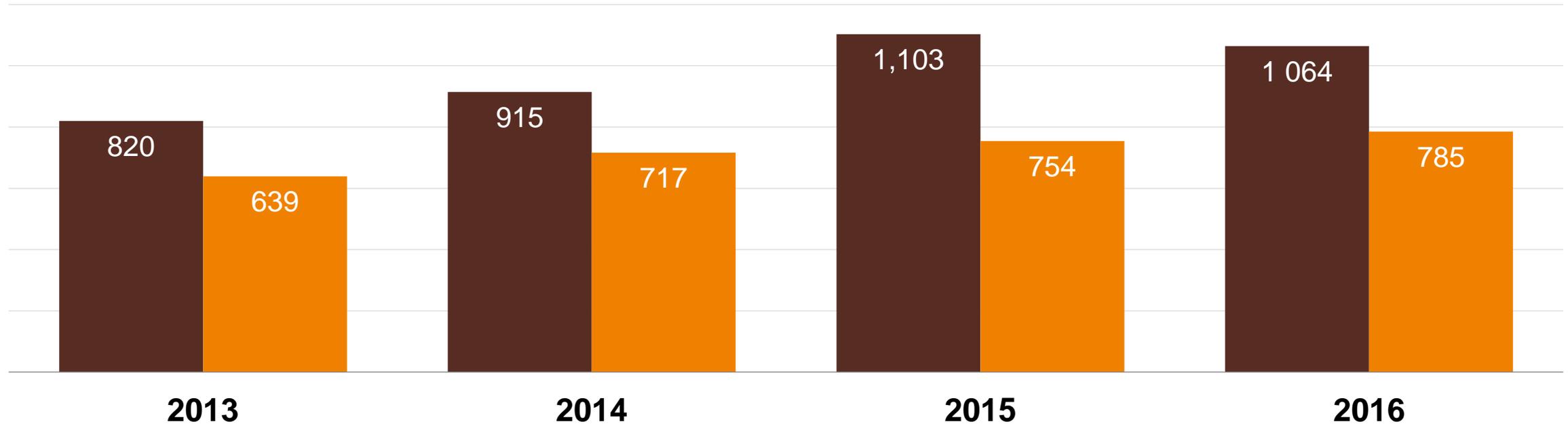
Adriatic segment acquired in March 2015 shown increased revenue of 11.9% (like-to-like increase), also thanks to PepsiCo distribution in Croatia. Radenska holds its clear leading position in Waters segment.

Consolidated adjusted EBITDA

(CZK m)

CAGR +9% +7%

■ Total ■ CZ+SK

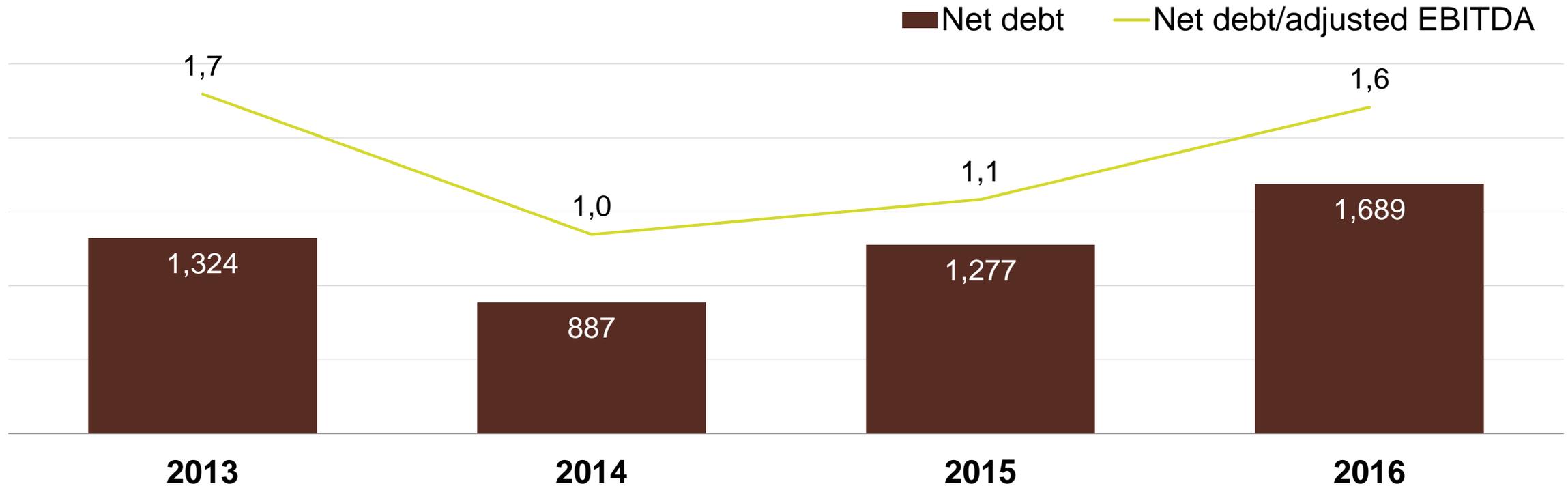


- EBITDA growth in 2012–2015 resulting from business improvement on all Kofola markets and channels,
- lower total EBITDA in 2016, but CZ+SK+Adriatic shows stable growth

