



KOFOLA ČESKOSLOVENSKO 1Q16 RESULTS

2 May 2016





CONTENT

- Kofola Group
- Results
- Markets, trends and strategy
- Profile and history
- Shares and shares price
- Contact



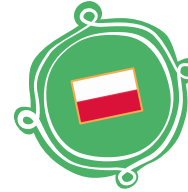
KOFOLA GROUP KEY HIGHLIGHTS



- no. 2 player on the soft drinks market
- 2nd most recognised brand in 2014 survey
- 3rd most recognised company in 2015 survey



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



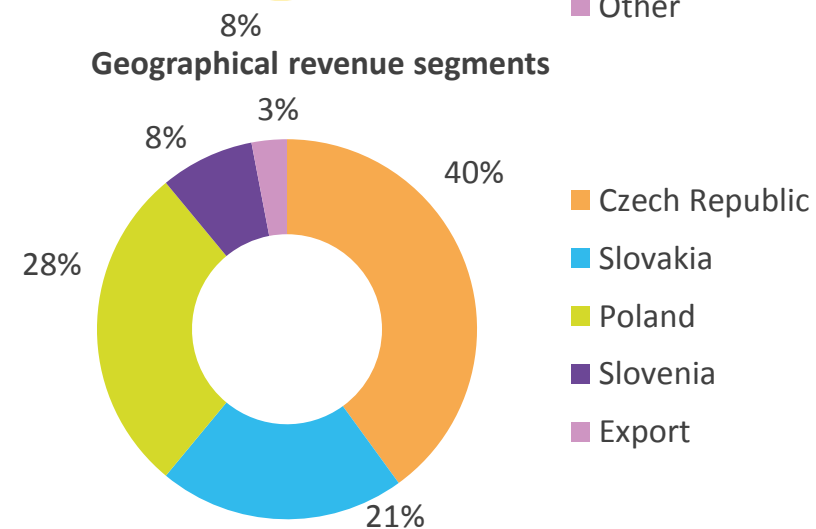
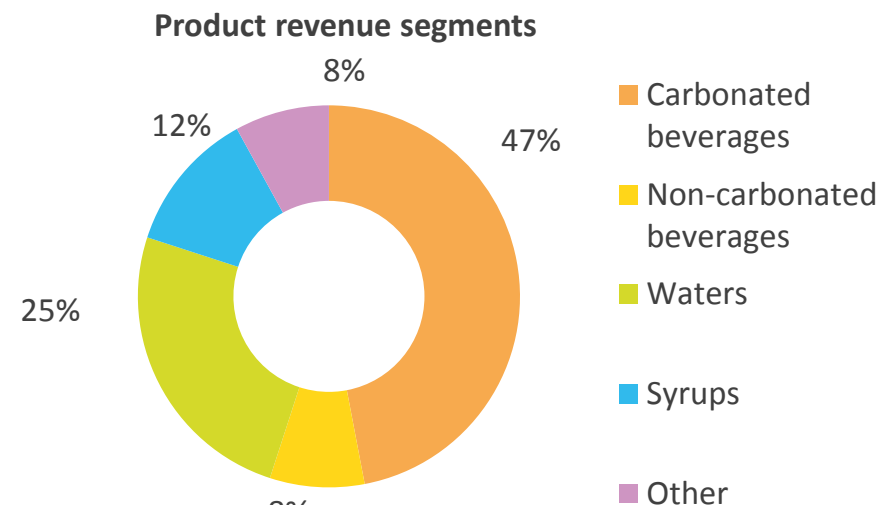
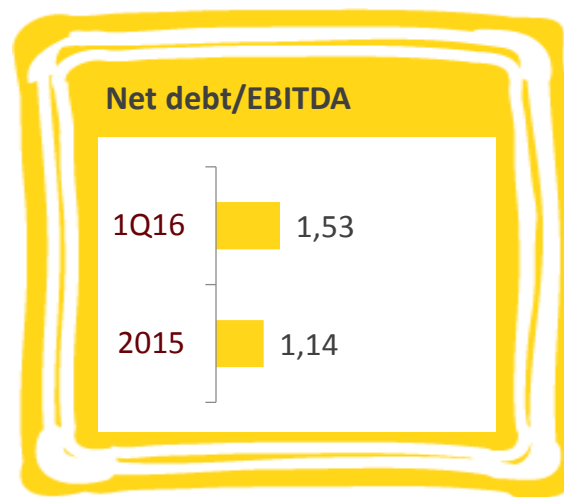
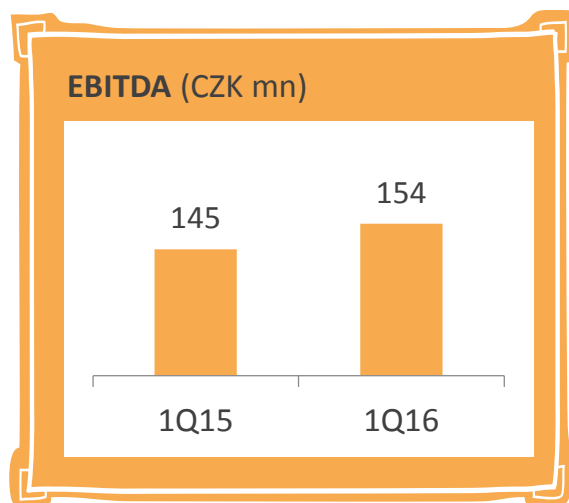
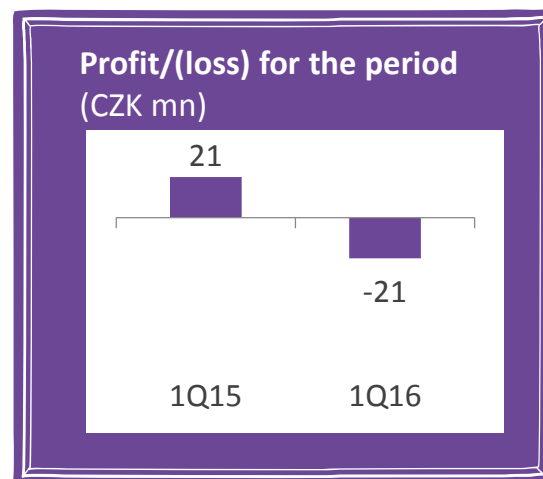
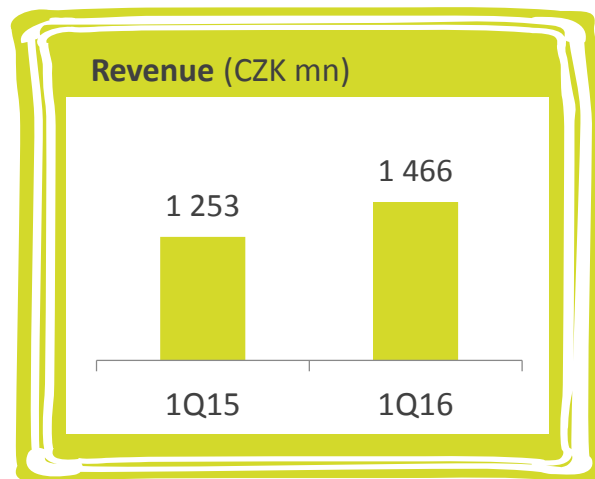
- no. 2 syrup brand
- no. 3 cola brand
- one of leading private label soft drinks producers



