Dear Shareholders!

SÁNDOR ZWACK
Chairman of the Board of Directors

We closed our last business year with success beyond expectations: sales volumes of our flagship brand, Unicum, increased yet again. The Fütyülős brand family continued to be very successful while, following its strong increase in previous years, St. Hubertus continued this upward trend. Furthermore, the international brands marketed by the company also performed very well under favourable market conditions.

The two most important events in the life of Zwack Unicum Plc were the new design of our Futyulos brand family and the launch of Kalumba Madagascar Spiced Gin on the market. Futyulos, with its unified premium design, had a unanimously positive response from consumers and trade alike. We started to introduce Kalumba Madagascar Spiced Gin onto the market in May with a special, gradual crescendo communication strategy which resulted in tremendous success and sales figures beyond our hopes.

Last year we devoted special attention to the strengthening of Unicum on foreign markets. In Italy we launched an advertising campaign while also building the brand with retail activities. We also reinforced the brand in Germany, not only in our communication, but also by participating in the Berlin Bar Convent, one of Europe's biggest professional trade fairs in our sector. The Company had its own stand where Unicum, together with Unicum Plum and Unicum Riserva, was tasted by consumers and European bar professionals.

The Zwack Museum and Visitors' Centre went through a minor modernization at the end of last year. The Visitors' Centre acquired a new name, Unicum House, and our Museum film was given a fresh approach. Furthermore, we developed a new website which helps people who plan to visit the museum to get to know the location digitally with the additional option of watching further interesting videos and photos on the spot.

Tradition, innovation, sustainability – as a socially responsible Company, we at Zwack Unicum live and work by these values. Economic efficiency, environmental protection and social responsibility are essential for sustainable development. We feel obliged to set an example in these domains. Year by year we support the young and those in need, so our social responsibility policy was designed, just as before, to match these goals.

As a family Company we believe in and rely on dedicated, ambitious people. We do it for us, our future, our colleagues, for the smaller and bigger community we are a part of. We proudly take the success of the country and of our Company abroad. Our many new economic and social achievements during the last business year showed us that tradition, hand in hand with innovation, as well as our appreciation of employees and maximal expertise can take us on to further successes in the future.

Sándor Zwack

DR. HUBERTINE UNDERBERG-RUDER
Chair of the Supervisory Board

Another successful business year was closed in Zwack Unicum Plc. and we are able to proudly report to you outstanding financial results. We are thankfully aware that this good economic performance comes from the work of our employees and of the management and we value and appreciate the contribution of everybody and of the whole team!

As we are at the same time a family owned and a publicly listed company, we believe in values like the importance of responsible and creative people. We therefore thrive to develop and support them in their work. This is especially important in the future development of our brands and innovations. Our colleagues' knowledge and professional competence will continue to play a prominent role also in the future. This is true in all fields of our company – in the sales and marketing as well as in the processing of herbs and the distillation process itself. All this need the work of human minds and hands and the supervising control of human expertise. Therefore, we regularly launch permanent professional programs and training courses even in this ever changing market environment. The Company is proud of its traditionally good image among Hungarian employees, thanks to the successful reconciliation of work and family. In this aim we have launched and continued various programs also in this past business year.

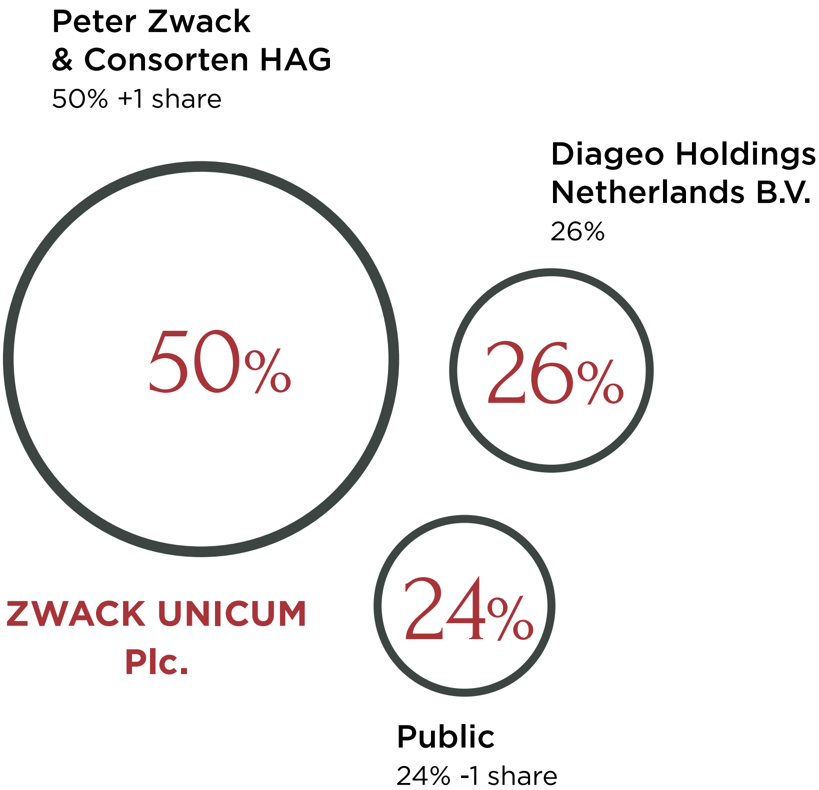
In the last few years the factories were developed further. We have e.g. invested in the most modern manufacturing and packaging machines. With this enhanced manufacturing background Zwack Unicum has become one of Europe's most advanced companies in this field. Based on this we target for maximum food safety and at the same time it contributes to being a highly environmentally conscious company.

Social responsibility has a prominent role at Zwack Unicum Plc. It is a common goal of the owners, the management and the co-workers. This year, as well as in the future, we will focus on our responsible operation, the prosperity of our respective local communities and our strategy, as well as all our business decisions, from procurement to distribution, should be definitely and consistently pervaded by social as well as environmental considerations.

The Supervisory Board would like to say thank you to the management and to each and every employee of the Company. We are also thanking you, Dear Shareholders, for the trust you placed in the Company.

Dr. Hubertine Underberg-Ruder

Distribution of voting shares of Zwack Unicum Plc.



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Declarations

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 2018-2019 (1 April 2018 – 31 March 2019) 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 (Statement of Financial Position, Statement of Comprehensive Income, Cash Flow, Statement of Changes in Equity and 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.

Business and 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 KPMG Hungária Kft. The Auditor of the Company did not receive other assignment than the audit of the annual report of the Company.

Budapest, 21 May 2019

Sándor Zwack
Chairman of the Board

Frank Odzuck
Chief Executive Officer

Financial calendar

EVENT	DATE
Payment of dividend	**As from 24 July 2019**
Publication of the report about the first quarter of 2019/2020*	**6 August 2019**
Publication of the report about the first half year of 2019/2020*	**7 November 2019**
Publication of the report about the first three quarter of 2019/2020*	**6 February 2020**
Publication of the report about the financial year 2019/2020*	**20 May 2020**
Annual General Meeting	**25 June 2020**

** not final dates*

Zwack Unicum Plc. – Financial statements for the financial year ended 31 March 2019

PREPARED ON COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Statement of financial position

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	NOTE	31 MARCH 2019 *HUF mill*	31 MARCH 2018 As restated Note 2 (v) *HUF mill*	1 APRIL 2017 As restated Note 2 (v) *HUF mill*
ASSETS				
NON-CURRENT ASSETS		**3 582**	**3 471**	**3 180**
Property, plant and equipment	5	3 330	3 205	2 891
Intangible assets	6	84	89	106
Packaging materials	7	18	20	20
Investment in associate	8	16	16	16
Employee loans	9	10	14	15
Deferred tax asset	21	124	127	132
CURRENT ASSETS		**7 565**	**7 205**	**6 856**
Inventories	10	2 386	2 185	1 862
Trade and other receivables	11	2 115	2 250	2 185
– including: Current tax		41	44	81
Cash and cash equivalents	12	3 064	2 770	2 809
TOTAL ASSETS		11 147	10 676	10 036
EQUITY AND LIABILITIES				
SHAREHOLDERS' EQUITY		**7 080**	**6 557**	**6 471**
Share capital		2 000	2 000	2 000
Share premium		165	165	165
Retained earnings		4 915	4 392	4 306
LIABILITIES		**4 067**	**4 119**	**3 565**
NON-CURRENT LIABILITIES		**472**	**622**	**634**
Other liabilities	13	472	622	634
CURRENT LIABILITIES		**3 595**	**3 497**	**2 931**
Trade and other liabilities	14	3 567	3 441	2 837
Provision	15	28	56	94
TOTAL EQUITY AND LIABILITIES		11 147	10 676	10 036

The Financial statements were accepted by the Board of Directors on 21 May 2019 and signed on their behalf by:

Zwack Sándor

Sándor Zwack
Chairman of the Board

Frank Odzuck
Chief Executive Officer

Statement of comprehensive income

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	NOTE	2019 (HUF mill)	2018 As restated Note 2 (v) (HUF mill)
REVENUE	16	**15 739**	**13 958**
Material-type expenses		(5 723)	(5 149)
Employee benefits expense	17	(2 987)	(2 734)
Depreciation and amortization	5-6	(564)	(488)
Other operating expenses	18	(3 804)	(3 377)
– including: Impairment loss on trade receivables and contract assets	4	(1)	(3)
OPERATING EXPENSES		**(13 078)**	**(11 748)**
Other operating income	19	418	351
PROFIT FROM OPERATIONS		**3 079**	**2 561**
Interest income		4	2
Interest expense and other similar charges		0	0
NET FINANCIAL INCOME/LOSS	20	**4**	**2**
PROFIT BEFORE TAX		**3 083**	**2 563**
Income tax expense	21	(460)	(377)
PROFIT FOR THE YEAR		**2 623**	**2 186**
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**0**	**0**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**2 623**	**2 186**
BASIC AND DILUTED EARNINGS PER SHARE (HUF/SHARE)		**1 312**	**1 093**

Statement of changes in equity

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	SHARE CAPITAL (HUF mill)	SHARE PREMIUM (HUF mill)	RETAINED EARNINGS (HUF mill)	TOTAL (HUF mill)
BALANCE AT 31 MARCH 2017	2 000	165	4 558	6 723
Balance (as previously reported) at 1 April 2017	**2 000**	**165**	**4 558**	**6 723**
Restatement (Note 2 (v))			(252)	(252)
BALANCE AT 1 APRIL 2017	**2 000**	**165**	**4 306**	**6 471**
Profit for the year	-	-	2 186	2 186
Other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (Note 2 (v))	**-**	**-**	**2 186**	**2 186**
Dividend related to financial year ended 31 March 2017 (HUF 1 050 per share)	-	-	(2 100)	(2 100)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS	**-**	**-**	**(2 100)**	**(2 100)**
BALANCE AT 31 MARCH 2018	2 000	165	4 392	6 557
BALANCE AT 1 APRIL 2018	**2 000**	**165**	**4 392**	**6 557**
Profit for the year	-	-	2 623	2 623
Other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**-**	**-**	**2 623**	**2 623**
Dividend related to financial year ended 31 March 2018 (HUF 1 050 per share)	-	-	(2 100)	(2 100)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS	**-**	**-**	**(2 100)**	**(2 100)**
BALANCE AT 31 MARCH 2019	2 000	165	4 915	7 080

Cash flow statement

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	2019 *(HUF mill)*	2018 As restated Note 2 (v) *(HUF mill)*
PROFIT BEFORE TAX	**3 083**	**2 563**
Net financial income	(4)	(2)
Adjustment for depreciation and amortization	564	488
(Gain) on disposal of fixed assets	(25)	(13)
(Decrease)/increase in trade creditors and other liabilities	(8)	559
(Increase) in inventories	(199)	(323)
Decrease/(increase) in trade and other receivables	162	(101)
Loss on unrealized foreign exchange rate difference	4	6
(Decrease) in other liabilities	(29)	(38)
CASH GENERATED FROM OPERATIONS	**3 548**	**3 139**
Income tax paid	(477)	(335)
CASH FLOW FROM OPERATING ACTIVITIES	**3 071**	**2 804**
Purchases of property, plant and equipment	(719)	(753)
Purchases of intangible assets	(31)	(27)
Interest received	4	2
Proceeds from sale of property, plant and equipment	79	40
CASH FLOW USED IN INVESTING ACTIVITIES	**(667)**	**(738)**
Dividends paid	(2 100)	(2 100)
Payment of finance lease liabilities	(10)	0
CASH FLOW USED IN FINANCING ACTIVITIES	**(2 110)**	**(2 100)**
CHANGE IN CASH AND CASH EQUIVALENTS	**294**	**(34)**
Cash and cash equivalents, beginning of the year	2 770	2 809
Exchange (losses) on cash and cash equivalents	0	(5)
CASH AND CASH EQUIVALENTS, END OF THE YEAR	**3 064**	**2 770**

Notes to Financial statements for the financial year ended 31 March 2019

PREPARED IN COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Note 1 – GENERAL BACKGROUND

A. The Company and the nature of its operations

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

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

Peter Zwack & Consorten HAG ("PZ HAG") is the ultimate majority owner and parent company of Zwack Unicum Plc. holding 50% + 1 share of the issued shares (registered ordinary shares), that is not obliged to prepare and publish consolidated financial statement under the law. The ultimate owners of PZ HAG are members of the Zwack and Underberg families.

REGISTERED ORDINARY SHARES OF THE COMPANY COMPRISE:	2019		2018	
	%	*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**

The total number of authorized ordinary shares is 2 000 000 (31 March 2018: 2 000 000) with a par value of HUF 1 000 per share (31 March 2018: HUF 1 000 per share). All shares are issued and fully paid. Each share carries the same voting rights.

Basic and diluted earnings per share have been calculated based on the profit for the year and the total number of ordinary shares in issue.

The total number of authorized redeemable liquidity preference shares is 35 000 (2018: 35 000) with a par value of HUF 1 000. All these shares were issued to senior managers under a cash settled share-based compensation plan as described under Note 22. The share capital does not include the redeemable liquidity preference shares. Dividends relating to these redeemable liquidity preference shares are recognised as part of Employee benefits expense. For further details refer to Note 17.

B. Basis of preparation

These separate financial statements have been prepared in accordance with International Financial Reporting Standards ("EU IFRS" or "IFRS") as adopted by the European Union and in accordance with the provisions applicable to entities preparing annual financial statements in accordance with EU IFRS of Act C on Accounting in force in Hungary (hereinafter referred to as "Hungarian Accounting Law").

The financial statements have been prepared in millions of Hungarian Forints (HUF) on a historical cost basis, except for the following items, which are measured on an alternative basis on each reporting date:

ITEMS	MEASUREMENT BASIS
derivative financial instruments (refer to Note 2 (g) (5))	Fair value
net defined benefit liability (refer to Note 2 (s) (2))	Present value of the defined benefit obligation
liabilities for cash-settled share based payment arrangements (refer to Note 2 (s) (2)-(4))	Fair value

The financial statements of the Company were approved for issue on 21 May 2019 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 EU 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 (u).

Standards issued but not yet effective

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

- IFRS 16, Leases (issued in January 2016 and effective for annual periods beginning on or after 1 January 2019, the EU has endorsed the new standard).
  The Company plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply IFRS 16 to all contracts entered into before 1 April 2019 and identified as leases in accordance with IAS 17 and IFRIC 4.
  For lessees, 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) right of use assets representing the lessee's right to use the underlying asset and lease liabilities representing the lessee's obligation to make lease payments; and (b) depreciation of right of use assets separately from interest on lease liabilities in the statement of comprehensive income. There are recognition exemptions for short-term leases and leases of low-value items.
  The Company as a lessee has elected to apply the standard retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application (i.e. 1 April 2019).
  The Company is a lessee in an operating lease under IAS 17. The Company plans to apply the short-term lease exemption to this operating lease, therefore the initial application of IFRS 16 with respect to the operating lease will have no effect on the financial statements. Accordingly, the Company continues to recognise the lease payments associated with this lease as an expense on a straight-line basis over the lease term.
  The Company is also a lessee in a finance lease under IAS 17. For leases that were classified as finance leases applying IAS 17, the carrying amount of the right-of-use asset and the lease liability at the date of initial application will be the carrying amount of the lease asset and lease liability immediately before that date measured applying IAS 17. Accordingly, the initial application of IFRS 16 with respect to the finance lease will have no effect on the financial statements. The carrying amount of the leased asset is HUF 41 million presented in property, plant and equipment and the related lease liability is HUF 50 million on 31 March 2019. See Note 5 and 13.
  For lessors, the accounting remains similar to the current standard, i.e. lessors continue to classify leases as finance and operating leases. The Company has no arrangements in which it is a lessor.