CAGR calculated between 2016 and 2013

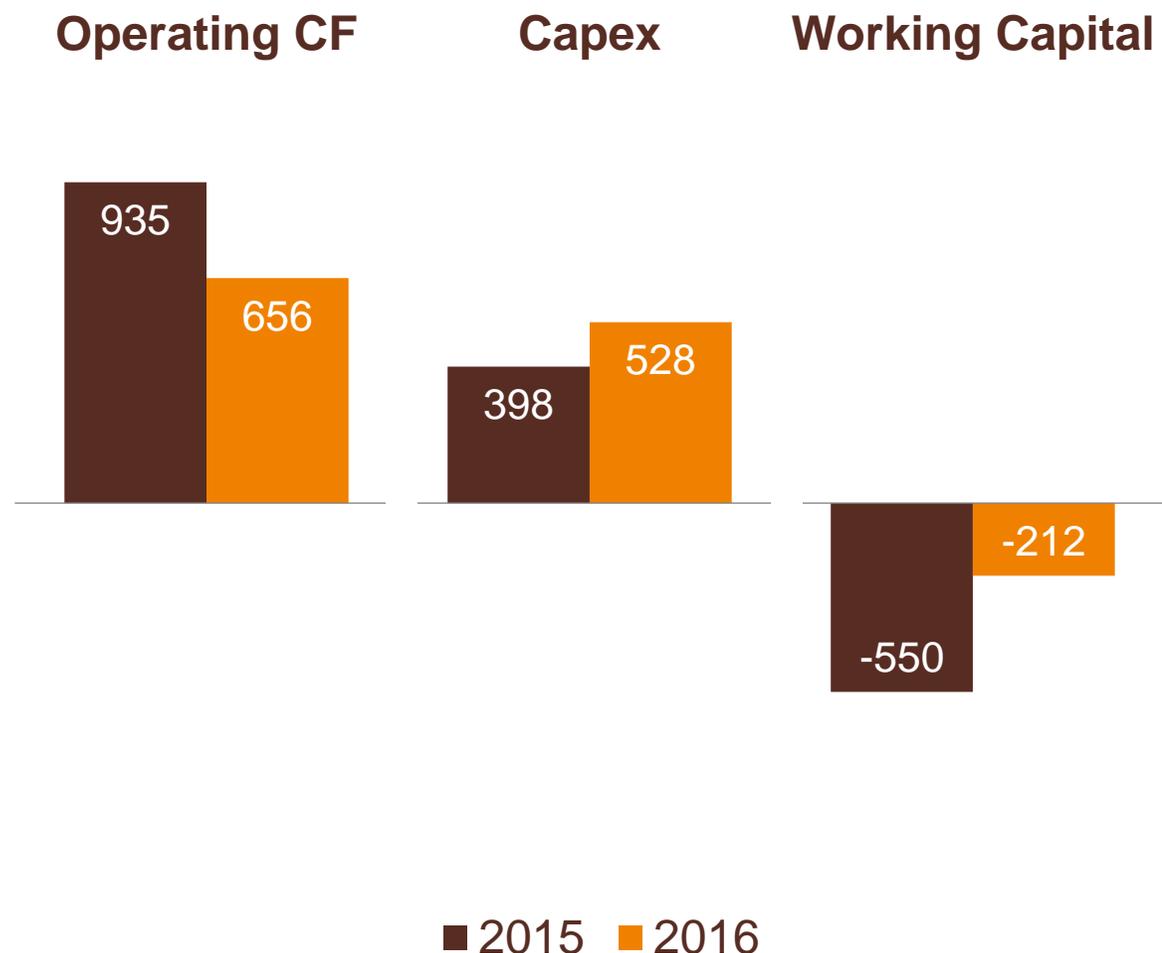
Consolidated NET DEBT

(CZK m)



- Reduction in debt over 2013–2014 due to lack of significant investments
- Radenska acquisition debt impact visible in 2015
- Net debt in 2016 influenced by decreased cash balance due to higher capex, Studenac acquisition and dividend payment

Operating cash flow, Capex and Working Capital (CZK mil.)



- Decrease of operating CF – effect of Polish activity (CZK 181 mil.) caused by strong cash-EBITDA in 2015, higher receivables at YE 2016 (Christmas sales) and decreased payables due to lower purchases. Effect of Adriatic activities (CZK 89 mil.) caused by acquisition at the end of 1Q2015, when less favourable (off-season) 1Q2015 is not included in 2015 CF and by higher receivables at YE 2016 due to increased sales of Pepsi and Christmas sales.

- Increase of Capex – new production hall in Poland (CZK 100 mil.)

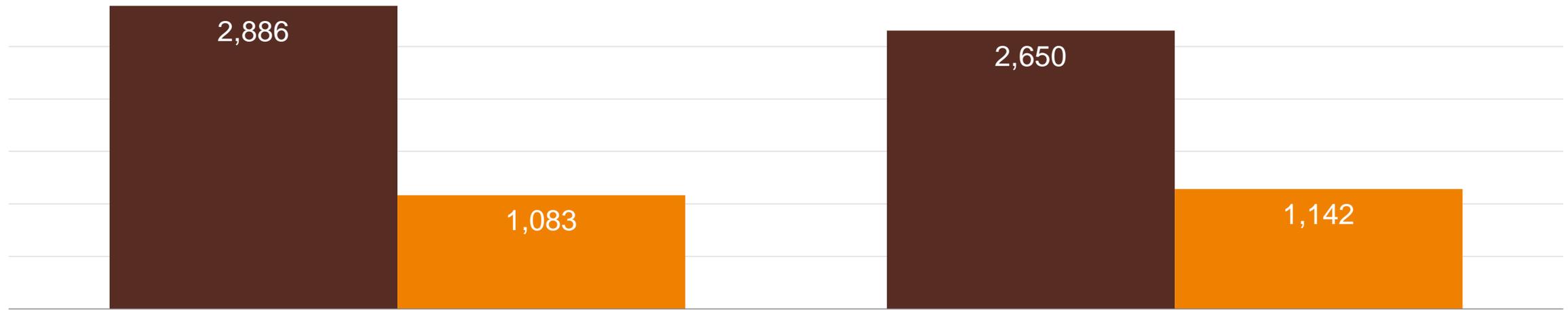
- Increase of working capital influenced by the decrease of payables (CZK 206 mil.) mainly in Poland and increase of receivables (CZK 147 mil.) in CzechoSlovakia and Adriatic.