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



KOFOLA GROUP KEY HIGHLIGHTS



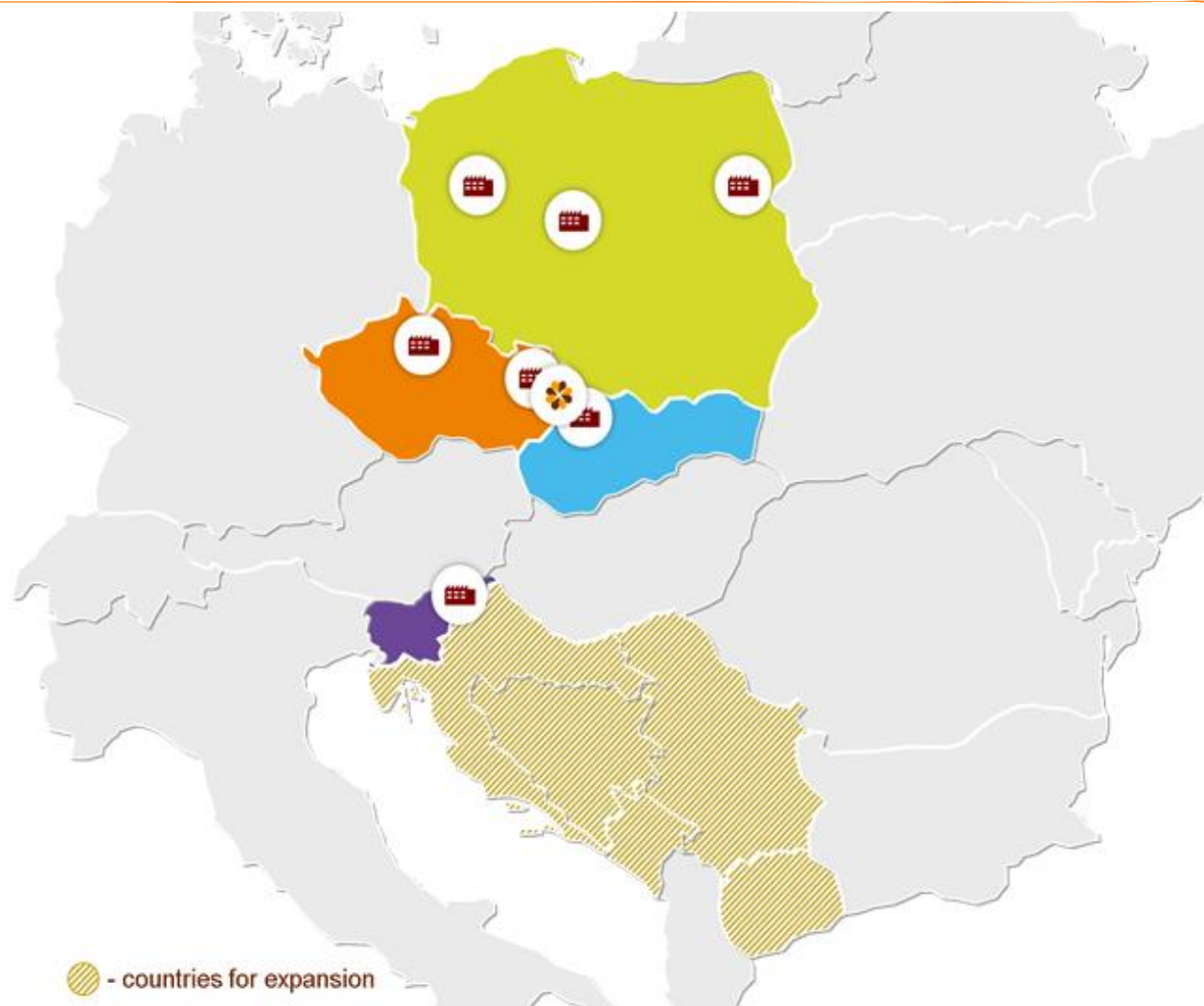
KOFOLA GROUP KEY HIGHLIGHTS

KEY FINANCIAL DATA [MCZK]

Segment revenues	1Q16	%
Carbonated beverages	683.6	47%
Waters	368.5	25%
Syrups	174.3	12%
Non-carbonated beverages	119.8	8%
Other	120.1	8%
Total	1 466.3	100%

EBITDA	153.8
Total assets	8 191.9
Equity	2 862.8
Net debt	1 703.2
Net debt/12mEBITDA	1.53
Net debt/Equity	0.59

EPS attributable to shareholders of Kofola ČeskoSlovensko [CZK/share]	(0.93)
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OUR MAIN BRANDS



NEW PRODUCTS IN 2016



Kofola Apricot 1.5l – new format



Apricot Kofola is now available in 1.5l PET bottles.



Top Topic Lemon 1.5l, 0.5l



Popular Top Topic has new refreshing taste – lemon. The product is available in PET bottles of 1.5l and 0.5l.



Kofola Melon 0.5l



Kofola family has new member. The melon joins the original, apricot, citrus, cherry, extra herbs, vanilla and guarana flavours. The product is available in PET bottles of 0.5l.



Semtex pomegranate



New taste of energy drink Semtex – pomegranate will support strong growth on the Czech and Slovak market.



Radenska 1.5l, 0.5l, 0.25l – new market



Radenska Original is now available on Slovak market in 1.5l PET, 0.5l PET and 0.25l glass bottles.



Arctic flavoured waters



Arctic low sparkling flavoured waters – orange, lime & mint, grapefruit - are available on the Polish market.

NEW PRODUCTS IN 2016



Paola Super Barman – Blue Curacao, Mojito, Grenadine 0.97l



Paola Super Barman, syrups dedicated for gastro segment, are now available in flavours Blue Curacao, Mojito and Grenadine in 0.97l bottles on the Polish market.



Radenska Orange, Mint&Lemon, Raspberry



Radenska has now new flavours – Orange, Mint&Lemon and Raspberry – available in 1.5l PET, 0.5l PET and 0.25l glass formats on the Slovenian market.



Jupik Orange 0.33l



Jupik Orange, new taste of children drink, is now available in 0.33l PET bottles on the Polish market.



Oaza Thyme, Linden



New tastes of Oaza waters are available in 1.5l PET and 0.5l PET bottles on the Slovenian market.



Nara, Inka, Vočko – new brands



Nara (orange lemonade), Inka (tonic water) and Vočko (syrups) are now part of the Group's portfolio for Croatian market.

The Group also produces and distributes PepsiCo products on the Croatian market since the beginning of 2016.

MAIN EVENTS 2016

Since January 2016, the Group became an exclusive producer and distributor of the PepsiCo portfolio products on Croatian market. The cooperation with PepsiCo on Slovenian market works for more than 20 years.

Expansion in the Adriatic region

In first quarter of 2016, the Group acquired brands Voćko, 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.

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

Changes in the structure

The Group took first steps to commence the process of streamlining its structure through 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. At the end of the process, the Group's structure will be very efficient and will enable a fast dividend stream from business entities directly to the top holding company.

Also, on 26 April 2016, Kofola holdinška družba d.o.o. announced the commencement of a squeeze-out procedure of Radenska d.d.'s minority shareholders who hold 2.38% of shares. At the end of the process, Kofola holdinška družba d.o.o. should become the sole shareholder of Radenska d.d.