The following other new pronouncements are also not expected to have any material impact on the financial statements when adopted:

- IFRIC 23 – Uncertainty over Income Tax Treatments (issued on 7 June 2017, effective for annual periods beginning on or after 1 January 2019)
- Amendments to IFRS 9: Prepayment Features with Negative Compensation (issued on 12 October 2017, effective for annual periods beginning on or after 1 January 2019).
- Amendments to IAS 19: Plan Amendments Curtailments or Settlement (issued on 7 February 2018, effective for annual periods beginning on or after 1 January 2019)
- Amendments to IAS 28: Long-term Interests in Associates and Joint Ventures (issued on 12 October 2017, effective for annual periods beginning on or after 1 January 2019).
- Annual Improvements to IFRS Standards 2015-2017 Cycle related to IFRS 3, IFRS 11, IAS 12 and IAS 23 (issued on 12 December 2017, effective for annual periods beginning on or after 1 January 2019).

Certain new standards and interpretations have been issued that are not yet effective, and have not yet been endorsed by the EU:

- IFRS 17 Insurance Contracts (issued on 18 May 2017)
- Amendments to IFRS 3 Business Combinations (issued on 22 October 2018)
- Amendments to IAS 1 and IAS 8: Definition of Material (issued on 31 October 2018)
- Amendments to References to Conceptual Framework in IFRS Standards (issued on 29 March 2018)

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. Significant changes in accounting policies

The Company has initially applied IFRS 15 (see Note 2 (k)) and IFRS 9 (see Note 2 (g)) from 1 April 2018. The initial application of IFRS 15 and IFRS 9 does not have a material effect on the financial statements.

Due to the transition methods chosen by the Company in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards, except for separately presenting impairment loss on trade receivables and contract assets.

The Company has adopted consequential amendments to IFRS 7 *Financial Instruments: Disclosures* that are applied to disclosures about 2019 but have not been generally applied to comparative information.

A number of amendments to other standards are also effective from 1 January 2018 that was initially applied from 1 April 2018 but they do not have a material effect on the financial statements.

B. Significant accounting policies

(a) Segment reporting

The CEO of Zwack Unicum Plc., 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.

(b) Investment in associates

Investments in associates are accounted for using the cost method of accounting. 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 investment in the associate and its carrying value and recognises the impairment loss in other operating expenses.

(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 the functional currency at the official rates of exchange prevailing at the reporting date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Transactions in foreign currencies are translated into the functional currency at the date of the transaction. All resulting foreign exchange differences are included in other operating expenses/income.

(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 reporting 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 recognized as an expense in profit or loss when they are incurred.

Useful lives are as follows:

Buildings	15–50 years
Plant and equipment	7–0 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 Note 5.

Gains and losses on disposals are determined by as the difference between the proceeds and the carrying amount of the asset. Such gains and losses are recognised in profit or loss in other operating income or 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

Non-financial assets (other than inventories and deferred tax assets) 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 level 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. Impairment losses are presented in 'Other operating expenses'.

(g) Financial instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

(1) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. Trade receivables are without a significant financing component, therefore these are initially measured at the transaction price, and do not have a contractual interest rate. This implies that the effective interest rate for these receivables is zero.

(2) Classification and subsequent measurement

(i) Financial assets – Policy applicable from 1 April 2018

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt instruments; FVOCI – equity instruments; or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For the purposes of the business model assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Subsequent measurement of financial assets and gains and losses are summarized as follows:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt instruments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity instruments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Employee loans are classified as financial assets at amortised cost. Difference between the nominal value of the employee loans 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 benefits expense' evenly over the required service period that corresponds to the term of the loan. There is no change in its accounting treatment compared to accounting policy under IAS 39.

(ii) Financial assets - Accounting policy applicable before 1 April 2018

The Company classifies its financial assets in the following categories: loans and receivables, available for sale financial assets and financial assets at FVTPL. The Company did not classify and financial assets as held to maturity.
The Company initially recognises loans and receivables on the date when they are originated. All other financial assets and financial liabilities are initially recognized on the trade date, the date on which the Company becomes a party to the contractual provisions of the instrument.
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.
Loans and receivables comprise cash and cash equivalents, trade and other financial receivables including employee loans granted.
Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.
Financial assets that are not classified in other categories are classified as financial assets at FVTPL.
Subsequent measurement of financial assets and gains and losses are summarized as follows:

Financial assets at FVTPL	Measured at fair value and changes therein, including any interest or dividend income, were recognised in profit or loss.
Loans and receivables	Measured at amortised cost using the effective interest method.
Available-for-sale financial assets	Measured at fair value and changes therein, other than impairment losses, interest income and foreign currency differences on debt instruments, were recognised in OCI and accumulated in the fair value reserve. When these assets were derecognised, the gain or loss accumulated in equity was reclassified to profit or loss.

(iii) Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(3) Derecognition

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

A financial liability is derecognised when its contractual obligations are discharged or cancelled, or expire. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(4) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(5) Derivative financial instruments

The Company occasionally enters into foreign currency forward contracts in order to reduce the exchange rate risk related to the foreign exchange denominated payment obligations.

(i) Derivative financial instruments – Policy applicable from 1 April 2018

The Company does not apply hedge accounting for its financial instruments.

Derivatives are measured at fair value, and changes therein are recognised in profit or loss.

Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

(ii) Derivative financial instruments – Policy applicable before 1 April 2018

Derivatives are measured at fair value, and changes in the derivative's fair value are recognised in profit or loss. Embedded derivatives are separated from the host contract and accounted for separately if certain criteria are met.

(6) Impairment of non-derivative financial assets

(i) Accounting policy applicable from 1 April 2018

Financial instruments and contract assets
Loss allowances for expected credit losses (ECLs) is recognised on
- financial assets measured at amortised cost,
- contract assets.

Loss allowances is measured at an amount equal to lifetime ECLs, except for debt instruments (including bank balances) for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.
In this latter case, loss allowances are measured at an amount equal to 12-months ECLs.
Trade receivables and contract assets do not contain a significant financing component, therefore loss allowances for these assets are always measured at an amount equal to lifetime ECLs, , using a provision matrix.
Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.
12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).
The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.
The Company considers a debt instrument to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Company considers this to be Baa3 or higher per Moody's or BBB- or higher per S&P és Fitch.
When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk has not increased significantly if the financial instrument is determined to have low credit risk at the reporting date. In other cases, the Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.
The Company considers a financial asset to be in default when:
- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).
The Company secures certain trade receivables with credit insurance which is also taken into account when calculating ECLs.

In case of financial assets other than trade receivables and contract assets, ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets
At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.
Evidence that a financial asset is credit-impaired includes the following observable data:
significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;

- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(ii) Accounting policy applicable before 1 April 2018

Financial assets not classified as at FVTPL were assessed at each reporting date to determine whether there was objective evidence of impairment.

An 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.

(h) 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.

(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

(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 write down for obsolete and slow moving items.

(k) Revenue recognition

Accounting policy applicable from 1 April 2018

Under IFRS 15, revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of the asset (at a point in time or over time).

For goods sold and services provided under a single arrangement in a bundle, the Company accounts for individual goods and services as separate performance obligations, if they are distinct, i.e. if (a) a promise is separately identifiable from other promises in the contract, and (b) the customer can benefit from it either on its own or together with other resources that are readily available to the customer. The consideration is allocated to distinct goods and services based on their relative stand-alone selling prices determined based on the list prices at which the Company sells the goods and services in separate transactions. Any related discounts and rebates are allocated proportionately to all performance obligations in the contract unless certain criteria are met.

Revenue is measured at the transaction price, which is the amount of consideration promised in the contract with customer, excluding amounts collected on behalf of third parties such as sales taxes. The transaction price excludes value-added tax, excise tax, public health product tax.

Variable consideration is included in the transaction price to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Variable consideration includes discounts, rebates and similar items.

Amounts paid to the customers (merchants) for positioning the products on eye-catching or prime shelf places, putting them in gondolas at the checkout counters, or putting ads in advertising brochures, are treated as variable consideration in determining the transaction price.

The Company applies the practical expedient not to disclose information about unsatisfied (or partially unsatisfied) performance obligations at the reporting date on the basis that all of its performance obligations are part of contracts that have an original expected duration of one year or less.
Revenue for sales of own products and traded goods is recognised at the point in time when the Company has delivered the goods to the customer, the customer has accepted the goods and it is probable that the Company will collect the consideration. There is no change in the timing of revenue recognition for the sale of goods compared to the accounting policy under IAS 18.
The Company bills the price of goods to the customer upon delivery. In addition to discounts if any included in the invoice the Company provides rebate to customers based on turnover. The invoice on sale of goods does not include the rebate, therefore the rebate due to customer at the reporting date is presented as 'amounts payable (due) to customers' in 'trade and other payables'.

Accounting policy applicable before 1 April 2018

Under IAS 18, revenue from sale of goods was recognised when the Company has transferred to the buyer the significant risks and rewards of ownership of the goods, the revenue and costs could be measured reliably, the recovery of the consideration was probable and there was no continuing managerial involvement with the goods. Revenue was measured at the fair value of the consideration received or receivable net of value-added tax, excise tax, public health product tax, returns, rebates and discounts.

(l) Material-type expenses

Material-type expenses include materials used in the production of self-manufactured inventories, as well as other costs of materials used, services related to production which are part of the cost of inventories, changes in capitalised self-manufactured inventories and cost of goods sold.

The Company may receive refunds from suppliers relating to sales of goods purchased from them such as a reimbursement of amounts paid to retailers mentioned in Note 2 (u) (3). Such refunds are recognised as an adjustment to the cost of goods sold.

(m) 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.

(n) Other operating income

The Company may incur marketing expenses in relation to sale of goods purchased from brand owner suppliers that are reimbursed by the suppliers. Reimbursement of marketing expenses by suppliers is recognised as other operating income in the period in which the related expense is recognised.

(p) Provisions

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.

(q) Financial lease

Leases of equipment 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. Equipment acquired under finance lease are depreciated over the shorter of the useful life of the asset or the lease term.

(r) 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.

The Company calculates its corporate income tax liability based on the IFRS financial statements starting from 1 April 2017. Based on the applicable tax regulations, if the corporate income tax for the years 2018 and 2019 does not reach the level of actual corporate income tax expense for the year ended 31 March 2017, the Company has to pay the latter amount as a minimum corporate income tax. Difference between the actual calculated tax and the minimum amount is presented as Other operating expense. With regards to its Property, plant and equipment, the Company has decided to calculate its corporate income tax as if IFRS has not been adopted.

Similar regulations with respect to minimum tax apply for local business tax and innovation contribution.

(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 impairment and depreciation of property, plant and equipment and packaging materials, impairment for receivables and provisions.

(3) Local income taxes

Local business tax is levied in Hungary based on revenue less certain expenses including the cost of materials and subcontractors, a portion of the cost of goods sold and recharged services, and the basis of the tax is adjusted for certain items. Local business tax is treated by the Company as income tax. This tax is a deductible expense for corporate tax purposes. The local business tax has no impact on deferred tax because the Company has no transactions that would result in temporary differences for local business tax.

(s) 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) Other long term benefits

Employees are entitled for jubilee payments working at the Company from 10 years in every five years. Additional rewards are granted to workers who become entitled to old-age pension 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 plans and other welfare plans are recognized as an expense in the period in which they are earned by the employee.

(4) Share-based compensation

The Company recognises the cost of services received from its employees in a share-based payment transaction as an expense 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 reporting date. Share-based compensation also includes dividends paid in respect of preference shares granted to employees under share-based payment arrangements.

(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.

(t) 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.

(u) 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) Write-down of inventories

The Company calculates write down of inventories based on estimated losses resulting from the future sale of own produced and traded goods. The basis of the estimate of the net realisable value 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 write-downs at 31 March 2019.

(3) Payments to customers

The majority of these liabilities arises from amounts that are payable to customers (merchants) relating to incentives that constitute variable consideration. Such incentives include volume rebates, and amounts paid for positioning the Company's products on eye-catching or prime shelf places, putting them in gondolas at the checkout counters, or putting ads in advertising brochures.

The end of the Company's reporting period is 31 March, while incentive agreements with customers are concluded annually mainly for the calendar year. Therefore, the Company needs to estimate the volume rebates that the customer will be entitled to receive for its purchases made in the last quarter of the Company's financial year, which depends on the total purchases the customer will make in the calendar year.

When the Company has not agreed upon the annual terms and conditions of the incentives with the customer by the date the Company's financial statements are authorized for issue, but the customer has a valid expectation that the Company will pay an incentive, the consideration for the purchases made by customer in the last quarter of the Company's financial year is regarded to be variable even if otherwise the amounts payable by the Company to the customer will be a fix percentage of the consideration payable by the customer.

See Note 14 for the amount recognised in 2019.

(4) Embedded leases

Depreciation of the tools used for the production of Zwack bottles is built in their selling prices by glass manufacturing companies. According to the contracts, the value of the tools will be „paid" by the company for a specified period of time, taking the agreed number of production. 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.

(5) Jubilee payments and payments to employees upon reaching retirement age

Under a long-term benefit plan, employees are entitled to jubilee payments (see Note 2 (s) (2)) and payments upon reaching retirement age. The Company uses a number of assumptions about the future in calculating the present value of the benefit obligation. Using assumptions involves an estimation uncertainty that may cause the actual amounts payable to the employees differ from the estimate.

(v) Comparative information

In order to maintain consistency with the current year presentation, and to comply with the classification, recognition and presentation requirements of IFRS, certain items have been reclassified for comparative purposes.

(1) Accrual for jubilee payments

Accounting bonuses for long service. Such bonus is paid for employees in every fifth year for employees who work for our Company for more than ten years. The Company has revised its method of calculating that bonus, and recalculated the related employee benefit expense and liability for the previous years and recognised its effect as an adjustment to the amounts presented for the comparative period.

Accounting retirement bonuses: such bonuses are payable for employees who retire because they have reached the retirement age. The amount of such bonuses depends on the basic pay and the length of service. The Company is now starting to generate a fund to cover such future payments which is now taken into account in the calculation of the liability due to the employees. The Company recalculated the related employee benefit expense and liability for the previous years and recognised its effect as an adjustment to the amounts presented for the comparative period.

(2) Building tax

Local tax regulations require the payment of building tax for buildings located on the territory of a municipality by the owner on the first day of the year.

The Company revised its accounting policy on this tax payment obligation, and as a result, it now recognises the full amount of the tax liability on the date when the obligation arises, while previously it presented the amount relating to the next financial year as a prepaid expense since the financial year differs from the calendar year.

(3) Reclassifications not related to income

(a) Material-type expenses
As a result of the revision of the accounting policies, the Company modified its previous practice so that it presents only the items as per section (l) as material-type expenses, thus the value of services not to be included in the above category was reclassified into the 'Other operating expenses'.

(b) Other income
Based on its previous accounting policies, the Company recognized reimbursement of marketing expenses referred to in Note 2 (n) and other direct sales incentives received from brand owners suppliers in relation to the distributed goods as 'Other income'. Due to the initial application of IFRS 15, the Company reviewed its contractual arrangements and changed its accounting policy on the direct sales incentives from suppliers so as to account for these incentives as refunds received subsequently that reduce Cost of goods sold included in 'Material-type expenses', by analogy to accounting for consideration to customers (See Note 2 (l)).

