Dear Shareholders,

2015 was especially important for our family and for Zwack Unicum Plc, as we celebrated the 225th anniversary of the moment when my ancestor, Doctor Zwack offered the Habsburg monarch Joseph II. a taste of Unicum. This was the start of the success story that you too can be a part of.

This year again, our premium brands once again enjoyed a highly positive year. Sales figures of Unicum and Unicum Plum increased, our Fütyülős brand family was joined by a new flavour, Fütyülős Strawberry Roze, which became very popular among consumers. During the business year the Hubertus brand was also enriched by a new herbal liqueur: St. Hubertus Forest Berries and Herbs had an extraordinary success, significantly contributing to the large increase in Hubertus sales figures.

We are proud that our Unicum brand, after its inclusion in 2015 in the Hall of Fame of Hungaricums, received once again in 2016 recognition by the Superbrands register as one of the best Hungarian brands.

It is important for us to support as many positive initiatives in Hungary as possible. We are permanent sponsors of the Children's Clinic of Tűzoltó street and of the Zwack József Commerce and Catering Vocational School. Johnnie Walker celebrated last year the 10th anniversary of its "Never drink and drive" promotion in Hungary which was joined by 25 thousand people personally or on Facebook. Our aim is to increase this figure in the coming years.

As I already mentioned, we devoted 2015 to the 225th anniversary of Zwack Unicum, and we marked this jubilee by a number of events, programs and a communication campaign. We launched a city tour named „one sip of success" which shared stories about Zwack Unicum and the Zwack family which link them to the city of Budapest. During the concerts held throughout the Night of Museums we celebrated together with the public. Last year we presented our new commercial which draws a parallel between Zwack Unicum and the Zwack family story and the history of Hungary. In this commercial images flashed across the screen evoking remarkable events in Hungarian history which have in common the will to fight and to win.

The Company, together my family, is proud of our achievements of last year, of the hard work invested and rewarded by positive results. We make constant efforts to fully meet the requirements of our consumers and clients, as this has been the secret of our successful operation for so many years. I can declare in the name of the whole Company and of my colleagues that we will do our utmost also in the future to ensure that the history of Zwack Unicum Plc be similarly successful in the years to come!

Sándor Zwack
Chairman of the Board of Directors

The yearly annual report gives us the perfect opportunity to look back on the last year and at the same time to present our outlook for the future.

The 225th anniversary was a truly memorable event. The Company managed to involve all stakeholders of our Company in the festivities; most importantly the consumers and customers, e.g. with the sleeved bottle Jubilee Edition featuring in gold the Company's headquarters in the Budapest Soroksari street. Various events with our clients in the on- and off-trade took place, as well as educational sessions with interested consumers, bartenders and the press. A special highlight was the new Unicum commercial which had its premiere last December. From a modern perspective the history of the country was exemplified through parallels with the Unicum Company.

We said farewell to the last year at Christmas by illustrating the outstanding potential of the Zwack museum as a background for a brand event which offered to all participants from our clients and other stakeholders a total immersion into the Unicum brand.

As regards the other iconic brands in the Zwack portfolio, several future oriented steps could be achieved. Let me mention the innovation Fütyülös Strawberry Roze and Hubertus Forest Fruits which were very well received by our clients and consumers, at the same time reviving the respective mother brands.

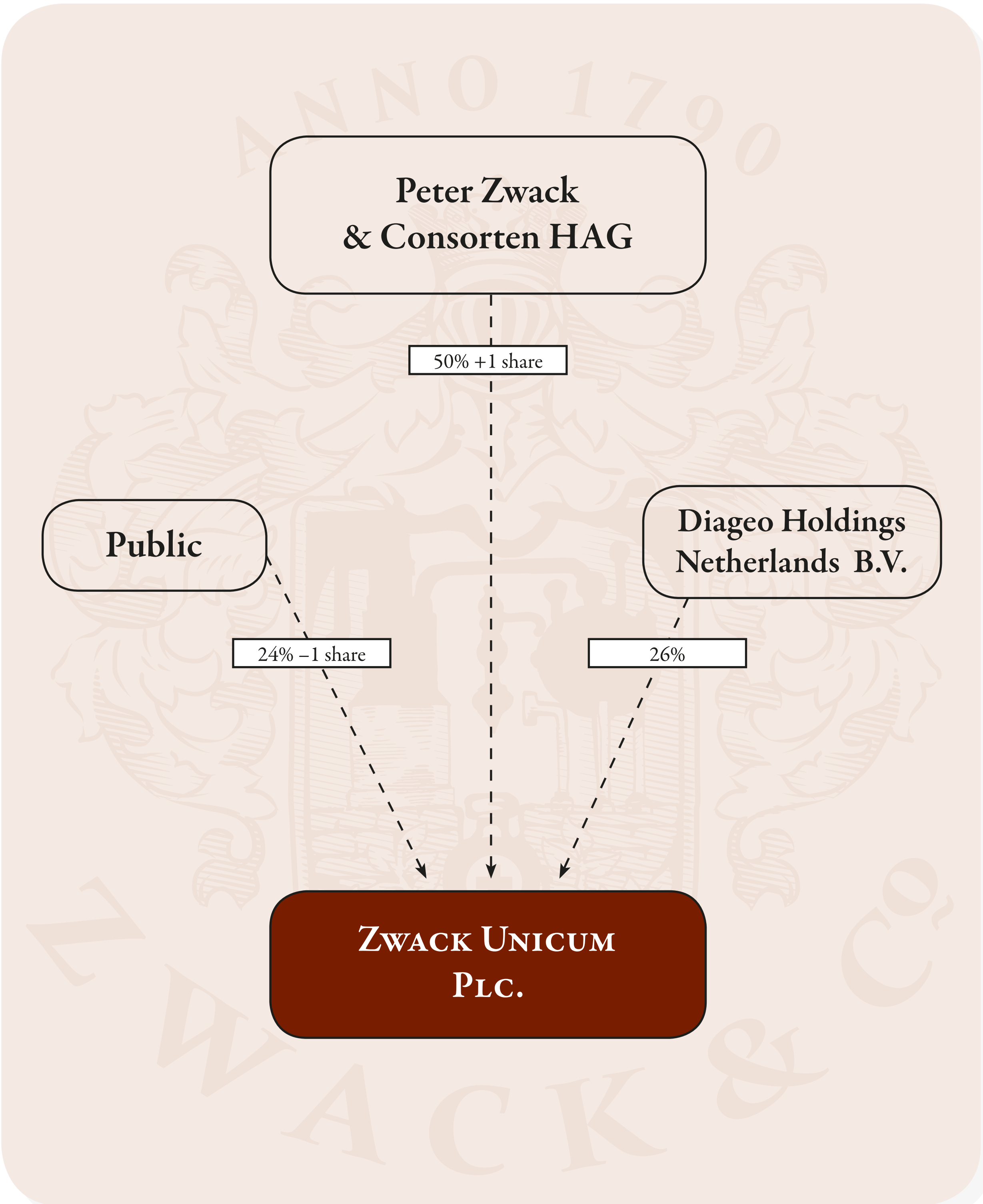
Outlooking into the future we see further encouraging growth in the domestic market based on solid consumer expenditure. The sales team has managed to launch Unicum Szilva in additional international markets, allowing for enhanced growth in this field. Especially focussing on the Italian, German and Romanian market.

We currently see our Company well equipped for the future in a challenging market setting. Above all, the dialogue with you and your support, dear shareholders, is valued a great deal. For the current year further innovations are in the pipeline, the motivation of our skilled team is encouragingly high.

Last but not least, let me take this opportunity to thank everybody who has helped to realise this successful business year.

dr. Hubertine Underberg-Ruder
Chair of the Supervisory Board

DISTRIBUTION OF VOTING SHARES OF ZWACK UNICUM Plc.



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DECLARATION

We, the undersigned Zwack Unicum Liqueur Industry and Trading Public Limited Company, hereby declare that the facts and statements contained in the Annual Report covering the Company's business year of 2015-2016 (1 April 2015 – 31 March 2016) are true in all respects, and that the Annual Report does not hide any fact that is of importance in assessing the situation of the Company.

Financial reports (Balance Sheet, Profit & Loss, Notes to the Financial Statements) presented in the Annual Report were prepared according to the applicable accountancy regulations and our best knowledge. Financial reports give real and authentic picture of the assets, liabilities, financial situation and profit of the issuing company.

The Management Report, which is part of the Annual Report, gives authentic picture of the situation, development and achievement of the issuing company, reciting the major risks and factors of uncertainty.

The Company has fulfilled the periodic and extraordinary duties of disclosure, as required by the Capital Market law.

The Company's audit has been provided by PricewaterhouseCoopers LLC. The Auditor of the Company did not receive other assignment than the audit (according to the Hungarian Accounting Standards and International Financial Reporting Standards) of the annual report of the Compamy.

Budapest, 24 May 2016

Sándor Zwack
Chairman of the Board

Frank Odzuck
Chief Executive Officer

FINANCIAL CALENDAR

Event	Date
Payment of dividend	**As from 21 July 2016**
Publication of the report about the first quarter of 2016/2017*	**4 August 2016**
Publication of the report about the first half year of 2016/2017*	**3 November 2016**
Publication of the report about the first three quarter of 2016/2017*	**2 February 2017**
Publication of the report about the financial year 2016/2017*	**26 May 2017**
Annual General Meeting	**29 June 2017**

* not final dates

BALANCE SHEET – ASSETS

Number		Names of items	t HUF 2015.03.31.	t HUF 2016.03.31.
a		b	c	d
01.	A	**FIXED ASSETS**	**3 473 468**	**3 624 681**
02.	I.	INTANGIBLE ASSETS	80 466	112 534
03.		Capitalised value of foundation and restructuring		
04.		Capitalised value of research and development		
05.		Intangible property rights	59 378	92 713
06.		Intellectual properties	21 088	19 821
07.		Goodwill		
08.		Advance payments on intangible assets		
09.		Value-adjustment of intangible assets		
10.	II.	TANGIBLE ASSETS	3 343 164	3 465 779
11.		Land and buildings and related intangible property rights	2 547 210	2 473 794
12.		Technical equipment, machinery, vehicles	271 214	420 025
13.		Other equipment, fittings, vehicles	438 220	410 419
14.		Breeding stock		
15.		Assets under construction, renovations	37 485	157 841
16.		Advance payments on assets under construction	49 035	3 700
17.		Value-adjustment of tangible assets		
18.	III.	FINANCIAL INVESTMENTS	49 838	46 368
19.		Long-term investments in related companies	15 718	15 718
20.		Long-term loans given to related companies		
21.		Other long-term investments	0	0
22.		Long-term loans given to other investees		
23.		Other long-term loans given	34 120	30 650
24.		Long-term debt securities		
25.		Value-adjustment of financial investments		
26.	B	**CURRENT ASSETS**	**6 640 310**	**6 440 439**
27.	I.	INVENTORIES	1 742 630	2 127 358
28.		Raw materials	488 206	562 133
29.		Work in progress and semi-finished products	524 291	693 884
30.		Animals		
31.		Finished products	317 802	501 559
32.		Goods	411 343	362 898
33.		Advance payments on inventories	988	6 884
34.	II.	RECEIVABLES	1 656 062	2 055 639
35.		Receivables from supply of goods and services (trade debtors)	1 482 483	1 841 167
36.		Receivables from related companies		
37.		Receivables from other investees		
38.		Bills of exchange receivable		
39.		Other receivables	173 579	214 472
40.	III.	SECURITIES	0	0
41.		Investments in related companies		
42.		Other investments		
43.		Treasury shares, own quotas		
44.		Debt securities held for sale		
45.	IV.	LIQUID ASSETS	3 241 618	2 257 442
46.		Cash in hand, cheques	370	438
47.		Bank deposits	3 241 248	2 257 004
48.	C	**PREPAID EXPENSES AND ACCRUED INCOME**	**144 022**	**147 498**
49.		Accrued income	22 732	35 489
50.		Prepaid costs and expenses	121 290	112 009
52.		**TOTAL ASSETS**	**10 257 800**	**10 212 618**

According to Hungarian Accounting Standards.

BALANCE SHEET – EQUITY & LIABILITIES

			t HUF	t HUF
Number		**Names of items**	**2015.03.31.**	**2016.03.31.**
a		b	c	d
53.	**D**	**SHAREHOLDERS' EQUITY**	**5 291 408**	**7 016 762**
54.	I.	ISSUED CAPITAL	2 035 000	2 035 000
55.		thereof: repurchased treasury shares at face value		
56.	II.	ISSUED, BUT UNPAID CAPITAL		
57.	III.	CAPITAL RESERVE	264 044	264 044
58.	IV.	RETAINED EARNINGS	2 992 364	2 992 364
59.	V.	NON-DISTRIBUTABLE RESERVE		
60.	VI.	REVALUATION RESERVE		
61.	VII.	PROFIT OR LOSS FOR THE YEAR	0	1 725 354
62.	**E**	**PROVISIONS**	**257 004**	**318 329**
63.		Provisions for expected liabilities	257 004	318 329
64.		Provisions for future expenses		
65.		Other provisions		
66.	**F**	**LIABILITIES**	**3 828 542**	**1 774 361**
67.	I.	SUBORDINATED LIABILITIES	0	0
68.		Subordinated liabilities to related companies		
69.		Subordinated liabilities to other investees		
70.		Subordinated liabilities to other businesses		
71.	II.	LONG-TERM LIABILITIES	0	0
72.		Long-term borrowings		
73.		Convertible bonds		
74.		Debts on the issue of bonds		
75.		Investment and development loans		
76.		Other long-term loans		
77.		Long-term liabilities to related companies		
78.		Long-term liabilities to other investees		
79.		Other long-term liabilities		
80.	III.	SHORT-TERM LIABILITIES	3 828 542	1 774 361
81.		Short-term credit		
82.		thereof: convertible bonds		
83.		Short-term loans		
84.		Advance payments received from customers	0	0
85.		Liabilities from supply of goods and services (trade creditors)	836 616	817 766
86.		Bills of exchange payable		
87.		Short-term liabilities to related companies	1 200 001	0
88.		Short-term liabilities to other investees		
89.		Other short-term liabilities	1 791 925	956 595
90.	**G**	**ACCRUED EXPENSES AND PREPAID INCOME**	**880 846**	**1 103 166**
91.		Deferred revenues	57 502	40 825
92.		Accrued costs and expenses	794 964	1 047 147
93.		Deferred income	28 380	15 194
94.		**TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY**	**10 257 800**	**10 212 618**

According to Hungarian Accounting Standards.

PROFIT AND LOSS STATEMENT „A"

Number	Names of items	t HUF 01.04.2014. – 31.03.2015.	t HUF 01.04.2015. – 31.03.2016.
a	b	c	d
01.	Net domestic sales	22 096 903	21 875 677
02.	Net external sales	1 964 601	2 193 182
I.	**Total sales (revenues) (01+02)**	24 061 504	24 068 859
03.	Variations in self-manufactured stocks	-348 637	353 350
04.	Own work capitalized	159 661	80 593
II.	**Own performance capitalized (+03+04)**	-188 976	433 943
III.	**Other income**	194 424	212 898
	including: write-back of impairment loss	23 666	25 968
05.	Cost of raw materials	2 893 402	3 093 079
06.	Value of services used	3 806 851	4 046 672
07.	Value of other services used	84 816	103 886
08.	Costs of goods sold	2 195 980	2 221 460
09.	Value of services sold (intermediated)	4 441	3 372
IV.	**Material type expenditures (05+06+07+08+09)**	8 985 490	9 468 469
10.	Wages and salaries	1 648 335	1 574 540
11.	Other payments to personnel	465 096	498 383
12.	Contributions on wages	546 041	534 600
V.	**Payments to personnel (10+11+12)**	2 659 472	2 607 523
VI.	**Depreciation**	441 331	462 338
VII.	**Other expenses**	9 887 939	10 144 558
	including: impairment loss	137 363	17 523
A	**Income from financial transactions (I+II+III–IV–V–VI–VII)**	**2 092 720**	**2 032 812**
13.	Dividends and profit sharing (received or due)		
	including: from affiliated undertakings		
14.	Capital gains on investments		
	including: from affiliated undertakings		
15.	Interests and capital gains on financial invstments	62 336	20 888
	including: from affiliated undertakings		
16.	Other interest and similar income (received or due)	62 336	20 888
	including: from affiliated undertakings		
17.	Other income from on financial transactions	67 752	102 436
VIII.	**Income from financial transactions (13+14+15+16+17)**	130 088	123 324
18.	Losses on financial investments		
	including: to affiliated undertakings		
19.	Interest payable and similar charges	2	343
	including: to affiliated undertakings		
20.	Losses on shares, securities and bank deposits		
	including: to affiliated undertakings		
21	Other expenses on financial transactions	46 107	42 980
IX.	**Expenses on financial transactions (18+19+20+21)**	46 109	43 323
B	**Profit or loss from financial transactions (VIII-IX)**	**83 979**	**80 001**
C	**Profit or loss of ordinary activities (+A+B)**	**2 176 699**	**2 112 813**
X.	**Extraordinary income**	24 596	11 753
XI.	**Extraordinary expenses**	106 062	121 348
D	**Extraordinary profit or loss (X-XI)**	**-81 466**	**-109 595**
E	**Income before taxes (+C+D)**	**2 095 233**	**2 003 218**
XII.	**Tax payable**	327 392	277 864
F	**Profit after taxes (+E-XII)**	**1 767 841**	**1 725 354**
22.	Profit reserves used for dividends and profit-sharing	674 159	
23.	Dividends and profit-sharing paid (payable)	2 442 000	
G	**Profit or loss for the year (+F+22-23)**	**0**	**1 725 354**

According to Hungarian Accounting Standards.

NOTES TO THE FINANCIAL STATEMENTS OF ZWACK UNICUM PLC. FOR THE PERIOD FROM 1 APRIL 2015 TO 31 MARCH 2016

A) GENERAL INFORMATION

1. **Name and Registered Seat of the Company:**

   Zwack Unicum Likőripari és Kereskedelmi Nyilvánosan Működő Részvénytársaság
   1095 Budapest, Soroksari street 26.
   Homepage: www.zwackunicum.hu

2. **Legal Status of the Company:**

   Public Company Limited by Shares

3. **Date of Incorporation**

   31 December 1992
   The Company's legal predecessor, Zwack Unicum Budapest Likőrgyár és Kereskedelmi Kft. was founded on 10 July 1989. The Company was transformed into a company limited by shares on 30 September 1992.
   Incorporation No:: 01-10-042048
   Tax ID: 10795044-2-44

4. **Number and Value of Shares Issued**

Number	Par value	Type of share	Currency
2 000 000	1 000	ordinary share	HUF
35 000	1 000	redeemable liquidation preference share	HUF
2 035 000		**Total**	

Each ordinary share grants equal rights to their holders, while the redeemable liquidation preference shares do not grant voting rights.

5. **Owners and their Ownership Percentage:**

   Peter Zwack & Consorten HAG (1190 Wien, Heiligenstadter Strasse 43.) 50,00 % + 1 részvény
   Diageo Holdings Netherlands B.V. (1014 BG Amsterdam, Molenwerf 10-12.) 26,00 %
   Free-float percentage: 24,00 % - 1 részvény

According to the data of the share-book, the Company had 2 135 shareholders as at 31 March 2016. Within free-float shares, Intrinsic Value Investors LLP has an investment exceeding 5% (120 549 shares, 5,92%).
The following top office holders of the Company own shares:

Name	Position	Type of shares	Nominal value
Dr. András Szecskay	Supervisory Board Member	ordinary shares	THUF 651
Frank Odzuck	CEO, Board of Directors Member	redeemable liquidation preference shares	THUF 16 000
Tibor Dörnyei	Deputy CEO, Board of Directors Member	redeemable liquidation preference shares	THUF 10 500
Csaba Belovai	Commercial Director	redeemable liquidation preference shares	THUF 8 500

The closing price of the Company's publicly issued shares was HUF 17 500 as at 31 March 2016 on the Budapest Stock Exchange, which is 11,36% higher than the HUF 15 715 closing price as at 31 March 2015. During the 2015/2016 business year number of 66 472 Zwack Unicum shares changed owners on the Budapest Stock Exchange, and the turnover-weighted average share price was HUF 17 575.

6. **The Company's Core Activities:**

   Production of alcoholic drinks
   Foreign trade
   Food wholesale

7. Short Description of the Accounting Policy

7.1. Date of the Financial Statements

The Company's business year lasts from 1 April to 31 March.
The date of balance sheet preparation is 14 April 2016.

7.2. Basis of Preparation of the Financial Statements:

The Company prepared the financial statements in conformity with the regulations set forth in the currently in force Hungarian Act on Accounting (Act C of 2000).

7.3. Bookkeeping Method:

The Company keeps double-entry books. Costs and expenses are primarily accounted for in account class 5 and account classes 6 and 7, in parallel.

7.4. The Selected Format of the Balance Sheet and the Profit and Loss Account:

The Company prepares version "A" balance sheet.

The Company prepares version "A" profit and loss account by the total cost method.

7.5. Audit

Pursuant to Section 155 of Act C of 2000 the Company is subject to audit obligation.
The Company's auditor is PricewaterhouseCoopers Könyvvizsgáló Kft.
The signing auditor: Balázs Mészáros (1137 Budapest, Katona Jozsef street. 25. V.4., Chamber membership number: 005589)
The fee for the audit of the financial statements prepared according to the provisions of the Hungarian Act on Accounting and the accounting principles generally accepted in Hungary with issuance of an audit report on that is THUF 12 525.