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MARKET CONDITIONS IN 2016

MACROECONOMICS

- increasing household consumption
- decreasing household unemployment and increasing real wages
- slight increase of sugar price

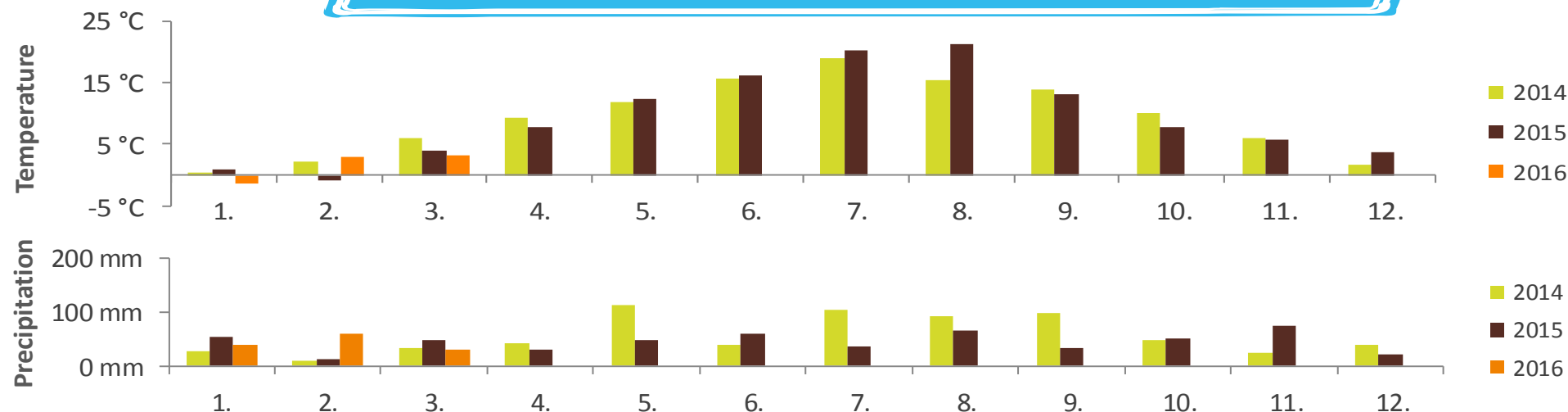
MARKET / COMPETITION

- stabilisation of consumption in the most profitable gastro segment
- faster increase of turnover in discount chains

REGULATION

- stable environment

WEATHER IN THE CENTRAL EUROPE



RESULTS OF KOFOLA GROUP

Results comparison	1Q16	1Q15	Change	Change
	CZK mn	CZK mn	CZK mn	%
Revenue	1 466.3	1 253.0	213.3	17.0%
Cost of sales	(949.9)	(803.1)	(146.8)	18.3%
Gross profit	516.4	449.8	66.5	14.8%
Selling, marketing and distribution costs	(386.9)	(339.0)	(47.9)	14.1%
Administrative costs	(104.1)	(79.8)	(24.2)	30.3%
Other operating income, net	0.9	1.3	(0.4)	(29.5%)
Operating result	26.3	32.3	(6.0)	(18.6%)
EBITDA	153.8	144.6	9.2	6.4%
Finance costs, net	(39.1)	(7.4)	(31.7)	428.7%
Income tax	(8.3)	(3.5)	(4.8)	137.1%
Profit/(loss) for the period	(21.2)	21.4	(42.5)	(198.9%)
- attributable to shareholders of the parent	(20.6)	21.5	(42.1)	(196.1%)

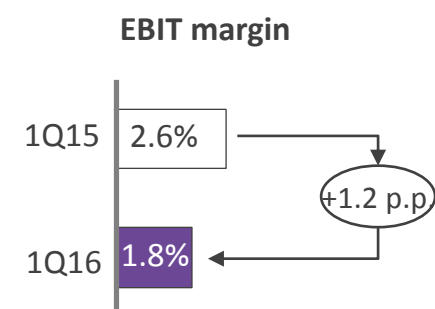
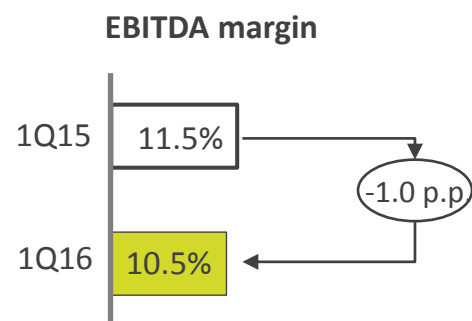
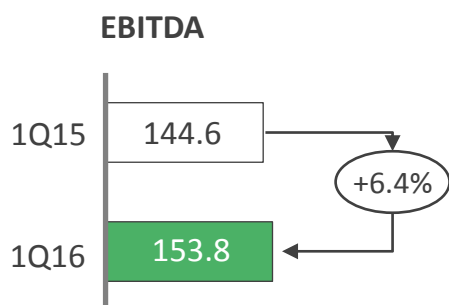
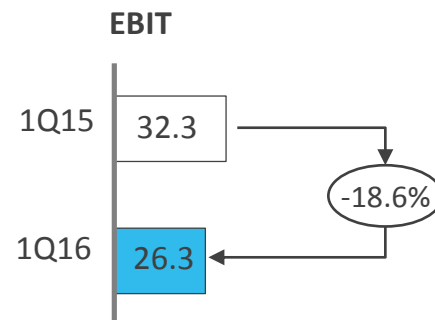
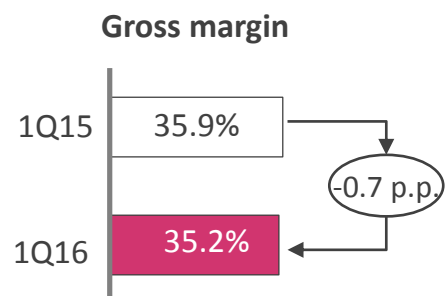
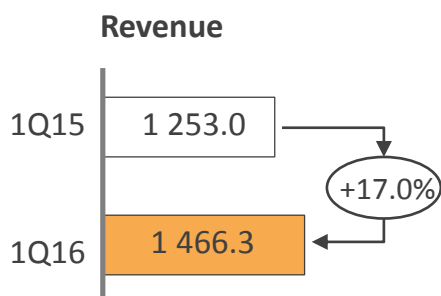
HIGHLIGHTS

- Revenue increase attributable mainly to Radenska, Rauch and UGO
- EBIT decreased by CZK 6 mn, driven mainly by Radenska, for which 1Q is a off-season but fixed costs incur, plus Radenska still spends expansion costs that will translate in revenue in coming periods (Radenska not in the Group in 1Q15)
- EBITDA increased by 6.4 %
- Net finance costs increased mainly due to less favourable exchange differences, revaluation of derivatives and interest costs from Radenska acquisition loan



RESULTS OF KOFOLA GROUP [MCZK]

COMMENTS ON 1Q16 RESULTS

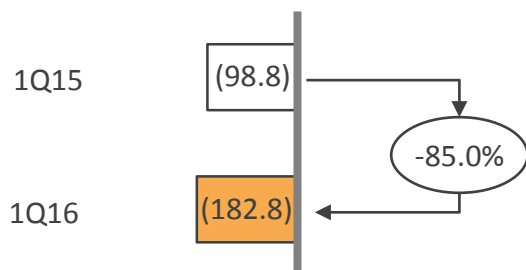


- Revenue positively influenced mainly by Radenska acquired in March 2015 and Rauch products.
- Revenue grew significantly at the core CzechoSlovak market by 19%, Adriatic region grew both like-to-like and thanks to PepsiCo distribution in Croatia by 14.5%, Poland still finding balance between sales volume and sales profitability with revenue decreased by 17%.
- EBIT decreased by CZK 6 mn mainly due to off-season of Radenska.
- Improving efficiency of direct distribution in the Czech Republic and an extending sales support in Adriatic region are base for further improvement of profit ratios.
- UGO fresh and salad bars increased revenue by 62% growing both like-to-like and through new fresh and salad bars.

