



Report
on the results of the
Zwack Unicum Plc.
in the 2015–2016 business year

The Board of the Directors of the Zwack Unicum Plc. has approved the Management's report about the results of the Company in the 2015–2016 business year.

The data are audited (both those prepared according to the IFRS standards and those prepared according to the Hungarian accounting rules).

Total gross sales of the Company amounted to HUF 21,136 million, which is 1.2% lower than in the previous year. Net sales (sales revenues excluding excise and public health product tax) were HUF 12,458 million, a year-on-year decrease of 2.6% (-HUF 337 million).

Net domestic sales were down from the previous year by 2.2% (-HUF 250 million). (That is a year-on-year decrease from HUF 11,283 million to HUF 11,033 million.)

Net domestic sales in the fourth quarter was considerably higher than the January–March 2015 figure: it surpassed the earlier figure by 57.4%, by HUF 534 million. That was mostly because the sales figure of the fourth quarter of the current business year was ordinary, whereas that of the previous business year had been extremely low. As the public health product tax was introduced in January 2015, the majority of our trading partners had brought forward their purchases to December 2014. Let us add that in 2016 Easter fell on March so the Easter spike in turnover contributed to the results of the fourth quarter.

Within domestic sales the aggregate net sales figure of own-produced goods for the whole business year showed a year-on-year decrease of 2.6%. Domestic sales of premium products increased by 1.2% while the net sales of quality products went down by 11.9%. The latter development was due to decrease in trade inventories.

In the net earnings from traded products there was a year-on-year decrease of 0.8%. Broken down, sales of the Diageo portfolio came down by 4.3%, while those of other products traded went up by 6.0%.

Market research figures for the whole business year indicate that, expressed in volume, the Hungarian market of spirits decreased by 4.2%. Overall, the weak performance (-15.3%) of the non-branded segment caused the decrease. The two market segments that really matter for the Zwack Unicum Plc.: the premium and the quality segments, markedly increased (by 5.7% and 6.5%, respectively). In those two segments Zwack's overall market share has slightly increased.

Export earnings were HUF 1,425 million, which is a year-on-year decrease of 5.8% (-HUF 88 million). The brunt of the decrease had its cause in the ups and downs of our trade relations with China: the previous business year had seen a major one-off sales deal with

Data sheet heading (general)

Company name : Zwack Unicum Nyrt.
Company address: 1095 Bp. Soroksári út 26
Business branch Food
Period 2015-2016. business year
(01.04.2015-31.03.2016)

Telephone 476-2315
Telefax 455-7845
E-mail guttengeber@Zwackunicum.hu
Investment Relations György Guttengéber

China, which has not been repeated this year. Among the focus markets Italy did very well, Germany repeated its results of the previous business year, but there was a year-on-year decrease in our sales to Slovakia and Romania.

The decrease of 6.6% (-HUF 372 million) in material costs and costs of material type was due mainly to changes in volume.

The gross margin of sales improved by 1.8 percentage points (from 55.6% to 57.4%) owing mainly to higher sales prices.

Employee benefits expense decreased by HUF 69 million (-2.6%). The Annual General Meeting of the Company, held on 25 June 2015, decided to pay dividend at HUF 1200 per share. According to IFRS, dividends paid after liquidation preference shares is a personnel type of cost; consequently, the lower dividend brought down payment to personnel by HUF 45 million. That was the main cause of the year-on-year decrease in payment to personnel.

The other operating expenses increased by HUF 371 million (15.7%) due to increase in marketing expenditure. As compared to the corresponding period of the previous year, marketing expenditure went up on Unicum (in Hungary and in Italy) and on St. Hubertus and the brands of Diageo.

The other operating income increased by HUF 172 million (27.9%). Of the increase, HUF 150 million was due to the higher cost reimbursements because the brand owners of the distributed products increased their marketing expenditures compared to the last year.

The net financial income/loss decreased by HUF 10 million (42.4%). Presently the deposit interest rate is considerably lower than a year ago. Note that in July 2014 the Company paid HUF 5 billion in dividend. Thus in the first quarter of the previous business year cash in hand and in banks was considerably bigger than in the first quarter of this business year.

The Company's profit after taxation according to the International Financial Reporting Standards (IFRS) stood at HUF 1,694 million, a year-on-year decrease of 1.2% (previous: HUF 1,714 million).