7.6. Regulations Applied by the Company:

- Accounting Policy
- Cash Management Regulations
- Inventory-keeping and Inventory-taking Regulations Applicable to Assets and Liabilities
- Valuation Regulations Applicable to Assets and Liabilities
- Cost Accounting Regulations
- Other Regulations

7.7. Tax Audit

The Tax Authority carried out no comprehensive tax audit for this period in the Company. The tax authority may examine the books and records and raise additional assessments and penalties at any time for up to six years after the respective taxation year. The Company's management is not aware of any circumstances that might result in a tax liability for the Company in such a case.

7.8. Applied Valuation Principles:

The guiding principle of valuation is the going concern assumption. The law prescribes that the valuation should be based on historical data; therefore assets may not be recorded in an amount higher than their acquisition or production cost, except for cases specifically named by law. Assets are valued at historical cost, net of recognised depreciation charge and impairment loss, plus any written back extraordinary depreciation and impairment loss. Specific cost factors are included in the purchase price if those can be directly allocated to the assets.

Valuation of Fixed Assets

Fixed assets are valued at acquisition or production cost, net of depreciation charge and impairment loss, plus any written back extraordinary depreciation and impairment loss. The historical cost of fixed assets is determined in conformity with the provisions of Sections 47-51 of the Act on Accounting, with taking into consideration of the following:

- Subsections (3), (4) of Section 25 of the Act on Accounting allow the capitalisation of the costs of foundation-restructuring and research & development. When such costs reach HUF 10 million, the Company exercises individual judgement whether to capitalise the costs or to charge those to the profit or loss in the year when incurred. In all other cases the Company does not capitalise these costs, but charges those in one amount to the profit or loss of the year when incurred.

- Equity investments held in business organisations are stated at the value prevailing as at the date of foundation as stated in the articles of association, or in the case of purchase at the purchase price, or in an amount net of recognised impairment loss.
- The purchase price of goodwill implies the difference between the consideration paid for the acquired company and the value of the company's assets net of liabilities, if the paid consideration is the higher. If the paid consideration significantly exceeds the market value in the case of acquisition of an interest exceeding 75,1%, the Company accounts for this difference as goodwill.
- The purchase price of interest-bearing securities stated among fixed assets or current assets may not include the amount of interest included in the purchase price.
- The purchase price of assets received free of charge implies the carrying amount stated at the transferor (or the realisable or market value). In the case of assets received as gift or heritage and assets identified as surplus, the purchase price is the market value prevailing as at the date of recording of the asset.
- In the case business organisations the purchase price of the assets received as non-cash contribution is the value of the assets, including non-deductible VAT, as stated in the articles of association.

Valuation of Current Assets

Within inventories, goods and materials are disclosed at cumulated average price, work in progress, semi-finished goods and finished goods are disclosed at production cost, with regard to the market value. If the carrying amount exceeds the market value, impairment loss must be accounted for.

Assets that do not satisfy the relevant regulations or are not suitable for their original purpose, or whose sale or use is doubtful, qualify as redundant inventories, and must be disclosed at impaired value.

Furthermore, the closing material and goods balances whose recorded purchase price is higher than their actual market value known as at the date of balance sheet preparation must also be stated in the balance sheet at impaired value. Determination of the market value is done in conformity with the provisions of the Valuation Regulations.

The valuation of receivables is done in conformity with the provisions of Section 65 of the Act on Accounting. In the case of receivables below HUF 35 000 the Company's standpoint is that presumably the costs of collection would be incommensurate with the recoverable amount.

Outstanding forint and foreign currency receivables qualified as bad or past due debts must not be disclosed in the balance sheet, with adherence to the foreign exchange regulations.

For determination of the acquisition cost of securities recorded among current assets, purchased as not long-term investments, the general provisions of the Act on Accounting are applicable. Accordingly, the acquisition cost includes all expenses incurred in connection with the acquisition of the security and directly allocable to the asset, except for the paid commission fee or the fee paid for purchase of the buy option. Interest-bearing securities are exceptions, whose purchase price may not include the amount of interest included in the purchase price. In the case of repurchased own shares or business stakes the acquisition cost is the repurchase price as per the underlying contract. It is a guiding principle for the year-end valuation of securities, that the value disclosed in the balance sheet is the net book value of the securities net of the amount of the impairment loss allowable according to the Act on Accounting.

It is a guiding principle for the valuation of liquid assets, that liquid assets should be stated in the balance sheet at net book value.

Valuation of Shareholders' Equity and Liabilities

The general valuation principle applicable to shareholders' equity and liabilities says that the shareholders' equity, the provisions and the liabilities, excluding liabilities denominated in foreign currency, must be stated in the balance sheet at net book value.

The components of the shareholders' equity are valued at net book value both interim and at year-end.

Forint credits and loans are recorded in the amount specified in the underlying contract, and are reduced by the amount of repaid instalments. FX credits and loans are stated in the actually disbursed FX amount or the FX amount net of the amount of repaid instalments as translated at the official foreign exchange rate quoted by the National Bank of Hungary as at the date of performance. The year-end balance of credits and loans must agree with the bank statement as at the balance sheet date of the financial institution that provided the credit or the loan, and with the forint or FX amounts included in the confirmation letters received back.

Advance payments received from customers in forint are stated in the amount actually received as long as the performance takes place in a way acknowledged by the customer. Advance payments received from customers in foreign currency are recorded at the foreign exchange rate quoted by the National Bank of Hungary prevailing as at the date of performance.

The valuation of liabilities denominated in foreign currency is done in conformity with the provisions of Subsection (5) b of Section 68 of the Act on Accounting.

Special Valuation of Items Denominated in Foreign Currency

Foreign currency amounts held in the foreign currency petty cash, FX amounts held on FX accounts, receivables denominated in foreign currency, FX financial investments, FX securities and liabilities denominated in foreign currency are disclosed at their forint value as translated at the foreign exchange rate of the National Bank of Hungary prevailing as at the date when incurred or as at the date of contractual performance, excluding foreign currency amounts purchased for forint, which are stated in the accounting records in the amount actually paid, and for which the foreign exchange rate at which those will be included in the records must be determined on the basis of the actually paid forint amount.

Assets and liabilities denominated in foreign currency must be re-valued in the balance sheet at the foreign exchange rate of the National Bank of Hungary prevailing as at the balance sheet date of the business year regardless of the size of revaluation differences arising from the revaluation.

If the aggregate amount of the revaluation difference is a loss, it must be recorded among other expenditures of financial transactions. If the aggregate amount of the revaluation difference is a gain, it must be recorded among other revenues of financial transactions.

Accounting for Depreciation

The Company determines the wear-out time of intangible and tangible assets considering its own circumstances, and determines the annual amount of ordinary depreciation at the date of capitalisation subject to the gross value net of residual value and the economic useful life. The amount of ordinary depreciation is determined every month for each asset by the straight-line method with prorated daily depreciation calculation or by the units of activity method. The recording of depreciation begins on the day of putting into operation and depreciation is accounted for on a monthly basis.

The Company determines residual value only for the asset group of cars (see depreciation rates). The residual value for all other asset groups is zero, because the Company uses these assets until the end of their economic useful life, or it is likely that the residual value will not be noteworthy. The residual value is considered immaterial if it is not likely to reach 10% of the historical cost of the asset.

Asset groups with outstanding importance for the business include: real properties where the Company carries out its production activity, production equipment, computers, software products and trademarks.

When an accessory that can be used with other equipment, as well, is mounted on an asset, the Company determines the expected economic useful life of the accessory, and charges amortisation on the accessory on that basis. Any extension, change of original function, transformation or renovation of an asset that cannot be utilised on its own, independently from the asset, enhances the historical cost of the original asset. In such cases the Company revises the economic useful life and the residual value of the asset, and if the change is fundamental on that basis, the annual ordinary depreciation is modified.

In the case of a tangible asset with outstanding importance for the business, if the difference between the annual depreciation charge as calculated before and after the capitalisation of subsequent changes is significant, the effect on the profit or loss should be disclosed in the notes to the financial statements.

The Company considers a change to be fundamental, if the change in the value of the asset is higher than 30% of the original cost, or if the change in the expected economic useful life is greater than 30%.

The historical cost of an asset must be modified, if a document received subsequently shows noteworthy difference (bigger than 10%, min. HUF 20 000) in relation to the historical cost already accounted for.

The acquisition or production cost of tangible assets with an individual acquisition or production cost below HUF 100 000 can be fully depreciated in one amount on taking into use on the basis of individual judgement.

Assets subject to individual judgement:

The installed beverage coolers are written down after two years due to the rapid wear, regardless of the brand.

The museum exhibits, except the pieces of art, are written down in a lump sum due to shift in function.

The Company reviews the useful life of the production equipment and of tools whose last year's depreciation exceeded 500 000 HUF/piece, and their useful life is amended, if necessary.

Trade-marks are recorded among capital WIP in the amount of payments incurred from the date of application for registration to the date of registration. Given that the registration has retroactive effect, the depreciation charges incurred so far are recognised immediately as of the date of registration and the useful life of trademarks lasts until the expiry date.

The Company accounts for extraordinary depreciation for intangible and tangible assets, if the carrying amount of the tangible and intangible assets permanently (for more than one year) and significantly (at least by 20% of the book value) exceeds the market value of the assets. The Company writes back any extraordinary depreciation accounted for before, if more than 20% difference arises between the carrying amount and the market value in favour of the market value.

Depreciation rates:

• Intangible assets	3-10 years
• Real Estate	3-50 years
• Technical equipment, machines, vehicles	2-11 years
• Other equipment, machines, vehicles	3-5 years + residual value

Calculation and Recognition of Impairment Loss

The Company accounts for impairment loss on equity investments in business organisations, debt securities with over one year maturity, purchased and own manufactured inventories, if their carrying amount is permanently (for more than one year) and significantly (by more than 10%) exceeds the market value.

If an inventory item is no longer suitable for its original function, or it has been damaged, has become redundant, or if its carrying amount permanently and significantly differs from the market value as detailed above, the acquisition cost of purchased inventories and the production cost of own manufactured inventories must be reduced to the market value prevailing as at the date of balance sheet preparation. This type of impairment loss can be recognised on the basis of individual judgement.

The Company accounts for impairment loss on receivables outstanding as at the balance sheet date of the business year and financially not settled by the date of balance sheet preparation.

The impairment loss for customers with an annual turnover in excess of MHUF 200 and in extraordinary cases is determined on the basis of individual judgment, and otherwise in all other instances the impairment loss is 10% up to the amount of insurance, and if the receivable amount per customer or debtor is low the following depreciation rates are applied:

Classification	Rate
Within maturity	0%
Overdue by:	
1-30 days	2%
31-60 days	15%
61-90 days	25%
91-120 days	50%
121-180 days	75%
181-360 days	100%
over 360 days	100%
Litigated debts	100%

Any impairment loss accounted for before must be written back, if the market value significantly (by more than 10%) and permanently (for more than two years) exceeds the carrying amount. When an impairment loss is written back, the book value may not exceed the original book value or the acquisition cost, or the nominal value, or the originally acknowledged and accepted amount or the historical cost.

Recognition as Non-hedging Transaction

The Company accounts for the expected, calculated yield of its derivative transactions open as at the balance sheet date among the expenditures of the period with application of the accounting rule applicable to non-hedging transactions.

Material Errors

The Company considers an error to be material if, in the year when disclosed by various reviews, the total of all errors and the impacts thereof (whether negative or positive) disclosed for a given year – increasing or decreasing the profit (or loss) or the equity – exceeds 2% of the balance sheet total of the reviewed business year or MHUF 1, if the 2% of the balance sheet total is higher than MHUF 1.

An error is not considered to be material if, in the year when disclosed by various reviews, the total of all errors and the impacts thereof (whether negative or positive) disclosed for a given year– increasing or decreasing the profit (or loss) or the equity – does not exceed the materiality level referred to in the previous paragraph.

8. Ratios Reflecting the Company's Capital, Financial and Income Position

The ratios reflecting the Company's capital, financial and income position are included in Appendix 1.

9. **Cash Flow Statement**

The Cash Flow Statement is included in Appendix 3.

B) SPECIFIC INFORMATION

1. **Notes to the Balance Sheet**

In the analysis of the balance sheet items, those are compared to the balances of the balance sheet as at 31 March 2015.

1.1. **Incomparable data**

Compared to the previous year, the report does not contain any incomparable data. .

FIXED ASSETS (in tHUF)

Description	Previous year	Current year
Intangible assets	80 466	112 534
Tangible assets	3 343 164	3 465 779
Financial investments	49 838	46 368
Fixed assets	**3 473 468**	**3 624 681**

1.2. **Intangible assets, tangible assets and financial investments, as well as their depreciation (in tHUF)**

Description	Previous year	Current year
Intangible property rights	59 378	92 713
Intellectual properties	21 088	19 821
Intangible assets	**80 466**	**112 534**

Within intangible property rights the Company recognises domain names as well as software and related developments.

Within intellectual properties the Company recognises product trademarks registered at different points of the world.

Description	Previous year	Current year
Real estates and related intangible property rights	2 547 210	2 473 794
Technical equipment, machinery, vehicles	271 214	420 025
Other equipment, fixtures, vehicles	438 220	410 419
Assets under construction, renovation	37 485	157 841
Advance payments on assets under construction	49 035	3 700
Tangible assets	**3 343 164**	**3 465 779**

In the category of tangible assets the Company recognises the following:

- real estates include land, buildings and structures;
- technical equipment and machinery include machines, equipment and containers directly used in production; and
- other equipment include office and other equipment, computers and vehicles.

This business year, Zwack Unicum Nyrt. spent MHUF 635 on CAPEX investments.

Significant technological developments took place, both in bottling and in beverage production, the most important modernisation being the installation of a new filling machine and an up-to-date extracting machine, the value of which was a total of MHUF 217. The rest of capex was replacements.

The movements schedule of intangible and tangible assets is presented in Appendix 2.

Description	Previous year	Current year
Long-term investments in related companies	15 718	15 718
Other long-term loans given	34 120	30 650
Financial investments	**49 838**	**46 368**

Long-term investments in related companies include the Company's 35,43% investment in Morello Kft. The Company has sold its other long term shares.

Other long-term loans include the long-term portion of the housing loans the Company provided to its employees.

CURRENT ASSETS (in tHUF)

Description	Previous year	Current year
Inventories	1 742 630	2 127 358
Receivables	1 656 062	2 055 639
Securities	0	0
Liquid assets	3 241 618	2 257 442
Current assets	6 640 310	6 440 439

1.3. Inventories (in tHUF)

Description	Previous year	Current year
Raw materials	488 206	562 133
Work in progress and semi-finished products	524 291	693 884
Finished goods	317 802	501 559
Goods	411 343	362 898
Advance payments on inventories	988	6 884
Inventories	**1 742 630**	**2 127 358**

The Company recognised impairment loss on products whose sale has become doubtful and on slow-moving inventories and inventories showing no movement at all.
The public health product tax introduced on 1 January 2015, caused a significant growth in sales at the end of 2014, and for this reason the stock on 31 March 2015 was under average; however, the closing stock of the year under review was at the usual level.

1.4. Accounts receivable from supply of goods and services (trade debtors) (in tHUF)

Description	Previous year	Current year
Accounts receivable	1 488 225	1 845 827
Domestic accounts receivable	1 217 040	1 519 624
Foreign accounts receivable	271 185	326 203
Impairment loss	-5 742	-4 660
Receivables from delivery of products and services	**1 482 483**	**1 841 167**

82% of the accounts receivable balance is comprised of domestic trade debtors.
The increase in accounts receivable was caused by its relative increase compared to the March monthly sales base, partially due to Easter happening to be at the very end of the business year.
The Company recognised impairment loss on those receivables existing as at the balance sheet date of the business year, which have not yet been financially settled and were overdue. In accordance with the principle of prudence, the impairment loss was calculated individually in the case of customers with a yearly turnover above MHUF 200 and in extraordinary cases, and by category in all other cases.
The following table shows the aging analysis of receivables (in tHUF):

	Domestic debtors	Foreign debtors	Total
Within maturity	1 491 300	310 109	**1 801 409**
1-30 days	19 096	16 214	**35 310**
31-60 days	5 925	-120	**5 805**
61-90 days	0	0	**0**
91-120 days	0	0	**0**
121-180 days	0	0	**0**
181-365 days	0	0	**0**
Over 365 days	0	0	**0**
Under litigation	3 303	0	**3 303**
Total	**1 519 624**	**326 203**	**1 845 827**

1.5. Movements schedule of impairment loss of inventories and receivables

The movements schedule of the impairment loss of inventories and receivables is presented in Appendix 5.

1.6. Other receivables (in tHUF)

Description	Previous year	Current year
Advance payments made	5 541	23 673
Receivables from employees	12 249	12 818
Other receivables from trade creditors	24 244	107 360
Local taxes	18 358	21 355
Corporate tax	62 359	21 620
VAT	37 135	0
Advertising tax	510	13 501
Innovation contribution	1 295	4 244
Contributions (employer's contribution, health-care contribution)	2 868	1 740
Sundry other receivables	9 020	8 161
Other receivables	**173 579**	**214 472**

The increase of other receivables from suppliers was caused by the increase of the number of suppliers whose accounts were outstanding, including some compensated amounts that are in accrued liabilities.
Higher sales in March resulted in VAT turning into liability.
The better estimate of filling up resulted in a lower level of corporate tax overpayment.

1.7. Liquid assets (in tHUF)

Description	Previous year	Current year
Cash in hand, cheques	370	438
Bank deposits	3 241 248	2 257 004
Liquid assets	**3 241 618**	**2 257 442**

Financial assets dropped by MHUF 984 compared to 31 March 2015.
The Company held its free liquid assets in term deposits.
The bank deposits are as follows (**in tHUF**):

Description	Previous year	Current year
HUF deposits	42 220	271 742
FX deposits	37 426	65 262
Term deposits	3 161 602	1 920 000
Total	**3 241 248**	**2 257 004**

1.8. Prepaid expenses and accrued income (in tHUF)

Description	Previous year	Current year
Accrued income	22 732	35 489
Deferred costs and expenses	121 290	112 009
Prepaid expenses/accrued income	**144 022**	**147 498**

Among prepaid expenses and accrued income already booked items are recorded, which do not burden the costs and expenses of the target year (e.g. insurance premiums, subscription fees, annual tolls).

1.9. Shareholders' equity (in tHUF)

Description	Opening balance	Increase	Decrease	Reclass.	Closing balance
Issued capital	**2 035 000**	0	0	0	**2 035 000**
Issued, but unpaid capital	**0**	0	0	0	**0**
Capital reserve	**264 044**	0	0	0	**264 044**
Retained earnings	**2 992 364**	0	0	0	**2 992 364**
Non-distributable reserve	**0**	0	0	0	**0**
Revaluation reserve	**0**	0	0	0	**0**
Profit per balance sheet	**0**	1 725 354	0	0	**1 725 354**
Total shareholders' equity	**5 291 408**	**1 725 354**	**0**	**0**	**7 016 762**

The issued capital comprises number of 2 000 000 dematerialised ordinary shares with a par value of HUF 1 000 each and 35 000 redeemable liquidation preference shares with a par value of HUF 1 000 each.
The dividend payable for the 2015/2016 business year has not yet been deducted from the amount of the profit per balance sheet as at 31 March 2016, because it will be recognised only after approval by the general meeting.

1.10. Provisions (in tHUF):

Description	Opening	Provisioning	Release	Reversal	Closing
Provision for expected liabilities	257 004	124 655	63 330	0	318 329
Provisions	**257 004**	**124 655**	**63 330**	**0**	**318 329**

The balance of provision for expected liabilities comprises the following major items:

- Provisions made for accrued costs of headcount changes were MHUF 114; MHUF 11 was used the year before.
- The use of MHUF 52 from the provisions of the previous year is related to a product whose sale had been terminated by the Company.
- Employees who have worked for more than 10 years for the Company are rewarded at every 5-year anniversary, provisions for this liability amount to MHUF 10.
- Provisions of MHUF 5 for other purposes.

1.11. Liabilities (in tHUF)

Description	Previous year	Current year
Accounts payable from supply of goods and services (trade creditors)	836 616	817 766
Short-term liabilities to related companies	1 200 001	0
Other short-term liabilities	1 791 925	956 595
Liabilities	**3 828 542**	**1 774 361**

The Company had no long-term liabilities.

1.12. Accounts payable from supply of goods and services (trade creditors) (in tHUF)

Description	Previous year	Current year
Domestic trade creditors	350 186	286 698
Deliveries not invoiced	136 473	180 474
Foreign trade creditors	349 957	350 594
Trade creditors	**836 616**	**817 766**

The drop in domestic suppliers was caused by the increase in supplied but not invoiced services. See point 1.15 at accrued liabilities.

1.13. Short-term liabilities to related companies (in tHUF)

Description	Previous year	Current year
Peter Zwack & Consorten HAG	1 200 001	0
Short-term liabilities to related companies	**1 200 001**	**0**

The dividends due after the target year shall be decided on by the Company's general meeting on 28 June 2016, therefore this liability is not stated among the actual data of the year.