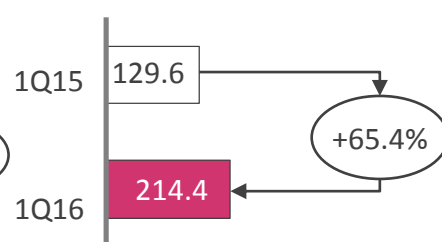


RESULTS OF KOFOLA GROUP [MCZK]

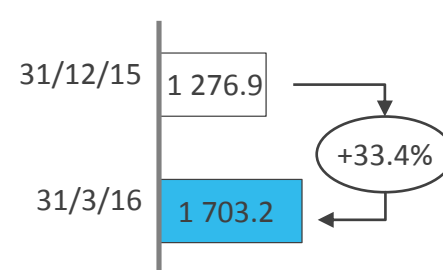
Cash flows from operations



CapEx



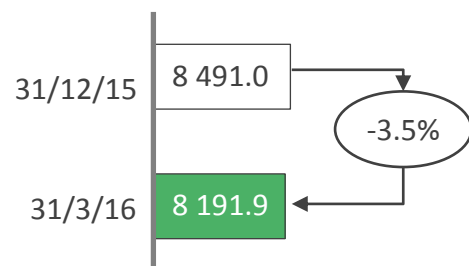
Net debt



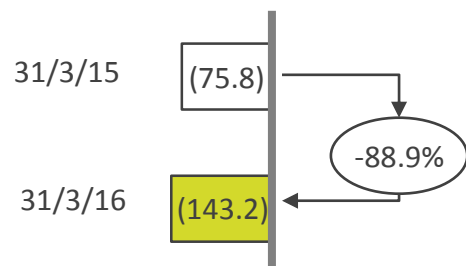
CASH FLOW AND NET DEBT

- Operating cashflow decreased mainly due to increased working capital.
- With CapEx increased by 65.4% the Group shows consistent approach to invest and innovate.
- Net debt and Net debt/EBITDA increased mainly due to decreased cash from Capex payment and increased working capital since the end of 2015.

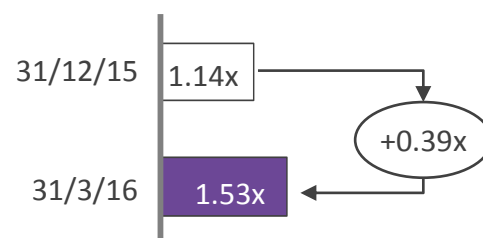
Total assets



Working capital



Net debt/EBITDA

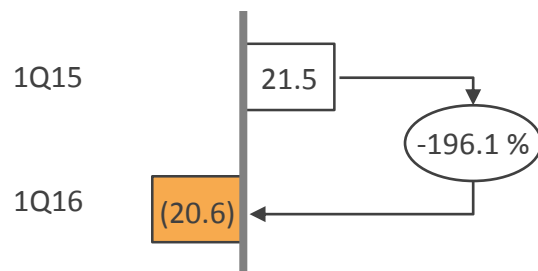


NET DEBT / EBITDA 1.53x

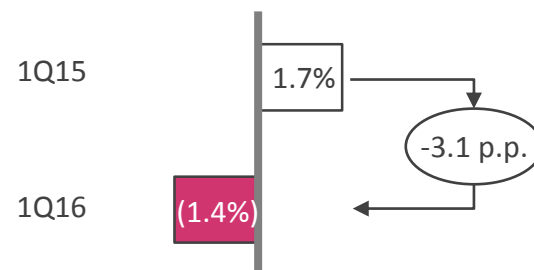


RESULTS OF KOFOLA GROUP [MCZK]

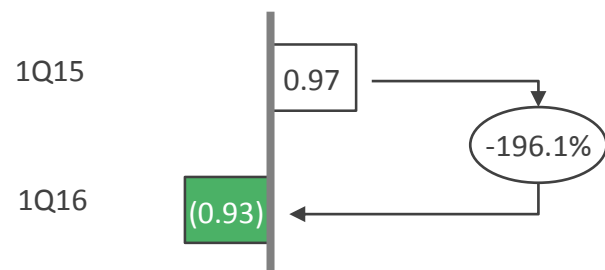
Net profit attributable to shareholders of Kofola ČeskoSlovensko



Net profit margin



EPS attributable to shareholders of Kofola ČeskoSlovensko [CZK/share]

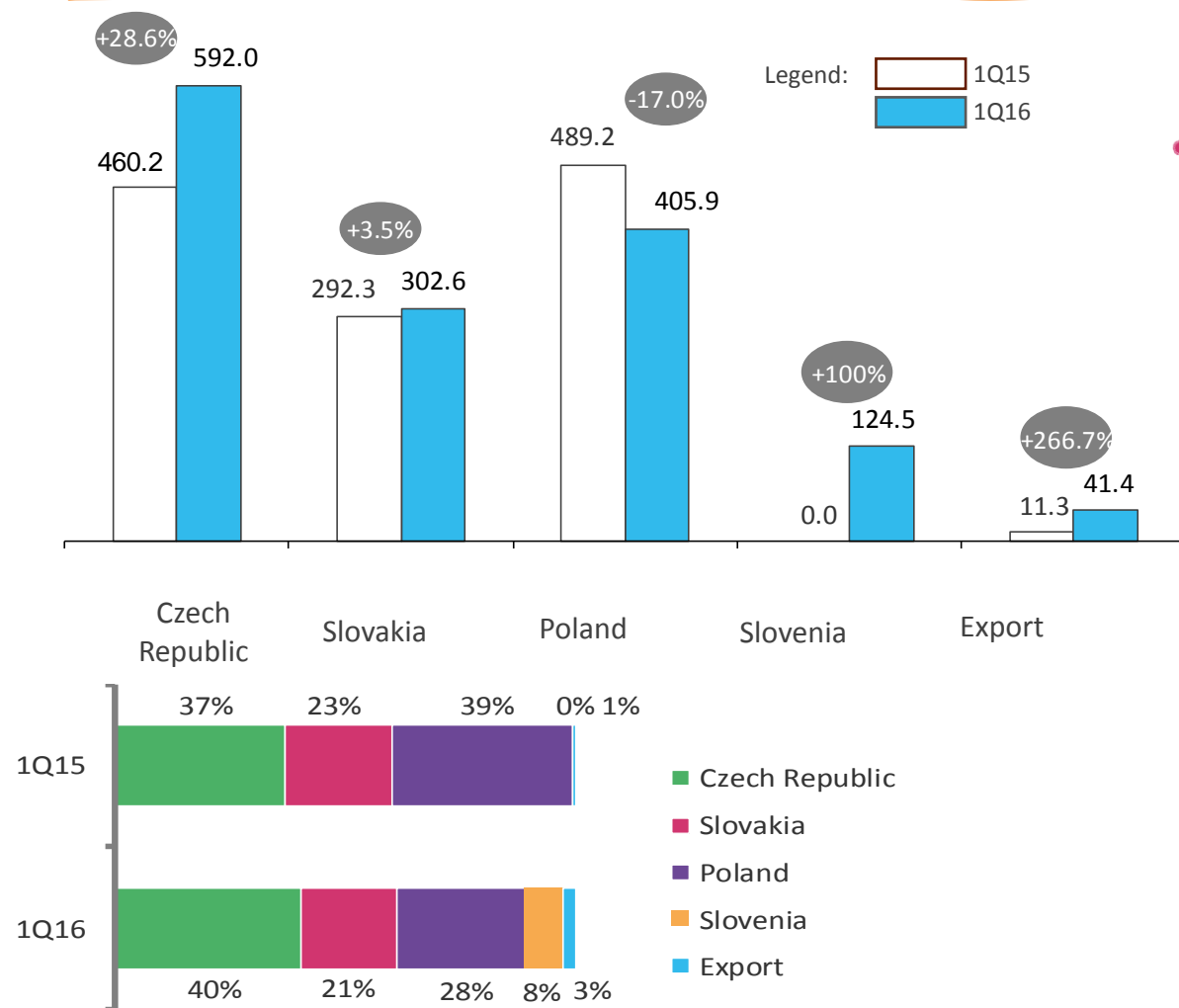


PROFIT FOR THE PERIOD

- Net profit ratios affected by net finance costs increased mainly due to less favourable exchange differences, revaluation of derivatives and interest costs from Radenska acquisition loan.
- EPS (0.93) CZK/share.