(c) Gain on sale of property, plant and equipment
Revision of the accounting policy resulted in changing former Company practice in a way that gains on sales of property, plant and equipment is presented in other operating income. In the comparative period, the net of gains and losses on such sales were recognized in the other operating expenses.

STATEMENT OF FINANCIAL POSITION	31 MARCH 2018	1 APRIL 2017
DEFERRED TAX ASSET		
As reported	103	109
Change (1)	24	23
As restated	127	132
TRADE AND OTHER RECEIVABLES		
As reported	2 275	2 208
Change (2)	(25)	(23)
As restated	2 250	2 185
RETAINED EARNINGS		
As reported	4 662	4 558
Change (1)	(245)	(229)
Change (2)	(25)	(23)
As restated	4 392	4 306
OTHER LIABILITIES		
As reported	410	427
Change (1)	212	207
As restated	622	634
TRADE AND OTHER LIABILITIES		
As reported	3 384	2 792
Change (1)	57	45
As restated	3 441	2 837

STATEMENT OF COMPREHENSIVE INCOME	2018
MATERIAL-TYPE EXPENSES	
As reported	(6 032)
Change (3.a)	511
Change (3.b)	372
As restated	(5 149)
EMPLOYEE BENEFITS EXPENSE	
As reported	(2 717)
Change (1)	(17)
As restated	(2 734)
OTHER OPERATING EXPENSES	
As reported	(2 846)
Change (2)	(2)
Change (3.a)	(511)
Change (3.c)	(18)
As restated	(3 377)
OTHER OPERATING INCOME	
As reported	705
Change (3.b)	(372)
Change (3.c)	18
As restated	351
INCOME TAX EXPENSE	
As reported	(378)
Change (1)	1
As restated	(377)

EARNINGS PER SHARE (HUF/SHARE)	2018
As reported	1 102
As restated	1 093

CASH FLOW STATEMENT	2018
PROFIT BEFORE TAX	
As reported	2 582
Change (1)	(17)
Change (2)	(2)
As restated	2 563
CHANGE IN TRADE CREDITORS AND OTHER LIABILITIES	
As reported	542
Change (1)	17
As restated	559
CHANGE IN TRADE AND OTHER RECEIVABLES	
As reported	(103)
Change (2)	(2)
As restated	(101)

Note 3 – DISCLOSURES ON FINANCIAL INSTRUMENTS

All financial assets in the amount of HUF 5 011 million (31 March 2018: HUF 4 867 million) are categorized as financial assets measured at amortised cost (31 March 2018: all financial assets were categorised as loans and receivables). The carrying values of these financial assets approximately equals to their fair value.

All of the total balance of HUF 2 227 million (31 March 2018: HUF 2 259 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.

Net financial assets of HUF 2 608 million at 31 March 2018 have increased to HUF 2 784 million at 31 March 2019.

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

The table below shows the income and expenses relating to financial instruments in the 2018 – 2019 financial year.

31 MARCH 2019	FINANCIAL ASSETS MEASURED AT AMORTIZED COSTS *(HUF mill)*	LEASE PAYABLES *(HUF mill)*	FINANCIAL LIABILITIES MEASURED AT AMORTISED COST *(HUF mill)*	TOTAL *(HUF mill)*
Interest income	1	3	0	4
Exchange gain	43	0	22	65
TOTAL INCOME RELATING TO FINANCIAL INSTRUMENTS	**44**	**3**	**22**	**69**
Interest expense	0	0	0	0
Exchange loss	13	4	47	64
Impairment loss	0	0	0	0
Fee expenses	50	0	0	50
TOTAL EXPENSE AND OTHER SIMILAR CHARGES RELATING TO FINANCIAL INSTRUMENTS	**63**	**4**	**47**	**114**
TOTAL INCOME AND EXPENSE RELATING TO FINANCIAL INSTRUMENTS	**(19)**	**(1)**	**(25)**	**(45)**

Fee expenses include credit rating expenses, customer credit insurance and bank fees.

The table below shows the income and expenses relating to financial instruments in the 2017 – 2018 financial year.

31 MARCH 2018	LOANS AND RECEIVABLES *(HUF mill)*	LEASE PAYABLES *(HUF mill)*	FINANCIAL LIABILITIES MEASURED AT AMORTISED COST *(HUF mill)*	TOTAL *(HUF mill)*
Interest income	1	1	0	2
Exchange gain	11	0	21	32
TOTAL INCOME RELATING TO FINANCIAL INSTRUMENTS	**12**	**1**	**21**	**34**
Interest expense	0	0	0	0
Exchange loss	33	2	22	57
Impairment loss	2	0	0	2
Fee expense	46	0	0	46
TOTAL EXPENSE AND OTHER SIMILAR CHARGES RELATING TO FINANCIAL INSTRUMENTS	**81**	**2**	**22**	**105**
TOTAL INCOME AND EXPENSE RELATING TO FINANCIAL INSTRUMENTS	**(69)**	**(1)**	**(1)**	**(71)**

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 income tax rate of approximately 9% (31 March 2018: 9%), i.e. the impact on Profit for the year would be 91% (31 March 2018: 91%) 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.

31 MARCH 2019	CAD (HUF mill)	EUR (HUF mill)	USD (HUF mill)	AUD (HUF mill)	HUF (HUF mill)	Total (HUF mill)	Current (HUF mill)	Non-Current (HUF mill)
Trade receivables	29	236	15	3	1 565	1 848	1 848	0
Employee loans	0	0	0	0	15	15	5	10
Other financial receivables	0	47	0	0	37	84	84	0
Cash and cash equivalents	10	89	17	0	2 948	3 064	3064	0
TOTAL FINANCIAL ASSETS AS PER STATEMENT OF FINANCIAL POSITION	**39**	**372**	**32**	**3**	**4 565**	**5 011**	**5 001**	**10**
Trade and other payables	0	910	0	0	443	1 353	1 353	0
Lease payable (present value)	0	50	0	0	0	50	16	34
Other financial liabilities	0	80	3	0	741	824	824	0
TOTAL FINANCIAL LIABILITIES AS PER STATEMENT OF FINANCIAL POSITION	**0**	**1 040**	**3**	**0**	**1 184**	**2 227**	**2 193**	**34**
TOTAL FINANCIAL ASSETS AND LIABILITIES AS PER STATEMENT OF FINANCIAL POSITION	**39**	**(668)**	**29**	**3**	**3 381**	**2 784**	**2 808**	**(24)**

31 MARCH 2018	CAD (HUF mill)	EUR (HUF mill)	USD (HUF mill)	AUD (HUF mill)	HUF (HUF mill)	Total (HUF mill)	Current (HUF mill)	Non-Current (HUF mill)
Trade receivables	24	324	23	0	1 665	2 036	2 036	0
Employee loans	0	0	0	0	21	21	7	14
Other financial receivables	0	20	0	0	20	40	40	0
Cash and cash equivalents	60	90	37	0	2 583	2 770	2 770	0
TOTAL FINANCIAL ASSETS AS PER STATEMENT OF FINANCIAL POSITION	**84**	**434**	**60**	**0**	**4 289**	**4 867**	**4 853**	**14**
Trade and other payables	11	729	0	0	467	1 207	1 207	0
Lease payable (present value)	0	28	0	0	0	28	20	8
Other financial liabilities	5	287	38	0	694	1 024	1 024	0
TOTAL FINANCIAL LIABILITIES AS PER STATEMENT OF FINANCIAL POSITION	**16**	**1 044**	**38**	**0**	**1 161**	**2 259**	**2 251**	**8**
TOTAL FINANCIAL ASSETS AND LIABILITIES AS PER STATEMENT OF FINANCIAL POSITION	**68**	**(610)**	**22**	**0**	**3 128**	**2 608**	**2 602**	**6**

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 2019 or as of 31 March 2018.

Compared to the spot FX rate as of 31 March 2019, a 3% weakening of HUF against EUR would cause approx. HUF 21 million loss in the net balance of financial assets and liabilities (2018: 1% weakening would have caused approx. HUF 4 million loss).

A reasonably possible 3% strengthening of HUF against EUR would cause approx. HUF 24 million gain in the net balance of financial assets and liabilities (2018: 3% strengthening would have caused HUF 21 million gain).

This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

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 rates therefore the Company is not exposed to cash flow interest rate risk.

The Company has interest-bearing assets with fixed interest rates (employee loans), which would expose the Company to some fair value interest rate risk. However, these assets are not measured at fair value through profit or loss and therefore, a change in interest rates at the reporting date would not affect profit or loss.

The Company does not have any borrowings.

(ii) Credit risk

Credit risk is the risk of counterparties defaulting. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

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 exposed to significant concentration of credit risk related to trade receivables with respect to customers.

Exposure to credit risk for trade receivables by geographic region was as follows:

	Carrying amount at 31 March 2019	Carrying amount at 31 March 2018
Hungary	1 577	1 691
Europe	224	297
Other	47	48
TOTAL	1 848	2 036

Invoices are usually payable by customers within 30 days after delivery.

The Company does not require collateral in respect of trade receivables. The Company does not have trade receivable and contract assets for which no loss allowance is recognised because of collateral.

Zwack Unicum Plc., 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 2019 HUF 1 561 million (HUF 1 589 million in 31 March 2018) worth of accounts receivables was insured with a financial institution which is rated “A” as per S&P.

The Company considers that arranging credit insurance agreements and historically the non-payment of trade receivables was low, are effective enough to mitigate credit risk.

As the Company places its most cash and cash equivalents and bank deposits with major credit institutions, which are rated at least “BBB” as per S&P.

The Company uses an allowance matrix to measure the ECLs of trade receivables,

The following tables give information about the exposure to credit risk and ECLs for trade receivables and contract assets as at 31 March 2019.

31 March 2019	Weighted-average loss rate	Gross carrying amount	Loss allowance	Credit-impaired
Not past due	0.00%	1 810	0	No
1–30 days past due	2.00%	34	0	No
31–60 days past due	15.00%	1	0	No
61–90 days past due	25.00%	3	0	No
91-120 days past due	50.00%	0	0	Yes
121-180 days past due	75.00%	0	0	Yes
More than 180 days past due	100.00%	5	5	Yes
TOTAL		1 853	5	

ECL amounts are based on delinquency status and actual credit loss experience over the past two years.

Employee loans and other financial receivables are not past due and no impairment was recognised for these assets.

The following tables give information about the past due and impaired receivables as at 31 March 2018. (comparative information in accordance with IAS 39).

31 MARCH 2018	DOMESTIC TRADE RECEIVABLES *(HUF mill)*	FOREIGN TRADE RECEIVABLES *(HUF mill)*	RELATED PARTIES RECEIVABLES *(HUF mill)*	TOTAL RECEIVABLES *(HUF mill)*	EMPLOYEE LOANS *(HUF mill)*	Other financial receivables *(HUF mill)*	Total *(HUF mill)*
Neither past due nor impaired receivables	1 638	87	253	1 978	21	40	2 039
Past due but not impaired receivables	0	0	0	0	0	0	0
Past due and impaired receivables	53	5	0	58	0	0	58
TOTAL	1 691	92	253	2 036	21	40	2 097

Movements of impairment of financial assets are as follows.

IMPAIRMENT OF RECEIVABLES	DOMESTIC TRADE RECEIVABLES *(HUF mill)*	FOREIGN TRADE RECEIVABLES *(HUF mill)*	TOTAL *(HUF mill)*
1 APRIL 2017	**3**	**0**	**3**
Reversal	0	0	0
Impairment loss	3	0	3
Write-off	(1)	0	(1)
31 MARCH 2018	**5**	**0**	**5**
1 APRIL 2018	**5**	**0**	**5**
Reversal	0	0	0
Impairment loss	0	1	1
Write-off	(1)	0	(1)
31 MARCH 2019	**4**	**1**	**5**

The following table summarizes the collaterals held by the Company.

GUARANTEE RECEIVED CONTENT	TYPE	GUARANTEE	31 MARCH 2019 *(HUF mill)*	31 MARCH 2018 *(HUF mill)*	FALLING DUE
Guarantee of employee's housing loans	mortgage	employer	8	13	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 2019 (2018: HUF 1 540 million). The other remaining facilities represent regular bank loan facilities available to the Company.

BANK	FACILITY *(HUF mill)*	CONSISTS OF: FACILITY OF BANK OVERDRAFTS *(HUF mill)*	INTEREST RATE	CONSISTS OF: OTHERS *(HUF mill)*	MATURITY	31 MARCH 2019 *(HUF mill)*
Erste Bank Nyrt	2 500	520	1 Month BUBOR+0.55%	1 980	30 April 2019	0
K&H Bank Zrt.	2 500	500	O/N BUBOR+0.55%	2 000	31 December 2049	0
UniCredit Bank ZRt	2 500	520	1 Month BUBOR+0.80%	1 980	30 December 2050	0
	7 500	**1 540**		**5 960**		**0**

BANK	FACILITY *(HUF mill)*	CONSISTS OF: FACILITY OF BANK OVERDRAFTS *(HUF mill)*	INTEREST RATE	CONSISTS OF: OTHERS *(HUF mill)*	MATURITY	31 MARCH 2018 *(HUF mill)*
Erste Bank Nyrt	2 500	520	1 Month BUBOR+0.55%	1 980	30 April 2018	0
K&H Bank Zrt.	2 500	500	O/N BUBOR+0.55%	2 000	31 December 2049	0
UniCredit Bank ZRt	2 500	520	1 Month BUBOR+0.80%	1 980	30 December 2050	0
	7 500	**1 540**		**5 960**		**0**

The following two tables summarize the maturity structure of the Company's financial liabilities. Amounts are undiscounted, and include contractual interest payments as of 31 March 2019 and as of 31 March 2018.

FINANCIAL LIABILITIES 31 MARCH 2019	LESS THAN 1 YEAR	OVER 1 YEAR	TOTAL
Domestic trade payables	568	0	568
Foreign trade payables	269	0	269
Related parties payables	516	0	516
Total trade and other payables	**1 353**	**0**	**1 353**
Lease liabilities (with finance charges)	16	35	51
Other financial liabilities	824	0	824
TOTAL FINANCIAL LIABILITIES	**2 193**	**35**	**2 228**

FINANCIAL LIABILITIES 31 MARCH 2018	LESS THAN 1 YEAR	OVER 1 YEAR	TOTAL
Domestic trade payables	586	0	586
Foreign trade payables	385	0	385
Related parties payables	236	0	236
Total trade and other payables	**1 207**	**0**	**1 207**
Lease liabilities (with finance charges)	20	9	29
Other financial liabilities	1 024	0	1 024
TOTAL FINANCIAL LIABILITIES	**2 251**	**9**	**2 260**

The other liabilities consist of primarily accruals of expenses arising from normal course of business and accruals of amounts payable (due) to customers.

(b) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

The Company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements:

- Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments;
- Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation.

As of 31 March 2019 and 31 March 2018, the Company does not have financial instruments measured at fair value.

For financial instruments not measured at fair value, the Company determines the fair values only for disclosure purposes with the methods described below.

The fair value of finance lease liabilities is measured using discounted cash flow method. The valuation model considers the present value of expected payments, discounted using a risk-adjusted discount rate. The fair value determination of the finance lease liabilities is categorized as level 2 at 31 March 2019 and 31 March 2018. The fair value of the finance liabilities is HUF 50 million (2018: HUF 28 million).

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

(c) Capital management

By managing capital structure, the goal of the Company is to keep the capacity for continuous operation, to make profit for the shareholders and its other concerned Companies, and to maintain a capital structure that is expected by the shareholders for reducing capital costs.

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 2019 and 2018.

The capital, which the Company manages, amounted to HUF 7 080 million at 31 March 2019 (31 March 2018: HUF 6 557 million) comprising solely owner's equity and the Company does not use any long term loans or borrowings.