Production costs

(CZK m)

Kofola's index of sugar price
2016 vs. 2012: 0.62

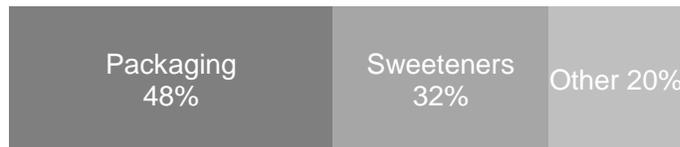
■ Direct material cost ■ Production and other cost



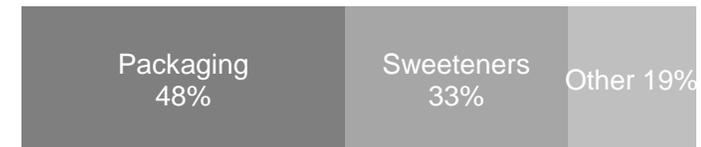
2015

2016

Direct material costs structure



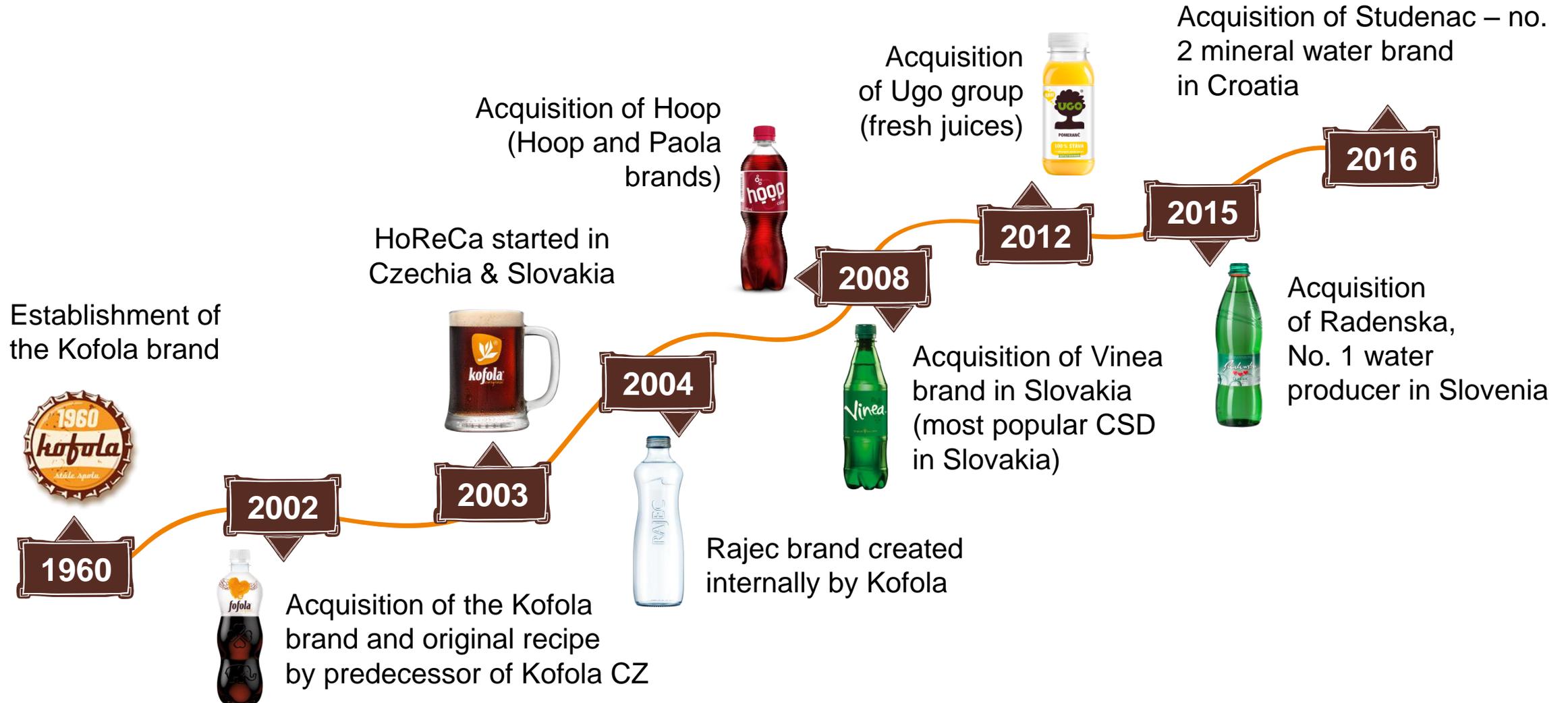
Direct material costs structure



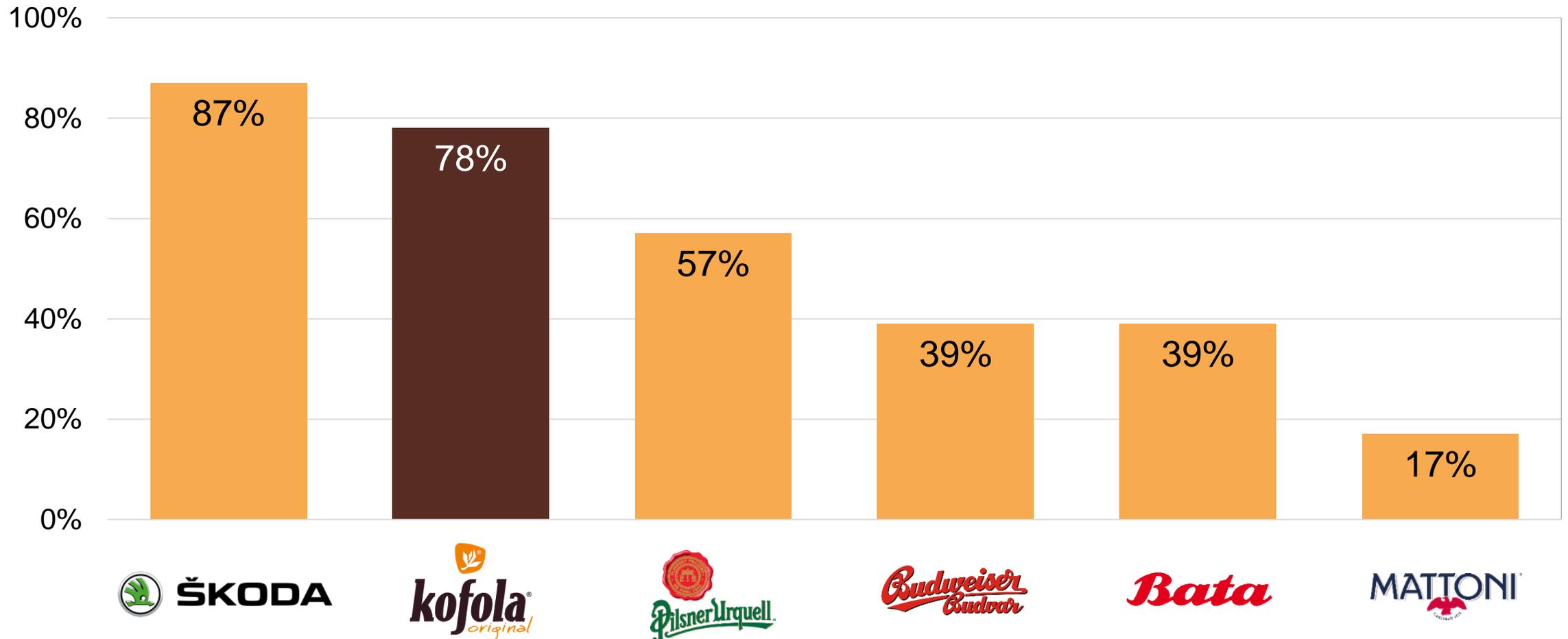


Kofola INFO

History of successful acquisitions and development



Kofola is 2nd best traditional Czech brand



The complete portfolio of strong brands



Segment positions

Legend:

○ Leader ○ Viceleader

	PL	CZ	SK	SI
Cola beverages	3	2	1	3
Carbonated beverages	-	3	1	2
