

Dear shareholders, ladies and gentlemen,

I am very glad that this year I can address by this title those new shareholders who put their trust and funds to Kofola Group. At the end of 2015, we have successfully completed the initial public offering on the Prague Stock Exchange and seriously entered the world of publicly traded securities. The Group's shareholders base expanded for renowned local and global institutional investors, as well as for retail investors who acquired 17% of offered shares.

Year 2015 was not only important to our company due to the IPO. Kofola dramatically developed through both increase in internal efficiency and successful acquisition projects. We have reached record results, with adjusted profit for period of CZK 373.9 million exceeding last year by 29%. The adjusted operating indicator EBITDA exceeded a billion CZK threshold for the first time in history growing by 21% to CZK 1 102.6 million. Both organic and acquisition expansion placed high demands on our team of employees and I would like to thank them all and pay tribute to them.

The above mentioned 2015 result was also affected by external factors. Beautiful weather was indisputably one of them. We also watch with pleasure the improving macroeconomic situation in the region. After all, the economies of the Czech Republic and Slovakia show the highest increase throughout whole European Union. Enhancing purchase power of population began, with delay, to positively impact the consumption of non-alcoholic beverages. After persisting decline, the consumption in HoReCa segment rises again, which supports our strategic plans. Increasing consumption is unfortunately driven by decreasing selling prices. The portion of promotional sale in FMCG sector irresistibly increases. We are convinced that its extent is counterproductive and increasing the efficiency of promotions is a great topic of the whole market.

Our adjusted revenue in 2015 reached CZK 7 190.8 million with year-on-year increase of 15%. Our improved sales and improved market share indicate that we were well-prepared for the top season. Even during the peaking period we were able to maintain high service level and fully satisfy our customers' orders. Implementation of direct distribution (deliveries directly to customers, restaurants especially) in the Czech Republic was one of our primary projects. Another significant growth factor was a commencement of cooperation with Rauch. Kofola agreed on tight cooperation with this family-managed company and since 1 January 2015 become the exclusive distributor of Rauch products in the Czech Republic and Slovakia. As a result, we have reached strong position on rising market of premium juices. We have managed to complete the most balanced portfolio of non-alcoholic beverages on CzechoSlovak market. The above mentioned projects significantly support the Group's growth in HoReCa and On-the-go segments. We are another step closer to the fulfilment of our strategic goal – become number one in HoReCa segment the CzechoSlovakia.

In March 2015, after a challenging acquisition process, we have taken over the majority ownership in Radenska and as a result, we became number one on the non-alcoholic beverages market in Slovenia. Mineral water Radenska with its 140 years history is a jewel and we believe that under its wing, we will successfully implement our expansion strategy for the Adriatic region. Operating results of Radenska exceeded our expectations.

In Poland, we have not managed to exploit the market potential and we are preparing new expansion strategy.

Fresh fruit and vegetable juices products UGO and especially the UGO fresh and salad bars continued their expansion in 2015 with year-on-year revenue increase reaching 72%. UGO brand very well utilised increasing preference of consumers towards strictly natural and non-pasteurised products. The development of this concept will continue in coming period with support of efficient franchising model.

The robust system of cost management is in place and we are ready to face unfavourable development of input materials market, as well as other cost elements. We invest in top-notch technologies enabling us to enhance the qualitative attributes of our products and the cost efficiency and so we are happy to see the increase in adjusted gross margin to 39%.

High added value of operations, pushing on working capital reduction and reasonable amount of capital expenditure supported us to reach great financial stability of the Group. Indebtedness of the Kofola Group did

not significantly increase, neither after the acquisition of Slovenian Radenska. The adjusted indicator Net Debt/EBITDA shows very safe figure of 1.14 and enables us to implement further strategic plans. In the coming period we will continue with acquisition activities. One of significant acquisitions is the entry to Slovak non-alcoholic beverages producer Water Holding, owner of well-known brands Budiš, Fatra or Gemerka. The transaction is signed and waiting for Slovak antimonopoly office approval.

Following the IPO, the Group continues with change in organisation structure. Parent company Kofola ČeskoSlovensko a.s. has its seat in Ostrava and as such confirms local company character. In first half of 2016, the legal structure of the Group will be streamlined through the cross-border merger of Kofola ČeskoSlovensko a.s., Kofola CS a.s., Kofola S.A., and Kofola holdinška družba d.o.o.

Thanks to the acquisition and Rauch project the Kofola's portfolio expanded considerably. Our growth is closely related to the development of strong local brands. We invest both creativity and energy into them. The most successful innovation was Kofola Apricot 0.5l supported by the most successful campaign of last years – lip dog Ftefan. However, there were also other successful new products under brands Semtex, Top Topic, Arctic.

In the coming period, we expect positive effect of improving economic indicators of the region. We are also aware of that exceptionally sunny summer of 2015 will not repeat. As such, we are conservative in planning of our targets. We are ready to deal with cost increase in our primary material - sugar.

We are looking forward to see that the following year will confirm as rewarding our demanding development projects. We expect to successfully finish the entrance to Slovak Water Holding and to continue in geographical expansion in the Adriatic region, especially in Croatia. We will strategically develop the largest Central European fresh and salad bars chain UGO.

Dear shareholders and colleagues, 2015 was clearly most successful year in Kofola Group's history so far and another milestone for further expansion. In all modesty, we are becoming significant player in the CEE region. We are prepared to build on successful year 2015 and further increase the company's value. I would hereby like to thank to shareholders, members of statutory bodies and all co-workers for effort they put into our Kofola.

Annex 1: The Board of Director's report – presentation 2015

Daniel Buryš,
Finanční ředitel, člen představenstva