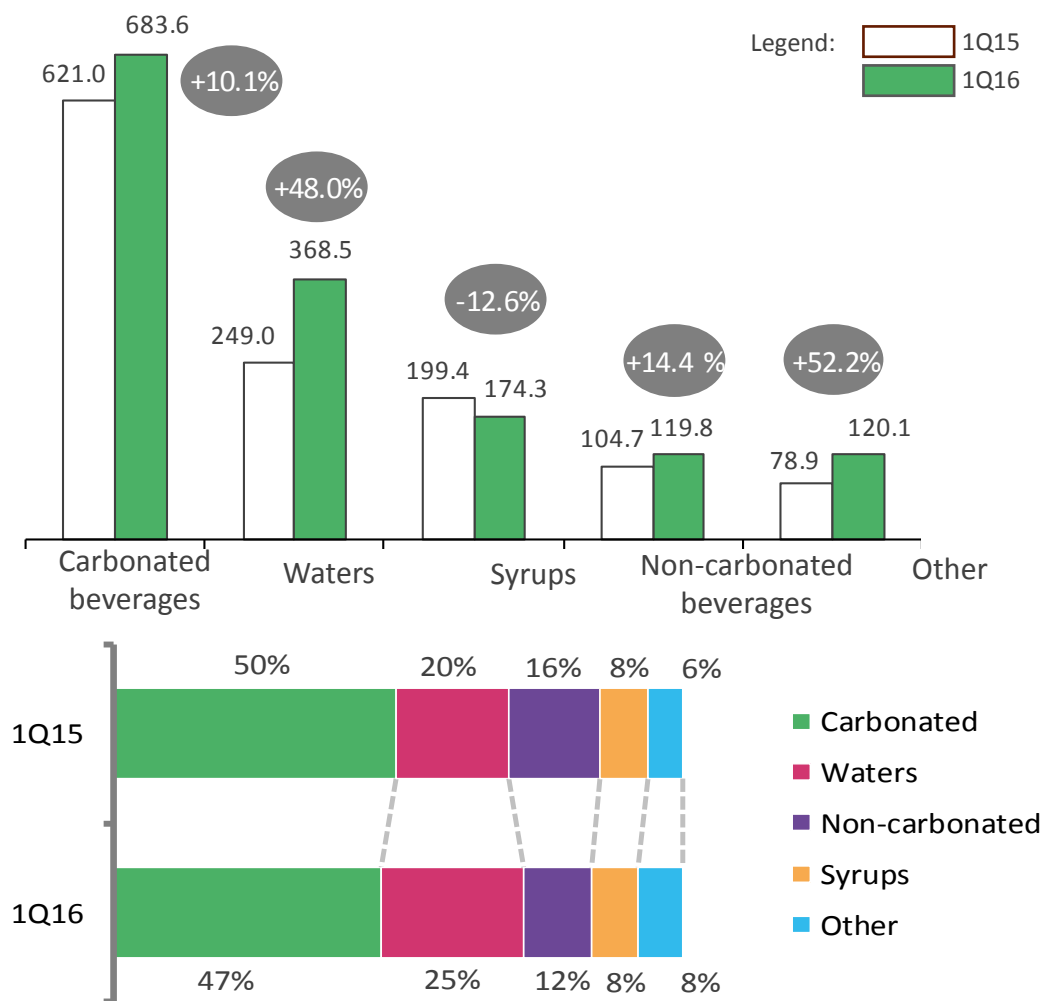


GEOGRAPHICAL SEGMENT SALES [MCZK]



- Czech Republic**
 Revenues increased by 28.6%. Increase driven mainly by production and distribution of Rauch products, increased sales of brands Kofola and Semtex. Sales in all segments (Retail, Gastro, Impulse) grew by double digits. Fresh bars UGO generated increased revenue by 62%.
- Slovakia**
 Revenues increased by 3.5%, driven mainly by Rauch products and Vinea, and improved sales in Gastro segment.
 In 1Q16, Kofola SK continued to have a clear leading position in the retail segment as well as HoReCa segment in terms of market share.
- Poland**
 Revenue decreased by 17.0% caused mainly by lower sales of private labels. Focus on improving the margins on our products in Poland despite the possibility of losing some part of the volume sold persists. New strategy is being prepared.
- Slovenia**
 Radenska acquired in March 2015 shown increased revenue by 14.5% thanks to like-to-like increase, PepsiCo distribution in Croatia. Still, 1Q is an off-season for Radenska water business. Radenska holds its clear leading position in Waters segment.

PRODUCT SEGMENT SALES [MCZK]



- Carbonated beverages**
 Increased Carbonated beverages segment in the Czech Republic, Slovakia, Slovenia, decreased in Poland.
- Waters**
 Growing Water segment driven mainly by Slovenian Radenska. The Group is a leader of this segment in Slovakia and Slovenia.
- Syrups**
 Strong position in the Syrups segment – first position in the Czech Republic, second in Slovakia and Poland. Higher competition in syrups segment following the increased marketing activities of competitors mainly in the Czech Republic.
- Non-carbonated beverages**
 Strengthening position in the non-carbonated beverages segment driven mainly by distribution of Rauch products and UGO fresh bottles.
- Other**
 Significant increase in the Other segment mainly from growing revenues of both UGO fresh and salad bars and energy drink Semtex.
















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SEGMENT POSITIONS*

Legend:  Leader  Viceleader				
	PL	CZ	SK	SI
Cola beverages	3			3
Carbonated beverages	-	3		
Waters	-	5		
Syrups and concentrates				-
Beverages for children	6			-
Energy drinks	-	4	>6	-

COMMENT

- Strong second position on Czech market and leading position on Slovak market.
- Strong position in carbonated beverages segment in Slovakia was achieved due to acquisition of Vinea brand in 2008.
- No. 1 in the natural spring waters in Slovakia and Slovenia. Position achieved due to innovations.
- Jupi is clear leader in the syrup segment in the Czech Republic and viceleader in Slovakia thanks to introduced innovations. Second place of Paola syrup in Poland.
- Inovative activities in the segment of beverages for children on Czech and Slovak markets (Jupík, Jupík Aqua).
- Energy drink Semtex since acquisition in 2011 strengthens its position in the Czech Republic and Slovakia.