Waters	-	4	2	1
Syrups and concentrates	2	1	2	-
Beverages for children	6	2	2	-
Energy drinks	-	4	5	-

Strong second position in Czech market and leading position in Slovak market.

Leading position in carbonated beverages segment in Slovakia was achieved due to acquisition and further development of Vinea brand.

No. 1 in the natural spring waters in Slovakia and Slovenia. Position achieved due to innovations.

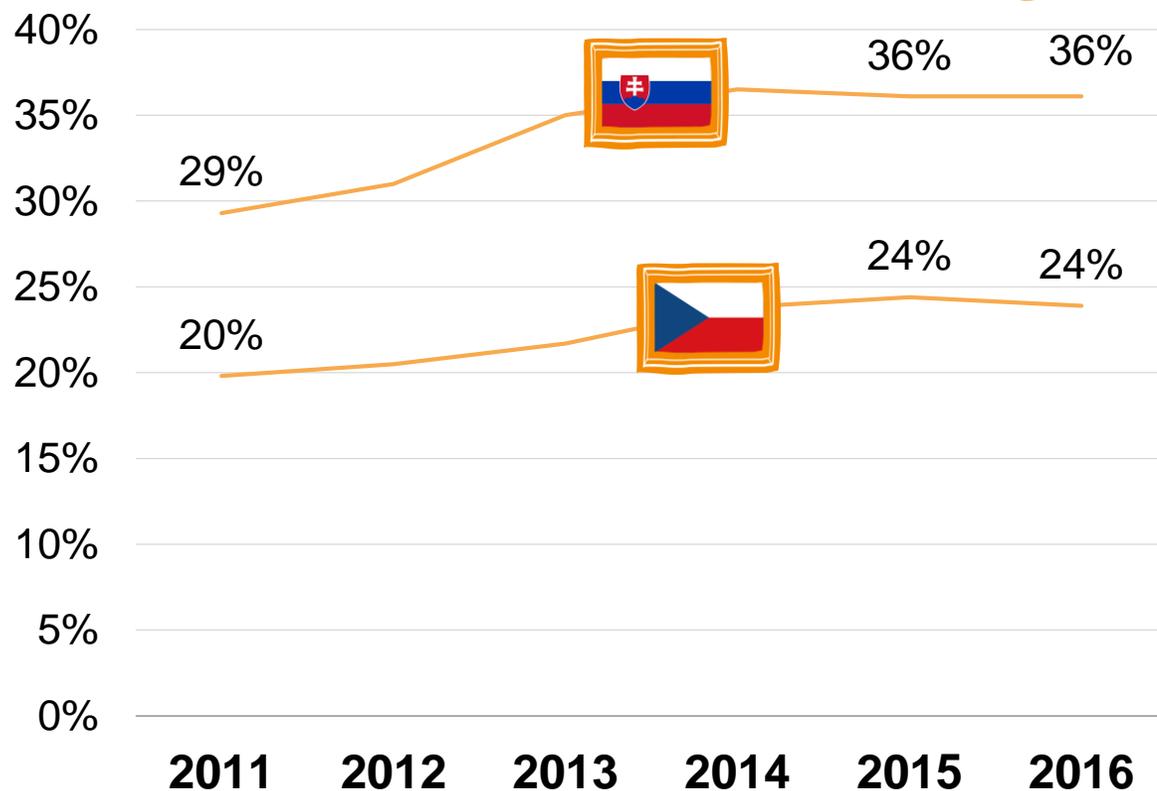
Jupi is a clear leader in the syrup segment in the Czech Republic and a viceleader in Slovakia thanks to implemented innovations. Second place of Paola syrup in Poland.