There are considerable year-on-year changes in the following lines: Inventories, Trade and other receivables, and Trade and other liabilities. Each of those changes is due to the higher sales figure of the January–March 2016 period (see above). Parallel with increase in sales, the accounts receivable went up. Due to the resultant increase in the taxes payable, there has also been increase in the line of Trade and other liabilities. While the level of our inventories was very low in the previous business year, we have closed the present business year with an “ordinary” level of inventories.

Data sheet heading (general)

Company name : Zwack Unicum Nyrt.
Company address: 1095 Bp. Soroksári út 26
Business branch Food
Period 2015-2016. business year
(01.04.2015-31.03.2016)

Telephone 476-2315
Telefax 455-7845
E-mail guttenggeber@Zwackunicum.hu
Investment Relations György Guttengéber

The HUF 706 million (14.9%) drop in the profit reserves mainly is the result of the higher dividend payment than the last year's profit.

During the 2015–2016 business year the Zwack Unicum Plc. spent HUF 692 million on fixed assets. Spending in this category was higher than in previous years because the Company started two major technological projects. We have embarked on modernizing bottling and have therefore purchased new machines for bottle filling, packaging and palletizing at a total cost of HUF 331 million. HUF 37 million was spent for the installation a new extracting technology. Both investment projects support the technological upgrade and the effectiveness of production.

The Company has 218 employees (at the end of the 2014/2015 business year it had 218).

The Management of the Company predicts growing risks in the market for the coming business year. There is no exact telling of the impact on the market of forthcoming legislative changes (for example, in the law on excise duty and the public health product tax). Moreover the international spirit brands intensively focus on the Hungarian alcoholic drinks market, so we expect our competitors to step up their marketing activities.

This Management Report for the business year has been made according to the relevant accounting regulations and the financial statements made on the basis of our best knowledge, and they are in accordance with both the Hungarian and the international standards. It gives a truthful and reliable account of the assets, liabilities, financial standing and profits of Zwack Unicum Plc. This business report gives a reliable picture about the Company's situation, development and performance and it includes the major risks and factors of uncertainties. To make this report comparable with earlier ones, it carries figures in compliance with the International Financial Reporting Standards.

Additional information:

- There was no change in the ownership structure of the Company.
- During the 2015–2016 business year there was no change in the organization of the Company.
- The Company does not possess shares of its own, just as before.

24 May 2016

*On behalf of the Board of Directors of the
Zwack Unicum Plc.,*


Sándor Zwack
Chairman


Frank Odzuck
General Manager

Data sheet heading (general)

Company name : Zwack Unicum Nyrt.
Company address: 1095 Bp. Soroksári út 26
Business branch Food
Period 2015-2016. business year
(01.04.2015-31.03.2016)

Telephone 476-2315
Telefax 455-7845
E-mail guttengeber@Zwackunicum.hu
Investment Relations György Guttengéber

Financial Statements

PK3. Balance Sheet (according to IFRS)

data in HUF million

	31.03.2015	31.03.2016	Change to 31.03.2015	%
ASSETS				
Non-current assets				
Property, plant and equipment	2 731	2 845	114	4,2%
Intangible assets	84	119	35	41,2%
Returnable packaging materials	22	17	-5	-21,7%
Investments in associates	50	50	0	0,0%
Employee loans	26	24	-2	-7,3%
Deferred tax asset	177	228	51	29,1%
	3 090	3 283	193	6,3%
Current assets				
Inventories	1 509	1 876	367	24,3%
Trade and other receivables	1 836	2 162	326	17,7%
Cash and cash equivalents	3 242	2 257	-985	-30,4%
	6 587	6 295	-292	-4,4%
TOTAL ASSETS	9 677	9 578	-99	-1,0%
Shareholders' equity				
Share capital	2 000	2 000	0	0,0%
Share premium	165	165	0	0,3%
Retained earnings	4 751	4 045	-706	-14,9%
	6 916	6 210	-706	-10,2%
Liabilities				
Non-current liabilities				
Other financial liabilities	383	360	-23	-6,0%
	383	360	-23	-6,0%
Current liabilities				
Trade and other liabilities	2 310	2 889	579	25,1%
Provisions for other liabilities and charges	68	119	51	75,3%
	2 378	3 008	630	26,5%
Total liabilities	2 761	3 368	607	22,0%
TOTAL EQUITY & LIABIL.	9 677	9 578	-99	-1,0%

Data sheet heading (general)

Company name : Zwack Unicum Nyrt.
 Company address: 1095 Bp. Soroksári út 26
 Business branch Food
 Period 2015-2016. business year
 (01.04.2015-31.03.2016)