1.14. Other short-term liabilities (in tHUF)

Description	Previous year	Current year
Liabilities to employees	75 603	82 133
Personal income tax	18 727	19 316
Excise tax	170 628	346 906
Contributions	62 881	69 792
Local taxes	16 590	16 566
VAT	0	217 368
Public health product tax	63 557	60 917
Environmental product fee	9 718	5 557
Settlements with the state budget	571	0
Subsequent discounts	120 239	119 761
Dividend to Diageo Holdings Netherlands B.V.	624 000	0
Other dividend payable	625 160	13 085
Sundry other short term liabilities	4 251	5 194
Other short-term liabilities	**1 791 925**	**956 595**

The increase in excise duty liabilities and VAT turning into liability were caused by the increase in sales revenues in the last month of the year under review as compared to the base.
The dividends due after the current year shall be decided on by the Company's general meeting on 28 June 2016, therefore this liability is not stated among the actual data of the year.

1.15. Accrued expenses and prepaid income (in tHUF)

Description	Previous year	Current year
Deferred revenue	57 502	40 825
Accrued costs and expenses	794 964	1 047 147
Deferred income	28 380	15 194
Accrued expenses and prepaid income	**880 846**	**1 103 166**

Accrued expenses include overhead costs (MHUF 461), wage costs and social contributions (MHUF 217), as well as services paid to customers (MHUF 369)
The reduction of suppliers is caused by the above accruals.
Deferred income includes, besides the advertisement assets received for transmission, the corresponding amount of the depreciation of an asset related to an obsolete capex liability.

1.16. Liabilities with maturity over five years

The Company had no liabilities with maturity over five years.

1.17. Liabilities secured by collaterals

The Company had no liablilitis secured by collaterals.

1.18. Liabilities not acknowledged by the Company

The Company has no unacknowledged liabilities.

1.19. Off-balance sheet contingent and future liabilities

The owners of the Mast / Jägermeister brand initiated a lawsuit in Italy on the trademark registration of the label of the St. Hubertus drink (deer head and cross) because of the likelihood of confusion. The Civil Court of Rome - after the multiple appeals of Mast / Jägermeister – as final judgment rejected the last appeal and ruled that there is no risk of confusion between the trademarks. At present, negotiations are held with Mast / Jägermeister for closing the dispute with a settlement out of court.
No loss is anticipated in connection with litigations.

1.20. Open forward positions as at the balance sheet date

As at the balance sheet date the Company has no open forward positions.

2. Notes to the Profit and Loss Account

In the analysis of the profit and loss account, the comparison is made to the account balances of the business year ending on 31 March, 2015.

2.1. Incomparable items

Compared to the previous year, the report does not contain any incomparable items.

REVENUES (in tHUF)

Description	Previous year	Current year
Net domestic sales revenues	22 096 903	21 875 677
Net export sales revenues	1 964 601	2 193 182
Net sales revenues	**24 061 504**	**24 068 859**
Other revenues	194 424	212 898
Total	**24 255 928**	**24 281 757**

2.2. Net domestic sales revenues (in tHUF)

Description	Previous year	Current year
Net sales revenues	22 043 003	21 831 624
Domestic sales revenues from services	25 140	25 080
Other domestic sales revenues	28 760	18 973
Net domestic sales revenue	**22 096 903**	**21 875 677**

Domestic sales revenues decreased by MHUF 221.
The increased purchases by our commercial partners due to the introduction of the already mentioned public health product tax clearly increased sales revenues of the previous year. The 1% drop in sales revenues was due to this, which is a lot less than expected because the Company managed to increase sales revenues from own production premium products.

2.3. Net export sales revenues analysed by geographic market (in tHUF)

Goods Export Sales: geographic market	Previous year	Current year
EU	1 186 131	1 249 637
Other within Europe	19 252	8 792
USA	191 771	180 125
Other	11 956	15 725
Total	**1 409 110**	**1 454 279**

Service Export Sales: geographic market	Previous year	Current year
EU	548 188	734 307
Other	7 303	4 596
Total	**555 491**	**738 903**

Increase of sales revenues in export services resulted from higher marketing cost reimbursements because the owners of the brands sold increased their marketing activities in Hungary compared to the previous years.

2.4. Other revenues (in tHUF)

Description	Previous year	Current year
Proceeds from sale of intangible and tangible assets	68 697	52 816
Late payment interests and compensations received	46 061	15 100
Revenues related to accidental damages	12 223	9 926
Subsequent discounts received	24 391	43 012
Release of provisions	17 420	63 330
Write-back of impairment loss	23 675	25 968
Sundry other revenues	1 763	2 746
Payments to loan losses on customers	194	0
Other revenues	**194 424**	**212 898**

Other revenues increased by MHUF 18, meaning 9,5%.
The drop in compensation for damages received was caused by compensations after larger amounts of insured liabilities received in the year under review.
The increase in the discounts received from our suppliers was caused by the bonus received from the marketing agencies.
The loss of value of customers' accounts receivable is shown as a net value.
The details of provision making can be seen under point 1.10.
The Company did not receive any state subsidy during the financial year.

COSTS AND EXPENDITURES ((in tHUF)

Description	Previous year	Current year
Capitalised value of own performance	188 976	-433 943
Material type expenditures	8 985 490	9 468 469
Payments to personnel	2 659 472	2 607 523
Depreciation charge	441 331	462 338
Other expenditures	9 887 939	10 144 558
Total	**22 163 208**	**22 248 945**

2.5. Capitalised value of own performance (in tHUF)

Description	Previous year	Current year
Change in self-manufactured inventories	-348 637	353 350
Capitalized value of self-manufactured assets	159 661	80 593
Capitalised value of own performance	**-188 976**	**433 943**

The increase in capitalized own performance can be explained by the changes in the inventories. See point 1.3.

2.6. Material type expenditures (in tHUF)

Description	Previous year	Current year
Cost of raw materials	**2 893 402**	**3 093 079**
Direct raw materials	2 499 838	2 675 902
Indirect raw materials	157 499	198 359
Energy consumption	236 065	218 818
Value of services used	**3 806 851**	**4 046 672**
Maintenance	134 336	151 653
Wage work	56 969	84 303
Transportation and warehousing charges	350 485	342 173
Lease fee	131 445	130 877
Marketing costs	2 554 181	2 709 144
Expert activity, advisory services	177 405	164 886
Other	402 030	463 636

Description	Previous year	Current year
Value of other services used	**84 816**	**103 886**
Costs of goods sold	**2 195 980**	**2 221 460**
Cost of domestic sales	2 191 011	2 208 445
Cost of export sales	4 969	13 015
Value of resold services	**4 441**	**3 372**
Material type expenditures	**8 985 490**	**9 468 469**

Refilling the stocks to normal level caused the drop in cost of materials.
The Company increased its marketing expenditures in the year under review both for its own brands and for other brands sold; among own brands primarily as related to Unicum (domestic and in Italy) and St. Hubertus brands.

2.7. Import purchases analysed by geographic market (in tHUF)

Product Import: geographic market	Previous year	Current year
EU	3 220 732	3 490 702
Other	23 782	37 994
Total	**3 244 514**	**3 528 696**

Services Import: geographic market	Previous year	Current year
EU	182 361	475 023
Other	10 058	26 545
Total	**192 419**	**501 568**

2.8. Average statistical staff number, wage costs and other payments to personnel (in tHUF)

Description	Previous year	Current year
Wages and salaries	1 648 335	1 574 540
Other payments to personnel	465 096	498 383
Contributions on wages	546 041	534 600
Payments of personnel	**2 659 472**	**2 607 523**

Personnel type of costs dropped by 2%. Extraordinary bonuses were paid in the previous year, which had increased this value of that year.

Description	Staff number Person	Wage cost (THUF)	Payment to personnel (THUF)	Wage contribution (THUF)
Full-time blue collar	60	216 608	57 873	76 623
Full-time white collar	156	1 348 668	195 480	427 891
Part-time white collar	3	6 997	2 112	2 323
Not on the payroll	0	2 267	242 918	27 763
Total wages and salaries	**219**	**1 574 540**	**498 383**	**534 600**

2.9. Depreciation charge (in tHUF)

Description	Previous year	Current year
Depreciation charge	441 331	462 338
Depreciation charge	**441 331**	**462 338**

Appendix 2 shows the movements schedule.

2.10. Other expenditures (in tHUF)

Description	Previous year	Current year
Intangible and tangible assets sold	35 203	36 245
Fines, penalties	3 789	2 219
Default interests and damages paid	175	112 798
Discounts, bonuses given subsequently	525 065	559 374
Provisions made	75 922	124 655
Impairment loss accounted for (inventories and receivables)	136 206	17 523
Taxes paid to local governments	249 660	265 541
VAT to be paid by the Company	3 631	2 342
Excise tax	8 510 133	7 683 451
Innovation contribution	129 258	1 189 703
Inventory shortages, scrapping of inventories, inventory losses	31 534	33 848
Missing, destroyed and scrapped intangible and tangible assets	90 572	65 441
Sundry other expenditures	4 469	2 023
Intangible and tangible assets sold	32 395	10 728
Fines, penalties	59 927	38 667
Other expenditures	**9 887 939**	**10 144 558**

Total other expenditures increased by MHUF 257.
The main reason behind this increase was the simultaneous change in the rate of excise duty and in public health product tax. Excise duty dropped because of the lower level of sales. The increase in the public health product tax was due to annual tax liability in the year in review, in compliance with the effective law, while in the previous year it was only 3 months.
Details of provision making are included in item 1.10.

2.11. Trading profit (in tHUF)

The trading profit was as follows:

Description	Previous year	Current year
Trading revenues	24 255 928	24 281 757
Trading costs and expenditures	22 163 208	22 248 945
Operating (trading) profit	**2 092 720**	**2 032 812**

2.12. Revenues and expenditures of financial transactions (in tHUF)

Description	Previous year	Current year
Interest received	62 336	20 888
Foreign exchange gain	67 752	102 436
Revenues from financial transactions	**130 088**	**123 324**
Interest paid	2	343
Foreign exchange loss	46 107	42 980
Expenditures of financial transactions	**46 109**	**43 323**
Financial profit	**83 979**	**80 001**

The changes in the results of financial transactions were not significant.

2.13. Profit on ordinary business (in tHUF):

The profit on ordinary business is composed of the operating profit and the financial profit as follows

Description	Previous year	Current year
Operating (trading) profit	2 092 720	2 032 812
Financial profit	83 979	80 001
Profit on ordinary business	**2 176 699**	**2 112 813**

2.14. Extraordinary revenues and expenditures (in tHUF):

Description	Previous year	Current year
Extraordinary revenues	24 596	11 753
Extraordinary expenditures	106 062	121 348
Extraordinary profit or loss	**-81 466**	**-109 595**

Extraordinary expenditures include sponsoring performing artists, which was MHUF 45 in the previous business year and MHUF 77 in the year under review, as well as sponsoring spectacle sport teams which was MHUF 38 in the previous business year, and MHUF 23 in the year under review.

2.15. Profit before taxation (in tHUF)

The net profit before taxation is composed of the profit on ordinary business and the loss on extraordinary events and it adds up to as follows:

Description	Previous year	Current year
Profit on ordinary business	2 176 699	2 112 813
Extraordinary profit or loss	-81 466	-109 595
Profit before taxation	**2 095 233**	**2 003 218**

2.16. Tax liability (mFt-ban)

The calculated corporate and special tax liability totals MHUF 278, the calculation of which is shown in Appendix 6.

2.17. Net profit for the year

The net profit for the year stated in the financial statements amounts to MHUF 1 725, as reported prior to dividend payment.

C) ADDITIONAL INFORMATION

1. Remuneration of senior executives

In the financial year ended 31 March 2016, the Company paid MHUF 25 emoluments to members of the Board of Directors, Management and Supervisory Board.
The closing balance of the loans provided to members of the Board of Directors, Management and Supervisory Board was MHUF 27 as at 31 March 2015 and the amount of debts recorded as at 31 March 2016 was MHUF 24.
After loans extended to the Members of the Board of Directors, to the Management and to the Supervisory a current National Bank base interest rate +5 percentage points are charged.

2. Persons authorised to represent the Company

Frank Odzuck
1121 Budapest, Csillagvolgyi street 4/F

Tibor András Dörnyei (person in charge of the accounting)
8000 Szekesfehervar, Kiralykut residential area 21.I.24.
Registration No: 161317

3. Details of related companies

Morello Kft.
8200 Veszprem, Korhaz street. 2.
Share capital: THUF 35,590
Ownership percentage: 35.43%

This company mainly produces fruits.

Morello Kft.'s equity as at 31 December 2015 (in tHUF):

	31.12. 2015
Equity	409 748
Share capital	35 690
Capital reserve	37 826
Retained earnings	319 276
Non-distributable reserve	9 828
Net profit per balance sheet	7 128

Morello Kft. did not prepare financial statements as at 31 March 2016.

4. Off balance sheet financial liabilities (in tHUF)

The Company undertook the following guarantees:

Bank	Beneficiary	Content	Guarantee No	Amount	Expiry date
Erste	NAV Customs and Financial Guards Directorate for Key Cases and Taxpayers	Tax warehouse licence activity and trade in excise products in free trade with excise licence	U1400001/ K81629	200 000	30. 06. 2016

5. Inventory data of hazardous waste

Waste materials produced during technological processes are recorded by the Company in a breakdown by EWC codes in line with the Decree of the Ministry of Environment Protection (KÖM) No 16/2001, which does not include hazard categories regarding hazardous wastes.
The quality and value data of hazardous waste are as follows:

	Opening balance		Additions		Disposals		Closing blance	
	kg	HUF	kg	HUF	kg	HUF	kg	HUF
Total:	0	0	18 740	820 385	18 740	820 385	0	0

The movements schedule of tangible assets directly used for environment protection purposes is included in Appendix 4.

Budapest, 24 May 2016

Zwack Sándor

Sándor Zwack
Chairman of the Board of Directors

Frank Odzuck
Chief Executive Officer

Appendix 1.

PROFITABILITY, LIQUIDITY AND GEARING RATIOS 2015–2016.

Item	Description	2015	2016	2016/2015
	Assets structure (Data in %)			
1.	Ratio of key asset groups Current assets/Fixed assets	191,17	177,68	0,93
2.	Ratio of investments Financial investment/Fixed assets	1,43	1,28	0,89
3.	Degree of depreciation of tangible assets Accum. depr. of tang. assets/Gross value of tang. assets	58,27	58,36	1,00
4.	Renewal ratio of tangible assets Equip. put into operation in the year/Gross value of tang. assets	3,90	5,98	1,53
5.	Ratio of coverage on investment projects Depr. charge for the year/Investment projects during the year	122,20	65,49	0,54
	Liabilities structure (Data in %)			
1.	Financial leverage Debt/Equity	72,35	25,29	0,35
2.	Indebtedness ratio Debt/Total liabilities and shareholders' equity	37,32	17,37	0,47
3.	Current liability ratio Short-term liabilities/Total liabilities	100,00	100,00	1,00
4.	Own capital ratio Reserves made from the profit/Equity	61,54	46,41	0,75
	Financial ratios			
1.	Cash liquidity Liquid assets/Short-term liabilities	0,85	1,27	1,50
2.	Quick ratio Liquid assets+Receivables+Securities/Short-term liabilities	1,28	2,43	1,90
3.	Liquidity ratio Current assets+Prep. exp. and accr. income/Short-term liabilities	1,77	3,71	2,10
4.	Operational safety ratio Equity+Long-term liabilities/Fixed assets	1,52	1,94	1,27
	Profitability ratios (Data in %)			
1.	Rate of return on sales Operating profit/Net sales revenue	8,70	8,45	0,97
2.	Profit margin on sales After-tax profit/Net sales revenue	7,35	7,17	0,98
3.	Rate of return on equity Profit before taxation/Equity	39,60	28,55	0,72
4.	Rate of return on assets Profit before taxation/Total assets	20,43	19,62	0,96
5.	Profit rate After-tax profit/Share capital	86,87	84,78	0,98
6.	Fixed assets productivity Net sales revenue/Fixed assets	692,72	664,03	0,96

According to Hungarian Accounting Standards.

MOVEMENT TABLE OF INTANGIBLE AND TANGIBLE ASSETS – 2015–2016

(in tHUF)

Intangible assets	Intangible property rigths	Goodwill	Intellectual properties	Capitalised value of research and development	Capitalised value of foundation and restructuring costs	Total
Gross value						
Opening balance	745 191	0	72 331	0	0	817 522
Capitalisation	70 039	0	3 070	0	0	73 109
Self-revision of capitalisation	0	0	0	0	0	0
Disposals	10 166	0	3 863	0	0	14 029
Self-revision of disposals	0	0	0	0	0	0
Transfer	160	0	-160	0	0	0
Closing balance	805 224	0	71 378	0	0	876 602
Depreciation						
Opening balance	685 813	0	51 243	0	0	737 056
Additions - ordinary	35 172	0	3 830	0	0	39 002
Self-revision of additions	-43	0	0	0	0	-43
Additions - extraordinary	0	0	0	0	0	0
Disposals	8 591	0	3 356	0	0	11 947
Transfer	160	0	-160	0	0	0
Closing balance	712 511	0	51 557	0	0	764 068
Net book value						
Opening blance	59 378	0	21 088	0	0	80 466
Change	33 335	0	-1 267	0	0	32 068
Closing balance	92 713	0	19 821	0	0	112 534

Tangible assets	Land and buildings	Technical equipment, machinery, vehicles	Other equipment, fittings, vehicles	Construction work in progress	Total
Gross value					
Opening balance	3 560 938	2 425 824	1 865 314	40 941	7 893 017
Additions	31 598	272 090	193 568	632 325	1 129 581
Self-revision of additions	0	14 654	59	0	14 713
Disposals	884	42 897	167 160	511 969	722 910
Self-revision of disposals	0	0	0	0	0
Transfer	0	0	0	0	0
Closing balance	3 591 652	2 669 671	1 891 781	161 297	8 314 401
Depreciation					
Opening balance	1 013 728	2 154 610	1 427 094	3 456	4 598 888
Additions - ordinary	104 971	134 456	182 468	0	421 895
Self-revision of additions	0	1 426	58	0	1 484
Additions - extraordinary	0	1 218	151	0	1 369
Disposals	841	42 064	128 409	0	171 314
Transfer	0	0	0	0	0
Closing balance	1 117 858	2 249 646	1 481 362	3 456	4 852 322
Net book value					
Opening balance	2 547 210	271 214	438 220	37 485	3 294 129
Change	-73 416	148 811	-27 801	120 356	167 950
Closing blance	2 473 794	420 025	410 419	157 841	3 462 079

According to Hungarian Accounting Standards.

CASH-FLOW STATEMENT 2015–2016

	Description	01.04.2014 - 31.03.2015	01.04.2015 - 31.03.2016.	Change	Change
		tHUF	tHUF	tHUF	%
I.	Cash flows from operating activities (lines 1-13)	-2 451 710	-383 804	2 067 906	-84,35
1.	Profit before income tax (adjusted)	2 095 233	2 003 218	-92 015	-4,39
2.	Depreciation and amortization	441 329	462 338	21 009	4,76
3.	Impairment losses charged and reversed	150 435	-7 116	-157 551	-104,73
4.	Change in provisions	58 502	61 325	2 823	4,83
5.	Profit or loss on the sale of non current assets	-36 706	-14 548	22 158	-60,37
6.	Change in accounts payable	-163 212	-18 850	144 362	-88,45
7.	Change in other current liabilities	-226 494	406 669	633 163	-279,55
8.	Change in accruals	165 852	222 320	56 468	34,05
9.	Change in accounts receivable	212 514	-358 872	-571 386	-268,87
10.	Change in current assets (without accounts receivable and cash and cash equivalents)	268 058	-416 948	-685 006	-255,54
11.	Change in prepayments	-2 329	-3 476	-1 147	49,25
12.	Income tax paid	-327 392	-277 864	49 528	-15,13
13.	Divididens paid and payable	-5 087 500	-2 442 000	2 645 500	-52,00
II.	Cash flows from investing activities (lines 14 - 16)	-319 116	-603 842	-284 726	89,22
14.	Acquisition of fixed assets and financial investments	-389 663	-656 658	-266 995	68,52
15.	Proceeds from sale of non current assets	70 547	52 816	-17 731	-25,13
16.	Dividend received			n.a.	n.a.
III.	Cash flows from financing activities (lines 17-25)	5 801	3 470	-2 331	-40,18
17.	Proceeds from issue of shares			n.a.	n.a.
18.	Loans received			n.a.	n.a.
19.	Change in liabilities to founders and other non current liabilities			n.a.	n.a.
20.	Redemption from non current loans granted and bank deposits			n.a.	n.a.
21.	Share capital decrease			n.a.	n.a.
22.	Repayment of bonds			n.a.	n.a.
23.	Repayment of loans			n.a.	n.a.
24.	Non-repayable donations given			n.a.	n.a.
25.	Redemption from non current loans granted	5 801	3 470	-2 331	-40,18
IV.	Change in cash (lines I+II+III.)	-2 765 025	-984 176	1 780 849	-64,41

According to Hungarian Accounting Standards.

Appendix 4.

TANGIBLE ASSETS WITH ENVIRONMENTAL PROTECTION PURPOSES – 31. 03. 2016

Tangible assets directly used for environment protection purposes	
Gross value	
Opening balance	9 092
Additions	0
Self-revision of additions	0
Disposals	0
Self-revision of disposals	0
Transfer	0
Closing balance	9 092
Depreciation	
Opening balance	9 092
Additions - ordinary	0
Additions - extraordinary	0
Self-revision of additions	0
Disposals	0
Self-revision of disposals	0
Transfer	0
Closing balance	9 092
Net book value	
Opening balance	0
Change	0
Closing balance	0

Appendix 5.