Note 5 – **PROPERTY, PLANT AND EQUIPMENT**

	FREEHOLD LAND AND BUILDING *(HUF mill)*	PLANT AND EQUIPMENT *(HUF mill)*	LEASED EQUIPMENT *(HUF mill)*	OTHER ASSETS *(HUF mill)*	TOTAL *(HUF mill)*
YEAR ENDED 31 MARCH 2018					
Opening carrying amount	1 791	615	25	460	2 891
Additions	76	438	0	271	785
Disposals	0	(4)	0	(22)	(26)
Depreciation charge	(135)	(115)	(6)	(189)	(445)
Closing carrying amount	**1 732**	**934**	**19**	**520**	**3 205**
AT 31 MARCH 2018					
Cost	3 821	3 722	127	2 336	10 006
Accumulated depreciation	2 089	2 788	108	1 816	6 801
Net carrying amount	**1 732**	**934**	**19**	**520**	**3 205**
YEAR ENDED 31 MARCH 2019					
Opening carrying amount	1 732	934	19	520	3 205
Additions	51	366	29	261	707
Disposals	(1)	(5)	0	(48)	(54)
Depreciation charge	(136)	(168)	(7)	(217)	(528)
– including: Impairment loss		(21)			(21)
Closing carrying amount	**1 646**	**1 127**	**41**	**516**	**3 330**
AT 31 MARCH 2019					
Cost	3 849	3 786	146	2 243	10 024
Accumulated depreciation	2 203	2 659	105	1 727	6 694
Net carrying amount	**1 646**	**1 127**	**41**	**516**	**3 330**

Assets in course of construction and not yet ready for use amounted to HUF 7 million (31 March 2018: HUF 12 million) and are included in the related categories (HUF 3 million in freehold land and building, HUF 4 million in intangible assets).

The Company does not have any significant borrowings that would fall under the scope of IAS 23 (revised) as a result of which no borrowing cost is capitalised in the cost of property, plant and equipment.

Note 6 – INTANGIBLE ASSETS

	TRADEMARKS LICENCES AND OTHERS *(HUF mill)*	INTELLECTUAL PROPERTY *(HUF mill)*	TOTAL *(HUF mill)*
YEAR ENDED 31 MARCH 2018			
Opening net book amount	72	34	106
Additions (purchases)	14	13	27
Disposals	(1)	0	(1)
Amortisation	(17)	(26)	(43)
Closing net book amount	**68**	**21**	**89**
AT 31 MARCH 2018			
Cost	280	720	1 000
Accumulated depreciation	212	699	911
Net carrying amount	**68**	**21**	**89**
YEAR ENDED 31 MARCH 2019			
Opening net book amount	68	21	89
Additions (purchases)	15	16	31
Disposals	0	0	0
Amortisation	(17)	(19)	(36)
Closing net book amount	**66**	**18**	**84**
AT 31 MARCH 2019			
Cost	290	735	1 025
Accumulated depreciation	224	717	941
Net carrying amount	**66**	**18**	**84**

Intellectual property includes mainly software.

The Company has no internally developed intangible assets.

Note 7 – PACKAGING MATERIALS

	31 MARCH 2019 *(HUF mill)*	31 MARCH 2018 *(HUF mill)*
Pallets	18	20
	18	**20**

Note 8 – INVESTMENT IN ASSOCIATE

NAME	NATURE OF BUSINESS	HOLDING %	31 MARCH 2019 *(HUF mill)*	31 MARCH 2018 *(HUF mill)*
Morello Kft.	Fruit production, processing	35.43	16	16
			16	**16**

	ASSETS *(HUF mill)*	LIABILITIES *(HUF mill)*	REVENUES *(HUF mill)*	PROFIT *(HUF mill)*
31 December 2018.	**409**	**40**	**57**	**30**

Note 9 – EMPLOYEE LOANS

	31 MARCH 2019 *(HUF mill)*	31 MARCH 2018 *(HUF mill)*
Employee loans	**10**	**14**

The effective interest rate used in the calculation was 6.3 %.

Note 10 – INVENTORIES

	31 MARCH 2019 *(HUF mill)*	31 MARCH 2018 *(HUF mill)*
Raw materials and consumables	606	577
Semi-finished and finished products	1 245	1 168
Purchased goods	535	440
	2 386	**2 185**

Inventories of HUF 5 723 million (31 March 2018: HUF 5 149 million) were recognised as an expense during the year and included in 'Material type expenses'. Change in the value of inventories of own products recognized in 'Material type expenses' amounts to HUF 77 million (2018: HUF 20 million).

The carrying amount of inventories carried at fair value less costs to sell at 31 March 2019 amounts to HUF 2 386 million (31 March 2018: HUF 2 185 million).

The accumulated write down for obsolete and slow-moving stock at 31 March 2019 amounts to HUF 30 million (31 March 2018: HUF 36 million) Write-down of HUF 10 million and reversal of write-down of 16 million was recognised during the year and they are included in 'Material type expenses'.

Note 11 – TRADE AND OTHER RECEIVABLES

	31 MARCH 2019 *(HUF mill)*	31 MARCH 2018 As restated Note 2 (v) *(HUF mill)*	1 APRIL 2017 As restated Note 2 (v) *(HUF mill)*
Trade receivables	1 848	2 036	1 887
Employee loan	5	7	7
Other financial receivables	84	40	118
TOTAL FINANCIAL RECEIVABLES	**1 937**	**2 083**	**2 012**
Overpayment of tax	41	44	81
Other receivables	62	44	21
Prepayments	75	79	71
	2 115	**2 250**	**2 185**

The impairment loss on trade and other receivables is disclosed in Note 4 (a).

Related party receivables are disclosed in Note 22.

Note 12 – CASH AND CASH EQUIVALENTS

	31 MARCH 2019 (HUF mill)	31 MARCH 2018 (HUF mill)
Cash at bank and in hand	3064	2 770
Short term bank deposit	0	0
	3 064	**2 770**

Note 13 – NON-CURRENT OTHER LIABILITIES

	31 MARCH 2019 (HUF mill)	31 MARCH 2018 As restated Note 2 (v) (HUF mill)	1 APRIL 2017 As restated Note 2 (v) (HUF mill)
Lease liabilities	34	8	19
TOTAL FINANCIAL LIABILITIES	**34**	**8**	**19**
Accrual for jubilee payments	358	317	311
Accrual for payment upon reaching retirement age	80	75	74
Share-based payment liabilities	0	222	230
	472	**622**	**634**

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

FINANCE LEASE LIABILITIES	31 MARCH 2019 (HUF mill)	31 MARCH 2018 (HUF mill)	1 APRIL 2017 (HUF mill)
No later than 1 year	16	20	17
Later than 1 year and no later than 5 years	35	9	19
MINIMUM LEASE PAYMENTS	**51**	**29**	**36**
Future finance charges	(1)	(1)	(1)
PRESENT VALUE OF FINANCE LEASE LIABILITIES	**50**	**28**	**35**

PRESENT VALUE OF FINANCE LEASE LIABILITIES	31 MARCH 2019 (HUF mill)	31 MARCH 2018 (HUF mill)	1 APRIL 2017 (HUF mill)
No later than 1 year	16	20	17
Later than 1 year and no later than 5 years	34	8	19
	50	**28**	**35**

Reconciliation of movements of liabilities to cash flows arising from financing activities	2019 (HUF mill)	2018 (HUF mill)
BALANCE AT 1 APRIL	**28**	**35**
Payment of finance lease liabilities	(10)	0
Total changes from financing cash flows	**(10)**	**0**
The effect of changes in foreign exchange rates	3	2
New finance leases	29	0
Other changes	0	(9)
BALANCE AT 31 MARCH	**50**	**28**

Investing and financing transactions that are excluded from the statement of cash flows because they do not require the use of cash or cash equivalents include acquisition of equipment in a finance lease arrangement amounting to HUF 29 million in 2019 (2018: HUF 0 million).

Note 14 – TRADE AND OTHER CURRENT LIABILITIES

	31 MARCH 2019 (HUF mill)	31 MARCH 2018 As restated Note 2 (v) (HUF mill)	1 APRIL 2017 As restated Note 2 (v) (HUF mill)
Trade and other payables including accrued expenses	1 613	1 517	1 161
Lease liabilities	16	20	16
Amounts payable (due) to costumers	556	707	631
Payable to owners	8	7	7
TOTAL FINANCIAL LIABILITIES	**2 193**	**2 251**	**1 815**
Wage and salary	523	433	402
Share-based payment liabilities	256	0	0
Value added and excise tax	533	624	540
Other taxes	48	98	36
Other non-financial liabilities	14	35	44
	3 567	**3 441**	**2 837**

Note 15 – PROVISIONS

	31 MARCH 2019 (HUF mill)	31 MARCH 2018 (HUF mill)
Provisions	28	56

	TERMINATION BENEFI (HUF mill)	OTHER (HUF mill)	TOTAL (HUF mill)
1 APRIL 2018	**47**	**9**	**56**
Additions	16	0	16
Utilised	(44)	0	(44)
31 MARCH 2019	**19**	**9**	**28**

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

	31 MARCH 2019 (HUF mill)	31 MARCH 2018 (HUF mill)
Current	28	56
	28	**56**

Note 16 – REVENUE

	2019 (HUF mill)	2018 (HUF mill)
Gross sales	26 341	23 071
Excise tax	(8 681)	(7 707)
Public health product tax	(1 921)	(1 406)
REVENUE	**15 739**	**13 958**

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 2019 the public health product tax has been also extended for herbal spirit products. The rate of the tax has been determined based on ranges in the alcohol content.

Amounts paid to the customers (merchants) for positioning the products on eye-catching or prime shelf places, putting them in gondolas at the checkout counters, or putting ads in advertising brochures, are treated as variable consideration in determining the transaction price and rebates during the year amounted to HUF 2 866 million (2018: 2 774 million HUF).

1. Revenue by geographical markets:

	2019 (HUF mill)	2018 (HUF mill)
Hungary	14 489	12 645
Europe	1 081	1 168
Other	169	145
REVENUE	**15 739**	**13 958**

2. Major product groups:

	Traded products 2019 (HUF mill)	Traded products 2018 (HUF mill)	Own produced 2019 (HUF mill)	Own produced 2018 (HUF mill)	Total 2019 (HUF mill)	Total 2018 (HUF mill)
Product group revenue	3 143	2 961	12 596	10 997	**15 739**	**13 958**

Note 17 – EMPLOYEE BENEFITS EXPENSE

	2019	2018
The average number of persons employed	244	241

THE TOTAL COST OF THEIR REMUNERATION AMOUNTED TO	2019 (HUF mill)	2018 As restated Note 2 (v) (HUF mill)
Wages and salaries (including bonus payments)	2 296	2 099
Share-based payment (see Note 22)	71	29
Expenses related to jubilee payments	63	40
Expenses related to payments upon reaching retirement age	18	19
Termination benefit provision	16	35
Social security contributions	523	512
	2 987	**2 734**

Note 18 – OTHER OPERATING EXPENSES

	2019 (HUF mill)	2018 As restated Note 2 (v) (HUF mill)
Advertising costs	1 812	1 481
Marketing costs	471	378
Transport costs	285	232
Other operating expenses, net	236	238
- including: Impairment loss on trade receivables and contract assets	1	3
Warehousing cost	235	227
Expert fees	210	228
Maintenance costs	160	151
Performing arts or sport donation	98	100
Security charges	93	84
Other taxes	78	120
Insurances	71	59
Operating costs	37	39
Scrap, shortage and disposal of fixed assets	10	3
Rental fees	8	7
Foreign exchange losses, net	0	25
Local tax	0	5
	3 804	**3 377**

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

Note 19 – OTHER OPERATING INCOME

	2019 (HUF mill)	2018 As restated Note 2 (v) (HUF mill)
Reimbursement of marketing expenses	385	332
Gain on sale of property, plant and equipment	32	18
Foreign exchange gains, net	1	0
Other operating income, net	0	1
	418	**351**

Note 20 – NET FINANCIAL INCOME

	2019 (HUF mill)	2018 (HUF mill)
Interest income	4	2
Net financial income	**4**	**2**

Note 21 – INCOME TAX

	2019 (HUF mill)	2018 As restated Note 2 (v) (HUF mill)
Current corporate income tax on statutory profit	159	108
Local business tax and innovation contribution	298	264
CURRENT TAX	**457**	**372**
Deferred tax	3	5
	460	**377**

The corporate income tax rate is 9% (2018: 9%), the local business tax rate is 2% and 1.6% depending on the location of the facility (2018: 2% and 1.6%) and the innovation contribution tax rate is 0.3% (2018: 0.3%).

	2019 (HUF mill)	2018 As restated Note 2 (v) (HUF mill)
Profit before tax	3 083	2 582
Tax using the Company's domestic corporate income tax rate of 9%	277	232
Local business tax and innovation contribution	298	264
Tax exempt income	(41)	(27)
Performing arts or sport donations	(98)	(100)
Non-deductible expenses	24	8
TAX EXPENSE	**460**	**377**

Certain sport or performing arts donations are tax deductible expenses under Hungarian Corporate income tax law and the payment is also deductible from income tax payable as a tax credit. Such donations are recognised in 'other operating expense'.

The Company paid sport or performing arts donations that are deductible for corporate income tax purposes in the amount of HUF 98 million during the year, from which HUF 29 million related to sport donation and HUF 69 million related to performing arts donation (2018: HUF 100 million, from which HUF 22 million related to sport donation and HUF 78 million related to performing arts donation).

The Company's deferred tax balances are as follows:

	31 MARCH 2019 (HUF mill)	PROFIT AND LOSS EFFECT (HUF mill)	31 MARCH 2018 As restated Note 2 (v) (HUF mill)	PROFIT AND LOSS EFFECT (HUF mill)	1 APRIL 2017 As restated Note 2 (v) (HUF mill)
IFRS transition	7	(7)	14	14	0
Different depreciation of property, plant and equipment	65	0	65	3	62
Provisions	4	(3)	7	(21)	28
Liabilities for embedded leases	0	0	0	(3)	3
Different valuation of Point-Of-Sale marketing materials	0	0	0	(11)	11
Other (jubilee, holiday accrual)	48	7	41	13	28
TOTAL DEFERRED TAX ASSETS	**124**	**(3)**	**127**	**(5)**	**132**

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 after the end of the financial year.

The item 'IFRS transition' presents the tax effect of the IFRS transition relating to temporary differences between Hungarian Accounting Regulations and IFRS existed at the date of transition. Corporate income tax on this IFRS transition difference is payable in 3 equal parts by the Company in the financial years 2018-2020.

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 (HUF million):

31 MARCH 2019	RECEIVABLE FROM	PAYABLE TO	REVENUES	OTHER OPERATING INCOME	EXPENSES
Zwack-Underberg Group	19	67	132	0	59
Diageo Scotland Ltd.	61	0	0	346	(333)
Diageo North America Inc.	0	0	14	0	0
Diageo Brands B.V.	0	446	0	0	2 102
Diageo Italia S.p.A	0	2	148	0	127
Dobogó Pincészet Kft	0	0	0	0	24
Szecskay Ügyvédi Iroda	0	1	0	0	28
TOTAL	**80**	**516**	**294**	**346**	**2 007**

31 MARCH 2018	RECEIVABLE FROM	PAYABLE TO	REVENUES	OTHER OPERATING INCOME	EXPENSES
Zwack-Underberg Group	4	4	219	0	89
Diageo Scotland Ltd.	112	0	0	301	(351)
Diageo North America Inc.	12	0	22	0	0
Diageo Brands B.V.	0	231	0	0	1 907
Diageo Italia S.p.A	125	0	598	0	135
Dobogó Pincészet Kft	0	1	0	0	22
Szecskay Ügyvédi Iroda	0	0	0	0	11
TOTAL	**253**	**236**	**839**	**301**	**1 813**

Diageo Group has a 26% interest in Zwack Unicum Plc. through its fully owned subsidiary (Diageo Holdings Netherlands B.V.). Zwack Unicum Plc. 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.
- The Company's Italian distributor is Diageo Italy until 30.06.2018.