Telephone 476-2315
 Telefax 455-7845
 E-mail guttengeber@Zwackunicum.hu
 Investment Relations György Guttengéber

PK4. Profit and Loss (P/L) Statement (according to IFRS)

data in HUF million

	2014-2015. I-IV. quarters	2015-2016. I-IV. quarters	Variance	%
Gross Sales	21 385	21 136	-249	-1,2%
Excise Tax	8 461	7 488	-972	-11,5%
Public Health Product Tax (PHPT)	129	1 190	1 060	
Sales net of taxes	12 795	12 458	-337	-2,6%
Material cost of goods sold	5 678	5 306	-372	-6,6%
Gross Margin	7 117 55,6%	7 152 57,4%	35	0,5% 1,8%
Employee benefits expense	2 611	2 542	-69	-2,6%
Depreciation and amortization	533	514	-19	-3,5%
Other operating expenses	2 354	2 725	371	15,7%
Operating expenses	5 498	5 781	283	5,1%
Other operating income	617	789	172	27,9%
Profit from operations	2 236	2 160	-76	-3,4%
Interest income	62	21	-41	-66,3%
Interest expense and other similar charges	38	7	-31	-81,6%
Net financial income/loss	24	14	-10	-42,4%
Share of profit of associates	-12	3	15	-125,6%
Profit before tax	2 248	2 177	-71	-3,2%
Tax (corporate, deferred and local industrial)	534	483	-51	-9,5%
Profit after tax	1 714	1 694	-20	-1,2%

Data sheet heading (general)

Company name : Zwack Unicum Nyrt.
Company address: 1095 Bp. Soroksári út 26
Business branch Food
Period 2015-2016. business year
(01.04.2015-31.03.2016)

Telephone 476-2315
Telefax 455-7845
E-mail guttengeber@Zwackunicum.hu
Investment Relations György Guttengéber

PK5. Cash-flow Statement (according to IFRS)

	data in HUF million
	2015-2016. I-IV. quarter year
Cash-Flow	
Profit before tax	2 177
Net financial income	(14)
Share of profit of associates	(3)
Depreciation and amortization	514
(Gain)/loss on disposal of fixed assets	(9)
Increase\decrease) in trade creditors and other liabilities	541
(Increase)\decrease in inventories	(362)
(Increase)\decrease in trade and other receivables	(358)
(Gain)/loss on unrealized foreign exchange rate difference	(3)
Impairment of investments in associates	3
Other changes	51
Cash generated from operations	<u>2 537</u>
Interest paid	(7)
Corporate income tax paid	(500)
Cash flow from operating activities	<u>2 030</u>
Capital expenditures	(692)
Sales \ (purchase) of investments	0
Interest received	24
Proceeds from sale of fixed assets	53
Proceeds from other financial assets	0
Cash flow from investing activities	<u>(615)</u>
Dividends paid	(2 400)
Cash flow from financing activities	<u>(2 400)</u>
Change in cash and cash equivalents	<u>(985)</u>
Cash and cash equivalents, beginning of the period (01.04.2015)	3 242
Exchange gains/(losses) on cash and cash equivalents	0
Cash and cash equivalents, end of the period	<u>2 257</u>
Consists of:	
Overdraft	0
Cash in banks and on hand	2 257
Balance end of the period	<u>2 257</u>

Data sheet heading (general)

Company name : Zwack Unicum Nyrt.
Company address: 1095 Bp. Soroksári út 26
Business branch Food
Period 2015-2016. business year
(01.04.2015-31.03.2016)

Telephone 476-2315
Telefax 455-7845
E-mail guttengeber@Zwackunicum.hu
Investment Relations György Guttengéber

Data FYI – Group of Products Report

data in HUF million

According to IFRS 8 all activities of the Zwack Unicum Plc. belong to the same segment. To make comparison easier with previous reports and to retain additional data, the Company publishes former product range information in the following reports too.