Innovative activities in the segment of beverages for children in the Czech and Slovak markets (Jupík, Jupík Aqua).

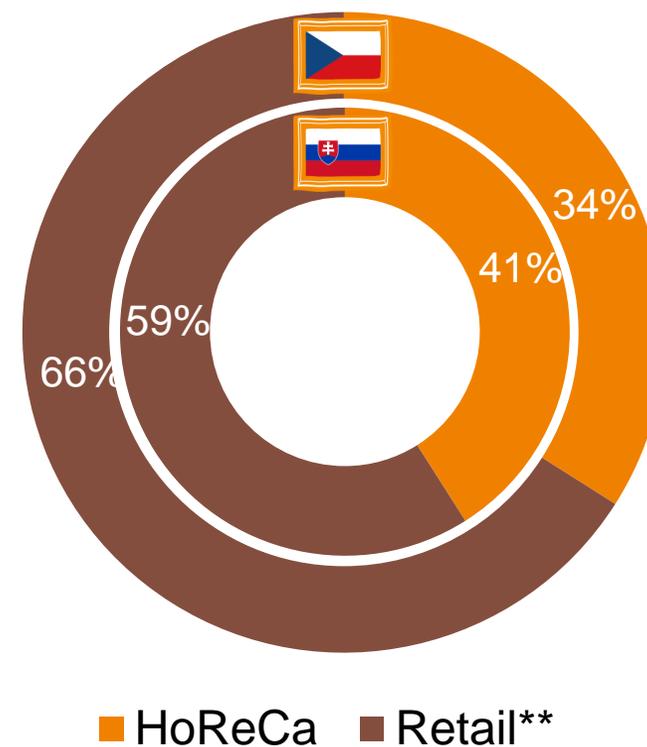
Energy drink Semtex since acquisition in 2011 strengthens its position in the Czech Republic and Slovakia.

HoReCa channel: An important part of our business

Kofola share in HoReCa channel*



Kofola HoReCa sales in total sales 2016

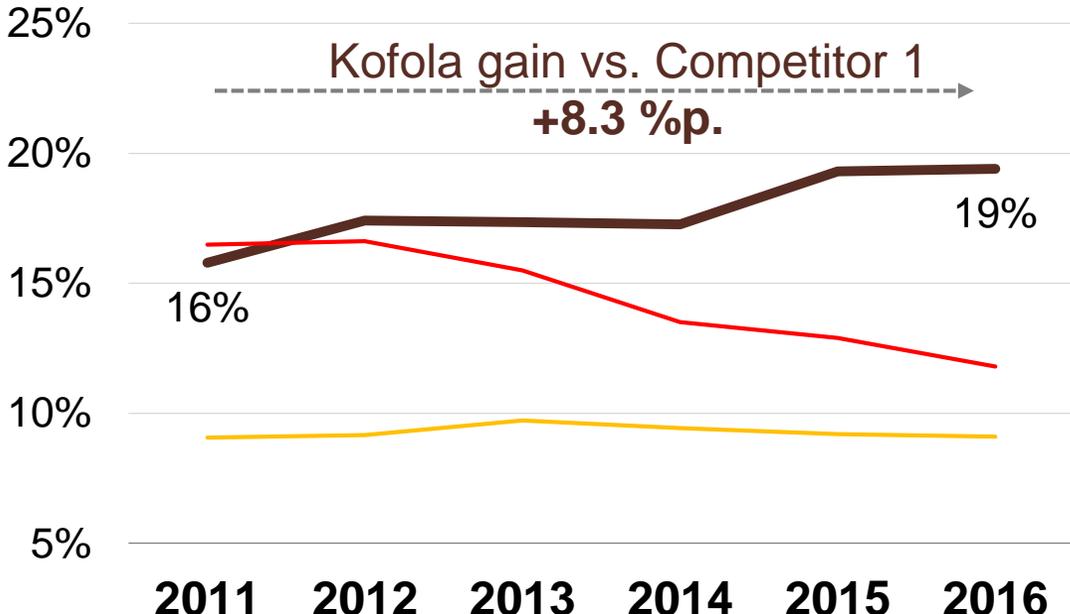
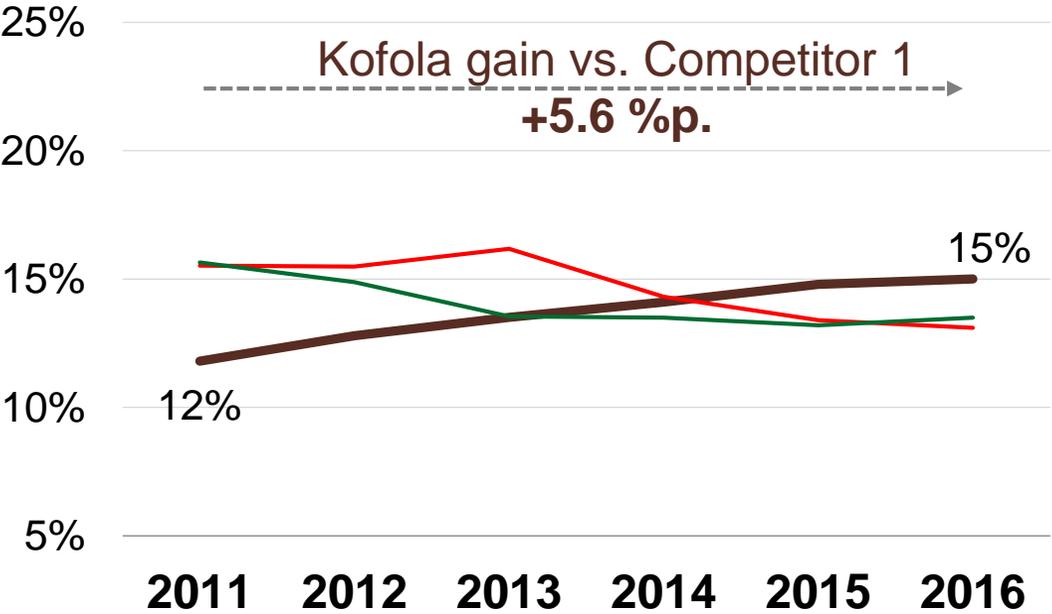