IMPAIRMENT MOVEMENT 2016

(in tHUF)

Balance sheet item	Opening	Additions	Disposals	Write-back	Closing
Raw materials	103 564	2 481	-43 949	-9 955	52 141
Work in progress and semi-finished products	33 161	4 784	0	-5 389	32 556
Finished products	70 483	8 133	-51 916	-8 769	17 931
Goods	48 176	829	-43 519	-747	4 739
of this: packaging material	42 624	0	-42 624	0	0
INVENTORIES	255 384	16 227	-139 384	-24 860	107 367
Receivables from supply of goods and services	5 742	1 296	-1 270	-1 108	4 660
RECEIVABLES	5 742	1 296	-1 270	-1 108	4 660

CORPORATE TAX CALCULATION 2016.
ZWACK UNICUM NYRT.

	Data in tHUF
Profit before taxation	**2 003 218**
Tax deductibles	**543 822**
Amount recognised as income in the tax year owing to use of provision made for expected liabilities and future costs, as well as settlement of provision made earlier to cover expected losses from receivables and shown as a tax addition in the previous year	77 456
Amount of depreciation charge recognised as per the Corporate Tax Law, and calculated carrying value of assets upon reversal	372 660
Bad debts, amount paid for debts qualified as bad debts in the tax years preceding the current tax year and recognised as taxable income for the tax year, as well as impairment loss recognised on the basis of temporary provisions	2 067
Amount assessed by tax audit or self-revision and recognised as income for the tax year or capitalised value of own performance	90 466
Certified amount of donations	1 173
Tax additions	**722 737**
Provision made for expected liabilities and future costs, amount increasing the provision	140 256
Ordinary and extraordinary depreciation expensed on the basis of the Accounting Law, and amount recognised as expenditure upon reversal of tangible and intangible assets from the books	505 371
Amount of costs and expenditures not related to business, income-generating activity	17 307
Fine assessed by final decision, amount of legal sanctions recognised as expenditure	780
Amount of impairment loss recognised on receivables in the tax year, as well as amount shown as tax deductible in the tax year preceding the current tax year	1 296
Amount of bad debts written off in the tax year, as well as amount shown as tax deductible in the tax year preceding the current tax year	10 728
Amount assessed by tax audit or self-revision and recognised as cost, expenditure for the tax year	46 999
Corporate tax base	**2 182 133**
Tax rate	**10 %/19 %**
Calculated tax	**369 605**
Tax credit	**-100.000**
Corporate tax	**269 605**
Self-revision adjustment	**8 259**
Corporate tax liability	**277 864**

AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF ZWACK UNICUM PLC.

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INDEPENDENT AUDITOR'S REPORT

To the shareholders of Zwack Unicum Nyrt.

Report on the financial statements

We have audited the accompanying financial statements of Zwack Unicum Nyrt. ("the Company") which comprise the balance sheet as of 31 March 2016 (in which the balance sheet total is THUF 10,212,618, the profit per balance sheet is THUF 1,725,354), the related profit and loss account for the year then ended, and the notes to the financial statements including a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Accounting Act and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Hungarian Standards on Auditing and with applicable laws and regulations in force in Hungary. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers Könyvvizsgáló Kft., 1055 Budapest, Bajcsy-Zsilinszky út 78.
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pwc

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Zwack Unicum Nyrt. as of 31 March 2016, and of the results of its operations for the year then ended in accordance with the provisions of the Accounting Act.

Other Matters

We draw attention to the fact that the attached financial statements have been prepared for the consideration of the shareholders at the forthcoming General Meeting and, as such, do not reflect the effects, if any, of resolutions that might be adopted at that meeting. Our opinion is not qualified in respect of this matter.

Other reporting requirements regarding the business report

We have examined the accompanying business report of Zwack Unicum Nyrt. ("the Company") for the financial year ended of 31 March 2016.

Management is responsible for the preparation and fair presentation of the business report in accordance with the provision of the Accounting Act. Our responsibility is to assess whether or not the accounting information disclosed in the business report is consistent with that contained in the financial statements. Our work in respect of the business report was limited to checking it within the aforementioned scope and did not include a review of any information other than that drawn from the audited accounting records of the Company. In our opinion the business report for the financial year ended 31 March 2016 is consistent with the disclosures in the financial statements as of 31 March 2016.

Budapest, 24 May 2016

Mészáros Balázs
Partner
Statutory auditor
Licence number: 005589
PricewaterhouseCoopers Könyvvizsgáló Kft.
1055 Budapest, Bajcsy-Zsilinszky út 78.
License Number: 001464

Translation note:

Our report has been prepared in Hungarian and in English. In all matters of interpretation of information, views or opinions, the Hungarian version of our report takes precedence over the English version. The accompanying financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in jurisdictions other than Hungary.

MANAGEMENT REPORT

about the Business Year Ended on 31 March 2016

In the Management Report the Company presents the main processes and factors that influenced the Company's business performance, development and position in the period under review and in the foreseeable future. The financial data of the Report are in compliance with the accounts made pursuant to the current Hungarian Act on Accounting in force. The Management Report complies with the provisions of Act 24/2008 of the Ministry of Finance.

1. Business Environment of the Company

Overall, the macroeconomic environment in Hungary continues to be favourable. Hungary's GDP increased in 2015 (though to a lesser extent than a year earlier), and growth in consumption by the population accelerated (to 2.6% as compared to 1.5% in 2014).
Those favourable developments have counterbalanced the impact of the public health product tax (NETA), increased prices. The public health product tax was introduced for a wide range of spirits on 1 January 2015.

The Hungarian taxed spirit market shrank by 4.2% in terms of volume but the tendencies varied in the several price segments. There was nearly identical increase in the premium and quality segments (5.7% and 6.5%, respectively) while there was considerable decrease in the non-branded segment (-15.3%). The premium segment accounted for one third of the total market in volume and the quality products accounted for 25%. The non-branded segment accounted for the biggest share (42%) despite a marked fall in its volume.
Sales of premium products climbed up nearly at an identical pace in off trade and on trade (+5.5% and +6%). Increase in the sales of quality products in off trade by far surpassed that in on trade (+8.4% and +1.9%).
Within the market of premium products the average growth rate (+5.7%) was by far surpassed by pálinkas (+14.7%), bitters (+11%), and gins (+6.6%). Increase was also seen in the category of brandies (+4.4%) and rums (+2.5%), however the sale of spirits in other categories (liqueur, vodka and whisky) decreased.

2. Objectives and Strategy of the Company

The Company's primary activity is producing and selling alcoholic drinks. The principal aim of Zwack Unicum Plc. is to maintain its market leading role in Hungary's market of spirits and further strengthen its dominant presence in the premium and quality products segments.

The Company is the exclusive distributor of the products of Diageo Plc. and Moet-Hennessy in Hungary as well. Thus, in addition to the self manufactured premium brands of determining importance in the Hungarian market (Unicum, Fütyülős, Vilmos) Zwack Unicum Nyrt.'s portfolio is coloured by world brands such as Johnnie Walker, Smirnoff, Baileys and Hennessy cognac and Moët&Chandon champagne.
With such a portfolio our Company offers an impressively rich assortment of branded products for consumers.

The product development and the successful product lunch are the most important means to keep and strengthen the market leader position. The Company has the strategic objective of deriving at least ten per cent of its gross sales from exports.

3. Main Resources and Risks of the Company's Activities

MATERIAL RESOURCES

- **Production and Plant**

  The Company has three production plants. Unicum bulk production and early aging are done in the Unicum plant in Soroksári út. The Dunaharaszti plant takes care of additional aging and bottling of the liquor, and also the bottling of the majority of the other products produced by the Company. The fruit palinka distillary operates in Kecskemét, and this is where the small series products are bottled.

Significant technological improvements have been made in production during the business year. The Company embarked on modernizing bottling and have therefore purchased new machines for bottle filling, packaging and palletizing at a total cost of HUF 331 million. HUF 37 million was spent for the installation a new extracting technology. Both investment projects support the technological upgrade and the effectiveness of production.

The Company intends to maintain the present structure of three production facilities in the long term. Said plants have appropriate capacity for bulk production and bottling; which means there is no need for substantial investment of further production capacity in the near future. In forthcoming years, the Company's capital projects will be in the cost range of the annual sum of depreciation.

- **Financial position**

The Company's financial position is stable, always fulfills its financial obligations on time.
Financial transactions were made by Unicredit, Erste and K&H Bank from among the largest commercial banks.

HUMAN RESOURCES

On 31 March 2016 the Company had a staff of 218. In the Hungarian spirits market the Zwack Unicum Plc. has the biggest human resources for sales and marketing. Indeed, the related competitive edge in distribution and innovation are among the Company's most important strengths.

RISK FACTORS

The most important risk factor affecting our Company is the change of the regulatory environment that may have a negative effect on domestic or on the sales volume.

Company activities are exposed to various financial risks: market risks, credit risks, and liquidity risks. Keeping in mind the unpredictability of the financial market, the Company tries to keep the possible negative implications affecting Company finances at the minimum. In line with the accounting policy, the Company applies derivative financial tools to counter certain financial risks.

Regarding its market risks, to reduce the foreign exchange risks arising from the export and import activities and from the Euro deposits, the Finance Department monitors, in line with the hedging policy, the foreign exchange liabilities, and keeps the necessary amount of forex on its bank accounts. Furthermore, the Company completes derivative transactions to reduce the same risks. Therefore the changes in exchange rate within the financial year have no significant implications on the profit and loss statement, nor on shareholders' equity.

The Company is not exposed to significant commodity market and other price risks either, not to interest risks because the amount of liquid investments on 31 March 2016 was 16 M HUFs (2015: 16 M HUFs), and the Company also has fix interest assets whose book value is, by the order of magnitude, the same as their real value; the Company has no interest bearing loans either.

The Company has no significant credit risks, nor related to accounts receivables, due to the diversity of its customers. Also a significant portion of the accounts receivable is insured by financial institution up to 90% of single liabilities. The Company applies no other credit rating methods since this credit guarantee method is deemed to be effective enough to manage credit risks.

Company financial assets and fix deposits are mostly in HUF. The credit risk is low since Zwack Unicum Nyrt. placed its funds with reliable financial institutions.

Liquidity management of the Company covers the necessary amount of financial tools and also the necessary credit lines. The Management continuously monitors the necessary liquidity provisions (consisting of the undrawn credit line and the financial assets) based on the expected cash flow.

4. 4. Results of the 2015-2016 business year and prospects for 2016-17

The Zwack Unicum Plc. has closed a successful and profitable business year, worthy of the 225th anniversary of the Unicum liqueur.

Thanks to the above-described market developments – which were much more favourable than expected – the Company's gross sales have all but levelled off. That is quite an achievement considering that – in view of the then forthcoming introduction of the public health product tax – in December 2014 many of our trading partners stocked up the spirits concerned for three to five months ahead. Obviously that had a negative effect on our sales in the first quarter of the 2015/2016 business year.
Market research shows that during the business year Zwack's market share went up in two crucial market segments (premium and quality) both in volume and value.

The welcome tendencies in Hungarian economy (that is, the growth in consumption) in the past two business years, and the Company's improving business performance have enabled us to increase our investments in production. During the 2015/2016 business year expenditure on marketing went up and we heavily invested in production facilities.

That said, the Company's profit after taxation was very close to that of the previous business year, and the Company's financial standing continues to be robust.

When drafting the annual business plan, our premise was that the domestic consumption would continue modest growth. We therefore predict growth in gross sales at 3-4%, most of which we expect to achieve by upping the sales volume.

In export we will continue focusing on Unicum liqueur and Unicum Plum. Encouraged by favourable experiences in Italy over recent years, in 2016 Unicum Plum will be introduced in Germany. Overall, we intend to carry on with the present organic development and thereby increase export's share in gross sales.

As far as costs are concerned, we will have to face old and new challenges alike. When drawing up the annual business plan, we reckoned that in 2016 the forint, Hungary's currency, would be weaker, which means that the product costs are to increase.
As certain international brands are now focusing on the Hungarian spirits market more intensively than before, we expect our competitors to step up their marketing activities. Obviously we have to stand our ground in the competition to win consumers' favours – which means that our expenditure on marketing is to grow.
During the previous business year our Company has also experienced changes in the labour market. It is more and more difficult to find appropriately qualified personnel, and greater efforts are needed to retain quality staffers. That is why we increased pay at the beginning of the business year.

Future legislative changes (amendment of the law on excise duties and the public health product tax) can have an even stronger impact on the spirits market and on our Company but presently it is impossible to foretell them.

Having taken all these risks into consideration, the Management has compiled a business plan – which is conservative but can be realized even in with an unfavourable scenario – in which the profit after taxation is put at HUF 1.5 billion.

5. 5. Parameters and indicators of Company's performance (data in thousand HUF)

	2013-14	2014-15	2015-16
Net sales revenues	22 147 838	24 061 504	24 068 859
Trading profit	1 649 466	2 092 720	2 032 812
Profit before taxation	1 689 987	2 095 233	2 003 218
After tax profit	1 514 818	1 767 841	1 725 354
Dividends paid	5 087 500	2 442 000	
Trading profit / Net sales revenues	7,4%	8,7%	8,4%
Dividend / After tax profit	336%	138%	
Total assets	13 742 811	10 257 800	10 212 618
Cash and cash equivalents, end of the year	6 006 643	3 241 618	2 257 442

Budapest, 24 May 2016

Frank Odzuck
Chief Executive Officer

Tibor Dörnyei
Deputy CEO
Chief Financial Officer

CHIEF EXECUTIVE OFFICER'S REPORT ABOUT THE ACTIVITIES OF THE 2015–2016 BUSINESS YEAR (according to IFRS)

The Zwack Unicum Plc. has closed a successful and profitable business year, worthy of the 225th anniversary of the Unicum liqueur.

Overall, the macroeconomic environment in Hungary continues to be favourable. Hungary's GDP increased in 2015 (though to a lesser extent than a year earlier), and growth in consumption by the population accelerated (to 2.6% as compared to 1.5% in 2014).
Those favourable developments have counterbalanced the impact of the public health product tax (NETA), increased prices. The public health product tax was introduced for a wide range of spirits on 1 January 2015.

Thanks to the above-described market developments – which were much more favourable than expected – the Company's gross sales have all but levelled off. That is quite an achievement considering that – in view of the then forthcoming introduction of the public health product tax – in December 2014 many of our trading partners stocked up the spirits concerned for three to five months ahead. Obviously that had a negative effect on our sales in the first quarter of the 2015/2016 business year.
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The welcome tendencies in Hungarian economy (that is, the growth in consumption) in the past two business years, and the Company's improving business performance have enabled us to increase our investments in production. During the 2015/2016 business year expenditure on marketing went up and we heavily invested in production facilities.

That said, the Company's profit after taxation was very close to that of the previous business year, and the Company's financial standing continues to be robust.

Main financial figures of the Zwack Unicum Plc. (in HUF million)

		2012-2013 business year	2013-2014 business year	2014-2015 business year	2015-2016 business year	Plan 2016-2017 business year
Gross sales	HUF mill	19 593	19 767	21 385	21 136	21 959
Net sales	HUF mill	12 078	11 775	12 795	12 458	12 833
Gross margin	HUF mill	6 487	6 549	7 117	7 152	7 188
Profit before taxation	HUF mill	1 777	1 852	2 248	2 178	1 954
Profit after taxation	**HUF mill**	**1 444**	**1 492**	**1 714**	**1 694**	**1 450**
Dividend	HUF mill	1 550	5 000	2 400	1 700	
Gross margin	%	53,7%	55,6%	55,6%	57,4%	56,0%
Net profit margin	%	12,0%	12,7%	13,4%	13,6%	11,3%
Earnings per share	Ft	722	746	857	847	725
Dividend/profit after taxation	%	107,3%	335,1%	140,0%	100,4%	

Market situation

The Hungarian taxed spirit market shrank by 4.2% in terms of volume but the tendencies varied in the several price segments. There was nearly identical increase in the premium and quality segments (5.7% and 6.5%, respectively) while there was considerable decrease in the non-branded segment (-15.3%). The premium segment accounted for one third of the total market in volume and the quality products accounted for 25%. The non-branded segment accounted for the biggest share (42%) despite a marked fall in its volume.
Sales of premium products climbed up nearly at an identical pace in off trade and on trade (+5.5% and +6%). Increase in the sales of quality products in off trade by far surpassed that in on trade (+8.4% and +1.9%).
Within the market of premium products the average growth rate (+5.7%) was by far surpassed by pálinkas (+14.7%), bitters (+11%), and gins (+6.6%). Increase was also seen in the category of brandies (+4.4%) and rums (+2.5%), however the sale of spirits in other categories (liqueur, vodka and whisky) decreased.

Marketing activities

Strong brands are the main pillars of our Company's success. That is why we have always seen it a priority to grant appropriate marketing support for the pre-eminent products. Traditional activities have been a part of our marketing arsenal but each year we complement them with novel solutions.
We have launched a new commercial (television advertisement) for Unicum, our 225 years old premier spirit, and the commercial has been well received among consumers. In addition to a strong media presence, we forwarded commercial messages to consumers on many occasions and in a number of ways both in on trade (during festival and during points of sale promotions) and in off trade (promotion during the Christmas season, and special packaging to mark the 225th anniversary). The Zwack Unicum Heritage Visitors' Centre has been the venue of a growing number of quality events.
The design of our Fütyülős products was revamped in summer 2015. We introduced the Strawberry Rose liqueur and complemented the assortment of that line of products with 0.2 litres bottles.
The St. Hubertus range continued its double-digit growth in volume. The introduction in autumn 2015 of St. Hubertus with Herbs and Wild Berries played a key role in that. The results of recent years indicate that we have made the right decision to renew that brand.
The Diageo portfolio is a key component of our product range. As Diageo also treats Hungary as an important market, we could give appropriate marketing support for its three flagship brands (Johnnie Walker, Baileys and Captain Morgan).

Financial report

Net domestic sales were down from the previous year by 2.2% (-HUF 250 million). (That is a year-on-year decrease from HUF 11,283 million to HUF 11,033 million.)
Net domestic sales in the fourth quarter was considerably higher than the January–March 2015 figure: it surpassed the earlier figure by 57.4%, by HUF 534 million. That was mostly because the sales figure of the fourth quarter of the current business year was ordinary, whereas that of the previous business year had been extremely low. As the public health product tax was introduced in January 2015, the majority of our trading partners had brought forward their purchases to December 2014. Let us add that in 2016 Easter fell on March so the Easter spike in turnover contributed to the results of the fourth quarter.
Within domestic sales the aggregate net sales figure of own-produced goods for the whole business year showed a year-on-year decrease of 2.6%. Domestic sales of premium products increased by 1.2% while the net sales of quality products went down by 11.9%. The latter development was due to decrease in trade inventories.
In the net earnings from traded products there was a year-on-year decrease of 0.8%. Broken down, sales of the Diageo portfolio came down by 4.3%, while those of other products traded went up by 6.0%.
Export earnings were HUF 1,425 million, which is a year-on-year decrease of 5.8% (HUF 88 million). The brunt of the decrease had its cause in the ups and downs of our trade relations with China: the previous business year had seen a major one off sales deal with China, which has not been repeated this year. Among the focus markets Italy did very well, Germany repeated its results of the previous business year, but there was a year on year decrease in our sales to Slovakia and Romania.

The decrease of 6.6% (HUF 372 million) in material costs and costs of material type was due mainly to changes in volume.
The gross margin of sales improved by 1.8 percentage points (from 55.6% to 57.4%) owing mainly to higher sales prices.
Employee benefits expense decreased by HUF 69 million (2.6%). The Annual General Meeting of the Company, held on 25 June 2015, decided to pay dividend at HUF 1200 per share. According to IFRS, dividends paid after liquidation preference shares is a personnel type of cost; consequently, the lower dividend brought down payment to personnel by HUF 45 million. That was the main cause of the year on year decrease in payment to personnel.
The other operating expenses increased by HUF 371 million (15.7%) due to increase in marketing expenditure. As compared to the corresponding period of the previous year, marketing expenditure went up on Unicum (in Hungary and in Italy) and on St. Hubertus and the brands of Diageo.
The other operating income increased by HUF 172 million (27.9%). Of the increase, HUF 150 million was due to the higher cost reimbursements because the brand owners of the distributed products increased their marketing expenditures compared to the last year.
The net financial income/loss decreased by HUF 10 million (42.4%). Presently the deposit interest rate is considerably lower than a year ago. Note that in July 2014 the Company paid HUF 5 billion in dividend. Thus in the first quarter of the previous business year cash in hand and in banks was considerably bigger than in the first quarter of this business year.
The Company's profit after taxation according to the International Financial Reporting Standards (IFRS) stood at HUF 1,694 million, a year on year decrease of 1.2% (previous: HUF 1,714 million).
There are considerable year on year changes in the following lines: Inventories, Trade and other receivables, and Trade and other liabilities. Each of those changes is due to the higher sales figure of the January–March 2016 period (see above). Parallel with increase in sales, the accounts receivable went up. Due to the resultant increase in the taxes payable, there has also been increase in the line of Trade and other liabilities. While the level of our inventories was very low in the previous business year, we have closed the present business year with an "ordinary" level of inventories.
The HUF 706 million (14.9%) drop in the profit reserves mainly is the result of the higher dividend payment than the last year's profit.
During the 2015–2016 business year the Zwack Unicum Plc. spent HUF 692 million on fixed assets. Spending in this category was higher than in previous years because the Company started two major technological projects. We have embarked on modernizing bottling and have therefore purchased new machines for bottle filling, packaging and palletizing at a total cost of HUF 331 million. HUF 37 million was spent for the installation a new extracting technology. Both investment projects support the technological upgrade and the effectiveness of production.