Zwack-Underberg Group consists of entities which are owned 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.

PZ HAG has no business relationship with the Company.

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	2019 *(HUF mill)*	2018 *(HUF mill)*
Short term benefits	469	418
Social security contribution of short term benefits	81	78

There was no contractual termination benefit paid to key management during either 2019 or 2018.

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 period of 10 years.

As the ten-year vesting period has elapsed for all those concerned, when assessing the program-related obligations, the relevant provisions of the Company's Memorandum and Articles of Association (Article 5.7.4 (V)) have been taken into account.

Total liabilities arising from share-based payment transactions amounted to HUF 256 million as at 31 March 2019 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.

No option was exercised by 31 March 2019. At each reporting date, the Company re-measures the fair value of the liability and recognises the impact in profit or loss for the year and presents it in 'employee benefits expense'. HUF 34 million was recognised as an expense in the current financial year relating to the option plan as remeasurement (an income 2018: HUF 7 million).

Dividends paid for redeemable liquidity preference shares granted to the Company's employees are included in short term benefits and recognised as an expense in profit or loss and presented in 'employee benefits expense'.

Year-end balance of loans given to key management amounted to HUF 10 million (31 March 2018: HUF 12 million).

Note 23 – CONTINGENT LIABILITIES

At 31 March 2019 the Company had contingent liabilities amounting to HUF 600 million in respect of bank guarantees arising from regulatory obligation (customs bond of untaxed excise products). The Company anticipates that no material liabilities will arise.

Note 24 – SEGMENT REPORTING

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

The balances reviewed by the Chief Operating Decision Maker 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.

Revenue analysed by geographical areas and product groups are disclosed in Note 16. All property, plant and equipment and intangible assets of the Company are located in Hungary.

Note 25 – SUBSEQUENT EVENTS

The Company will propose to pay dividends for the financial year ended 31 March 2019, but the amount is not yet announced and will be subject to approval by the forthcoming Annual General Meeting.

Note 26 – ADDITIONAL PRESENTATIONS ACCORDING TO HUNGARIAN ACCOUNTING REGULATIONS

a.) Person responsible for supervising transactional accounting and preparation of IFRS financial statements:

Name: Tibor András Dörnyei

Registration number: 161317

b.) Auditor

These financial statements are required to be audited in accordance with the Hungarian Accounting Law.
Fees charged by the auditor for the audit of these financial statements amounts to HUF 12 million. No other fees were charged by the auditor.

c.) Reconciliation of equity

In accordance with paragraph 114/B of the Hungarian Accounting Law, the financial statements include a reconciliation of the equity per financial statement prepared in accordance with IFRS principles and the equity per Hungarian Accounting Law.

Equity reconciliation for differences between IFRS equity presented in these financial statements and equity per Hungarian Accounting Law:

	31 MARCH 2019 *(HUF mill)*	**31 MARCH 2018** **As restated Note 2 (v)** *(HUF mill)*
Section 114 B (4) Equity under IFRS		
Share capital	2 000	2 000
Reserves	2 457	2 371
Profit/(loss) for the year	2 623	2 186
TOTAL EQUITY	**7 080**	**6 557**
Section 114 B (4) a) Equity		
Equity under IFRS	7 080	6 557
Supplementary payments presented as liabilities under IFRS	-	-
Supplementary payments presented as assets under IFRS (-)	-	-
Amount of deferred income from cash, assets received and transferred to the capital reserve under legislation	-	-
Amount of receivables from owners arising from capital contribution classified as equity instrument (-)	-	-
TOTAL EQUITY	**7 080**	**6 557**
Section 114 B (4) b) Share capital under IFRS		
Share capital according to the effective articles of association if classified as an equity instrument	2 000	2 000
TOTAL SHARE CAPITAL	**2 000**	**2 000**
Section 114 B (4) c) Registered but unpaid capital		
Unpaid share capital under IFRS	-	-
Section 114 B (4) d) Capital reserve		
Sum of all equity components that are not considered as share capital, registered but unpaid capital, retained earnings, revaluation reserve, profit/(loss) for the year or tied-up reserve	165	165
TOTAL CAPITAL RESERVE	**165**	**165**

	2019 (HUF mill)	31 MARCH 2018 As restated Note 2 (v) (HUF mill)
Section 114 B (4) e) Retained earnings		
Accumulated profits after tax of previous' years under IFRS that have not been distributed to owners yet and exclude other comprehensive income	2 292	2 206
Amounts debited or credited directly to retained earnings under IFRS (+/-)	–	–
Supplementary payments presented as assets under IFRS (-)	–	–
Unused reserve for development purposes net of deferred tax liabilities under IAS 12 (-)	–	–
TOTAL RETAINED EARNINGS	**2 292**	**2 206**
Section 114 B (4) f) Revaluation reserve		
Accumulated and current year other comprehensive income from statement of other compre-hensive income	–	–
Total revaluation reserve	–	–
TOTAL REVALUATION RESERVE	**–**	**–**
Section 114 B (4) g) Profit after taxation		
Net profit or loss after tax from continuing and discontinued operations presented in the profit or loss section of the statement of comprehensive income	2 623	2 186
TOTAL PROFIT AFTER TAXATION	**2 623**	**2 186**
Section 114 B (4) h) Tied-up reserve		
Supplementary payments presented as liabilities under IFRS	–	–
Unused reserve for development purposes net of deferred tax liabilities under IAS 12	–	–
TOTAL TIED-UP RESERVE	**–**	**–**
Section 114 B (5) a) Reconciliation of registered capital with the share capital under IFRS		
Registered share capital	2 035	2 035
Share capital under IFRS	2 000	2 000
DIFFERENCE (REDEEMABLE LIQUIDITY PREFERENCE SHARES AT NOMINAL VALUE)	**35**	**35**
Section 114 B (5) b) Retained earnings available for distribution		
Retained earnings (including the net profit after tax for the last financial year closed with annual financial statements)	4 915	4 392
Accumulated, unrealized gain from the increase of fair value of investment properties under IAS 40 (-)	–	–
RETAINED EARNINGS AVAILABLE FOR DISTRIBUTION	**4 915**	**4 392**

INDEPENDENT AUDITORS' REPORT

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Independent Auditors' Report

To the shareholders of Zwack Unicum Nyrt.

Opinion

We have audited the financial statements for the financial year between 1 April 2018 and 31 March 2019 of Zwack Unicum Nyrt. (hereinafter referred to as "the Company"), which comprise the statement of financial position as at 31 March 2019, which shows total assets of MHUF 11,147, the statement of profit or loss and other comprehensive income, which shows profit for the year of MHUF 2,623, and the statements of changes in equity and cash flows for the financial year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2019, and of its financial performance and its cash flows for the financial year then ended in accordance with International Financial Reporting Standards as adopted by the EU (hereinafter referred to as "EU IFRSs") and those are prepared, in all material respects, in accordance with the provisions applicable to entities preparing annual financial statements in accordance with EU IFRSs of Act C of 2000 on Accounting in force in Hungary (hereinafter referred to as "the Act on Accounting").

Basis for Opinion

We conducted our audit in accordance with Hungarian National Standards on Auditing and applicable laws and regulations in Hungary. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company for the purposes of our audit of the financial statements, as provided in applicable laws in force in Hungary, "The Policy on Rules of Conduct (Ethics) of the Audit Profession and on Disciplinary Procedures" of the Chamber of Hungarian Auditors, as well as with respect to issues not covered by these, in the "Code of Ethics for Professional Accountants" issued by the International Ethics Standards Board for Accountants (the IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 2 B (v) to the financial statements which indicates that the comparative information presented as at and for the financial year ended 31 March 2018 has been restated. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Customer incentives

For more detailed information refer to Note 2 B (u) (3) and Note 14 in the notes.

The key audit matter	*How the matter was addressed in our audit*
Amounts payable (due) to customers amount to HUF 556 million in the statement of financial position as at 31 March 2019. The majority of these liabilities arises from amounts that are payable to customers relating to incentives that constitute variable consideration for several reasons. The end of the Company's reporting period is 31 March, while incentive agreements with customers are concluded annually mainly for the calendar year. Therefore, the Company needs to estimate the volume rebates that the customer will be entitled to receive for its purchases made in the last quarter of the Company's financial year, which depends on the total purchases the customer will make in the calendar year. Another layer of the complexity in accounting for the incentives is that in some cases the Company has not agreed upon the annual terms and conditions of the incentives with the customer by the date the Company's financial statements are authorized for issue. As the customers have valid expectation that the Company will accept to pay incentives to them, the consideration for the purchases made by customers in the last quarter of the Company's financial year is regarded to be variable even if otherwise the amounts payable by the Company to the customers will be set as a fix percentage of the consideration payable by the customers. Due to the estimation uncertainty involved in the determination of the amounts payable to customers relating to incentives we considered this area as a key audit matter.	We performed the following procedures amongst others: • we obtained an understanding of the key controls the Company applies over agreeing to customer incentives and approval of amounts payable to customers and tested their operating effectiveness; • we compared prior year's estimates to prior year's actual amounts in order to assess the accuracy of estimates made by the Company in the previous year; • we reconciled underlying data used in the calculation of the estimates to contracts concluded with customers on a sample basis; • on a sample basis we recalculated the amounts payable to customers based on the actual purchases made by the customer and the terms and conditions of the contract concluded with the customer (for the current calendar year if existed or the prior calendar year otherwise) and compared the recalculated amounts to the estimates made by the Company.

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Other Matter relating to comparative information

The financial statements of Zwack Unicum Nyrt. as at and for the financial years ended 31 March 2018 and 31 March 2017 (from which the statement of financial position as at 1 April 2017 has been derived), excluding the adjustments described in Note 2 B (v) to the financial statements were audited by another auditor who expressed an unmodified opinion on those financial statements on 22 May 2018 and 23 May 2017, respectively.

As part of our audit of the financial statements as at and for the financial year ended 31 March 2019, we audited the adjustments described in Note 2 B (v) that were applied to restate the comparative information presented as at and for the financial year ended 31 March 2018 and the statement of financial position as at 1 April 2017. We were not engaged to audit, review, or apply any procedures to the financial statements as at and for the financial years ended 31 March 2018 or 31 March 2017 (not presented herein) or to the statement of financial position as at 1 April 2017, other than with respect to the adjustments described in Note 2 B (v) to the financial statements. Accordingly, we do not express an opinion or any other form of assurance on those respective financial statements taken as a whole. However, in our opinion, the adjustments described in Note 2 B (v) are appropriate and have been properly applied.

Other Information

The other information comprises the annual report (including the business report and management report) of the Company for the financial year between 1 April 2018 and 31 March 2019. Management is responsible for the other information, including the preparation of the business report in accordance with the Act on Accounting and other applicable legal requirements, if any.
Our opinion on the financial statements expressed in the Opinion section of our report does not cover the business report, the management report and the other parts of the annual report. We do not express any form of assurance conclusion on the annual report, except for the business report.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Based on the Act on Accounting, we are also responsible for assessing whether the business report has been prepared in accordance with the Act on Accounting and other applicable legal requirements, including the assessment of whether the business report has been prepared in accordance with Section 95/B (2) e) and f) of the Act on Accounting and expressing an opinion on this and the consistency of the business report and the financial statements.

With respect to the business report, based on the Act on Accounting, we are also responsible for checking that the information referred to in Section 95/B (2) a)-d), g) and h), Section 95/C of the Act on Accounting has been provided in the business report.

In our opinion the business report of the Company for the financial year between 1 April 2018 and 31 March 2019 is consistent, in all material respects, with the financial statements of the Company for the financial year between 1 April 2018 and 31 March 2019 and the applicable provisions of the Act on Accounting.

There are no other legal requirements that are applicable to the business report of the Company, therefore, we do not express an opinion in this respects.

We confirm that the information referred to in Section 95/B (2) a)-d), g) and h) of the Act on Accounting has been provided in the business report and Section 95/C of the Act on Accounting has not been provided in the business report based on exemption.

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the business report, and if so, the nature of such misstatement. We have nothing to report in this regard.

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Moreover, if, based on the work we have performed, we conclude that there is a material misstatement of the other parts of the annual report (including the management report) other than the business report, we are required to report that fact. We have nothing to report in this regard either.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU IFRSs and for the preparation of the financial statements in accordance with provisions applicable to entities preparing annual financial statements in accordance with EU IFRSs of the Act on Accounting 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Hungarian National Standards on Auditing and applicable laws and regulations in Hungary will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Hungarian National Standards on Auditing and applicable laws and regulations in Hungary, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

We were appointed by members meeting on 27 June 2018 to audit the financial statements of the Company for the financial year ended 31 March 2019. Our total uninterrupted period of engagement is 1 year, covering the financial year ending 31 March 2019.

We confirm that:

• our audit opinion is consistent with the additional report presented to the Audit Committee of the Company dated 21 May 2019;

• we have not provided to the Company the prohibited non-audit services (NASs) as set out by Article 5(1) of EU Regulation (EU) No 537/2014 and in terms of the member state derogations by the Act LXXV of 2007 on the Chamber of Hungarian Auditors, the Activities of Auditors, and on the Public Oversight of Auditors in force in Hungary. We also remained independent of the audited entity in conducting the audit.

The engagement partner on the audit resulting in this independent auditors' report is the signatory of this report.

Budapest, 21 May 2019

KPMG Hungária Kft.

Registration number: 000202

Rezső Rózsai

Partner, Professional Accountant

Registration number: 005879

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FRANK ODZUCK
Chief Executive Officer

Business and management report

ON THE FINANCIAL YEAR ENDED ON 31 MARCH 2019

1. Analysis of the Company's performance

Total gross sales of the Company were HUF 26 341 million, a year-on-year increase of 14.2%. Net sales (sales revenues excluding excise tax and public health product tax [NETA]) were HUF 15 739 million – a year-on-year increase of 12.8% (by HUF 1 781 million).

There was a considerable increase in the net domestic sales (HUF 1 820 million; 14.7%). The net sales of own produced goods increased in the domestic market by HUF 1 637 million (17.3%) (HUF 11 094 million instead of HUF 9 458). Broken down, sales from premium products increased by 15.6% and those of quality products by 21.4%. The amendment of the Act on Public Health Product Tax (NETA), effective as of January 2019, was the main cause of the increase in net sales. In fact, every type of alcoholic drinks has been taxed and the tax categories have been raised by 20%. As a consequence, in December 2018 as much pálinka and bitter liqueurs were sold as in about 3-4 average months at other times. Additional smaller factors in the expansion of the net domestic sales were an overall rise in the consumption of alcoholic drinks and that the market responded favourably to the introduction of new products (Unicum Riserva and Kalumba).

The net sales revenue of traded products had a year-on-year increase of 6.2%. Broken down, the revenue of the Diageo portfolio went up by 7.9%, and the revenue of the other traded products grew by 2.4%.

The favourable sales figures were due both to the increase in the volume sold and a rise in average sales prices.

Export earnings were HUF 1 501 million – a year-on-year decrease of 2.5%. As for Italy, the decrease in earnings appears to be a one-off consequence of a change in distributor. As for Germany, promotional goods meant for summer 2018 had been delivered at the end of the previous business year and, as a consequence, sales in the current business year decreased. By contrast, in Romania, Slovakia and in the Duty Free segment considerably higher earnings were realized than in the previous business year.

The material-type expenses increased by HUF 574 million (11.1%). As that figure is lower than the growth of net sales, the latter being 12.8%, the gross margin ratio has a year-on-year increase of 0.5 percentage point (63.6% instead of 63.1%). A favourable change in the product mix is the main factor behind that change (the sales of own-produced high-margin goods increased faster than that of traded products).

Employee benefit expense increased by HUF 253 million (9.3%). The Company granted a wage and salary increase of 8% at the beginning of the business year. The effects were dampened by the fact that the social contribution tax was reduced by 2.5 percentage points. Furthermore, the employee benefit expense increased because a higher provision has been set aside to cover planned long-term incentives (bonus for long-serving staff members, pensions, management stock option plan).