* based on Data Servis and Canadean (volume terms); ** including private label

Kofola can successfully compete with global brands in Retail



Kofola Retail market share (VALUE)



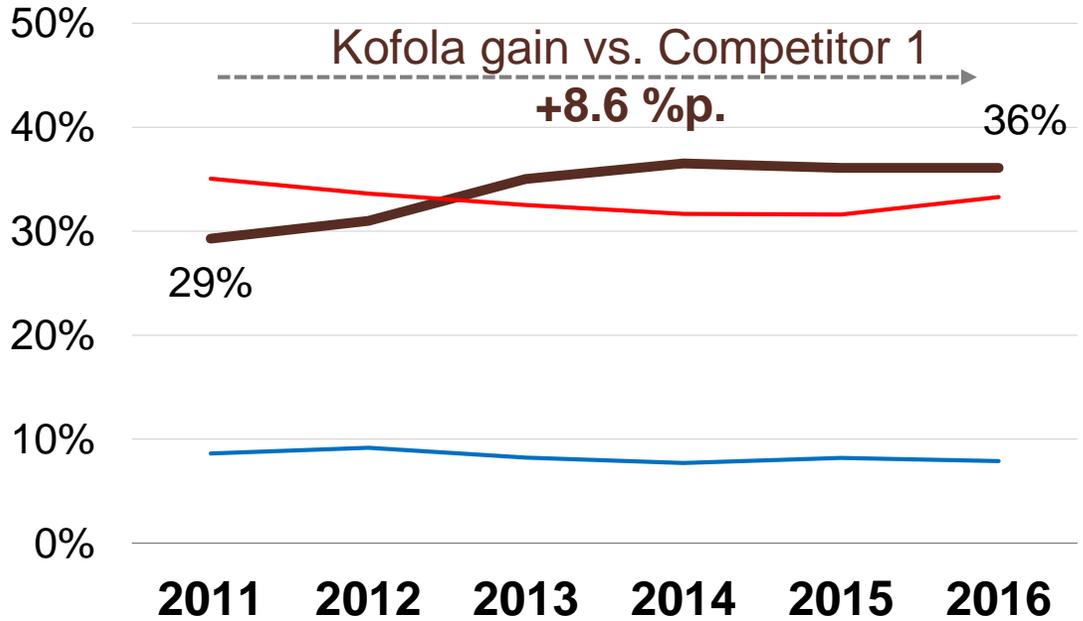
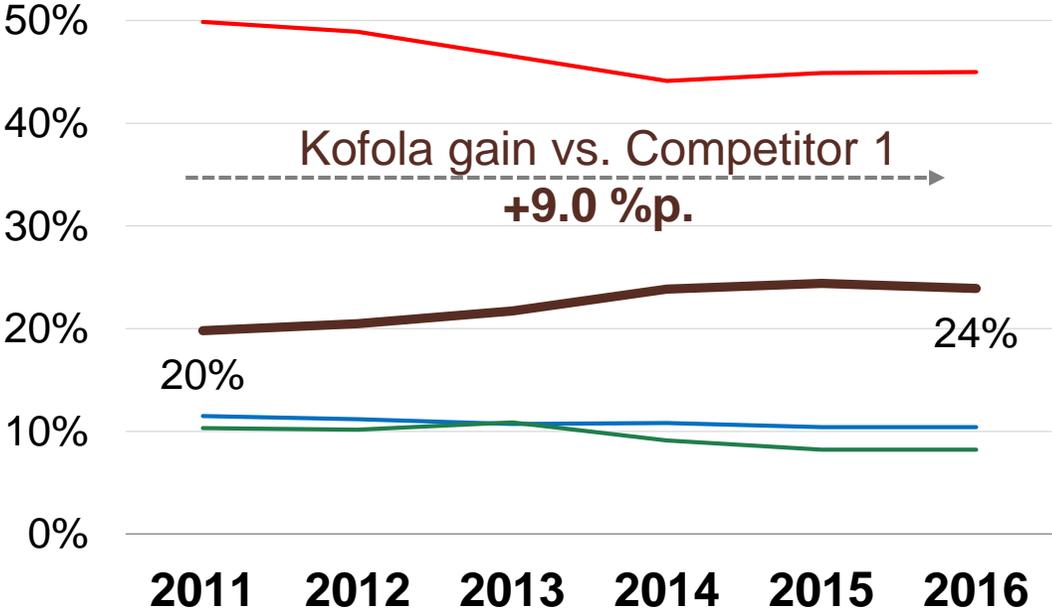
— Kofola — Competitor 1 — Competitor 2 — Competitor 3