Organizational and personnel changes

Held on 25 June 2015 to close the 2014–2015 business year, the Annual General Meeting of the Company acknowledged that Ms Ulrica Fearn and Mr Lars Jörgen Andersson had resigned from the Board of Directors and that Stephen Morley had resigned from the Supervisory Board. The General Meeting elected Ms Kalina Plamenova Tsanova and Mr Pavel Reyes Lyubushkin as members of the Board of Directors. Mr Renato Juric was elected as a member of the Supervisory Board. The mandate of the new officeholders will last until 31 July 2018.
Dr. Rudolf Kobatsch, Deputy Chairman of the Company's Supervisory Board, died on 29 March 2016. Dr. Kobatsch played an active and instrumental role in the foundation of our Company and all through the years up till now. For a long time he served on the Board of Directors, and more recently he worked in the service of the Zwack Unicum Plc. in the Supervisory Board and as Chairman of the Audit Committee. His arduous work and extensive experiences in the field of business and management were a major contribution to the results of our Company.

There was no change in the structure of the Company during the 2015-2016 business year.

The headcount of the Company is 218 persons (at the end of the 2014/2015 business year it was also 2018).

Prospects for the 2016–2017 business year

When drafting the annual business plan, our premise was that the domestic consumption would continue modest growth. We therefore predict growth in gross sales at 3-4%, most of which we expect to achieve by upping the sales volume.

In export we will continue focusing on Unicum liqueur and Unicum Plum. Encouraged by favourable experiences in Italy over recent years, in 2016 Unicum Plum will be introduced in Germany. Overall, we intend to carry on with the present organic development and thereby increase export's share in gross sales.

As far as costs are concerned, we will have to face old and new challenges alike. When drawing up the annual business plan, we reckoned that in 2016 the forint, Hungary's currency, would be weaker, which means that the product costs are to increase.

As certain international brands are now focusing on the Hungarian spirits market more intensively than before, we expect our competitors to step up their marketing activities. Obviously we have to stand our ground in the competition to win consumers' favours – which means that our expenditure on marketing is to grow.

During the previous business year our Company has also experienced changes in the labour market. It is more and more difficult to find appropriately qualified personnel, and greater efforts are needed to retain quality staffers. That is why we increased pay at the beginning of the business year.

Future legislative changes (amendment of the law on excise duties and the public health product tax) can have an even stronger impact on the spirits market and on our Company but presently it is impossible to foretell them.

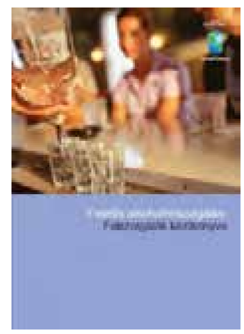
Having taken all these risks into consideration, the Management has compiled a business plan – which is conservative but can be realized even in with an unfavourable scenario – in which the profit after taxation is put at HUF 1.5 billion.

Frank Odzuck
Chief Executive Officer

SUSTAINABILITY IN EVERYDAY LIFE

Our sustainability strategy based on our corporate values have been determined by the following economic, environmental and social goals: profitability, social responsibility and environmental endeavours. Within these strategic and material aspects nine vital areas have been identified that have served as a guideline for the decisions of the past financial year.

Zwack Unicum Plc, as a market leader company, considers it an especially important task to advocate responsible and moderate alcohol consumption.
The effectiveness of our self-initiated projects is further enhanced with continuous programs and activities in a joint effort and partnership with the Responsible Alcohol Consumption Department of the Hungarian Spirits Association.
In our product promotions it is our priority to prevent juvenile alcohol consumption and promote responsible drinking practices.
In 2015 the initiative named ”never drink and drive” by Johnnie Walker has celebrated its 10th anniversary in Hungary, during which period 25.000 people have participated in numerous events and communication campaigns designed to raise awareness of responsible alcohol consumption and the importance of avoiding drinking when driving. The initiative has been supported by the Accident Prevention Council of the National Police Headquarters for years.



Our company is an advocate of the endeavour to have the principles of responsible alcohol consumption included in various educational programs, such as our own mentor training or the bartender training of vocational schools in order for the criteria and practices of responsible alcohol serving could be observed. Within the Hungarian Spirits Association three out of six trainings teach the above principles as part of their curriculum.
As a practice, all our communication tools feature the slogan ”Zwack quality but in moderation”. The Advertising Self Regulatory Board (ÖRT) certifies that our company adhered to responsible communication in 2015 and elected to abide by the rules of the Hungarian Code of Advertising Ethics, which are stricter than the applicable laws and have been continuously considered in our advertisements and taught among our colleagues.
As part of our social and cultural presence, we strongly support the enhanced engagement of local communities, especially the development of children, health protection, excellent performance in the fields of sports and culture.
For six years we have supported the 9th district Molnár Ferenc Elementary School, which has achieved outstanding results in talent development and in the differentiated development of special needs children in order for the Complex Instruction Program to be applied in numerous classes. The main objective of the program is to help the social integration of underprivileged children and assist them in improving their position.
We have had a partnership with the Children’s Clinic of Tűzoltó Street for several years. In 2015 with the help of 4.000.000 HUF in charity from our company the clinic could build a one day care unit so that the children may be treated as outpatients in a clinical environment, which is simultaneously comfortable, well-equipped and comforting.
As a traditional family company, cooperation based on mutual responsibility is a vital part of our corporate culture. It is our basic duty to enhance volunteering and to support employee initiatives. The company management has decided to grant one work day for colleagues to dedicate to voluntary work in support of a civil organisation from 2016.
Last year, as a result of additional employee initiatives, warm clothes and shoes were donated to underprivileged families with the help of Fecske Children’s Temporary Home and Fehér Holló Nursery School. Plastic caps have been collected throughout the years in order to support a 10-year-old girl’s overall recovery after her stem cell therapy.
In 2015 within the KÖVET-organised CSR Market we introduced a special form of volunteering: a volunteer yoga instructor colleague of the company teaches yoga for employees, who collectively decided to donate the class fee to the Children’s Fund of the Ferencvárosi Community Foundation.
Another important aspect of social responsibility is to value and improve our employees. It is our goal to create versatile health prevention programs, e.g. last year, besides chest x-ray and the health check bus initiative, laboratory and ophthalmology examinations were provided. Within the cafeteria system, in addition to voluntary health insurance, these programmes were the most popular with a 30-40% participation ratio. The company also provides general insurance in the form of one-time financial support for one of 16 feared diseases.
Our company is committed to employee training as a means of development and incentive as well. We support the expansion of skills, knowledge and keeping pace with a rapidly changing business environment with professional trainings, participation in conferences and language courses. In 2015 our gastronomy, top gastronomy representatives took part in comprehensive professional trainings, while colleagues of the Marketing Directorate participated in a presentation course.
Corporate integrity and ethical business practices continue to be our basic principle. In the 2015/16 financial year, besides the processes supervised by inside auditing, the field of IT security was inspected with the involvement of an external advisor company. No suspicious or unlawful activities were detected in either the internal or the external examinations.

It is our continuous endeavour to insure compliance with legal regulations. In 2015 new requirements were introduced in the fields of food production and consumer protection.

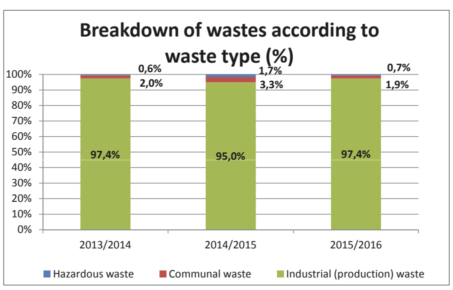
In areas strictly connected to our food processing activities, the responsible authorities have executed seven local inspections and have checked the legal compliance of our products 16 times by taking commercial samples. The local inspections found that our food processing activities and emergency practices are legally compliant. On three occasions the product inspections concluded with the obligation to change product labelling, which our company carried out without delay.

Amount of penalties paid (HUF million)			
	2013-2014	2014-2015	2015-2016
Food Chain Safety Authority and National Consumer Protection Authority (food industry requirements and product quality)	0	0	0
Excise Department of National Tax and Customs Administration of Hungary (NAV)	0,5	1,04	0,3
Other taxes to NAV	0	2,59*	0
Violating rules of correct information / marketing communication	0	0	0

* * Comprehensive number including all tax inspections during the three financial years regarding all taxes

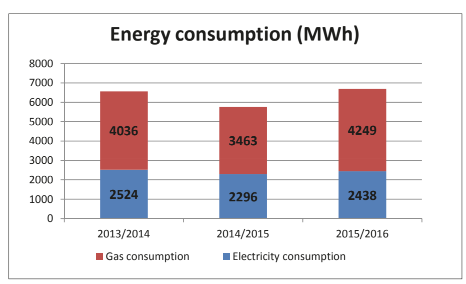
Last year the three most important areas in environmental protection to focus on were in direct connection with our company's basic activities: waste management, the enhancement of energy efficiency and water management.

The quantity of waste, compared to the previous period, has grown, however its consistency shows two opposing effects: on the one hand, as to the distribution of produced waste it is advantageous that both the quantity and ratio of communal and dangerous wastes have decreased. Simultaneously, within industrial wastes, the quantity of not hazardous but unrecyclable waste substances was significant, therefore the waste recycling ratio decreased by 1 % to 92% compared to last year's result.



Another relevant field is that of efficient energy consumption. Prior to the introduction of the obligatory energy performance certification standards for large companies, the question of energy efficiency had already been in focus. Due to the previous energy performance audits, the last three years have seen targeted improvements. In the future, the company intends to introduce a certified energy management system in order to meet the requirements with the possibility of continuous intervention.

In the financial year of 2015/16 energy consumption (gas- and electricity consumption) has grown. The analysis of individual sites shows that this tendency is explicable with the processing of significantly increased fruit quantities compared to previous years.



Water consumption has decreased in the past three years, which trend is typical of the water consumption of the financial year of 2015/16. Also the quantity of waste water was under the level of last year's with the threshold values continuously being controlled according to the applicable monitoring plans.

At the beginning of 2016 our company joined the international Clim'Foot project led by Herman Ottó Institute working in partnership with KÖVET Association. Within this project our company, with 37 other organisations, may test and adopt a carbon print calculation methodology, which serves the long-term goal to provide companies with exact tools to calculate their green- house gas emissions and to implement measures to decrease their emission.

The Annual Report evaluates business results in detail; besides the financial data presented here, responsible long-term business operations are supported by the non-financial data as well, which are described on these pages of the report as to the years when no Sustainability Report was published.

REPORT OF THE SUPERVISORY BOARD AND THE AUDIT BOARD
ON THE 2015–2016 BUSINESS YEAR

Zwack Unicum PLC.

REPORT OF THE SUPERVISORY BOARD AND THE AUDIT BOARD
ON the business year starting on April 1, 2015 and terminating on March 31, 2016

In the business year starting on April 1, 2015 and terminating on March 31, 2016, the Supervisory Board held 3 sessions in order to monitor and supervise the activities of the Board of Directors and the management of the Company. The Company management submitted detailed written reports at the sessions of the Supervisory Board. After receiving sufficient information on specific issues, the Chair of the Supervisory Board was requested to take a position on each issue, and such position was respected. The members of the Supervisory Board continuously monitored the individual areas of operation. The Supervisory Board was allowed access to all the information required for the satisfactory fulfilment of its supervisory function.

The Supervisory Board did not make any complaint against the activities of the Board of Directors or the management.

The Supervisory Board and the Audit Board, after examining and discussing the draft of the Company's Annual Report concerning the business year starting on April 1, 2015 and terminating on March 31, 2016, containing the balance sheet and profit and loss statement prepared by the Board of Directors and audited by PricewaterhouseCoopers Ltd., statutory auditor of the Company, unanimously approved both documents and agreed to submit them to the Annual General Meeting with a recommendation for approval.

The Supervisory Board also agreed with the Board of Directors' proposal to declare and distribute HUF 1 729 750 000 as a dividend (from HUF 1 725 354 000 after tax profit and by using HUF 4 396 000 of the profit reserve), to be allocated in proportion to shareholding and submitted the proposal to the Annual General Meeting with a recommendation for approval.

The Supervisory Board also examined the Corporate Governance Report prepared by the Board of Directors, agreed thereto and submitted it to the Annual General Meeting with a recommendation for approval.

The Audit Board did not make any complaint against the activities of the Auditor of the Company and recommends to the Annual General Meeting for approval:

(i) the re-election of PricewaterhouseCoopers Könyvvizsgáló Ltd. (H-1055 Budapest, Bajcsy-Zsilinszky út 78, registration no.:001464; individual auditor in charge: Mr. Balázs Mészáros, registration no.: 005589, the substitute auditor appointed in the event of any extended absence of the auditor in charge is: Ms. Szilvia Szabados, registration no.: 005314), as statutory auditor of the Company for a definite period expiring on July 31, 2018; and

(ii) honoraria - amounting to HUF 12 400 000 / year + VAT for PricewaterhouseCoopers Könyvvizsgáló Ltd. for its services as auditor of the Company. The honoraria includes the fee for the auditing of the annual report concerning the 2016/17 and 2017/18 business years in accordance with the Hungarian accounting principles and international accounting standards (IFRS).

The Audit Board prepared the agreement to be concluded with the Auditor.

The Audit Board found the operation of the financial reporting system of the Company satisfactory and did not make any recommendations in connection thereto.

The Supervisory Board expressed its appreciation of the Board of Directors and the Company management for their efforts to maintain the successful operation of the Company.

The Supervisory Board would like to take this opportunity to express its thanks to the employees of the company.

Budapest, May 24, 2016

H. Underberg-Ruder

Dr. Hubertine Underberg Ruder

Chair of the Supervisory Board

Dr. Salgó István

Substituting the Chairman of the Audit Board

ZWACK UNICUM PLC. FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

PREPARED ON COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

STATEMENT OF FINANCIAL POSITION FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	Note	31 March 2016 HUF mill	31 March 2015 HUF mill
ASSETS			
Non-current assets			
Property, plant and equipment	5	2 845	2 731
Intangible assets	6	119	84
Packaging materials	7	17	22
Investments in associates	8	50	50
Employee loans	9	24	26
Deferred tax asset	21	228	177
		3 283	**3 090**
Current assets			
Inventories	9	1 876	1 509
Trade and other receivables	11	2 162	1 836
Cash and cash equivalents	12	2 257	3 242
		6 295	**6 587**
TOTAL ASSETS		**9 578**	**9 677**
SHAREHOLDERS' EQUITY			
Share capital		2 000	2 000
Share premium		165	165
Retained earnings		4 045	4 751
Total shareholders' equity		**6 210**	**6 916**
LIABILITIES			
Non-current liabilities			
Other financial liabilities	13	360	383
		360	**383**
Current liabilities			
Trade and other liabilities	14	2 889	2 310
Provision for other liabilities and charges	15	119	68
		3 008	**2 378**
Total liabilities		**3 368**	**2 761**
TOTAL EQUITY AND LIABILITIES		**9 578**	**9 677**

The Financial Statements were accepted by the Board of Directors on 24 May 2016 and signed on their behalf by:

Sándor Zwack
Chairman of the Board of Directors

Frank Odzuck
Chief Executive Officer

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	Note	2016 HUF mill	2015 HUF mill
Revenue	16	12 458	12 795
Material cost of goods sold		(5 306)	(5 678)
Employee benefits expense	17	(2 542)	(2 611)
Depreciation and amortization	5-6	(514)	(533)
Other operating expenses	18	(2 725)	(2 354)
Operating expenses		(11 087)	(11 176)
Other operating income	19	789	617
Profit from operations		**2 160**	**2 236**
Interest income		21	62
Interest expense and other similar charges		(7)	(38)
Net financial income/loss	20	**14**	**24**
Share of profit of associates	8	**3**	**(12)**
Profit before tax		**2 177**	**2 248**
Income tax expense	21	(483)	(534)
Profit for the year		**1 694**	**1 714**
Other comprehensive income for the year, net of tax		**0**	**0**
Total comprehensive income for the year		**1 694**	**1 714**
Earnings Per Share (HUF/Share)		**847**	**857**

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	Share Capital	Share premium	Retained Earnings	Total
	HUF mill	HUF mill	HUF mill	HUF mill
Balance at 1 April 2014	**2 000**	**165**	**8 037**	**10 202**
Dividend related to financial year ended 31 March 2014	-	-	(5 000)	(5 000)
Total comprehensive income for the year	-	-	1 714	1 714
Balance at 31 March 2015	**2 000**	**165**	**4 751**	**6 916**
Balance at 1 April 2015	2 000	165	4 751	6 916
Dividend related to financial year ended 31 March 2015	-	-	(2 400)	(2 400)
Total comprehensive income for the year	-	-	1 694	1 694
Balance at 31 March 2016	**2 000**	**165**	**4 045**	**6 210**

The total of authorized number of ordinary shares is 2 000 000 (31 March 2015: 2 000 000) with a par value of HUF 1 000 per share (31 March 2015: HUF 1 000 per share). All issued shares are fully paid. Each share carries the same voting rights.

The share capital does not include 35 000 redeemable liquidity preference shares issued to senior managers which is accounted for as a cash settled share based compensation plan as described under Note 22. In addition dividends relating to these redeemable liquidity preference shares is recognised as part of Employee benefits expense. For further details refer to Note 17.

CASH FLOW FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	2016 HUF mill	2015 HUF mill
Profit before tax	2 177	2 248
Net financial income	(14)	(24)
Share of profit of associates	(3)	12
Adjustment for depreciation and amortization	514	533
(Gain) on disposal of fixed assets	(9)	(29)
Increase / (decrease) in trade creditors and other liabilities	541	(214)
(Increase) / decrease in inventories	(362)	403
(Increase) / decrease in trade and other receivables	(358)	121
(Gain) on unrealized foreign exchange rate difference	(3)	(1)
Impairment of investments in associates	3	3
Other changes	51	50
Cash generated from operations	**2 537**	**3 102**
Interest paid	(7)	(38)
Corporate income tax paid	(500)	(596)
Cash flow from operating activities	**2 030**	**2 468**
Purchases of property, plant and equipment	(616)	(336)
Purchases of intangible assets	(76)	(38)
Proceeds from sale of available-for-sale financial assets	0	2
Interest received	24	71
Proceeds from sale of property, plant and equipment	53	69
Cash flow from investing activities	**(615)**	**(232)**
Dividends paid	(2 400)	(5 000)
Cash flow from financing activities	**(2 400)**	**(5 000)**
Change in cash and cash equivalents	**(985)**	**(2 764)**
Cash and cash equivalents, beginning of the year	3 242	6 007
Exchange gains on cash and cash equivalents	0	(1)
Cash and cash equivalents, end of the year	**2 257**	**3 242**

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

PREPARED IN COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

NOTE 1 – GENERAL BACKGROUND

(a) The Company and the nature of its operations

The Zwack Unicum Nyrt. (hereafter referred to as "the Company") is incorporated in the Republic of Hungary and it is manufacturer and distributor mainly of alcoholic beverages. The Company seat is located at 26 Soroksári út, Budapest, 1095.

Zwack Unicum Nyrt. is listed on the Budapest Stock Exchange.

Peter Zwack & Consorten HAG is the ultimate majority owner of Zwack Unicum Nyrt. holding 50% + 1 share of the issued shares (registered ordinary shares). The ultimate controlling parties are the Zwack and Underberg families together.

Registered ordinary shares of the Company	2016		2015	
	%	HUF mill	%	HUF mill
PZ HAG.	50%+1 share	1 000	50%+1 share	1 000
Diageo Holdings Netherlands B.V.	26%	520	26%	520
Public	24%-1 share	480	24%-1 share	480
Total	100%	2 000	100%	2 000

(b) Basis of preparation

The financial statements have been prepared in millions of Hungarian Forints (HUF) under the historical cost convention, except for the revaluation of available-for-sale financial assets, and financial assets and liabilities at fair value through profit or loss, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The financial statements of the Company were approved for issue by the Company's Board of Directors (the Board), however, the Annual General Meeting (AGM) of the owners, authorized to accept these financials, has the right to require amendments before acceptance.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2 (v).

Adoption of new and revised Standards

1. *The following amended standards became effective from 1 January 2015, but did not have any material impact on the Company.*

- -Annual Improvements to IFRSs 2013 (issued in December 2013 and effective in the EU for annual periods beginning on or after 1 January 2015).
- -FRIC 21 – Levies (issued in May 2013 and effective in the EU for annual periods beginning on or after 17 June 2014)

2. Certain new standards and interpretations have been issued that are not yet effective, and which the Company has not early adopted.