Depreciation charge went up by HUF 76 million (15.6%). About half of that sum had its origin in major technological upgrading of the previous business year (see the Management Report of the fourth quarter of the 2017–2018 business year). Furthermore, we have retrofitted a part of our moulding tools; and we posted unplanned depreciation for certain unused pieces of equipment.

The other operating expenses increased by HUF 427 million (12.6%). The increase was entirely due to the higher marketing expenses. The Fütyülős brand has been advertised by a new television commercial, which has been broadcast regularly. We have supported the introduction of Kalumba in on-trade by tasting promotions, and a commercial on television and on the Internet. The marketing costs of Unicum went up within Hungary and abroad. In Italy we supported Unicum with a new television commercial. The two Zwack Unicum Heritage Visitors' Centres (one in Budapest and another one in Kecskemét) attracted a record number of visitors, and new promotional films were shown there.

The other operating income increased by HUF 67 million (19.1%). That was mainly because brand owners of traded products had increased their year-on-year marketing expenditure.

The Company's profit after taxation is HUF 2 623 million – a year-on-year increase of 20% (previous: HUF 2 186 million). Just as we predicted it in our previous Management Report, the fourth quarter of the 2018–2019 business year produced a record low result. (It amounted to HUF 717 million as compared to HUF 330 million in the last quarter of the previous business year.) December 2018 saw a massive pre-emptive purchase and the retail price explosion caused a consumer shock in January 2019. As a consequence, the January–March 2019 period gross sales decreased by 18.7% and the net sales declined by 23.8% – just as we forecast.

Tangible assets expanded by HUF 125 million (3.9%). During the business year the Company spent HUF 750 million on fixed assets.

Inventories increased by HUF 201 million (+9.2%). That was mainly due to the increase of traded goods. Our inventory of goods imported from the United Kingdom is held at a higher than average level due to the uncertainties of Brexit.

2. Business environment of the Company

In recent years the Company's macroeconomic environment has been favourable. The GDP and the real income of the population have been growing. Household consumer expenditures – which are crucial for our Company – have also gone up (by 4.9%, 4.7% and 5.3% in the past three years).

Market research data for the April–March period in the off-trade indicate that the tax-paying domain of the Hungarian market of spirits had a year-on-year increase in volume by 2% and in value by 7.1%.

In retail trade the tendency of the past few years continued: turnover in shops of medium size (supermarkets and discount stores) increased (by 8.2%) while that of hypermarkets decreased (by 5%).

3. Objectives and Strategy of the Company

The Company's primary activity is producing and marketing branded spirits. The principal aim of Zwack Unicum Plc. is to maintain its market leading role in Hungary's market of spirits and further strengthen its export markets and its strong presence in the premium and quality product segments.

In Hungary the Company is the official distributor of the products of several brands like Diageo portfolio; and in the past business year, but not in the future, distributor of Moët-Hennessy. The distribution contract with MHCS and Hennessy terminated at the end of February 2019. Thus, in addition to the self-manufactured premium brands of outstanding importance in the Hungarian market (Unicum, Fütyülős, Vilmos, St. Hubertus), Zwack Unicum Plc.'s portfolio is enriched by world brands such as Johnnie Walker, Baileys and Captain Morgan. With such a portfolio our Company offers an impressively rich assortment of branded products for consumers.

Product innovation and successful product launch are crucial means of keeping and strengthening the market leader position. The Company has the objective of deriving at least 12 % of its gross sales from exports and has the ambition to increase it.

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

Material resources

- **Production and Plant**

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

The Company intends to maintain those three production plants in the long run. The output capacities of the plants concerned are appropriate for bulk production and bottling.

At the plant in Dunaharaszti a major modernization project for bottling began in 2015. Machinery of two bottling lines is being replaced by new machine units. The project is expected to run until 2020, and in that period capital expenditures will exceed annual depreciation figures.

During the business year the Company spent HUF 750 million on fixed assets. The biggest investment project was purchasing a new labelling machine for HUF 316 million. That move has completed the retrofitting of one of our two bottling lines in our plant at Dunaharaszti. The rest of expenditure in that category was spent on investments of a supplemental type.

Waberer's Holding provides comprehensive logistic services to Zwack Unicum Plc., including the warehousing of products, warehouse services and forwarding (distribution) of the products to the customer.

- **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

The Company's headcount stands at 237 (at the end of the 2017–2018 business year it was 237).

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 consumption and caused by this also on the sales volume.

Company activities are exposed to various financial risks: market risks, credit risks and liquidity risks. Seen the high volatility and uncertainty of the current financial market, the Company seeks keeping the possible negative implications affecting Company finances at the minimum. In line with the accounting policy, the Company also 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, nor to interest risks because the Company also has fixed interest assets whose book value is, by the order of magnitude, the same as their market 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 fixed deposits are mostly in Hungarian forints. The credit risk is low since Zwack Unicum Plc. placed its funds with reliable financial institutions.

Liquidity management of the Company covers the necessary number 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.

As an additional market risk we are going to monitor and evaluate the possible impact of Brexit process. Zwack has a limited risk in case of a “hard Brexit” as only a small number of products are sourced from the United Kingdom. Zwack export activities to the United Kingdom are insignificant to the whole business. Zwack is prepared to manage the occasional risk of a “hard Brexit”.

5. Environment protection, quality management, food safety

Our integrated policies continue complying with what the Management committed itself to in the document entitled “Our Mission and Key Values” and coincide with our long-term aspirations.

The Company's management systems have been operating reliably and successfully in line with internal and external expectations. Acting in cooperation with the supervisory authorities, our management systems can reduce the number of mistakes and avoid their repetition. In spring the Company successfully revised its quality- and environment-centred management and food-safety system. We plan to have those systems re-certified by the end of May 2019.

For further information about those matters, see the chapter entitled: “Everyday Sustainability”.

6. Ownership structure, company structure

The ownership structure of Zwack Unicum Plc. remained unchanged. Of the ordinary shares, 50%+1 are owned by Peter Zwack & Consorten HAG, and 26% by Diageo Holding Netherlands B.V. The remaining 24%-1 shares are divided among domestic and foreign institutional and private investors.

The closing price of the Company's shares at the Budapest Stock Exchange was HUF 17 300 on 29 March 2019, which is 0.6% higher than the closing price of the previous business year.

7. Shareholders' equity. voting rights, management declaration

1. Number and value of shares issued

Number issued	Par value	Type of share	Currency
2 000 000	1 000	ordinary shares	HUF
35 000	1 000	redeemable liquidation preference share	HUF

All of the ordinary shares carry the same rights; redeemable liquidation preference shares carry no voting rights.

Ordinary shares are shares traded on the Budapest Stock Exchange (BÉT), redeemable liquidity preference shares are shares issued in closed circles.

2. Amendment of the Articles of Association, appointment of senior officers, issuing shares

The modification of the Statutes, the appointment of the senior officers and the issuance of shares is the exclusive competence of the general meeting. The General Meeting of the Company has empowered the Board of Directors for five (5) years starting on 29 June 2017, to raise the shareholders' equity in a single go or in several steps only via issuing private redeemable liquidity preference shares up to altogether 200 000 shares (including the currently issued redeemable liquidation preference shares). There were no redeemable liquidity preference shares issued in the business year of 2018-2019.

The Company's Annual General Meeting of 27 June 2018, which reviewed the results of the 2017–2018 business year, took notice of Mr Renato Juric's resignation from the Supervisory Board.

The Annual General Meeting elected Mr Pavel Reyes Lyubushkin to serve on the Supervisory Board. Mr Nándor Szakolczai was elected to replace Mr Lyubushkin on the Board of Directors, and Ms Kalina Plamenova Tsanova was re-elected to serve on the Board of Directors. All the three of them have a mandate until 31 July 2022.

3. Management declaration

The Civil Code (Ptk.) section 3:289 provides on the preparation, content and adoption of the Responsible Governance Report for Hungarian public incorporated companies.

The Budapest Stock Exchange issued its Recommendations for Responsible Governance ("Recommendations") in 2004, providing certain recommendations for corporate governance for companies listed on the Budapest Stock Exchange, taking into consideration the internationally most used principles, Hungarian experience and the particularities of the Hungarian market. The current version of the Recommendations have been approved by the Board of Directors of Budapesti Értéktőzsde Zrt. on July 23, 2018 and is effective as of August 1, 2018. The Recommendations are available at the homepage of the Budapest Stock Exchange (https://bse.hu/Products-and-Services/Rules-and-Regulations/BSE-Rules). The Company does not apply any other regulation or practice concerning corporate governance.

In line with the above two regulations, Zwack Unicum Plc. Board of Directors pre-adopted and submitted to the General Meeting its Responsible Governance Report (the "Report") for the business year of 2018-2019, which is accessible to the public on the Company website (http://www.zwack.hu) under Investors' Relations (Befektetői Kapcsolatok), on the page on Responsible Governance. The above Report provides detailed information on compliance with and possible deviations from the Recommendations as well as the reasons thereof.

The Report also presents the Board of Directors, the Supervisory Board, the Audit Committee and the Management, their composition, describes how they function, and gives details on how they divide work. The Remuneration Declaration is also part of the Report, and so is the overview of the rules on the internal control and risk management systems of the Company, its policy of making information public, its policy on insider trading, the rules of exercising shareholder rights and of how to organise and complete a General Meeting, the detailed position of the Company on diversity, and the explanation for deviations from certain points of the "Recommendation".

As per points 12.3 and 14.3 of the Articles of Association, members of the Board of Directors and of the Supervisory Board are elected by the General Meeting for a maximum period of four years. The rules on the election and withdrawal of the members of the Board of Directors and of the Supervisory Board are included in Section 11 of the Statutes.

The stipulation and the amendment of the Articles of Association (except amendments by the Board of Directors), including raising the shareholders' equity (except raising it by the Board of Directors) and its lowering (unless the Civil Code provides otherwise), are exclusive powers of the General Meeting (point 11.2). Detailed regulations to modify the Statutes and to repurchase own shares are provided in point 11.2 (a) and (k) as well as in the entire Section 11 of the Statutes.

The detailed rules of the powers and functioning of the Board of Directors are stipulated under point 12.4 of the Statutes and the Rules of the Board of Directors, both accessible on the Company website, under the menu For Investors).

The annual report contains the list of the shareholders of the Company having a significant shareholding in the Company.

8. Code of Conduct

The Zwack Unicum Plc. is a family enterprise both in its traditions and ownership structure. It is committed to perpetuating its traditions and adhering to its values – to the benefit of all the shareholders.

The Company considers itself an important player of the Hungarian economy and an internationally acknowledged representative of the spirits industry. It aspires to be an active participant in the life of society with a prudent business operation and commitments well beyond its core activities. The Company has been acting in business life in compliance with its social prestige, weight in the industry and its market-leading role. It seeks to define the norms of its operation in an exemplary manner. It aspires to be a paragon of business integrity, reliability and predictability in the eyes of its partners.

By making public its Code of Ethics, the Company enables all those interested to get an insight to a basic component of its organizational culture.

www.zwack.hu\Investor Relations\Guidelines of Corporate Governance\Code of Conduct

9. Results of the 2018-2019 business year and prospects for 2019-2020

Net sales of the business year showed a year-on-year increase of nearly 13% and the profit after taxation had a year-on-year increase of 20% (+HUF 437 million). The growth in sales was due to three factors: massive pre-emptive purchase in anticipation of the January 2019 hike of the public health product tax (NETA), increase in domestic consumption, and the introduction of new products (Kalumba and Unicum Riserva entered the off-trade).

Those two new products had an excellent sales showing: already in its first year Riserva rose to fourth place among the luxury alcoholic drink in the volume sold, and also in volume, Kalumba finished first among gins in the Hungarian off-trade market.

Thanks to the year-on-year increase in profits, the dividend will be higher. The Management recommends that the General Meeting should approve the payment of HUF 1300 per share (as compared to HUF 1050 per share last year; which is a rise of 24%). That way the total profit after taxation is to be distributed as dividend.

When drawing up plans for the coming business year, our working hypothesis is that domestic consumption is likely to continue growing (by 3.5%) even if slower than in previous years. We expect gross sales also to grow. The increase in the above-mentioned public health product tax (NETA) will have a tangible negative impact on the 2019–2020 business year. As a consequence of the tax hike of 20%, the shelf price of products that had been subject to NETA tax before is to rise by 6 to 7%. The retail price of products that became additionally subject to NETA tax for the first time (palinkas and bitter liqueurs) is to rise by 20% in the premium category and as steeply as 25% in the quality segment. In the past volume shortfalls were nearly as big as the price hikes in the first year. That is why we expect that in the next business year the net sales figure is to decrease by more than 10%.

Note that this Company has major brands in the two product categories that are the most heavily affected. Considering the Company's sales mix, those very brands include top profit-generating products. In addition packaging materials (bottles, bottle caps, cartons and labels) will have higher prices in the world market. We plan to cut expenditures in marketing and operations to offset the decrease in net sales and the rise in the prices of raw materials. But that said, we predict for the 2019–2020 business year decrease of over 40% in profit of after taxation.

Looking ahead, we expect climbing back to HUF 2 billion in profit after taxation in two years' time (by the 2021–2022 business year).

10. Parameters and indicators of Company's performance (data in million HUF)

		2017-18 BUSINESS YEAR	2018-19 BUSINESS YEAR	2019-20 PLAN
Gross Sales	HUF mill	23 071	26 341	26 971
SALES NET OF TAXES	**HUF mill**	**13 958**	**15 739**	**13 975**
Gross Margin	HUF mill	8 809	10 016	8 371
Profit from operations	HUF mill	2 561	3 079	1 773
Profit before tax	HUF mill	2 563	3 083	1 773
Profit for the year	HUF mill	2 186	2 623	1 406
Dividends paid / payable	HUF mill	2 100	2 600	
Total assets	HUF mill	10 676	11 147	
Cash and cash equivalents, end of the year	HUF mill	2 770	3 064	
Average statistical staff number	Person	241	244	
Gross margin ratio	%	63.1%	63.6%	59.9%
Profit from operations / Net sales	%	18.3%	19.6%	12.7%
Profit for the year / Net sales	%	15.7%	16.7%	10.1%
Dividend / Profit for the year	%	96.1%	99.1%	
Earnings per share	HUF	1 093	1 312	703

11. Events after the balance sheet date

There was no event occurring after the balance sheet date that was not mentioned in the report and would significantly affect the Company's assets, finances, revenues and operations.

Budapest, 21 May 2019

Frank Odzuck
Chief Executive Officer

Dörnyei Tibor
Deputy CEO
Chief Financial Officer

Everyday sustainability

Sustainable development was and remains for us a harmonious balance of economic efficiency, social responsibility and our efforts to protect the environment and we ensure this by innovative thinking, maintaining our values and traditions, as well as by our ethical conduct towards all our stakeholders.

During the 2018/2019 business year we again focused on the nine essential areas defined by our sustainability strategy, concentrating in particular on the appreciation and motivation of our employees and environmental protection.

The headcount has not changed since the previous year; occasional higher demands of manpower due to increased market demand were met by hiring people for a definite period. The Company makes its employees aware of our appreciation of their work in many forms. Employees with an outstanding performance are traditionally singled out by the General Manager. Furthermore within the framework of our fidelity bonus system, colleagues working with us for at least 10 years receive a fidelity bonus after every 5th year.

One of the fundamental principles of our Company is that our employees should receive a fair salary which ensures their decent standard of living, and which is in proportion to their performance. We paid attention to labour market changes and also maintained the balance between lower wages and higher ones. The new measures implemented in the previous year were popular among our colleagues, so we continued the policy for our non-manual workers to work from home, while the manual workers in the factories get a hot meal free of charge once a week. For the summer vacation of 2018, with the help of some teachers from the Molnar Ferenc Primary School, we organized two summer camps for our employees' children and 34 children participated in the two camps. This was a real experience and joy for the children, and at the same time a considerable help to the parents. Every year we offer our employees 2-3 health screening programs. Last year, besides lung screening, they could also have laboratory blood tests and melanoma check. On average, 37% of our colleagues took advantage of these opportunities.