Based on AC Nielsen and Data Servis, Kofola incl. exclusively distributed brands, Kofola gain vs. Competitor 1 calculated between 2016 and 2011

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 2016 and 2011

Experienced & stable team



Jannis Samaras

Board member, CEO, founder
50.78% stake in Kofola



Daniel Buryš

Board member, CFO
In Kofola since 2010



Roman Zúrik

Board member, Commercial Director
In Kofola since 2011



Jiří Vlasák

Board member,
Country manager Poland
In Kofola since 2010



René Musila

Board member, COO
In Kofola since 1993
2.61% stake in Kofola



Tomáš Jendřejek

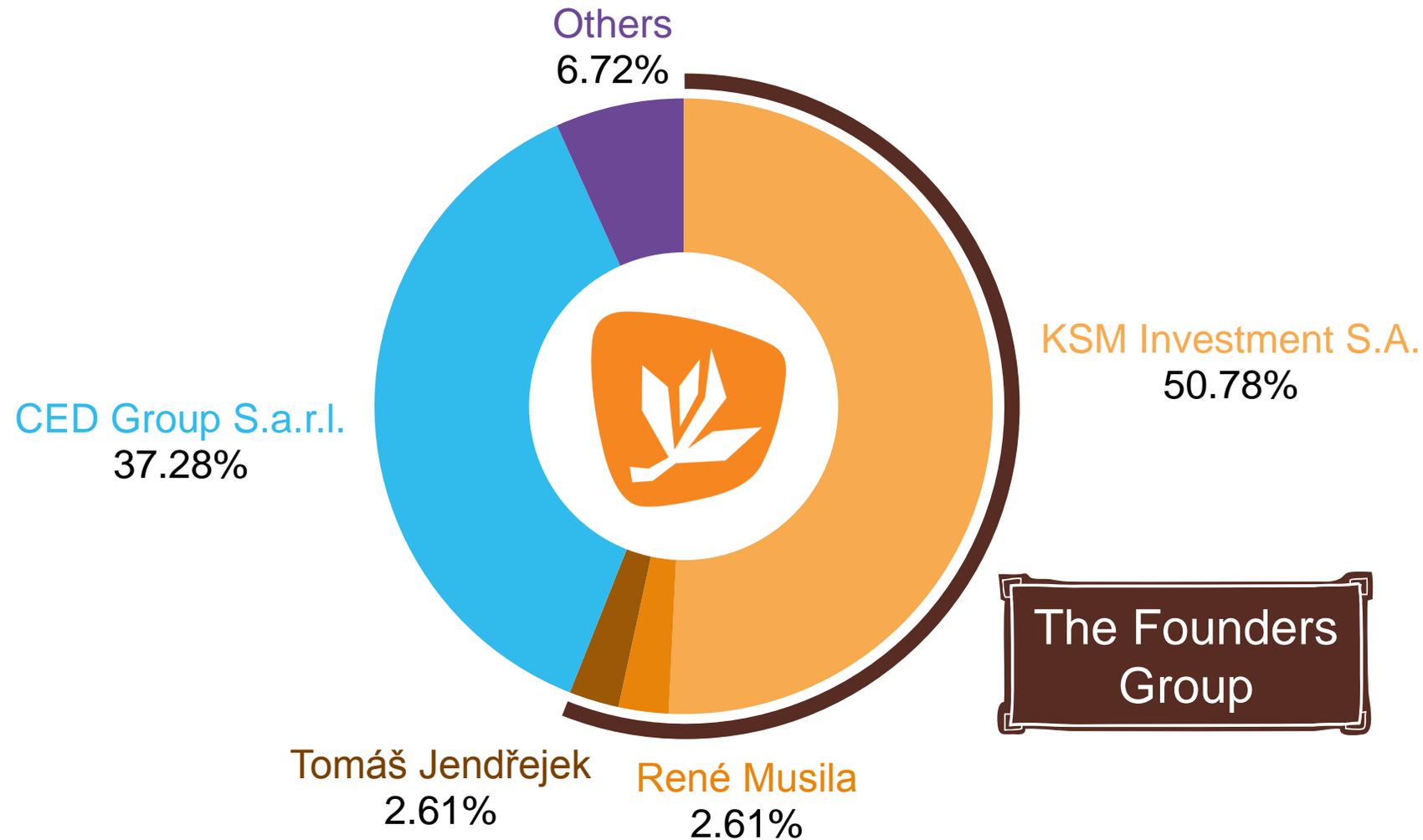
Board member, Procurement Director
In Kofola since 1994
2.61% stake in Kofola