- IFRS 9 “Financial Instruments: Classification and Measurement” (amended in July 2014 and effective for annual periods beginning on or after 1 January 2018, the EU has not yet endorsed the new standard). A key feature of the new standard that may potentially have an effect on the Company is:

  IFRS 9 introduces a new model for the recognition of impairment losses – the expected credit losses (ECL) model. There is a ‘three stage’ approach which is based on the change in credit quality of financial assets since initial recognition. In practice, the new rules mean that entities will have to record an immediate loss equal to the 12-month ECL on initial recognition of financial assets that are not credit impaired (or lifetime ECL for trade receivables). Where there has been a significant increase in credit risk, impairment is measured using lifetime ECL rather than 12-month ECL. The model includes operational simplifications for lease and trade receivables.

The rest of changes that IFRS 9 will introduce will likely have no material impact to the Company. The Company has started the assessment of the impact of IFRS 9.

- IFRS 15, Revenue from Contracts with Customers (issued in May 2014 and effective for the periods beginning on or after 1 January 2018, the EU has not yet endorsed the new standard). The new standard introduces the core principle that revenue must be recognised when the goods or services are transferred to the customer, at the transaction price. Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements. When the consideration varies for any reason, minimum amounts must be recognised if they are not at significant risk of reversal. Based on the Company’s assessment the standard will not have significant effect on the Company’s financial statements.
- IFRS 16, Leases (issued in January 2016 and effective for annual periods beginning on or after 1 January 2019, the EU has not yet endorsed the new standard). IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17. Lessees will be required to recognise: (a) assets and liabilities; and (b) depreciation of lease assets separately from interest on lease liabilities in the income statement. Taking into consideration the financial impact of the Company’s lease agreements, the effect of the application of IFRS 16 will likely be not material on the financial statements.

3. The following other new pronouncements are not expected to have any material impact on the Company when adopted:

- Amendments to IAS 19 – “Defined benefit plans: Employee contributions” (issued in November 2013 and effective in the EU for annual periods beginning on or after 1 February 2015).
- Annual Improvements to IFRSs 2012 (issued in December 2013 and effective in the EU for annual periods beginning on or after 1 February 2015).
- IFRS 14, Regulatory deferral accounts (issued in January 2014, the European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard).
- Accounting for Acquisitions of Interests in Joint Operations - Amendments to IFRS 11 (issued in May 2014 and effective for the periods beginning on or after 1 January 2016).
- Clarification of Acceptable Methods of Depreciation and Amortisation - Amendments to IAS 16 and IAS 38 (issued in May 2014 and effective for the periods beginning on or after 1 January 2016).
- Agriculture: Bearer plants - Amendments to IAS 16 and IAS 41 (issued in June 2014 and effective for annual periods beginning 1 January 2016).
- Equity Method in Separate Financial Statements - Amendments to IAS 27 (issued in August 2014 and effective for annual periods beginning 1 January 2016).
- Annual Improvements to IFRSs 2014 (issued in September 2014 and effective for annual periods beginning on or after 1 January 2016).
- Disclosure Initiative Amendments to IAS 1 (issued in December 2014 and effective for annual periods on or after 1 January 2016).
- Investment Entities: Applying the Consolidation Exception Amendment to IFRS 10, IFRS 12 and IAS 28 (issued in December 2014, the EU has not yet endorsed the amendment).
- Recognition of Deferred Tax Assets for Unrealised Losses - Amendments to IAS 12 (issued in January 2016 and effective for annual periods beginning on or after 1 January 2017, the EU has not yet endorsed the amendment).
- Disclosure Initiative Amendments to IAS 7 (issued in January 2016 and effective for annual periods beginning on or after 1 January 2017, the EU has not yet endorsed the amendment).

Other new/amended standards/ interpretations are not expected to have a significant effect for the Company.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Segment reporting

The CEO of Zwack Unicum Nyrt., is the Company's chief operating decision maker ('CODM'), as the CEO is responsible for allocating resources to, and assessing the performance of the Company on a monthly basis. Operating results are only reviewed at the Company level by the CODM hence the Company is deemed to be one segment. The balances in the reports reviewed by the CODM are in line with those presented in these financial statements.

On a voluntary basis the Company discloses information for product groups separately in Note 25.

(b) Investment in associates

Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of the acquisition. The share of post acquisition profit or loss is recognised in the income statement. The Company determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the income statement.

(c) Foreign currency translation

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in HUF, which is the company's functional and presentation currency.

Monetary assets and liabilities denominated in foreign currencies are translated into HUF at the official rates of exchange prevailing at the balance sheet date. Items of income and expense in foreign currencies are translated at an appropriate rate, prevailing on the date of the transaction. All resulting differences are included in operating expenses.

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation. Depreciation is calculated on a straight line basis (or by reference to physical output) from the time the assets are deployed over their estimated useful lives.

Assets in the course of construction are stated at cost, reflecting their state of completion as of the balance sheet date.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss for the year when they are incurred.

The Company does not have any significant borrowings that would fall under the scope of IAS 23 (revised) as a result of which no interest is capitalised in the cost of fixed assets.

Useful lives are as follows:

Buildings	20 - 50 years
Plant and equipment	7 - 10 years
Motor vehicles	3 - 5 years or 150 - 160 000 km
Other assets	2 - 7 years
Land is not depreciated.	

On an annual basis, the Company reviews the useful lives and residual values. For further details on the groups of assets impacted by the most recent useful life revisions refer to Note5.

Gains and losses on disposals are determined by comparing proceeds with carrying amount.

These are included in the profit or loss for the year among other operating expenses.

(e) Intangible assets

Trademarks and licences are shown at historical cost. Trademarks and licences have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives of 5- 10 years.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 3 - 6 years.

(f) Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels which generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(g) Financial assets

The Company classifies its financial assets in the following categories: loans and receivables, available for sale and derivative financial assets. Held to maturity is not relevant to the Company. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Regular way purchases and sales of financial assets are recognized on the trade-date, the date on which the Company commits to purchase or sell the asset.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are carried at amortised cost using the effective interest rate method.

Employee loans are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Difference between the nominal value of the loan granted and the initial fair value of the employee loan is recognized as prepaid employee benefits. Interest income on the loan granted calculated by using the effective interest method is recognized as finance income, while the prepaid employee benefits are amortized to Employee related expenses evenly over the term of the loan.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the Company intends to dispose the investments within 12 months of the balance sheet date.

Available for sale financial assets are initially and subsequently carried at fair value. Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in Other comprehensive income. The fair value of quoted investments is based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

(h) Derivative financial instruments and hedging activities

IAS 39 requires that every derivative instrument be recorded in the statement of financial position as either an asset or a liability measured at its fair value. The statement requires that changes in the derivative's fair value be recognised through the profit or loss for the year unless specific hedge accounting criteria are met. The Company does not apply hedge accounting for its financial instruments, all gains and losses are recognised in the profit or loss for the year.

(i) Packaging materials

Returnable packaging materials are recorded among Non-current assets at cost less accumulated depreciation less any impairment loss.

The useful lives applied in the preparation of these financial statements are as follows:

Pallets	3 years
Crates	4 years
Bottles	4 years

(j) Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined using the weighted average cost method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

Inventories of spare parts are stated at cost less a provision for obsolete and slow moving items.

(k)) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the profit or loss for the year within 'other operating expenses'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'other operating expenses' in the profit or loss for the year.

(l) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(m) Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using effective interest method.

(n) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. Revenue is shown net of value-added tax, excise tax, public health product tax, returns, rebates and discounts. Additionally those advertising and marketing costs which relate to fees that are payable to retailers and other distributors of the Company's products for various services including showing the products on attractive or advantageous shelf spaces, gondola head payments, advertising in the retailer's newspaper and various other services are also deducted from gross sales revenue.

Revenue is recognised as follows:

Sales of goods are recognised when the Company has delivered products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured.

Interest income is recognised on a time-proportion basis using the effective interest method.

(o) Other operating expenses

Point of sale materials ('POS') which serve the main purpose to advertise the Company's products are recognised as part of other operating expenses immediately after the Company gains the right to use these assets or upon the Company getting access to these materials.

(p) Other operating income

Reimbursement of marketing expenses is recognised as other operating income when the invoiced expenditure arise in line with the recognition criteria of such expenses.

(q) Provisions for liabilities

A provision for liabilities is recognised when and only when the Company has a present obligation (legal or constructive) as a result of past events, it is probable that the outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The Company recognises a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract.

(r) Financial lease

Leases of equipments where the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the commencement of the lease at the lower of the fair value of the leased equipment and the present value of the minimum leases payments.

Based on the requirements of IFRIC 4 – *Determining whether an Arrangement contains a Lease,* if a contract includes embedded lease elements the transaction is treated according to the regulation of IAS 17 Leases.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The finance lease obligations, net of finance charges, are included in the statement of financial position (other financial liabilities). The interest element of the lease payment is charged to the profit or loss for the year (finance expense) over the lease period. Equipments acquired under finance lease are depreciated over the shorter of the useful life of the asset or the lease term.

(s) Income taxes

(1) Corporate income tax

Corporate income taxes are payable to the tax authorities. The basis of the tax is the accounting profit adjusted for non-deductible and non-taxable items.

(2) Deferred taxes

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using income tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset realized or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is generally provided on temporary differences arising from the depreciation of fixed assets and packaging materials, impairment for receivables and from provisions made against assets and for future liabilities.

(t) Employee benefits

(1) Short term employee benefits

Short term employee benefits are recognized as a current expense in the period when employees render their services. These include wages, social security contributions, bonuses, paid holidays, meal and holiday contributions and other fringe benefits and the tax charges thereon.

(2) Jubilee payments

Employees are entitled for jubilee payments working at the Company from 10 years in every five years. The Company recognises actuarial gains and losses on long term employee benefits in profit or loss, the value of this actuarial gain and loss is immaterial to the financial statements.

(3) Pensions

Payments to defined contribution pension and other welfare plans are recognized as an expense in the period in which they are earned by the employee.

There are no other pensions.

(4) Share based compensation

IFRS 2 – Share-based Payment requires the Company to reflect in its Statement of comprehensive income and statement of financial position the effects of share based payment transactions, including expenses associated with transactions in which share options are granted to employees. Accordingly, the Company recognises the cost of services received from its employees in a share based payment transaction when services are received. Since the services are received in a cash-settled share based payment transaction, the Company recognises the expense against a liability that is re-measured at each balance sheet date. Share based compensation also includes dividends paid in respect of preference shares granted to employees under share based payment schemes.

(5) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits are recognised as an estimated employee expense and liability.

(u) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders. Share capital and share premium are not available for dividend distribution purposes.

(v) Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(1) Useful lives of assets

The determination of the useful lives of assets is based on historical experience with similar assets as well as any anticipated technological development. The appropriateness of the estimated useful lives is reviewed whenever there is an indication of significant changes in the underlying assumptions.

(2) Provision for impairment of inventories

The Company calculates impairment for inventories based on estimated losses resulting from the future sale of own produced and traded products. The basis of the estimate is the ageing of inventories, obsolescence and other information relating to the position of those products on the market. These involve assumptions about future market conditions. See Note 10 for the balance of impairment at 31 March 2016.

(3) Payments to retailers

The Company incurs fees that are payable to retailers and other distributors of the Company's products for various services including showing the products on attractive or advantageous shelf spaces, gondola head payments, advertising in the retailer's newspaper and various other services. These payments are shown as a reduction of the sales revenue from the respective retailers even if certain services are provided by the retailers in exchange for these payments.

See Note 16 for the amount recognised in 2016.

(4) Embedded leases

Depreciation of the tools used for the production of Zwack bottles is built in their selling prices by glass manufacturing companies. The Company estimates the net present value, finance lease liability, interest charges of current year, cost of sales and depreciation based on the tools' gross value and total number of production. Embedded leases are disclosed as part of Note 13.

NOTE 3 – DISCLOSURES ON FINANCIAL INSTRUMENTS

All financial assets in the amount of HUF 4 257 million at 31 March 2016 (HUF 4 795 million at 31 March 2015) fall into the category of loans and receivables. The carrying values of these financial assets approximately equals to their fair value.

All of the total balance of HUF 1 788 million (31 March 2015: HUF 1 576 million) financial liabilities are categorized as financial liabilities measured at amortised cost. The carrying value of these financial liabilities approximately equals to their fair value.

Assumptions for fair value estimations see at Note 4 (b).

The table below shows the income and expenses relating to financial instruments in the 2015 – 2016 financial year.

31 March 2016	Loans and receivables HUF mill	Lease payables HUF mill	Financial liabilities measured at amortised cost HUF mill	Total HUF mill
Interest income	21	0	0	21
Exchange gain	84	0	18	102
Total income relating to financial instruments	**105**	**0**	**18**	**123**
Interest expense	0	6	0	6
Exchange loss	14	0	35	49
Impairment loss	0	0	0	0
Fee expense	64	0	0	64
Total expense and other similar charges relating to financial instruments	**78**	**6**	**35**	**119**
Total income and expense relating to financial instruments	**27**	**(6)**	**(17)**	**4**

The table below shows the income and expenses relating to financial instruments in the 2014 – 2015 financial year.

31 March 2015	Loans and receivables HUF mill	Lease payables HUF mill	Financial liabilities measured at amortised cost HUF mill	Total HUF mill
Interest income	62	0	0	62
Exchange gain	36	0	32	68
Total income relating to financial instruments	**98**	**0**	**32**	**130**
Interest expense	0	38	0	38
Exchange loss	27	0	19	46
Impairment loss	1	0	0	1
Fee expense	60	0	0	60
Total expense and other similar charges relating to financial instruments	**88**	**38**	**19**	**145**
Total income and expense relating to financial instruments	**10**	**(38)**	**13**	**(15)**

NOTE 4 – FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. In accordance with its accounting policy, the Company may use derivative financial instruments to hedge certain risk exposures.

Sensitivity analyses include potential changes in the profit before tax. The impacts disclosed below are subject to an average income tax rate of approximately 16,9% (31 March 2015: 17,0%), i.e. the impact on Profit for the year would be 83,1% (31 March 2015: 83,0%) of the impact on the before tax amount. The potential impacts disclosed (less tax) are also applicable to the Company's equity.

(i) Market risk

(a) Foreign exchange rate risk

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.
The Company operates internationally and is exposed to exchange rate movements on one hand due to its import and export activity on the other hand due to its bank accounts and term deposits denominated in EUR.

The following tables show the currency denomination of the Company's financial assets and liabilities (HUF mill).

31 March 2016	CAD	EUR	USD	CHF	HUF	Összesen
Available-for-sale financial assets	0	0	0	0	0	0
Trade receivables	35	286	23	0	1 497	1 841
Employee loans	0	0	0	0	33	33
Other financial receivables	0	34	0	0	92	126
Cash and cash equivalents	5	58	2	0	2 192	2 257
Total financial assets as per statement of financial position	**40**	**378**	**25**	**0**	**3 814**	**4 257**
Trade and other payables	0	406	111	1	300	818
Lease payable	0	33	0	0	0	33
Other financial liabilities	6	259	28	0	644	937
Total financial liabilities as per statement of financial position	**6**	**698**	**139**	**1**	**944**	**1 788**
Total financial assets and liabilities as per statement of financial position	34	(320)	(114)	(1)	2 870	2 469

31 March 2015	CAD	EUR	USD	AUD	HUF	Összesen
Available-for-sale financial assets	0	0	0	0	0	0
Trade receivables	22	194	19	0	1 247	1 482
Employee loans	0	0	0	0	35	35
Other financial receivables	0	9	0	0	27	36
Cash and cash equivalents	12	25	12	0	3 193	3 242
Total financial assets as per statement of financial position	**34**	**228**	**31**	**0**	**4 502**	**4 795**
Trade and other payables	0	519	8	0	310	837
Lease payable	0	60	0	0	0	60
Other financial liabilities	0	198	14	0	467	679
Total financial liabilities as per statement of financial position	**0**	**777**	**22**	**0**	**777**	**1 576**
Total financial assets and liabilities as per statement of financial position	34	(549)	9	0	3 725	3 219

The finance department continuously monitors the liabilities in foreign currency and it holds the necessary amounts on its bank accounts or as term deposits in order to mitigate the currency risk arising in connection with those liabilities. Exchange rate fluctuations therefore have no significant effect on profit or loss, or equity.

The Company occasionally enters into derivative contracts for risk reduction purposes. These foreign currency forward contracts are taken to reduce the exchange rate risk related to the foreign exchange denominated payment obligations.

The Company had no open forward positions either as of 31 March 2016 or as of 31 March 2015.

Compared to the spot FX rate as of 31 March 2016, a 1%weakening of HUF against EUR would cause approx. HUF 4 million loss in the net balance of financial assets and liabilities.

A reasonably possible 6% strengthening of HUF against EUR would cause approx. HUF 20 million gain in the net balance of financial assets and liabilities.

The foreign exchange exposure arising from the net position denominated in other foreign currencies is not material.

Management's estimations on the possible change of exchange rates are based on the historical time series of the Hungarian National Bank.

(b) Other price risk

The Company's exposure to other price risk is immaterial. The Company is not exposed to significant commodity price risk.

(c) Interest rate risk

The Company does not have significant interest-bearing assets with variable interest therefore the Company is not exposed to cash flow interest rate risk. However, it has interest-bearing assets with fixed interest rates which would expose the Company to some fair value interest rate risk.

The Company does not have any borrowings.

(ii) Credit risk

Credit risk is the risk of counterparties defaulting.

The maximum exposure to credit risk is represented by the carrying amounts of the financial assets that are carried in the statement of financial position.

The Company is not exposed to significant concentration of credit risk related to trade receivables due to the diversity of its customers. On the other hand Zwack Unicum Nyrt., manages credit risk through insuring, major part of trade receivables by financial institutions in 90% of the individual amounts of receivables from customers. At 31 March 2016 HUF 1 436 million (HUF 1 150 million in 2015) worth of accounts receivables was insured with a financial institution which is rated A.

There is no independent rating or assessment of the credit quality of customers because the Company considers that arranging credit insurance agreements is effective enough to mitigate credit risk.

As the Company places its most cash and cash equivalents and bank deposits with substantial credit institutions, which are rated at least B, so the concentrations of credit risk are limited.

The following tables give information about the past due and impaired receivables (HUF mill).

31 March 2016	Domestic trade receivables	Foreign trade receivables	Related parties receivables	Employee loans	Employee loans	Total
Neither past due nor impaired receivables	1 491	108	202	33	126	1 960
Past due but not impaired receivables	0	0	0	0	0	0
Past due and impaired receivables	24	16	0	0	0	40
Total	**1 515**	**124**	**202**	**33**	**126**	**2 000**

The Company has no impaired receivable that is not past due (HUF mill).

31 March 2015	Domestic trade receivables	Foreign trade receivables	Related parties receivables	Employee loans	Other financial receivables	Total
Neither past due nor impaired receivables	1 197	125	132	35	36	1 525
Past due but not impaired receivables	0	0	0	0	0	0
Past due and impaired receivables	15	13	0	0	0	28
Total	**1 212**	**138**	**132**	**35**	**36**	**1 553**

Movements on the Company provision for impairment of trade receivables and other financial assets are as follows.

Impairment of receivables	Domestic trade receivables	Foreign trade receivables	Other financial receivables	Total
	HUF mill	HUF mill	HUF mill	HUF mill
1 April 2014	8	0	0	8
Reversal	(2)	0	0	(2)
Provision	0	1	0	1
Write-off	(1)	0	0	(1)
31 March 2015	**5**	**1**	**0**	**6**
1 April 2015	**5**	**1**	**0**	**6**
Reversal	(1)	0	0	(1)
Provision	1	0	0	1
Write-off	0	(1)	0	(1)
31 March 2016	**5**	**0**	**0**	**5**

The other classes of financial assets do not contain impaired assets.

The following table summarizes the collaterals held by the Company.

Guarantee received Content	Type	Guarantor	Guarantee	31 March 2016	31 March 2015	Falling due
				HUF mill	HUF mill	
Guarantee of employee's housing loans	mortgage	employee	employer	16	16	expiry of contract

(iii) Liquidity risk

Liquidity risk is the risk that an entity may encounter difficulty in meeting obligations associated with financial liabilities.

Prudent liquidity risk management implies maintaining sufficient cash, cash equivalents and term deposits as well as available funding through adequate amount of committed credit lines.

Management monitors rolling forecasts of the Company's liquidity reserve (comprises undrawn borrowing facility and cash and cash equivalents) on the basis of expected cash flow.

The Company has ongoing overdraft facilities of HUF 1 540 million as of 31 March 2016 (2015: HUF 1 540 million). The other remaining facilities represent regular bank loan facilities available to the Company.

Bank	Facility	Consists of: facility of bank overdrafts	Interest rate	Consists of: others	Maturity	31 March 2016
						HUF mill
Erste Bank Nyrt.	1 500	520	1 month BUBOR+0,55%	980	2017.04.17	0
ING Bank N.V.	1 900	500	O/N BUBOR+0,55%	1 400	indefinite	0
UniCredit Bank ZRt.	2 500	520	1 month BUBOR+0,80%	1 980	2050.12.30	0
	5 900	**1 540**		**4 360**		**0**

Bank	Facility	Consists of: facility of bank overdrafts	Interest rate	Consists of: others	Maturity	31 March 2015 HUF mill
Erste Bank Nyrt.	1 520	520	1 month BUBOR+0,55%	1 000	2015.04.17	0
K&H Bank Zrt.	1 900	500	O/N BUBOR+0,55%	1 400	indefinite	0
UniCredit Bank ZRt.	2 500	520	1 month BUBOR+0,80%	1 980	2050.12.30	0
	5 920	**1 540**		**4 380**		**0**

The following two tables summarize the maturity structure of the Company's financial liabilities as of 31 March 2016 and 2015.