Traded products	2014-2015.	2015-2016.	Variance	%
	I-IV.	I-IV.		
	quarters	quarters		
Gross Sales	3 275	3 526	250	7,6%
Excise Tax	942	830	(112)	-11,9%
Public Health Product Tax (PHPT)	29	411	382	1317,2%
Sales net of taxes	2 304	2 285	(20)	-0,8%
Profit from operations	81	111	30	37,0%

Own produced	2014-2015.	2015-2016.	Variance	%
	I-IV.	I-IV.		
	quarters	quarters		
Gross Sales	18 110	17 610	(500)	-2,8%
Excise Tax	7 519	6 658	(860)	-11,4%
Public Health Product Tax (PHPT)	100	779	678	676,7%
Sales net of taxes	10 491	10 173	(318)	-3,0%
Profit from operations	2 155	2 049	(106)	-4,9%

Total	2014-2015.	2015-2016.	Variance	%
	I-IV.	I-IV.		
	quarters	quarters		
Gross Sales	21 385	21 136	(249)	-1,2%
Excise Tax	8 461	7 488	(972)	-11,5%
Public Health Product Tax (PHPT)	129	1 190	1 060	
Sales net of taxes	12 795	12 458	(337)	-2,6%
Profit from operations	2 236	2 160	(76)	-3,4%

Data sheet heading (general)

Company name : Zwack Unicum Nyrt.
 Company address: 1095 Bp. Soroksári út 26
 Business branch Food
 Period 2015-2016. business year
 (01.04.2015-31.03.2016)

Telephone 476-2315
 Telefax 455-7845
 E-mail guttengiber@Zwackunicum.hu
 Investment Relations György Guttengéber

PK3. Balance Sheet (according to the Hungarian accounting principles)

data in HUF million

	31.03.2015	31.03.2016	Change to 31.03.2015	%
Non-current assets	3 473	3 625	151	4,4%
Intangible assets	80	113	32	39,9%
Tangible assets	3 343	3 466	123	3,7%
Financial investment	50	46	-3	-7,0%
Current assets	6 640	6 440	-200	-3,0%
Inventories	1 743	2 127	385	22,1%
Receivables	1 656	2 056	400	24,1%
Securities	0	0	0	
Liquid assets	3 242	2 257	-984	-30,4%
Prepaid expenses and accrued income	144	147	3	2,4%
TOTAL ASSETS	10 258	10 213	-45	-0,4%
Shareholders' equity	5 291	7 017	1 725	32,6%
Share capital	2 035	2 035	0	0,0%
Capital reserve	264	264	0	
Retained earnings	2 992	2 992	0	0,0%
Profit per balance sheet	0	1 725	1 725	
Provisions	257	318	61	23,9%
Liabilities	3 829	1 774	-2 054	-53,7%
Subordinated liabilities	0	0	0	
Long term liabilities	0	0	0	
Short term liabilities	3 829	1 774	-2 054	-53,7%
Accrued expenses and prepaid income	881	1 103	222	25,2%
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	10 258	10 213	-45	-0,4%

Data sheet heading (general)

Company name : Zwack Unicum Nyrt.
Company address: 1095 Bp. Soroksári út 26
Business branch Food
Period 2015-2016. business year
(01.04.2015-31.03.2016)

Telephone 476-2315
Telefax 455-7845
E-mail guttengeber@Zwackunicum.hu
Investment Relations György Guttengéber

PK4. Profit and Loss (P/L) Statement (according to the Hungarian accounting principles)

data in HUF million

	2014-2015. I-IV. quarters	2015-2016. I-IV. quarters	Variance	%
Net sales revenues	24 062	24 069	7	0,0%
Capitalized value of own performance	-189	434	623	-329,6%
Other income	194	213	18	9,5%
Material type expenditures	8 985	9 468	483	5,4%
Payments to personnel	2 659	2 608	-52	-2,0%
Depreciation charge	441	462	21	4,8%
Other expenditures	9 888	10 145	257	2,6%
TRADING PROFIT	2 093	2 033	-60	-2,9%
Revenues from financial transactions	130	123	-7	-5,2%
Expenditures of financial transactions	46	43	-3	-6,0%
FINANCIAL PROFIT	84	80	-4	-4,7%
PROFIT ON ORDINARY BUSINESS	2 177	2 113	-64	-2,9%
PROFIT / (LOSS) ON EXTRAORDINARY ITEMS	-81	-110	-28	34,5%
PROFIT BEFORE TAXATION	2 095	2 003	-92	-4,4%
Tax liability	327	278	-50	-15,1%
PROFIT AFTER TAX	1 768	1 725	-42	-2,4%
Dividends paid out of accumulated profit reserve	674			
Dividends paid	2 442			
NET PROFIT PER BALANCE SHEET	0	1 725		

Data sheet heading (general)

Company name : Zwack Unicum Nyrt.
Company address: 1095 Bp. Soroksári út 26
Business branch Food
Period 2015-2016. business year
(01.04.2015-31.03.2016)

Telephone 476-2315
Telefax 455-7845
E-mail guttengeber@Zwackunicum.hu
Investment Relations György Guttengéber