Marián Šefčovič

Country Manager Slovenia
In Kofola since 2002

Kofola Group ownership structure



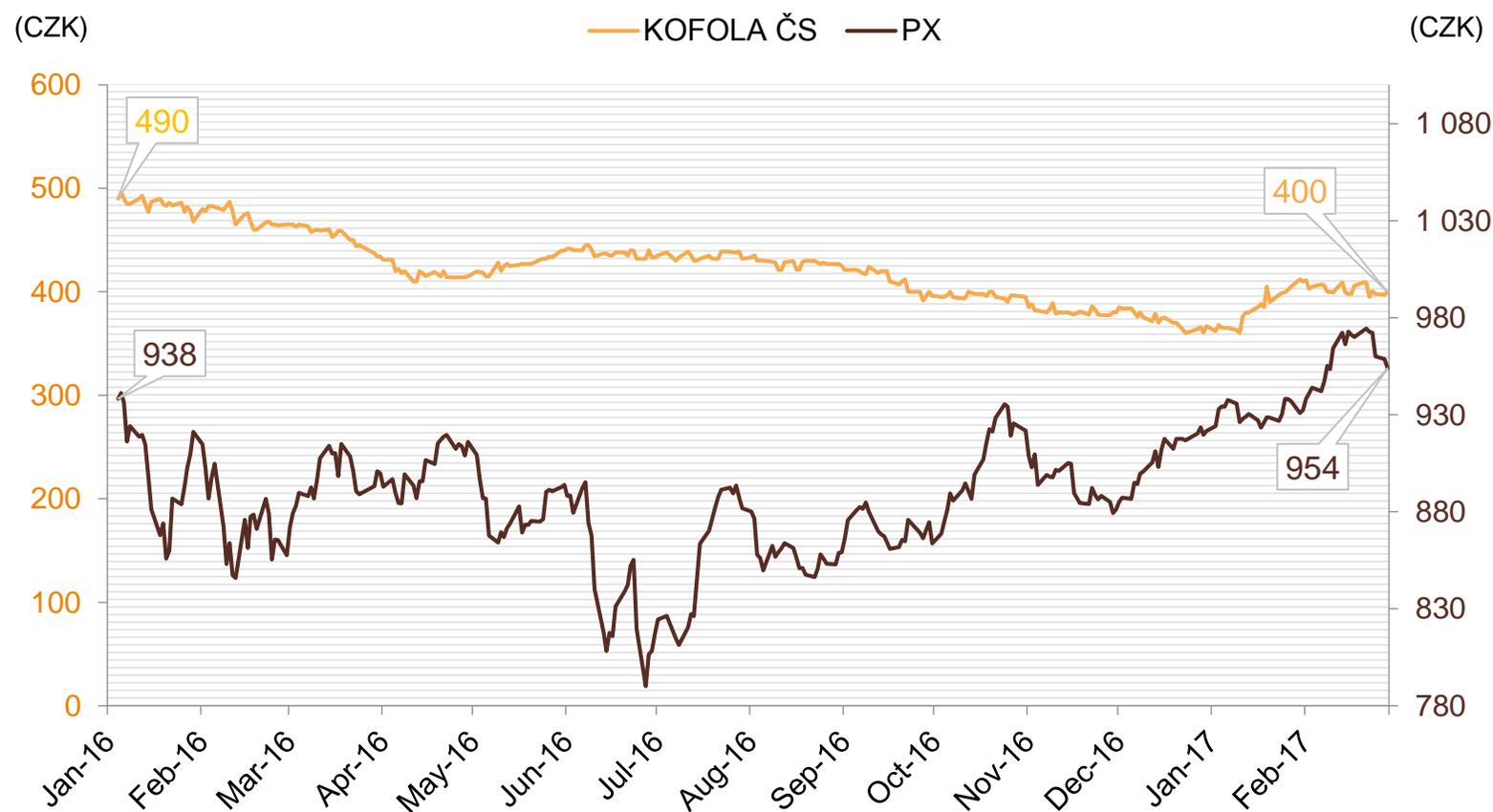
Share price information

Share price information

2016

12M average share price 426 CZK

12M average daily transaction activity 1 118 pcs.



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, double-line), circular frames, and decorative elements like a scalloped circle and a teardrop shape.

Appendix

Consolidated Income Statements

Adjusted consolidated financial results	2016*	2015*	2014*	2013*
	CZK'000	CZK'000	CZK'000	CZK'000
Revenue	6,998,960	7,190,838	6,275 391	6,287,894
Cost of sales	(4,211,593)	(4,352,102)	(3,881 359)	(4,300,767)
Gross profit	2,787,367	2,838,736	2,394 032	1,987,127
Selling, marketing and distribution costs	(1,876,854)	(1,884,399)	(1,607 706)	(1,388,750)
Administrative costs	(403,059)	(385,491)	(317,937)	(273,591)
Other operating income, net	33,903	20,567	(25,564)	42,939
Impairment charge	-	-	-	-
Operating result	541,357	589,413	442,825	367,725
EBITDA	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.

Source: Audited Consolidated Financial Statements

Consolidated Statements of Financial Position & Cash Flow Statements

Consolidated statement of financial position	31.12.2016	31.12.2015**	31.12.2014	31.12.2013
	CZK'000	CZK'000	CZK'000	CZK'000
Non-current assets	4,915,863	7,190,838	6,275,391	6,287,894
Current assets	3,104,020	3,395,290	1,787,877	1,734,245
Total assets	8,019,883	8,491,014	5,959,862	5,867,100
Equity attributable to owners of Kofola ČeskoSlovensko a.s.	2,736,572	2,820,969	2,569,449	2,515,253
Equity attributable to non-controlling interests	2,896	49,233	7,380	4,971
Total equity	2,739,468	2,859,421	2,576,829	2,520,224
Non-current liabilities	1,580,357	1,750,669	1,029,534	986,258
Current liabilities	3,700,058	3,880,924	2,353,499	2,360,618
Total liabilities	5,280,415	5,620,812	3,383,033	3,346,876
Total liabilities and equity	8,019,883	8,491,014	5,959,862	5,867,100

Consolidated statement of cash flows	2016	2015**	2014	2013
	CZK'000	CZK'000	CZK'000	CZK'000
Net cash flow from operating activities	655,330	935,241	962,426	686,880
Net cash flow from investing activities	(748,667)	(1,136,775)	(241,703)	(194,908)
Net cash flow from financing activities	(420,418)	1,546,637	(352,204)	(508,828)
Cash and cash equivalents at the beginning of the period	1,940,008	568,764	201,669	220,192*
Cash and cash equivalents at the end of the period	1,421,014	1,940,008	568,764	201,669

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

Source: Audited Consolidated Financial Statements

Contact

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

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