Professional training and development of our employees is important for the Company. In the 2018/2019 business year we organized an exceptional training campaign for the staff in the factories. The campaign was operational from September till March with various educational tropes (e-learning, posters, games) covering many themes, so that our colleagues received practical knowledge which they could use not only at work, but also in their daily life in the field of environmental protection, hygiene, food safety and energy saving. At the close of the campaign employees were asked to fill in a questionnaire and the colleague who came up with the best answers received a reward HUF 100 000. Furthermore, our colleagues attended methodical and presentational training courses, and our trade representatives received an internal motivational training, as well as a communication training to support product introduction.

Strengthening group cohesion is important for us, so besides the yearly trade conference, to which colleagues of other departments (purchasing, logistics) are also invited, the staff of the production and technical directorate could also attend a few-days trip to Croatia. Common experiences and events improve and shape the community, and last year our colleagues could also attend the summer-farewell party, our internal October Fest and Carnival.

Internal communication needs continuous attention and improvement. A monitor is displayed in the restaurant of the Dunaharaszti factory so that colleagues can be quickly and correctly informed about the most important events and news, while the monitor can be used for educational purposes, as well. To benefit from the potentials of social media we created a closed group, so that all the colleagues who joined it could be easily informed about activities of interest.

In the field of social and cultural responsibility we actively support the strengthening of local communities, including the development of children and the protection of their health, as well as acknowledging outstanding achievements in the field of culture or sport. Thus, the Molnár Ferenc Primary School, which has achieved significant results in the differentiated development and talent management of children, was supported by us again in order to ensure continuity of the Complex Instruction Program

(CIP) implemented by the school. The main aim of the program is to help social integration of underprivileged children, and to help them overcome their disadvantages. Our cooperation with the Children's Clinic in Tűzoltó street also dates back many years, and last year the Clinic received a 4 million HUF donation from us. We also gave financial support to the Hospital School Foundation and the Heim Pál Foundation.

Our Company is committed to support volunteering and employee initiatives: thus we provide our employees with various initiatives and programs they can join: within the framework of the "Christmas of 100 children" campaign of the Horizont Foundation we raised 252 500 HUF to support a worthy cause. In 2018 Sandor Zwack, Chairman of the Board of our Company, became Hungarian ambassador of UNICEF, to which our colleagues also contributed: they organized a cake fair and the entire proceeds were given to UNICEF. We also joined the "Dress in Red" campaign of the Light of My Eye Foundation. Further, donations received within the framework of the "Köszi Kávé" program were given to the children's hospice, the Dóri-House in Pécs.

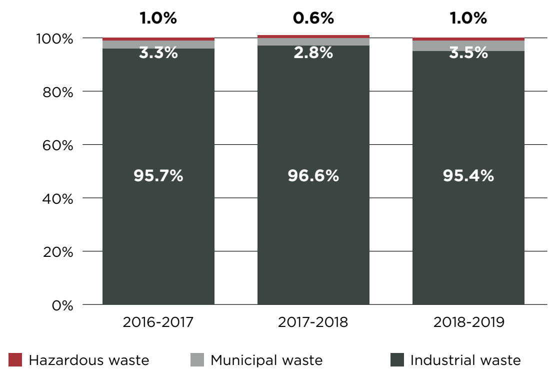
Zwack Unicum Plc., as the market leader, considers the task of popularising the notion of responsible and moderate alcohol consumption a top priority. Within the framework of various projects accomplished in collaboration with other member companies of the Moderate Alcohol Consumption Department (MACD) of the Hungarian Spirit Association during the 2018/2019 business year we also promoted the basic tenets of the campaign at the most popular festivals targeting young people. During our promotions we devoted a lot of energy and attention to spreading the principles of moderate alcohol consumption and the prevention of underage drinking. As a common practice the catchy slogan "Zwack quality, but in moderation" is prominent on all our communication tools and our marketing activities respect the basic principles set by the Marketing Codex.

Ethical business conduct remained one of our basic values. In the 2018/2019 business year no suspicion of misuse arose in the fields examined by our internal audit, remarks were made only on process development. We continuously strive to ensure compliance with legal regulations. The authorities held 5 on-site inspections in areas closely related to our manufacturing activities and held 14 product examinations to check their compliance with legal requirements based on samples taken from trade. No infringements whatsoever were discovered.

2019 is an important year as regards environmental protection: our certified environmental management system will celebrate its 20th anniversary with a campaign full of interesting programs throughout the year.

The areas most affected by the Company's manufacturing activities remained waste management and the increase of energy efficiency.

The proportion of generated waste by type (%)



The amount of waste generated has increased by 20% as compared to the previous year. A slight change can be noticed in waste structure, and its influence is shown in the rate of waste utilisation: in the 2018/2019 business year it was 95%, which is slightly below its usual rate.

Energy consumption is another important field for us. Our Company had its energy management system (EIR) certified according to ISO 50001 standard, thus committing itself to continuously measuring, evaluating and developing its energy performance. In the 2018/2019 business year the Company's energy consumption (gas and electricity) dropped by 10% from the previous year. Besides the investments currently under way (e.g. lighting modernization) we strive to continually decrease our energy consumption with our medium- and long-term projects. The various indicators were controlled within the framework of EIR.

The Annual Report gives a detailed assessment of the business performance. The non-financial information briefly shared here underlines not only the financial data, but also the long-term responsible operation of the Company. In 2020 we will appear with a detailed report in the next edition of our Sustainability Report.

Report of the supervisory board and the audit board

ON THE 2018–2019 BUSINESS YEAR

ZWACK UNICUM PLC.

REPORT OF THE SUPERVISORY BOARD AND THE AUDIT BOARD ON THE BUSINESS YEAR STARTING ON APRIL 1, 2018 AND TERMINATING ON MARCH 31, 2019

In the business year starting on April 1, 2018 and terminating on March 31, 2019, 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, 2018 and terminating on March 31, 2019, containing the statement of financial position, statement of comprehensive income, cash flow statement and statement of changes in equity prepared by the Board of Directors and audited by KPMG Hungária Kft., 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 2 645 500 000 as a dividend 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.

Report of the supervisory board and the audit board

ON THE 2018–2019 BUSINESS YEAR

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 Audit Board established that the risk management principles and systems of the Company successfully ensured the handling and control of the risks related to the activities of the Company as well as the realization of the Company's performance and profit goals.

The Supervisory Board agreed with the proposals related to the other items on the agenda of the Annual General Meeting.

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 21, 2019

DR. HUBERTINE UNDERBERG-RUDER	MAG. KARIN TRIMMEL
Chair of the Supervisory Board	Chair of the Audit Board

Supervisory Board

Dr. Hubertine-Underberg Ruder
Chair of the Supervisory Board, President of the Board of Underberg AG

Pavel Reyes
Commercial Finance Director Diageo Europe Partner Markets Middle East & North Africa

Mag. Karin Trimmel
Managing Director of Gurktaler AG, Managing Director of Semper Idem Underberg AG (until 1/2019)

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

Gábor Zeisler
General Manager Diageo Business Service Center

István Salgó, Dr.
Senior Advisor ING Bank N.V. Hungary

Board of Directors

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

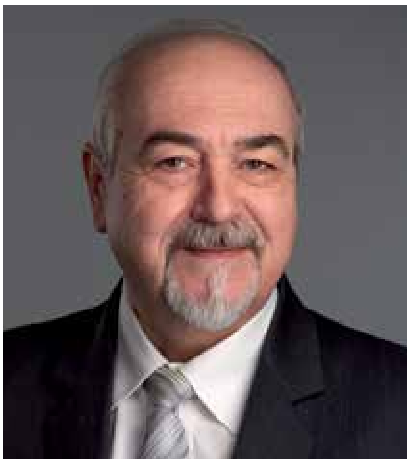
Izabella Zwack
Member of the Board of Directors of Zwack Unicum Plc.

Kalina Tsanova
Diageo Head of Reserve Europe Partner Markets

Frank Odzuck
CEO Zwack Unicum Plc.

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

Nándor Szakolczai
Diageo Europe Performance Director



Tibor Dörnyei
Deputy CEO, CFO Zwack Unicum Plc.

Management of the Company

Csaba Belovai *Commercial and Export Director*	**László Seprős** *Production-Technical Director*	**Sára Palcsó** *Marketing Director*	**Frank Odzuck** *Chief Executive Officer*	**Orsolya Virágh** *Human Resource Director*	**Tibor Dörnyei** *Deputy CEO Chief Financial Officer*

Marketing highlights of the 2018-2019 business year

UNICUM AND UNICUM PLUM

The 2018-2019 business year was again highly successful, as sales figures of our Unicum brand increased yet again, and the year can be characterised by the high number of intensive marketing activities not experienced in the years before.

We elaborated and carried out our marketing activities according to the two main goals we set for the brand.

It remained our primary goal to strengthen our Unicum brand, while the secondary was to give a more youthful image to it.

In accordance with these goals we came out, for the first time in the history of the brand, with two bottles in a limited edition, so that we can communicate relevant messages to both consumer groups.

With the aim of activating a wider target group for our Unicum brand, we selected a general message for tactical purposes: the brand message we conveyed in the summer could be linked to the FIFA World Cup. We put the graphics of the bottle in a limited edition to all our materials prepared for gastronomy and for retail. This was supplemented with our online communication and, on social media, with the individual messages of the influencers, and all these ensured a very versatile presence.

Broadening our arsenal to rejuvenate the brand we designed some spectacular installations, and for the first time in the life of the brand, Unicum Plum appeared in a new packaging of a limited edition (Dead Money, 'Halott Pénz') This was enhanced with the introduction of the limited series dress collection of the DORKO brand, which could be bought solely online and at the festival locations. As its main message the campaign wanted to highlight the fact, that for the first time, three well-known Hungarian companies, leading brands in their own field, join forces and strengthen each other with their communications during the period of the festival, at the same time strengthening the Hungarian brands and their importance for the market. We popularized this campaign among a wider circle of people with giant posters.

The brand was present at all major festivals in Hungary, reinforced with a strong online presence. The life of Unicum Bar and its main activities could be followed by fans due to our continuous presence on social media. We changed the daily program of our presence at festivals, and we built unique installations from Unicum bottles. In this 'bottle post' we put the individual messages of Sandor Zwack and our ambassadors, while prizes could be won by performing fun tasks.

As the focus of our comprehensive Christmas campaign we put the child-parent relationship again, however it was approached from another angle this time. Built around the message *"Say thank you with Unicum!"* we present the stories shared with us by well-known Unicum fans – David Marsalko and his father, Rozina Wossala and her mother, as well as Sandor Zwack – regarding their most cherished memories concerning Christmas. With their stories we tried to popularize and draw the attention to the fact that one hundred lucky Unicum fans can say thank you to one of their loved ones, by preparing their own, special Unicum gift box for Christmas with photos on it. The rate of participation in the campaign was extremely high, and the demand for the gift boxes was huge.

Attention was drawn to this special campaign by our outdoor presence and radio advertisements. As a closing to the campaign visitors could make an exclusive Christmas tour in the Zwack Museum, guided by Sandor Zwack and our ambassadors.

Aiming to enhance the gift function of the brand we improved the quality and the design of our Christmas gift boxes: our paper gift boxes with two glasses were sold in a completely new design with the bottle itself in the centre.

This year we also laid more emphasis on our communication in our most important export countries. Besides using online channels, we also prepared a unique TV commercial for Italy, supporting our brand message there. In Germany we had two major activities: we launched a prize winning game on TV, where a trip to Hungary and a visit to the Zwack Museum can be won. For the first time in the history of the brand we appeared with a unique stand at the most well-known international trade fair of the beverage industry, at the Berlin Bar Convent. Representatives from the beverage industry could get to know here the history of Hungary's most popular herb liqueur presented by Sandor Zwack and Izabella Zwack.

UNICUM RISERVA

This year we again focused on building up Unicum Riserva's brand awareness. With this goal in mind we were present at top events and on premium forums (magazines, online surfaces).

Our further aim was to deepen knowledge concerning Unicum Riserva through informative communications. In September short films prepared with Izabella Zwack and Sandor Zwack on the ageing in double barrels were shared with us on social media.

Also in September we extended the distribution of Unicum Riserva to retail chains, where it appeared on the shelves of the shops in unique gift boxes. In the Christmas season we improved its appearance, enhancing its exclusive character.

FÜTYÜLŐS

Our Fütyülős product family surprised its consumers with a new look. The aim of this change was to highlight the premium quality and enhance the unisex character of the brand.

The shape of the bottle, irrespective of some smaller changes, had been unchanged since the 18th century, the bottleneck being embellished with the tulip motif from the very beginning. The embossed honeycomb pattern which can be seen on the bottle from now on, is a reference to honey, the ingredient which determines the flavour of Fütyülős. The copper colour of the cap is a kind of salute to the distillation vats of times gone by, while the label at the same time reflects tradition and the clean logo of Fütyülős.

This renaissance of Fütyülős was supported by our new commercial spot.

On the social media, besides going through the usual quality channels, we worked with influencers and organized successful prize winning games.

In the Autumn outdoor campaign, the bottle's new look was visible on giant posters and citylight posters throughout the country.

The Fütyülős Truck campaign kicked off and we were present with it at many festivals during the summer season, thus ensuring a strong visibility of the brand and making it possible to address a new stratum of consumers.

Our night life presence was constant throughout the year: hostesses popularized and presented the new look of the Fütyülős brand family to consumers on 75 occasions.

In retail, our most popular flavours could be tasted straight or as lemon based long drinks throughout two weekends. We drew customer attention to the new packaging with unique displays.

At the end of the year our Christmas gift box with its three flavour variants performed very well.

ST. HUBERTUS

We closed a highly successful year for St. Hubertus regarding both its sales figures and our brand activities.

We set two marketing goals for the year: our primary goal was to strengthen the brand and the secondary was to enhance its premium image. In order to achieve these goals, we continued to use our St. Hubertus TV spot in the spring and winter season, and the campaign was reinforced by our strong online presence.

This year, for the first time in the life of the brand, we cooperated with the Hungarian TV series "Mi kis falunk" (Our small village) which, due to its humorous tone and proximity to nature, fits perfectly to the world of St. Hubertus.

We strengthened our communication also on social media where we worked together with Lajos Toth, nature photographer. For the first time in the history of the brand we also had a short film made, by which we drew the attention of our followers to the launch of our prize winning game. In addition, we encouraged our potential consumers both in gastronomy and retail to taste St. Hubertus forest berries.

During the Christmas season, as in previous years, we again emphasized the gift function of the brand with our 0.5 litre bottle and the 0.7 litre bottle with 1 glass gift boxes, thanks to which we managed to bring back and maintain values relevant for St. Hubertus still today.

KALINKA

Kalinka strengthened its presence on social media with premium content, attracted consumer attention in gastronomy with its unique visibility and in retail with its continuous activities. In the summer season the brand was present at smaller festivals targeted at young people.

KALUMBA MADAGASCAR SPICED GIN

One of the key events of the 2018/2019 business year was the debut of our new brand, the Kalumba Madagascar Spiced Gin on the market. We started to introduce the product to the market in May 2018, and built up its distribution carefully, step by step.

For the first time in the life of the Company the product appeared on the shelves and counters of our gastronomy partners through an interactive mentor program. Sales representatives attended a professional training course, where they could gain a thorough knowledge about the market and the history of gin, about Kalumba production, herbs used for distillation, after which they introduced the world of Kalumba to our gastronomy partners in Budapest and in the countryside.

Our introductory campaign was launched at the end of August within the framework of an integrated marketing communication, so we reached our target group through numerous channels. Our TV commercial was broadcast for 5 weeks with outstanding results.