APPROACH TO MARKET TRENDS AND DEVELOPMENT

Healthy food and beverages

- Gradual conversion of products to preservative-free, healthy innovations
- Promotion of healthy life style (www.hravezijzdrave.cz, www.hravozizdravo.sk, www.trzymajforme.pl)
- More healthy beverages (water, children's beverages) with lower sugar content compared to other competitors and beverages with herbs and tree extracts (Mr. UGO juices, fresh drinks)
- First drinks with stevia (natural sweetener - without calories) - Kofola bez cukru (Sugar free), Jupik with stevia.
- Hot filling and aseptic lines allowing the new products without preservatives (syrops, ice tea, beverages for children)

Increasing amount of outdoor activities

- Focus on impulse products (portfolio enhancement)
- Development of the impulse channels
- Development of cooperation with hotels, restaurants and catering (HoReCa)
- Entrance to the "on-the-go" market (kiosks, vending machines, gyms, schools, work places etc.)
- Increasing share of small formats in the product portfolio (most of the new formats are up to 0.5 litre)
- Increasing number of supplied restaurants (direct distribution in Slovakia since 2009, in the Czech Republic since 2014)
- Dedicated sales team for HoReCa clients in the Czech Republic

Consolidation of retail and drift of volume to retail channel

- Strengthening brands to be more important for retailers
- Focus on terms and conditions with retailers
- Proper pack/channel tactics

Consolidation of food and beverage producers

- Ambition to be a market consolidator
- Constant search for leads of unexplored brands (companies)
- Acquisition of Vinea, Citro Cola, Semtex, Mr. UGO, Mangaloo and Radenska in the last 7 years

Globalisation and growing individualism

- Rollout of successful brands to other markets where the Group Companies operate
- Building and/or creation of brands with functional/emotional features
- Using production/distribution licenses, introduction of global brands (Rauch, Orangina, Pickwick Ice Tea, RC Cola, Evian, Badoit)
- Engaging the customers in the promotion of positive emotions related to the Group's brands



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MISSION AND VISION

MISSION

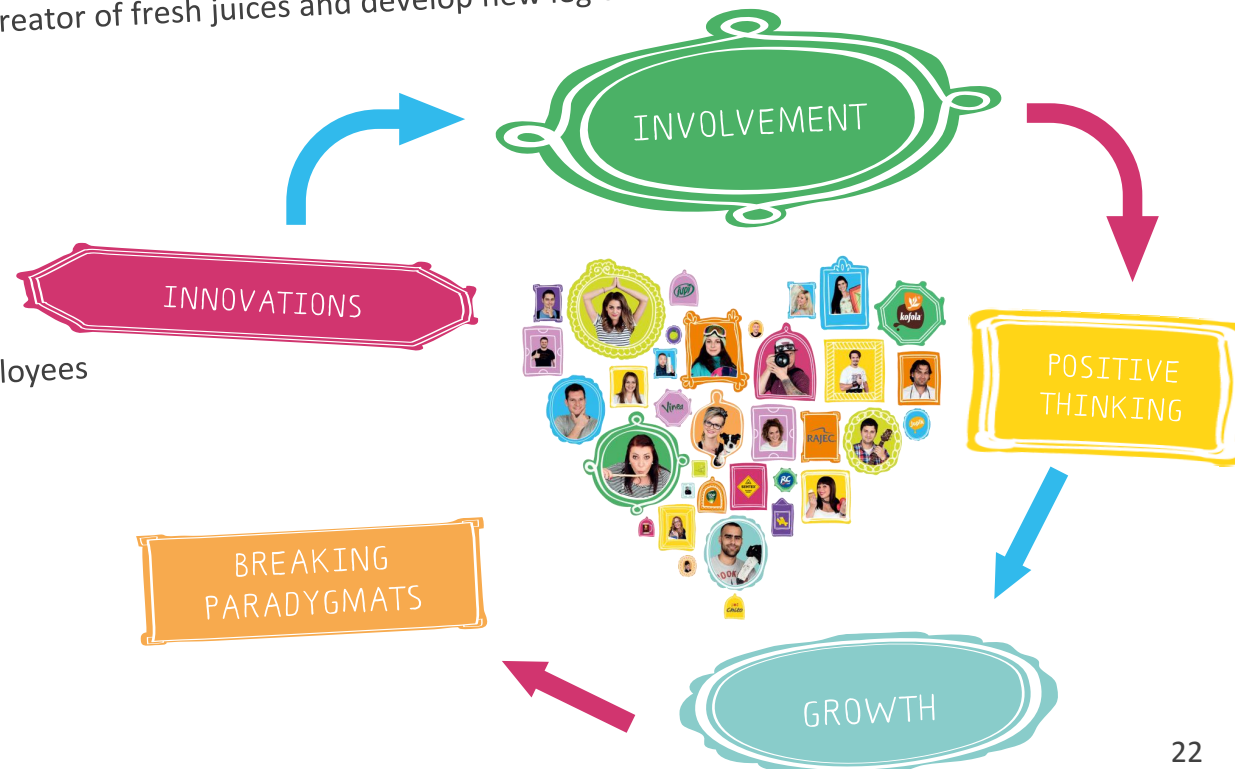
We are Kofola. With enthusiasm we strive for what is truly important in life: to love, to live healthy and always look for new ways.

OUR CORE COMPETENCES ARE OUR DNA

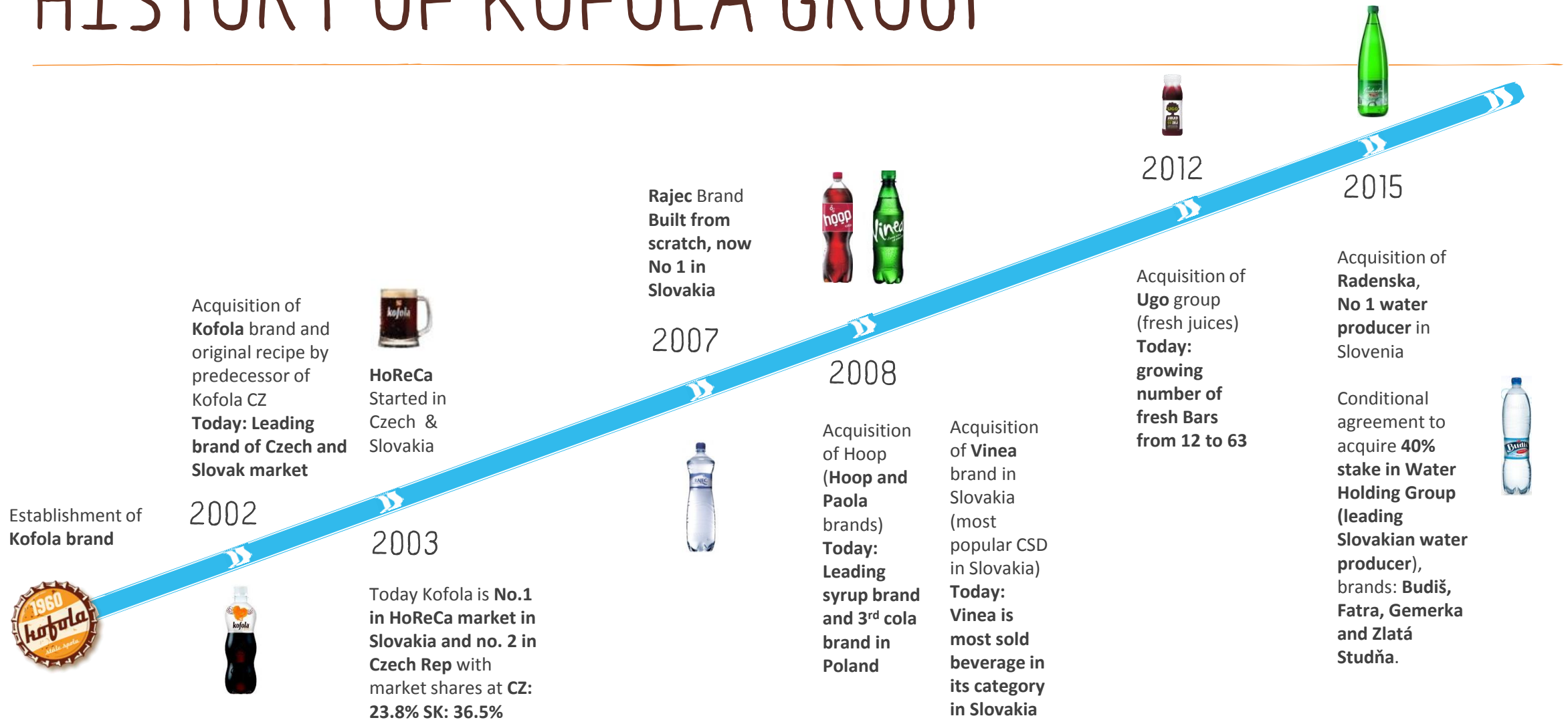
- We aim to be one step ahead
- We are constantly looking for new opportunities to grow
- Our business is created by our consumers, customers, suppliers and employees
- We are bringing emotions
- We work where we are at home and we know the local culture

VISION

By 2018 we want to become the soft drinks market leader in CzechoSlovakia, the fastest growing soft drink company in Poland, the market leader in Slovenia and successfully enter other Adriatic countries. We want to anchor UGO as the leader and creator of fresh juices and develop new leg of fresh food business.