Financial liabilities 31 March 2016	Less than 1 year	Over 1 year	Total
Domestic trade payables	363	0	363
Foreign trade payables	359	0	359
Related parties payables	96	0	96
Lease liabilities	17	20	37
Other liabilities	937	0	937
Total financial liabilities	**1 772**	**20**	**1 792**

Financial liabilities 31 March 2015	Less than 1 year	Over 1 year	Total
Domestic trade payables	405	0	405
Foreign trade payables	212	0	212
Related parties payables	220	0	220
Lease liabilities	25	59	84
Other liabilities	679	0	679
Total financial liabilities	**1 541**	**59**	**1 600**

The other liabilities consist of primarily accruals of expenses arising from normal course of business and accruals of customer expenses.

(b) Fair value estimation

The nominal value less impairment provision of trade receivables and payables approximate their fair values, due to their short maturity.

The fair value of financial instruments traded in active market is based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets held by the Company are the current bid prices. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques.

Cash and cash equivalents, trade receivables, other current financial assets, trade payables and other current financial liabilities have short times to maturity. For this reason, their carrying amounts at the reporting date approximate the fair values.

(c) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The Company continuously monitors whether it meets the requirements of laws and regulations applicable in Hungary. The Company complied with all the relevant laws and regulations in the financial years ended 31 March 2015 and 2016.

The capital, which the Company manages, amounted to HUF 6 210 million at 31 March 2016 (2015: HUF 6 916 million). The Company solely manages itself through capital and does not use any long term loans or borrowings.

NOTE 5 – PROPERTY, PLANT AND EQUIPMENT

	Freehold land and building	Plant and equipment	Leased equipment	Other assets	Total
	HUF mill	HUF mill	HUF mill	HUF mill	HUF mill
At 31 March 2014					
Cost	3 597	2 937	126	2 019	8 679
Accumulated depreciation	1 560	2 503	83	1 582	5 728
Net book value	**2 037**	**434**	**43**	**437**	**2 951**
Year ended 31 March 2015					
Opening net book amount	**2 037**	**434**	**43**	**437**	**2 951**
Additions	67	41	2	212	322
Disposals	(4)	0	0	(36)	(40)
Depreciation charge	(138)	(174)	(11)	(179)	(502)
Closing net book amount	**1 962**	**301**	**34**	**434**	**2 731**
At 31 March 2015					
Cost	3 654	2 974	128	2 013	8 769
Accumulated depreciation	1 692	2 673	94	1 579	6 038
Net book value	**1 962**	**301**	**34**	**434**	**2 731**
Year ended 31 March 2016					
Opening net book amount	**1 962**	**301**	**34**	**434**	**2 731**
Additions	21	417	0	194	632
Disposals	0	(3)	0	(39)	(42)
Depreciation charge	(137)	(142)	(14)	(183)	(476)
Closing net book amount	**1 846**	**573**	**20**	**406**	**2 845**
At 31 March 2016					
Cost	3 674	3 320	128	2 038	9 160
Accumulated depreciation	1 828	2 747	108	1 632	6 315
Net book value	**1 846**	**573**	**20**	**406**	**2 845**

Assets in course of construction and not yet taken into use amounted to HUF 161 million (31 March 2015: HUF 37 million) and are included in the related categories (HUF 155 million in plant and equipment and HUF 6 million in intangible assets).

NOTE 6 – INTANGIBLE ASSETS

	Trademarks licences and others	Intellectual property	Total
	HUF mill	HUF mill	HUF mill
At 31 March 2014			
Cost	224	626	850
Accumulated depreciation	169	603	772
Net book value	**55**	**23**	**78**
Year ended 31 March 2015			
Opening net book amount	**55**	**23**	**78**
Additions	14	24	38
Disposals	(1)	0	(1)
Depreciation charge	(14)	(17)	(31)
Closing net book amount	**54**	**30**	**84**
At 31 March 2015			
Cost	231	650	881
Accumulated depreciation	177	620	797
Net book value	**54**	**30**	**84**
Year ended 31 March 2016			
Opening net book amount	**54**	**30**	**84**
Additions	35	40	75
Disposals	(2)	0	(2)
Depreciation charge	(14)	(24)	(38)
Closing net book amount	**73**	**46**	**119**
At 31 March 2016			
Cost	252	690	942
Accumulated depreciation	179	644	823
Net book value	**73**	**46**	**119**

Intellectual property includes mainly softwares.

NOTE 7 – PACKAGING MATERIALS

	31 March 2016	31 March 2015
	HUF mill	HUF mill
Bottles	0	6
Crates	1	1
Pallets	16	15
Total	**17**	**22**

NOTE 8 – INVESTMENTS IN ASSOCIATES

	Investments in associates
	HUF mill
1 April 2014	65
Share of profit	(12)
Impairment of investments in associates	(3)
31 March 2015	**50**
1 April 2015	50
Share of profit	3
Impairment of investments in associates	(3)
31 March 2016	**50**

The company's share of the result of its associate, and its aggregated assets and liabilities, are as follows:

Name	Assets	Liabilities	Revenues	Profit	Interest held
	HUF mill	HUF mill	HUF mill	HUF mill	%
31 March 2016					
Morello Kft.	424	14	118	7	35,43
	424	**14**	**118**	**7**	
31 March 2015					
Morello Kft.	434	32	65	(34)	35,43
	434	**32**	**65**	**(34)**	
31 March 2014					
Morello Kft.	447	11	76	5	35,43
	447	**11**	**76**	**5**	

For details of the accounting of investments in associates please refer Note 2 (b).

NOTE 9 – EMPLOYEE LOANS

	31 March 2016 HUF mill	31 March 2015 HUF mill
Employee loans	**24**	**26**

The effective interest rate used in the calculation was 6,3%.

NOTE 10 – INVENTORIES

	31 March 2016 HUF mill	31 March 2015 HUF mill
Raw materials and consumables	420	376
Semi-finished and finished products	1 193	842
Purchased finished products	263	291
	1 876	**1 509**

The provision for obsolete and slow-moving stock at 31 March 2016 amounts to HUF 107 million (31 March 2015: HUF 255 million).

NOTE 11 – TRADE AND OTHER RECEIVABLES

	31 March 2016 HUF mill	31 March 2015 HUF mill
Trade receivables	1 841	1 482
Overpayment of tax	43	130
Other receivables	31	58
Other financial receivables	135	45
Prepayments	112	121
	2 162	**1 836**

Other financial receivables include HUF 9 million short term employee loans (Note 3).

The provision for impairment of trade and other receivables is disclosed in Note 4 (a).

Related party receivables are disclosed in Note 22.

NOTE 12 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash in banks, at hand and bank deposits with original maturity less than 3 months.

	31 March 2016 HUF mill	31 March 2015 HUF mill
Cash at bank and in hand	337	80
Short term bank deposit	1 920	3 162
	2 257	**3 242**

NOTE 13 – OTHER FINANCIAL LIABILITIES

	31 March 2016 HUF mill	31 March 2015 HUF mill
Finance lease liabilities	18	43
Accrual for jubilee payments	175	178
Share-based payment liabilities	167	162
	360	**383**

Note 22 shows detailed information about Share-based payment liabilities.

Financial leasing liabilities	31 March 2016 HUF mill	31 March 2015 HUF mill
No later than 1 year	17	25
Later than 1 year and no later than 5 years	20	59
Minimum lease payments	**37**	**84**
Future finance charges	(4)	(24)
Present value of finance lease liabilities	**33**	**60**

Present value of finance lease liabilities	31 March 2016 HUF mill	31 March 2015 HUF mill
No later than 1 year	15	17
Later than 1 year and no later than 5 years	18	43
	33	**60**

NOTE 14 – TRADE AND OTHER LIABILITIES

	31 March 2016 HUF mill	31 March 2015 HUF mill
Trade and other payables	818	837
Value added and excise tax	608	234
Wage and salary	430	411
Other taxes	18	36
Taxes and other accruals	49	70
Payable to owners	13	7
Lease liabilities	15	17
Other liabilities	938	698
	2 889	**2 310**

NOTE 15 – PROVISION FOR OTHER LIABILITIES AND CHARGES

	31 March 2016 HUF mill	31 March 2015 HUF mill
Provision for liabilities	**119**	**68**

	Termination benefit	Other	Total
	HUF mill	HUF mill	HUF mill
1 April 2015	12	56	68
Additions	114	0	114
Utilised	(11)	(52)	(63)
31 March 2016	**115**	**4**	**119**

Other provision is related to products that are not marketed any longer.

	31 March 2016 HUF mill	31 March 2015 HUF mill
Current	119	68
	119	**68**

NOTE 16 – REVENUE

Gross sales represent the value of goods invoiced to customers gross of indirect excise tax, public health product tax and net of packaging materials held by customers and discounts allowed as described under Note 2 (n).

	31 March 2016 HUF mill	31 March 2015 HUF mill
Gross sales	21 136	21 385
Excise tax	(7 488)	(8 461)
Public health product tax	(1 190)	(129)
Revenue	**12 458**	**12 795**

The basis of calculation of excise tax is the alcohol content of the products multiplied by a fixed fee. The excise tax rate for alcohol products is 3 334 HUF/hlf (percentage alcohol content per hectolitre). From 1 January 2015 the public health product tax has been also extended for spirit products. The rate of the tax has been determined based on ranges in the alcohol content.

Refer to Note 25 for detailed breakdown of revenue per product groups.

Those advertising and marketing costs which are deducted from gross sales (as detailed in Note 2 (n)) amount to HUF 2 183 million in this year (HUF 2 108 million in last year).

NOTE 17 – EMPLOYEE BENEFITS EXPENSE

	2016	2015
The average number of persons employed	**219**	231

The total cost of their remuneration amounted to	2016 HUF mill	2015 HUF mill
Wages and salaries (including bonus payments)	**1 846**	1 952
Share-based payment compensation	**47**	101
Termination benefit provision	**114**	12
Social security contributions	**535**	546
	2 542	**2 611**

Share based payment compensation includes the change in the fair value of liabilities arising from share based payment transactions as described in Note 22. Additionally dividends paid for redeemable liquidity preference shares are also recognised as part of share based payment compensation.

NOTE 18 – OTHER OPERATING EXPENSES

	2016 HUF mill	2015 HUF mill
Advertising costs	1 383	1 230
Marketing costs	386	312
Other operating expenses net	280	144
Expert fees	146	163
Rental fees	124	124
Performing arts or sport donation	100	83

	2016 HUF mill	2015 HUF mill
Warehousing costs	94	92
Security charges	69	67
Insurances	58	53
Scrap, shortage and disposal of fixed assets	42	41
Operating expenses	40	42
Impairment of investments in associates	3	3
	2 725	**2 354**

The Company recognises the subsidies paid classified as income tax deductable expenses as Other operating expenses (2016: HUF 100 million, from which HUF 23 million related to sport donation and HUF 77 million related to performing arts donation, 2015: HUF 83 million, from which HUF 35 million related to sport donation and HUF 48 million related to performing arts donation).

The impairment of investments in associates represents the impairment on the investment in Morello Kft. The impairment was necessary to be recognised ensuring that the book value of the investment represents the market value of the share in associate.

Other operating expenses net includes other taxes, authority fees, educational expenditures and other overheads.

NOTE 19 – OTHER OPERATING INCOME

	2016 HUF mill	2015 HUF mill
Reimbursement of marketing expenses	733	583
Foreign exchange gains net	53	22
Other operating income net	3	12
	789	**617**

NOTE 20 – NET FINANCIAL INCOME

	2016 HUF mill	2015 HUF mill
Interest income	21	62
Finance lease and other interest expenses	(7)	(38)
Net financial income	**14**	**24**

NOTE 21 – INCOME TAX

	2016 HUF mill	2015 HUF mill
Current tax on statutory profit based on tax rates set out below	278	328
Local tax	256	238
Deferred tax	(51)	(32)
	483	**534**

Certain sport or performing arts donations are classified as tax deductible expense under Hungarian Corporate tax law and the payment is also deductible from income tax payable.

The Company utilised subsidies worth of HUF 100 million during 2016 (2015: HUF 83 million) which was recognised as an income tax payable deductable item. The HUF 100 million subsidy was fully paid in 2016 (see Note 18).

	2016 HUF mill	2015 HUF mill
Profit before tax	2 177	2 248
Tax at 19%	414	427
Tax effect of profit taxable at lower tax rate at 10%	(45)	(44)
Items not subject to tax	(47)	(55)
Performing arts or sport donations	(100)	(83)
Items not deductable for tax	19	45
Local tax	256	238
Change in tax rate	(14)	6
Taxation under IFRS	**483**	**534**

The Company's deferred tax balances are as follows:

	31 March 2016 (to be reversed within 1 year)	31 March 2016 (to be reversed over 1 year)	Profit and loss effect	31 March 2015	Profit and loss effect	31 March 2014
	HUF mill	HUF mill	HUF mill	HUF mill	HUF mill	HUF mill
Different depreciation of fixed assets	(8)	114	36	70	34	36
Different valuation of employee loans	0	1	0	1	(1)	2
Different impairment of accounts receivable	1	0	0	1	0	1
Different depreciation packaging material	1	11	(1)	13	(10)	23
Provision for expected liabilities	26	30	13	43	9	34
Liabilities for packaging materials held by customers	0	2	(2)	4	1	3
Liabilities for embedded leases	2	3	(5)	10	(1)	11
Different valuation of POS marketing materials	21	0	8	13	(4)	17
Other (jubilee, holiday accrual, trade bonuses)	7	17	2	22	4	18
Total deferred tax assets	**50**	**178**	**51**	**177**	**32**	**145**

Local income taxes are levied in Hungary on the companies' net margins, determined at a substantially higher level than the corporate tax base. These taxes are deductible expenses for corporate tax purposes. The local business tax has no impact on the calculation of the deferred tax as none of the above temporary differences are included in the tax base of local business tax calculation.

Under Hungarian law, tax returns are never formally agreed by the tax authority and a system of self-assessment operates. Under this system, tax years are left open for six years and can be subject to a full audit by the tax authority.

The temporary differences caused by the IFRS adjustments arise mainly, but not only, from the provisions for liabilities and receivables and depreciation differences. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

NOTE 22 – RELATED PARTY TRANSACTIONS

Transactions with related parties are carried out on an arm's length basis. The Company carried out the following transactions with related parties:

31 March 2016	Receivable from	Payable to	Revenues from	Expenditures to
Zwack-Underberg Group	0	4	228	164
Diageo Magyarország Kft.	0	0	2	0
Diageo Scotland Ltd.	101	0	651	0
Diageo North America Inc.	17	0	22	0
Diageo Brands B.V.	0	92	18	1 441
Diageo Italia S.p.A	84	0	578	96
Dobogó Pincészet Kft	0	0	0	25
Szecskay Ügyvédi Iroda	0	0	0	10
Total	**202**	**96**	**1 499**	**1 736**

31 March 2015	Receivable from	Payable to	Revenues from	Expenditures to
Zwack-Underberg Group	0	2	228	150
Diageo Magyarország Kft.	0	0	2	0
Diageo Scotland Ltd.	40	0	544	0
Diageo Brands B.V.	0	218	15	1 555
Diageo Italia S.p.A	92	0	505	12
Dobogó Pincészet Kft	0	0	0	26
Szecskay Ügyvédi Iroda	0	0	0	7
Total	**132**	**220**	**1 294**	**1 750**

Diageo Group has a 26% interest in Zwack Unicum Nyrt. through its fully owned subsidiary (Diageo Holdings Netherlands B.V.). Zwack Unicum Nyrt. is the sole distributor of Diageo spirits in Hungary and also provides marketing services to the Diageo Group. Trading parties of Diageo:

- Marketing services are provided to Diageo Scotland Ltd. from 1 July 2004.
- Spirits are purchased from Diageo Brands B.V. from 1 July 2004.
- Diageo Magyarország Kft. rents office space from the Company.
- From August 2006, the Company's Italian distributor is Diageo Italy.

Zwack-Underberg Group consists of entities which are controlled by the family members of Zwack or Underberg family. The business relations with the Zwack and Underberg Group include distribution of products, providing marketing and various expert services. Dr Hubertine Underberg-Ruder is member of the Underberg family, Chairwoman of the Supervisory Board.

Dobogó Pincészet Kft. (owned by Zwack family) sells own produced wines to the Company, and pays for the marketing expenses that are incurred on its behalf by the Company.

Szecskay Iroda acts as the legal representative of the Company in all significant matters and Dr Szecskay András is a member of the Supervisory Board.

Key management compensation	2016 HUF mill	2015 HUF mill
Short term benefits	387	446
Post employment benefits	88	91

There was no contractual termination benefit paid to key management during either 2016 or 2015.

In November 2007 the Company issued 35 000 redeemable liquidity preference shares to its senior managers for a value of HUF 35 million, which shares provide the Company with a call option and the registered holders of such share with a put option as well as a liquidation preference. This is a cash-settled share based compensation plan with an original vesting periods of 10 years .

Total liabilities arising from share based payment transactions amounted to HUF 167 million as at 31 March 2016 which includes the value of redeemable preference shares (classified as other financial liabilities in accordance with IAS 32) and the accumulated expenses. The fair value of the employees' services received in exchange for the grant of the options is recognised as an expense over the vesting period. HUF 5 million was recognised as an expense in the current financial year relating to the option plan.

Significant assumptions used for the valuation of the liability:

- discount rate of 2,2% (31 March 2015: 2,65%)
- average remaining vesting period of 1 years (31 March 2015: 2 years)
- dividend growth rate of -0,82% (31 March 2015: 3,81%)
- -average share price increase of 9,27% (31 March 2015: 8,69%)

Changes in assumptions compared to the previous year do not have significant impact on the valuation of the liability.

No option was exercised by 31 March 2016. At each balance sheet date, the Company re-measures the fair value of the liability and recognises the impact in the profit or loss for the year.

Dividends paid for redeemable liquidity preference shares granted to the Company's employees are included in short term benefits.

Loans given to key management amounted to HUF 24 million (31 March 2015: HUF 27 million).

NOTE 23 – CONTINGENT LIABILITIES

The owners of the Mast / Jägermeister brand initiated a lawsuit in Italy on the trademark registration of the label of the St. Hubertus drink (deer head and cross) because of the likelihood of confusion. The Civil Court of Rome - after the multiple appeals of Mast / Jägermeister – as final judgment rejected the last appeal and ruled that there is no risk of confusion between the trademarks. At present, negotiations are held with Mast / Jägermeister for closing the dispute with a settlement out of court. The financial impact of the legal case cannot be quantified but cannot be material to the financial statement.

According to the management the probability of any material future loss in connection with this legal case is low.

At 31 March 2016 the Company had contingent liabilities amounting to HUF 200 million in respect of bank guarantees arising from regulatory obligation (customs bond of untaxed excise products) from which it is anticipated that no material liabilities will arise.

NOTE 24 – SEGMENT REPORTING

The Company considers that it has no separate operating segments but rather the whole Company can be deemed as one operating segment.

The balances reviewed by the CODM include revenue, depreciation and amortisation, interest income and expense, income tax expense and profit for the year all of which are disclosed as part of the Statement of comprehensive income.

In 2016 89% (88% in 2015) of the revenue of Zwack Unicum Nyrt. was generated by domestic sales while the remaining part relates to export.

NOTE 25 – PRODUCT GROUPS

On a voluntary basis the Company discloses information for similar product groups as last year within the segment disclosure note.

	Traded products	**Traded products**	**Own produced**	**Own produced**	**Total**	**Total**
	2016	**2015**	**2016**	**2015**	**2016**	**2015**
	HUF mill	**HUF mill**	**HUF mill**	**HUF mill**	**HUF mill**	**HUF mill**
Gross sales	3 526	3 275	17 610	18 110	21 136	21 385
less excise tax	(830)	(942)	(6 658)	(7 519)	(7 488)	(8 461)
less public health product tax	(411)	(29)	(779)	(100)	(1 190)	(129)
Product group revenue	**2 285**	**2 304**	**10 173**	**10 491**	**12 458**	**12 795**
Operating profit	**111**	**81**	**2 049**	**2 155**	**2 160**	**2 236**
Net financial income/ loss					14	24
Share of profit of associates					3	(12)
Income tax expense					(483)	(534)
Profit for the year					**1 694**	**1 714**

NOTE 26 – SUBSEQUENT EVENTS

The Company proposes to pay dividends for the financial year ended 31 March 2016, but the amount is not yet announced and will be subject to approval by the forthcoming Annual General Meeting.

AUDITOR'S REPORT

ON THE FINANCIAL STATEMENTS IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

pwc

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Zwack Unicum Nyrt.

We have audited the accompanying financial statements of Zwack Unicum Nyrt. ("the Company"), which comprise the statement of financial position as of 31 March 2016 (in which the financial position total is HUF 9 578 million), the statement of comprehensive income (the total comprehensive income for the year is HUF 1 694 million), statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements including a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the EU and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Hungarian National Standards on Auditing and with applicable laws and regulations in force in Hungary. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

PricewaterhouseCoopers Könyvvizsgáló Kft., 1055 Budapest, Bajcsy-Zsilinszky út 78.
T: (+36) 1 461 9100, F: (+36) 1 461 9101, www.pwc.com/hu

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Zwack Unicum Nyrt. as of 31 March 2016, and of the results of its operation for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Budapest, 24 May 2016

PricewaterhouseCoopers Könyvvizsgáló Kft.