We had a complex cooperation with the TV series ‘Survivor’, which fitted perfectly to our brand positioning and could be seen on RTL channel for 7 weeks. The contest had the highest viewing figures among the programs broadcast during the same period. Kalumba was on TV for more than 12 weeks, an invaluable aid to the introduction of the new product.

This was also helped by the almost 4 month long influencer campaign, during which we were working with 24 influencers who managed to convincingly address their followers, as they travel a lot due to their work or leisure time activities and like to discover new things.

The introduction of Kalumba was supported by our strong media presence, by prize winning games, a special press conference, and numerous appearances in the press. Furthermore, we covered a train of metro line 2 with Kalumba decors for a whole month.

By the end of August the product was available also in the retail network, which we supported in the various chains with numerous displays, special sales prices and tastings. We and Tesco, within the framework of a Club Card cooperation, could address 30 000 people directly. During two weekends in October we organized product tastings in 20 stores in Budapest and in the countryside, thus managing to address more than 130 000 people.

During the Christmas season Kalumba was also sold in a gift box.

Our marketing communication activities yielded results beyond expectations regarding sales volumes and consumer feedback. During the almost 4 month long campaign consumers could meet the brand in some form almost 9 000 000 times. In a short time more than 600 items of consumer content were shared on social media. In gastronomy, in Budapest, as well as in the bigger rural cities, we managed to achieve a unique visibility of the brand, while in retail the brand was by far the best of its product category concerning sales figures.

The uniqueness of the campaign we built up was acknowledged by marketing experts, as our campaign won the 'Trade Marketing Campaign of the Year' prize, as well as the label design which was among the best in Epica, the well known international competition.

LÁNCHÍD DE LUXE BRANDY

The base of the Lánchíd De Luxe Brand is the excellent French premium wine distillate aged for 7 years. The brandy was aged in Hungarian casks made of oak and chestnut.

The Lánchíd Brandy was bottled for the first time on the 100th anniversary of the completion of the Chain Bridge. After 70 years, in 2019, Lánchíd Brandy is saluting the bridge with a new, premium look and premium quality on the 170th anniversary of its building.

With its fragrance of chestnut honey and tea flower Lanchid radiates a light elegance, and its chocolate taste is enriched by hints of vanilla.

JOHNNIE WALKER

The 2018/2019 business year started for the Johnnie Walker brand with its presence at the Formula 1 Grand Prix. Within the framework of a cooperation dating back many years, the brand's promotion which was already organised globally the previous year, achieved a still more spectacular presence and a more unified image. This guaranteed that the Johnnie Walker stand, as well as the many smaller tasting areas, were a resounding success this year as well.

We supported the event with prize winning games encouraging sales. Buyers of Johnnie Walker could enter a competition to win one of the 100 prizes by uploading the AP code of the receipt. The main prizes were, like last year, tickets to the Formula 1 Grand Prix.

Last year's rule was valid this year as well - not only buyers of Johnnie Walker Red Label, but also buyers of Johnnie Walker Black Label could compete. The campaign promotion was supported by bottleneck hangers, promotion strips on the gift boxes and online. Moreover, special displays communicating the prize winning game were also highly visible. All our communications advertised the app. created for the promotion.

As of July 2018 we had Johnnie Walker Red Rye Finish, the newest member of the portfolio tasted during our gastronomy promotions with hostesses. Based on consumer feedback our hosts and hostesses appeared countrywide with a simplified promotion: coupons were distributed to buyers of any Johnnie Walker beverage during the promotion, and the coupons could be traded in by the hostesses for valuable gifts.

No October can pass without a Whisky Show. We attended the Budapest Whisky Show organized at the Corinthia Grand Hotel, present with our complete whisky portfolio at a - compared to that of our competitors - huge stand suitably decorated for the event, with background films streaming constantly throughout the event. Those interested could put questions to our colleagues at the stand and could taste our whole whisky portfolio. This show was important for professionals and for the target group alike, so our presence there was given our utmost attention.

Our Christmas TV commercial was broadcasted on TV earlier than our competitors'. With our Christmas prize winning game our customers could present their loved ones with a special label Johnnie Walker and with a Johnnie Walker pen.

The customary Johnnie Walker metal gift box package with 2 glasses appeared in the shops again, however this time with a fresh design. As a novelty, we added a Johnnie Walker Black Label mini bottle to the 0.7 litre edition of Johnnie Walker Red Label.

The Johnnie Walker White Walker, the special whisky in a limited edition, born of the cooperation between HBO and Johnnie Walker, became available in January 2019. George Harper, whisky expert and the blending expert team of Johnnie Walker were the creators of this innovative whisky, which is at its very best when served directly from the freezer.

A special feature of the bottle is its sleeve foil printed with thermosensitive ink technology. The ink on the cooled bottle changes its colour and the printed text will be visible: "Winter is Here." This iconic sentence reminds Game of Thrones fans that winter has arrived. The success of this cooperation is shown by the fact that some stores had run out of stock well before the premiere of the latest series.

DIAGEO RESERVE

Last year a special focus was given to three brands of the Diageo Reserve portfolio.

With the Bulleit brand we prepared for the Autumn Food Truck Show, where we cooperated with 'Zabáljcsak', which sold its famous pulled pork sandwiches with a sauce flavoured with Bulleit Bourbon. Music and good mood was taken care of by the rockabilly music of Dynamite Dudes and with their iconic show element, the 'flaming contrabass'. Cocktails were prepared by Hotsy Totsy in a Truck with Bulleit design, which became the location for the three parties sponsored by Bulleit.

Last year we again took the whisky portfolio of Diageo Reserve to the Whisky Show, it could be tasted at the biggest stand of the show by leading representatives of the profession and whisky lovers, so we could pay a special attention to each brand.

During the 2018/2019 business year one more whisky of the Reserve portfolio was given special attention. Namely, the 12 years old airy, fruity single malt whisky of The Singleton of Dufftown.

The brand sponsored the city's biggest New Year Eve party held in the Sofitel Hotel & Paris Budapest Bar within the framework of the L.A. Night party series. During the evening the two hostesses shared in Hungarian and in English the most important characteristics of The Singleton of Dufftown, and offered it to guests for tasting, together with lamb from the branded catering counter. They also walked around the bar with branded trays and handed out the drink for tasting. Around 360 people tasted The Singleton of Dufftown whisky, of which 150 people consumed with the lamb or another main dish, while others sampled it after dinner when the whisky was offered to people with walking tickets.

Our activity in gastronomy was strengthened further: we sponsored the VIP party of 'Konyhakiállítás' (Kitchen Exhibition), where dinner was prepared by Judit Lufer, Chef of 'Globalistakonyha' (Globalist Kitchen) and Oliver Rowe, star chef and food stylist, and where the delicious dishes were paired with Singleton whisky.

The third strong pillar of Reserve brands is Tanqueray gin, the main and inimitable basis of a true Gin & Tonic, the increasingly popular beverage for spring and summer afternoons.

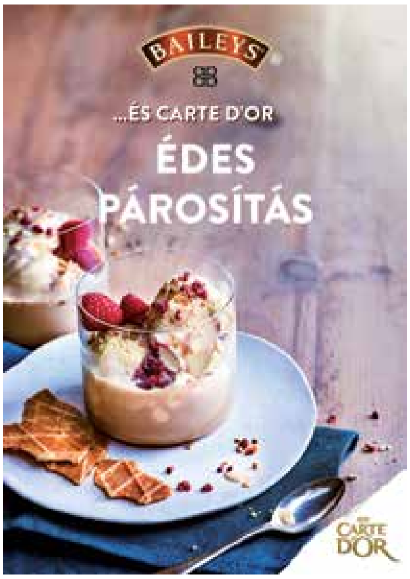
We had a stand at the Blue Ribbon competition and at the Whisky Show, with an appointed brand ambassador standing at the counter to ensure the professional standards of the cocktails prepared.

Together with Hotel InterContinental Budapest we organized a press conference with a gin seminar, and our invited lecturer was Vitezslav Cirok, head bartender of Le Fleur Bar in Prague, winner of the 2015 year Masterclass, who brought with himself the limited edition Champion Shaker. Only the best six bars of the world received one of the six copies of this item initially made in 1920, and it is waiting till the present day in the hotel's bar for consumers wanting to taste the perfectly smooth Gin Fizz cocktail made with Tanqueray.

BAILEYS

In the 2018/2019 business year the overall performance of Baileys remained unchanged which shows that the reduction of the portfolio could be compensated by the growth of Baileys Original Irish Cream and Choco Luxe.

As Christmas is the most powerful season in the life of the brand, we prepared for it with a 360° marketing strategy. As part of our TV campaign our chocolate deer commercial spot of last year was on TV again, and the brand also sponsored the TV series 'Korhatáros szerelem' aiming to reach our target group more effectively. As a whole, the TV campaign resulted in 5.2% increase of the GRP from the year before.



As part of our digital campaign the commercial spots were broadcast on TV, while the video of Baileys Chocolate Luxe appeared on RTL MOST, WMN and Indavideo and from these sites customers were directed, as a lending site, to the webshop of Tesco. Based on sales data the number of purchases increased considerably here, too. Our advertisements on Facebook and on Instagram appeared with a unique creative approach, and moreover we made a strong influencer campaign, among others working together with Adrienn Marton, Lila Füge, Suri Domi, Sütigolyó, Dolce far Niente and Waffle & Love. All of these influencers made the Baileys dessert of their dreams for the season.

As a novelty, last year we offered Baileys together with Carte D'or vanilla ice cream in hypermarkets, so we managed to have Baileys tastings not only in the Christmas period, but also in summer. During the Christmas season more than 132 000 people tasted Baileys in the biggest Auchan, Tesco and Interspar hypermarkets during the four days of the promotion.

Our Christmas gift boxes were very popular last year, too. In harmony with the spray sugar motif on the box, instead of the customary two glasses, two ceramic bowls were added to the gift box packages made for last Christmas. Another novelty was the chocolate deer package for Auchan, with a strong reference to the commercials aired on TV and also shared online. Based on their earlier success, the Baileys gift box with truffles, as well as the 0.7 litre bottle with a 0.2 litre bottle gift box package with its favourable price could also be bought in the shops last year.

Within the framework of our countrywide promotion in gastronomy, sales were supported by creative hot chocolate POS materials, spray sugar, marshmallow and chocolate dressing. We were present at eight Christmas fairs throughout the country, where we put Baileys hot chocolate into the focus, and served it in Baileys paper cups to ensure a more sophisticated approach.

As well as the Christmas season, Valentine's Day and Women's Day can be considered a major landmark in the life of Baileys: this year, besides their media promotion, both were supported also by targeted promotions. For Valentine's Day we prepared a special offer for couples, while on Women's Day our consumers received a Baileys bonbon.

Our promotions are mostly handled by the brand ambassador who is visiting our major trade partners throughout the year and who successfully negotiates the terms of new joint initiatives, thanks to which consumers can taste the fine Baileys desserts and beverages all the year round.

CAPTAIN MORGAN

The brand started its 2018/2019 business year with a design change, due to which the bottles acquired a more unified, clean, easy to understand look. At the same time, responding to customer feedback, the bulk of Captain Morgan White Rum was also changed.

As in previous years we were present at three big festivals in the countryside. The season started with the Campus festival in Debrecen. To the delight of many, participants could not only meet the Captain, but could also spend some party time and have selfies with him, or could even taste a drink with him. The luckiest ones could get the Captain's favourite hat, kerchief or mask from his treasure box. We were also present with the same activities at the Fezen and the SZIN festivals.

We appeared with the Captain Morgan Party Arena at the SZIN festival celebrating its 50 birthday. The number of visitors during the five days of the festival was above 113 000, which is a 19% increase from the previous year.

The brand got a digital ATL support once again. We were looking for sites through which we could most effectively address our target group. The campaign, including short advertisements and banners appeared on Bien.hu and on Szeretlekmagyarorszag.hu pages, as well as on Spotify, on Facebook and on Instagram, was running from early July till the end of August.

Following the summer season we prepared for Christmas with Captain Morgan Original Spiced Gold with a jar, as well as with a Captain Morgan White Rum with a jar gift box packages. These can be found as permanent products on the shelves of Tesco even after the Christmas season.

In our promotions with hostesses, due to its new bulk we focused on Captain Morgan White Rum; tastings as a long drink with cola were held by our Captain and its crew. They appeared on 115 occasions in various parts of the country and introduced the most popular Captain Morgan long drinks to more than fifty six thousand consumers. Coupons were distributed among consumers ordering a Captain Morgan drink at the counter and the coupons could be traded in for promotional gifts.

IZABELLA ZWACK WINE SELECTION

Our portfolio was enriched yet again with exciting wines and new wineries, since we started to work with the wines of Miklos Tamas Racz, Csaba Halmai (Tüske Winery) and Gabriella Palko.

The Zwack Open wine tasting events were moved this summer to the yard of the Zwack factory and debuted as the Zwack Open Air event with almost five hundred visitors. Before Christmas, during the event organized for the Advent, the refurbished Zwack Museum and the Herb Bar were again filled with wine lovers and wine makers. On the occasion of Josef Bock's 70th birthday we invited our gastronomy partners to a seated event to taste the iconic wines of the Bock Winery and its debuting new wine, Bock 70.

The Dobogo Winery, the winery of Izabella Zwack and Attila Domokos in Tokaj, celebrated this year the launch of its 15th vintage, and on this occasion we held an exclusive vintage tasting event in the Petofi Museum for an elite guest list of wine experts and professionals.

The Budapest Wine Festival, as always, was the most popular wine event of the year, and we again prepared for it with a unique presence, presenting the best and most special part of our portfolio to an audience of wine experts.

This year the 'Wine Menu of the Year' prize was awarded for the second time in Dining Guide Gala. The prize was supported by the Izabella Zwack Wine Selection, awarded by a jury of wine experts and the winner was Arany Kaviar Restaurant. During the event the guests could taste some items of our portfolio, for example the wines from Kislak and the Dobogo Furmint.

SPIRITS

UNICUM

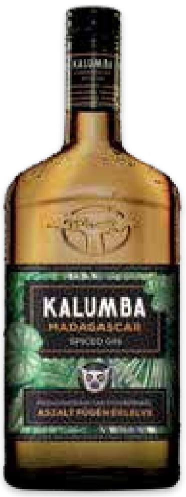
UNICUM RISERVA

VILMOS

FÜTYÜLŐS

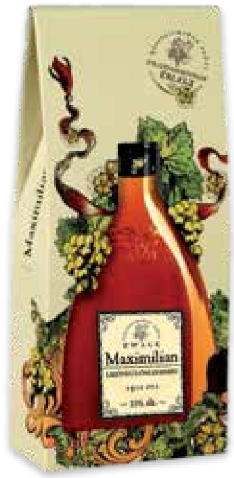
SPIRITS

KALUMBA



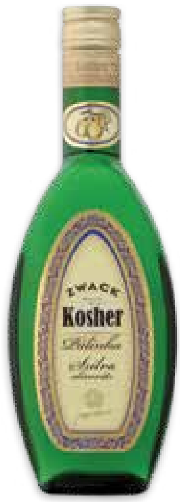
HÍRÖS

ZWACK MAXIMILIAN



ZWACK SÁNDOR NEMES PÁLINKA

KOSHER



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KALINKA

SPIRITS

JOHNNIE WALKER

CAOL ILA 12

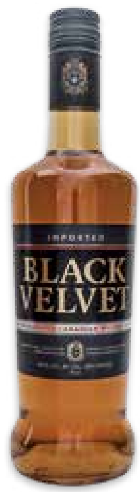
TALISKER

SINGLETON

OBAN

BULLEIT

BLACK VELVET



SPIRITS

BAILEYS

XUXU

DISARONNO

ZACAPA

CAPTAIN MORGAN

SPIRITS

GORDONS

TANQUERAY

DON JULIO

SMIRNOFF

KETEL ONE

CIROC

EVIAN

SPIRITS

PORTORICO

MARINE DRY

ÓBESTER

CASINO

TROIS TOURS

IZABELLA ZWACK WINE SELECTION

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