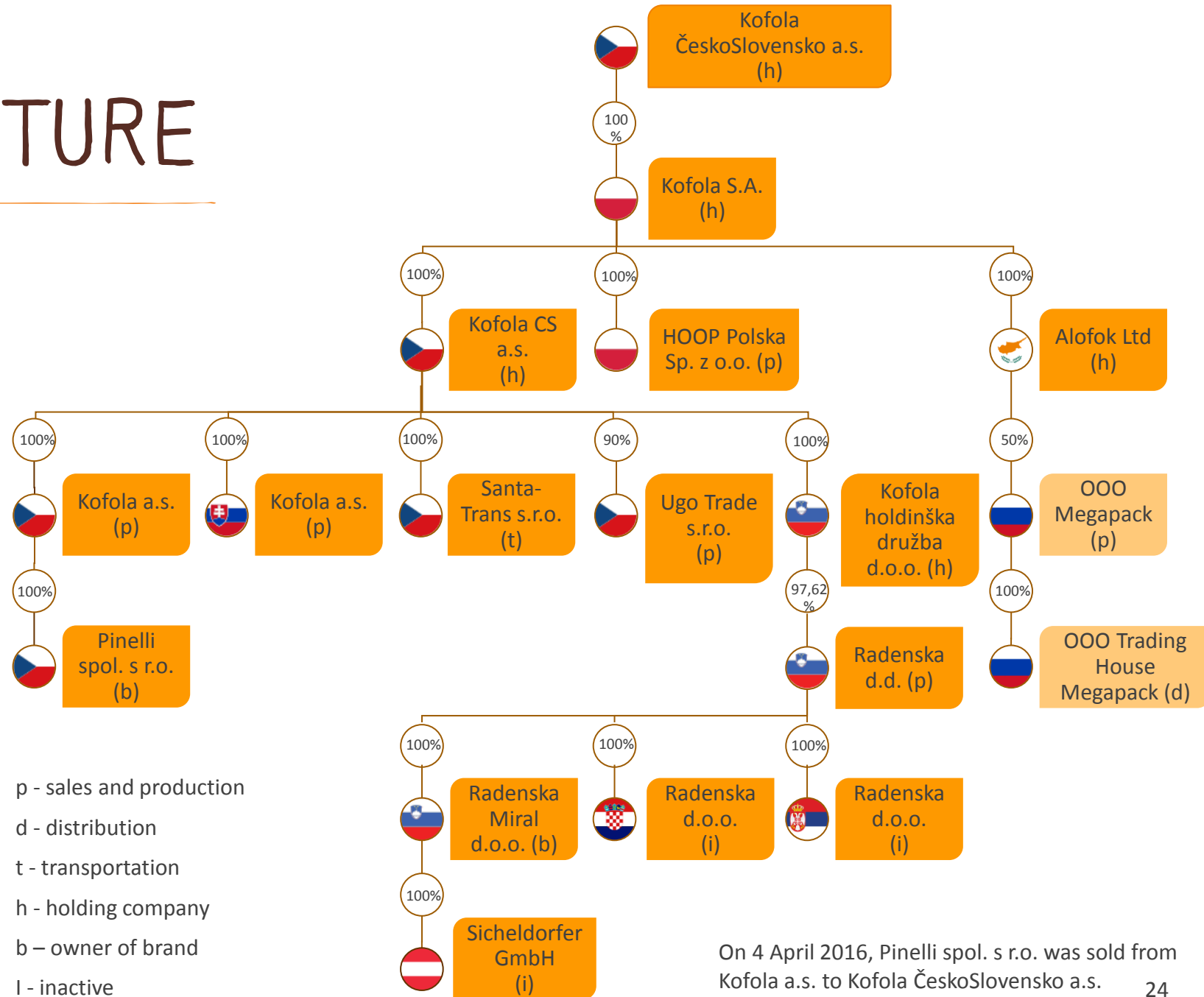


HISTORY OF KOFOLA GROUP



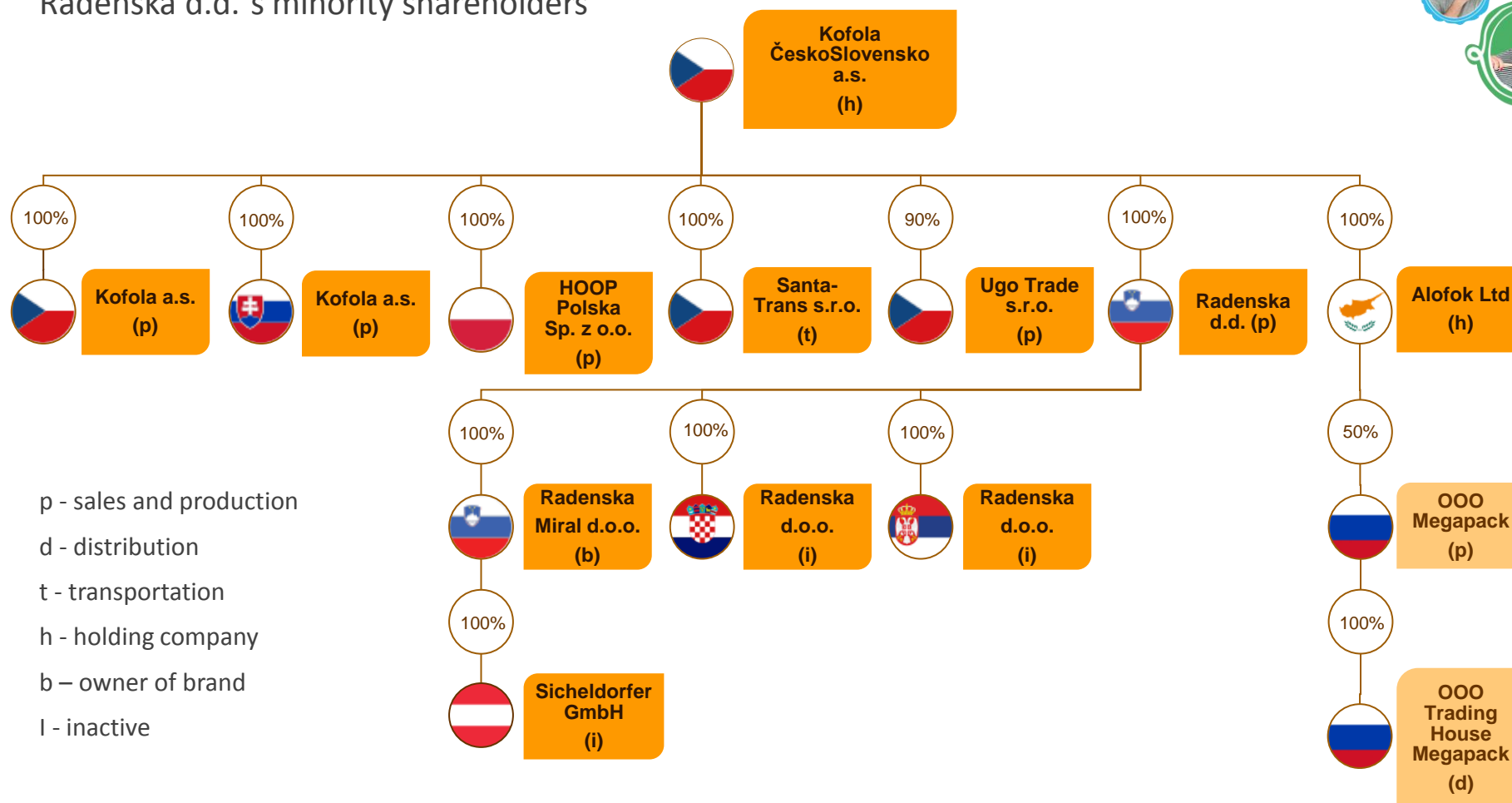
GROUP STRUCTURE

as at 31 March 2016



GROUP STRUCTURE

after the planned merger and squeeze-out of
Radenska d.d.'s minority shareholders





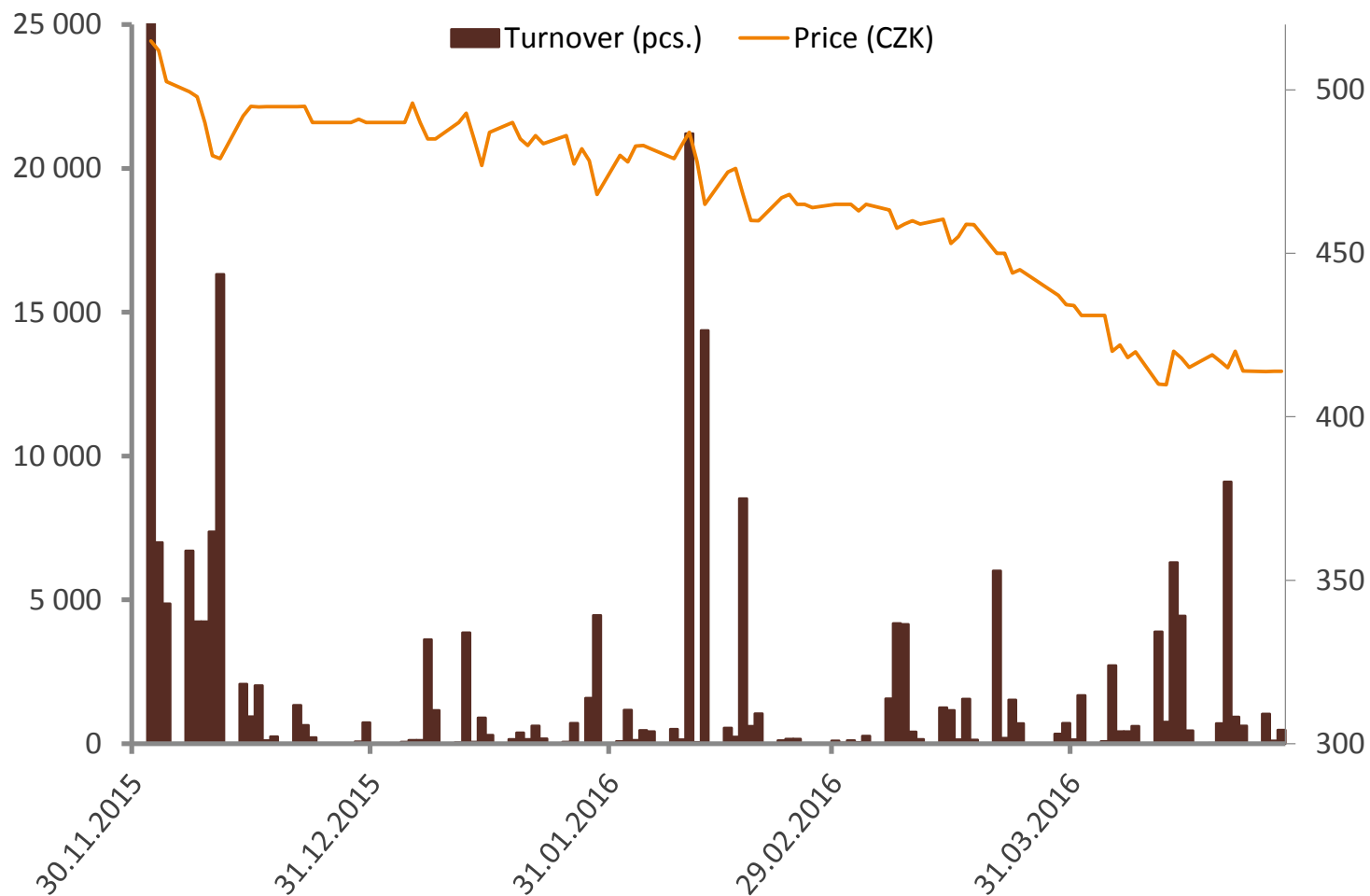
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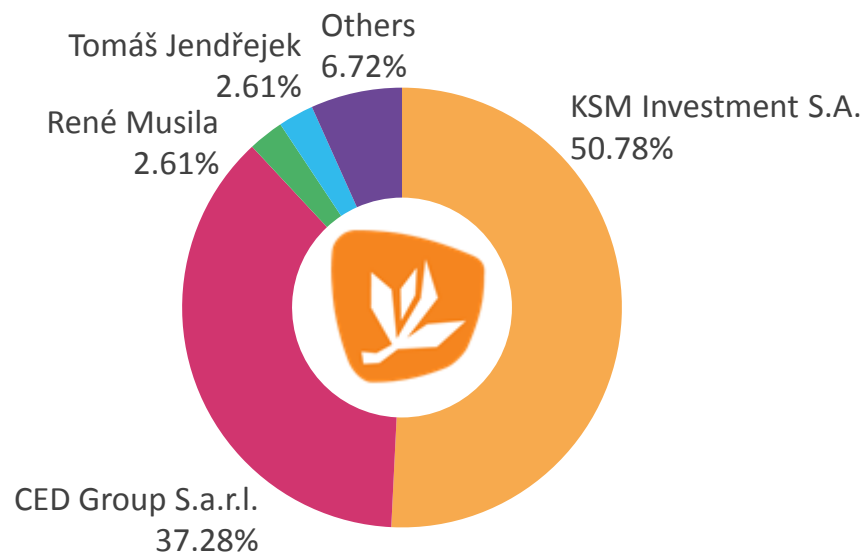
SHARE PRICE AND TURNOVER AT PSE

Share price information	1Q16
Average share price	470.4 CZK
Average daily transaction activity	1 508 pcs



SHARHOLDERS STRUCTURE

As at 31 March 2016



- Share capital of Kofola ČeskoSlovensko a.s. comprises 22 295 thousand ordinary shares

SHARE CAPITAL

- On 15 October 2015 Kofola ČeskoSlovensko a.s. replaced Kofola S.A. as the parent company of the Kofola Group.
- Following the initial public offering of Kofola ČeskoSlovensko a.s. at the Prague Stock Exchange the share capital was increased on 1 December 2015 by CZK 27.5 million, which corresponds to 275 000 new shares with nominal value of CZK 100 each.
- The IPO issue price for one share was set at CZK 510, corresponding to gross proceeds of CZK 140.25 million.





kofola®
ČeskoSlovensko

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CONTACT

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

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