PricewaterhouseCoopers Könyvvizsgáló Kft.

Supervisory Board

Renato Juric
General manager
Diageo Eastern Europe
Partner Markets

Dr. Hubertine Underberg-ruder
Chair of the Supervisory Board
Chair of the Board of
Directors of Underberg Plc.

Dr. Rudolf Kobatsch
Member of the Supervisory
Boardof Schlumberger AG. Wien

Dr. Geiszl György
Finance Director
Diageo Eastern Africa

Dr. Szecskay András
Lawyer
Legal Advisor
of Zwack Unicum Plc.
Szecskay Law Firm

Dr. Salgó István
General Manager
ING Bank Hungary

Board of Directors

Zwack Izabella
Member of the Board of
Directors of Zwack Unicum Plc.

Pavel Reyes
Finance Director
Diageo Eastern Europe
Partner Markets

Mag. Wolfgang Spiller
Member of Board of Directors,
Schlumberger Plc.

Zwack Sándor
Chairman of the Board
of Directors of Zwack Unicum Plc.

Kalina Tsanova
Business Unit Director
Diageo Eastern Europe
Partner Markets

Dörnyei Tibor
Deputy CEO, CFO
Zwack Unicum Plc.

Frank Odzuck
CEO
Zwack Unicum Plc.

Management of the Company

Left to right:

Seprős László
Production-technical Director

Dörnyei Tibor
Deputy CEO
Chief Financial Officer

Dr. Segesváry Gábor
Human Resource Director

Palcsó Sára
Marketing Director

Frank Odzuck
Chief Executive Officer

Belovai Csaba
Commercial and Export Director

MARKETING HIGHLIGHTS
OF THE 2015-2016 BUSINESS YEAR

UNICUM AND UNICUM PLUM

In the 2015-2016 financial year Unicum performed again extremely well regarding sales volumes.
Our primary strategic goal in 2015 remained to strengthen Unicum's role on the premium market.
Our top priority was to create campaigns which have a unique and strong content, enabling us to effectively use their impact in all of the main media channels.
In 2014 we continued to lay great emphasis on increasing brand awareness regarding the Unicum Plum brand and on boosting product tastings.
The most prominent event of our brand building strategy undoubtedly proved to be the debut of our new Unicum commercial.
As regards our marketing activities, three major campaigns defined this past year also.
Firstly, a special communication was launched at Easter time in the form of TV campaigns with special focus on Unicum Plum.

Then we celebrated the 225th anniversary of Unicum. For this widely promoted event, which is unique not only in Hungary, but also internationally, we prepared in a number of ways.

- Firstly, we launched a special „sightseeing tour of Budapest" to introduce visitors to the most important turning points in the history of Budapest and of the Zwack family up close and in an informal way. (http://www.bupap.hu/hu/unicum-tura)
- We also presented the Unicum bottle in a limited edition which coincided with the event reaching the shelves in its arresting gold package.
- Reat emphasis was laid on the anniversary of Unicum also in our Museum: we prepared a special birthday program for the Night of Museums where members of Experidance, together with the visitors, could celebrate the event launching 225 balloons together with the Zwack family.
- The anniversary and the event were communicated through Class Fm, where members of the Zwack Family spoke about the greatest turning points, struggles and achievements of these past 225 years.
- The 225 years anniversary of Unicum was communicated to our consumers by an outdoor campaign, on city posters and in city lights.
- As a result the brand had unique exposure on major on-line sites.

Thirdly, the new Unicum commercial, which replaced the earlier, legendary commercial called "Sport street" made its debut during the Christmas season. The campaign was presented by the Zwack family in November during a press conference as the closing event of the 225th anniversary celebration. „The new commercial of Zwack Unicum evokes the highlights of Hungary's past 225 years, drawing parallels with the history of the Zwack family and of Unicum," Sandor Zwack said.

The commercial was very successful – it had almost 100 thousand views on Youtube, the biggest video sharing site, thus becoming the most popular Unicum video ever. The commercial also appeared on almost fifty on-line sites.

At the same time, as well as the classic Unicum two glass gift box package, Unicum Plum was also marketed with an unusual new look and design.

Our presence on festivals was decisive in the life of the brand. In summer 2015 we were present at the most prominent Hungarian festivals: the VOLT, the SZIGET and the Fishing in Orfű. Regarding sales volumes and numbers of visitors we exceeded in 2015 all our previous records.

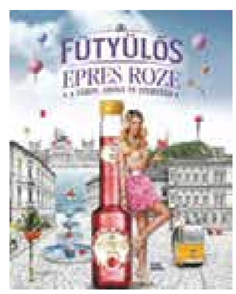
The Unicum brand continues to be very active on social networks. The success of our Facebook campaign is demonstrated by the fact that our fan club of 80 thousand people in 2014 grew to almost 90 thousand by 2015! In addition to Facebook, our unique presence on Instagram was instrumental in giving a significant boost to the brand.

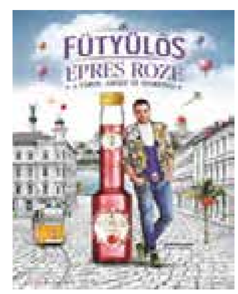
The success of Unicum Plum is steady. Our marketing activity was aimed at making the brand known and popularizing it through tastings in gastronomy and retail.

Among our major export markets, Unicum Plum was also introduced to Italy and Germany, where it was presented by Sándor and Izabella Zwack personally.

FÜTYÜLŐS

Our Fütyülős brand has come up with unique ideas and can boast one more very multi-faceted year rich in successful ventures.

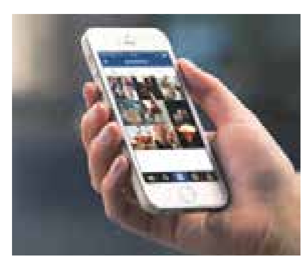




In May 2015 the brand was joined by a very innovative flavour, the Strawberry Roze. We promoted this new liqueur pure, or as a cocktail, poured with lemon juice and soda in a wineglass. Our Strawberry Roze Lemonade was so popular that it became our best-seller cocktail of the summer. The product produced impressive results: by the end of the year Strawberry Roze became the second most popular variety of the Fütyülős brand, after Chocolate Hazelnut.

Our activities were focused around the introduction of the new flavour. In June it was introduced to our consumers in a TV spot. In July Strawberry Roze was featured on city posters and city lights in the company of two celebrities, Regina Dukai or Balazs Horvath.

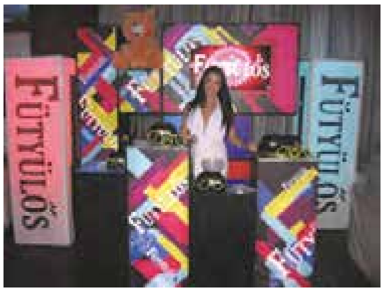
We launched a strong introductory campaign. The appearance of the new flavour was published on Facebook, which in itself aroused huge interest, enabling us to reach almost 300 thousand people with the news. We launched the brand's Instagram page, while in the company of famous stars we shared each others' news on various online sites. The new flavour appeared on other online advertising sites.



In the summer each member of the Fütyülős family received a more uniform and more polished design.

From the beginning of 2015 three flavour varieties of Fütyülős: Honey Apricot, Honey Black Cherry aged on a fruit bed and Caramel Green Apple are available in retail in 0,2 liter bottles.

The popularity of Chocolate Hazelnut was enhanced in the summer season by tastings held both in gastronomy and retail. The primary venue of our brand building remains gastronomy. Almost 50 thousand people were introduced to the brand by our spectacular disco promotion staged country-wide, during which we held tastings of both Chocolate Hazelnut and Strawberry Roze, our most popular flavours.



We continued to popularize Fütyülős refreshing lemonades and long drinks. In gastronomy we introduced our consumers to new ways of enjoying our Fütyülős brand with the aid of table mats and table tents and other point of sale materials.

In order to boost brand awareness as well as to popularize different consumption options, Fütyülős appeared for the fourth time at two of the most popular domestic festivals. This past year we offered a unique experience to the visitors of the EFOTT and CAMPUS Festivals.

The Christmas season is highly important in the life of the Fütyülős brand. The season was supported by a TV campaign and our consumers could find our elegant gift boxes with a glass in retail.

KALINKA

In June 2015 we introduced Kalinka Herbal, our new vodka containing a new herbal extract. We laid great emphasis in this past year also on the strengthening of long drink consumption. We achieved considerable success, especially in downtown Budapest.

This year too, we had our most successful festival season ever. We were present at five festivals, thus reaching almost 300 thousand contacts. Consumption increased by 40% as compared to last year. We contributed to the swing of things at the EFOTT Festival in a new and unique way. Kalinka has combined two very popular trends, to make long drink consumption into a social experience. Participants at the festival could upload photos with #kalinkaefott hashtag to their Instagram page and the more hits uploaded by the total number of guests, the more discount was granted to all for Kalinka long drinks. As a result of this promotion more than 600 photos with #kalinkaefott hashtag were posted on Instagram.

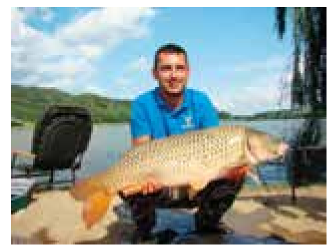
The brand's online presence was further strengthened both on Facebook and Instagram.

ST. HUBERTUS

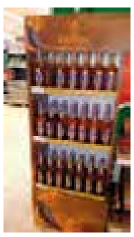
St. Hubertus was one of the success brands of this past year in the life of Zwack Unicum. Its double-digit growth exceeded the market average, which is due to many factors. Our continuous image communication, which is very popolar among the target group, has been going on for three years. The good shelf/price position provides an attractive choice for the customer who is looking for reliable and good quality at a reasonable price. The St. Hubertus Forest Berries and Herbs, introduced in September as a new flavour, brought the brand increased sales volumes, while the earlier two flavours experienced a rise too.

From the communications point of view, the business year remained faithful to traditional strategies: the brand had two campaigns, one in the spring and one in the autumn. The latter featured two spots, since the introduction of the new flavour (St. Hubertus Forest Berries and Herbs) was also reinforced by a 15-second spot. The media presence of St Hubertus focused on small channels.

Taking into consideration the evolution of the media market we launched the Facebook profile of St. Hubertus – www.facebook.com/sthubertus1901ota – as experience shows that a growing proportion of the target group is using this platform and they are increasingly active on it.



Summer again focused on the fishing theme. We sponsored the very popular contests in Maconka and Haromfa again this year. Apart from being present as title sponsors and ensuring strong brand presence, we tried to strengthen our presence with our own competing team.



In retail we were again present with our well known gift package with glass, this time however in three different flavours.

In gastronomy – which remains the brand's most important sales channel – sales actions were organized to further strengthen brand loyalty as we developed various incentives both for our consumers and for pub managers.

JOHNNIE WALKER

Diageo, the producer of Johnnie Walker®, the world's leading whisky brand and its domestic distributor, Zwack Unicum Plc. believe that it is their important social responsibility to popularize responsible alcohol consumption.

Johnnie Walker's initiative, „Never drink and drive!" celebrated its 10th anniversary in Hungary, during which the yearly campaign was launched by Jenson Button, Formula 1 pilot of the McLaren Honda team, Éric Boullier, race director of the McLaren Honda team and Zseda, Hungarian ambassador of the campaign. The program's aim for 2015 was to ensure that another 10 thousand people pledge to never drink and drive.

From the first campaign in 2005 onwards, Johnnie Walker has, by means of numerous events and communications, drawn the public's attention to the importance of responsible alcohol consumption and sober driving in Hungary: by an informative campaign connected to water distribution or by exhibiting sports cars in shopping malls, where passersby could leave their signature. The program enjoys the support of the National Committee for Accident Prevention of the Budapest Chief Police which, in accordance with the new regulations, has introduced targeted police checks and preventive actions that play a big role in decreasing the number of accidents caused by drunk drivers and their percentage in the total number of accidents.

After many years, only this year the brand had the opportunity to appear on TV in the Christmas season with its spot. During our 8-week campaign TV viewers could watch our spot „Joy of life takes you further" on RTL Klub or on numerous smaller channels. The campaign produced fine results, overachieving all targets.

Apart from the retail promotions, brand building was based in gastronomy on a promotion with the slogan "Where taste is king!" Hostesses networked to ensure that as many as possible people could taste and get to know our popular long drink, the Johnnie Ginger (Johnnie Walker + ginger). Consumers were rewarded with the stove-pipe hat or bow tie of Johnnie Walker. At the same time, to increase the distribution of Johnnie Walker we prepared scratch cards which, owing to the quality of the prizes, was very popular among shop owners and consumers.

Top events for Johnnie Walker were the Formula 1 Hungarian Grand Prix party held after the race in Symbolon, the participation in the 5th Budapest Whisky Show and the Piano Nights events enhanced by the name of the pianist, Imre Rakonczai.

BAILEYS

Baileys brand has closed another year of success.
It is no longer surprising that during the Christmas season we again appeared with a new spot and a 7-week TV campaign. Our 30 second "Here's to Us" campaign became very popular with our target group, as it featured the brand as a drink for girly get-togethers which is right up their street.

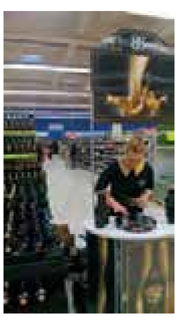
The novelty of the Christmas season was the gift-box with two glasses, alongside the packaging with a Swarovski jewel, a goblet or a 0,2 liter bottle, which had already become very popular the previous year.

There is no Christmas without tastings held in hypermarkets, during which almost 90 thousand people tasted the original Baileys and its other flavours.

Also no December can go by without a Baileys Cream & Spirit Day. We welcomed everyone interested in individual visibility, product tastings, happy hours and other surprises in the Arena Plaza shopping center for 3 days. Furthermore, consumer attention was drawn to the brand before the holiday season by the products' decorative placement on palettes in the best retail stores. In gastronomy we held promotions combined with caricature drawing.

The scope of our fan group on social network and on our Facebook profile is over 50 thousand people. During the year we continuously invited them to join in interactive games. On Christmas, Valentine's Day, Women's Day or Mother's Day they could find our apps, as a result of what we managed to gain more than 7 thousand new fans.

The extended growth of the brand is restricted by its high seasonality. In order to overcome this we launched a "peak attack" to build up a second season after Christmas, focusing on March-April-May. In March this new season was launched with a 4-week TV campaign, Facebook activity and a 4-day tasting in hypermarkets, during which more than 70 thousand people tasted the brand. In gastronomy, we also strengthened our activity with special promotions prior to Women's Day and Mother's Day.

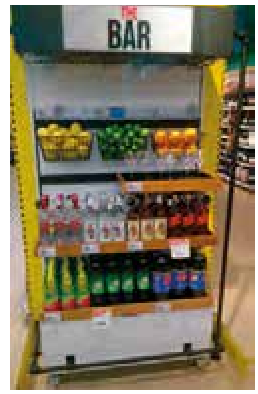


Our brand ambassador ensures visibility of Baileys in a hundred top gastronomy units, holds training courses and strengthens the commitment of sales personnel by incentive programs. Our consumer promotions were organised by changing mechanisms, and we regularly participated with product tastings at many outstanding events. We attended premier theatre shows and film screenings, balls, womens' clubs events, shows of popular singers at restaurants and events on Valentine's Day and Women's Day.

CAPTAIN MORGAN

The Captain Morgan brand closed the year with excellent results.
The increase is partly due to the strengthening of Spiced Gold, and partly to the introduction of White Rum. The Captain Mojito and the Captain&Cola or Captain&Ginger consumption options are increasingly popular also in Hungary.
With the introduction of Captain Morgan White rum we can compete even more effectively with our rivals.

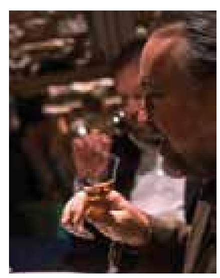
The strength of Spiced Gold is its unique and special taste and the Captain icon, thus we increased the number of promotions with tastings, so that more young people can taste and get to like the product and meet the Captain and his pretty Morganettes. On more than 80 promotional evenings more than 40 thousand young people tasted Spiced Gold.
For further growth the brand should be available at as many places as possible. To that end we carried out various programs to build up distribution, as a result of which the brand listing has greatly improved.
This past year we invented a totally new visibility program. At twelve prominent locations as part of the so called "gigantic cabinet/window sticker" program, the whole street side is emblazoned with Captain symbols, which ensures enormous visibility of the brand.
On the social network and on our Facebook profile we continuously adapted the well-established global information, in addition however we had specific information and posts on games and on our presence. Pirates and Captain beverages could be paired, the participants of the game were given a personality test, supplemented by the matching Captain beverage, and they had to answer intriguing questions in connection with Sir Henry Morgan. The number of our fans exceeds 40 thousand people, and our posts got 21 thousand likes.



For the Christmas season we offered our consumers the gift box packages with a jar, which had already been popular previously, however this time we could offer not only the Spiced but also the White rum flavours as well. The more than 10 thousand gift boxes were totally sold out.
In retail we came out with a novelty. Throughout 6 months we had an individual display promotion in 20 Tesco supermarkets, at the end of which we held tastings during 3 weekends in February and March. More than 36 thousand people tasted the products.

HENESSY, MOËT & CHANDON, BELVEDERE

HENNESSY



2015 was a remarkable year in the life of Hennessy: the world's leading cognac brand celebrated its 250th anniversary. Apart from members of the press, we invited our most important clients for the Hennessy inspired dinner. The highlight of the evening was the tasting of the Hennessy 250 Anniversary Collector Blend. In order to prepare this jubilee speciality destined for collectors, Yann Fillioux, master blender of Hennessy, together with the tasting committee had since 2010 been selecting the special distillates created and aged during the past 50 years.

Before their blending, all ingredients were aged for at least 10 years in casks close to the banks of the river Charent, just like the most ancient cognacs of the region used to be made. For the ageing process 250 special 250 liter casks were prepared in the cooperage of La Sarrazine.

On 29 February outstanding restaurants and chefs of Hungary received their awards during the palatial gala event of the Dining Guide held in the Larus Restaurant and Event Center. The event was again sponsored by Hennessy. The winner of the Restaurant of the Year award of the Volkswagen-Dining Guide was once again the Onyx Restaurant, while the Chef Achievement of the Year prize was awarded to Tamás Széll, the chef of Onyx, for his performance at the Bocuse d'Or competition.

The professional authenticity of this year's Guide was guaranteed by the internationally renowned two-Michelin star chef, Nicola Portinari. As president of the jury, the Italian star chef decided to whom to award the Restaurant of the Year Prize of the Volkswagen-Dining Guide after he secretly tested the 20 best restaurants. The Hennessy Chef of the Year prize was awarded to the young talent of Costes restaurant, Eszter Palágyi.

MOËT & CHANDON

Champagne, as you have never tasted: on ice cube

In summer 2015, Moët Ice Impérial arrived to Hungary. A summer party can be made really memorable by breaking every rule in the book. This was the inspiration for the Moët & Chandon House to invent the world's first champagne on an ice cube, which was presented in 2015 also in Hungary. Moët Ice Impérial is representing a new generation of luxury; it is fresh and modern, and is all about summer in every way.

Moet Ice Imperial supported a unique event at Balaton, the Yacht Balaton.

BELVEDERE AND THE 007

In 1962, 007 ordered a vodka-martini on screen for the first time, and this choice has become legendary. In Spectre, the new, 24th episode, of the James Bond series, the classic drink is made of Belvedere, from the world's prize winning Polish vodka.

The Hungarian premiere of the film was supported by the popular vodka brand, and the invitees were invited to taste the most famous drink in the history of cocktails.

ZWACK IZABELLA BORKERESKEDÉS

We celebrated the 15th birthday of the Izabella Zwack Wine House at the Dobogó Winery in Tokaj together with our winemaker partners, toasting our successful cooperation so far and our future efforts to enhance the concept of wine in Hungary.

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This past year we again were present as exhibitors at the VinCe Budapest, a prestigious wine event also recognized abroad. We invited the Ornellaia Winery, one of the Supertuscans to hold a master course which was very popular.

Among the many well known wines in our portfolio our clients and wine lover guests could taste other novelties as well, for example the wonderful southern wines of Oszkar Maurer or Izabella Street, the new vintage Pinot Noir of Dobogó Winery.

The Wine Festival in Buda Castle is always the most long awaited event of the year for wine lovers.

We prepared for it again this year with a unique presence and programs and, together with our winemakers, we presented the best part of our portfolio to an audience of wine experts.

The Brandmania program was shot at our stand and our winemakers were questioned about Hungarian grapes and wines.

Unicum

Fütyülős

Vilmos

Hírös

Zwack Maximilian

Zwack Sándor Nemes Pálinka

Kosher

St. Hubertus

Kalinka

Johnnie Walker

Dimple

Caol ila 12

Talisker

Singleton

Glen elgin

VAT 69

Bushmills

Black Velvet

Baileys

Xuxu

Drambuie

Grand Marnier

Disaronno

Zacapa

Captain Morgan

Gordon's

Hennessy

Tanqueray

Smirnoff

Belvedere

Ciroc

Evian

Portorico

Marine Dry

Óbester

Casino

Trois Tours

Izabella Zwack Wine Selection

ZIB
Zwack Izabella
BORKERESKEDÉS
ANNO
1945

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