Data Sheets related to the Financial Statements

PK1. General information on financial data

	Yes	No	
Audited	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Consolidated	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Accounting principles	Hungarian <input checked="" type="checkbox"/>	IFRS <input checked="" type="checkbox"/>	Other <input type="checkbox"/>

PK2. Companies included in consolidation

Name	Registered capital/Equity	Share in ownership (%)	Voting right ¹	Class ²
Non existent				

PK6. Off Balance Sheet significant items ¹

Name	Value (HUF)
Non existent	

Data sheet heading (general)

Company name : Zwack Unicum Nyrt.
 Company address: 1095 Bp. Soroksári út 26
 Business branch Food
 Period 2015-2016. business year
 (01.04.2015-31.03.2016)

Telephone 476-2315
 Telefax 455-7845
 E-mail guttengember@Zwackunicum.hu
 Investment Relations György Guttengéber

Data sheets related to shares structure and shareholders

RS1. Ownership structure and shareholders' shares

Name of shareholders	Total registered capital					
	Beginning of business year (on 1 April)			End of period		
Ordinary shares	% ²	% ³	pieces	% ²	% ³	pieces
Domestic institutional/company	10,62%	10,81%	216 100	0,88%	0,89%	17 841
Foreign institutional/company	80,09%	81,49%	1 629 850	83,30%	84,75%	1 695 099
Domestic private individual	7,37%	7,50%	149 957	8,21%	8,36%	167 102
Foreign private individual	0,17%	0,17%	3 442	5,86%	5,97%	119 307
Employees, top managers	0,03%	0,03%	651	0,03%	0,03%	651
TOTAL	98,28%	100,00%	2 000 000	98,28%	100,00%	2 000 000
Redeemable liquidation preference shares						
	% ²	% ³	pieces	% ²	% ³	pieces
Domestic institutional/company						
Foreign institutional/company						
Domestic private individual						
Foreign private individual						
Employees, top managers	1,72%	0,00%	35 000	1,72%	0,00%	35 000
TOTAL	1,72%	0,00%	35 000	1,72%	0,00%	35 000
ALTOGETHER						
	% ²	% ³	pieces	% ²	% ³	pieces
Domestic institutional/company	10,62%	10,81%	216 100	0,88%	0,89%	17 841
Foreign institutional/company	80,09%	81,49%	1 629 850	83,30%	84,75%	1 695 099
Domestic private individual	7,37%	7,50%	149 957	8,21%	8,36%	167 102
Foreign private individual	0,17%	0,17%	3 442	5,86%	5,97%	119 307
Employees, top managers	1,75%	0,03%	35 651	1,75%	0,03%	35 651
TOTAL	100,00%	100,00%	2 035 000	100,00%	100,00%	2 035 000

² Shareholder's share

³ Voting right assuring participation in decision making at the Issuer's General Meeting

The 2 000 000 ordinary shares are listed on the Budapest Stock Exchange (BÉT), and the 35 000 redeemable liquidation preference shares are not listed on BÉT.

RS2. Number of own shares in the business year

	1 April	30 June	30 September	31 December	31 March
At Company level	0	0	0	0	0

Data sheet heading (general)

Company name : Zwack Unicum Nyrt.
 Company address: 1095 Bp. Soroksári út 26
 Business branch Food
 Period 2015-2016. business year
 (01.04.2015-31.03.2016)

Telephone 476-2315
 Telefax 455-7845
 E-mail guttengiber@Zwackunicum.hu
 Investment Relations György Guttengéber

RS3/2. List of shareholders with more than 5% share, their standing (at the end of the period) in relation to the total registered capital

Name	Nationality ¹	Activity ²	No of shares	Share (%) ³	Voting right (%) ^{3,4}	Notes ⁵
Peter Zwack & Consorten H.AG.	Foreign	Financial Company	1 000 001	49,14	50,00	Professional
Diageo Holdings Netherlands B.V.	Foreign	Financial Company	520 000	25,55	26,00	Professional
Intrinsic Value Investors (IVI) LLP	Foreign	Financial Company	120 549	5,92	6,03	Financial

¹ Domestic (B), Foreign (K)

² Custodian (L), Central Budget (Á), Nemetközi Fejlesztési Intézet (National Development Institution - F), Institutional (I), Financial Company (T) Private (M), Employee, top manager (D)

³ To be rounded to two decimals

⁴ Voting right assuring participation in decision making at the Issuer's General Meeting

⁵ E.g.: professional investor, financial investor, etc.

TSZ2/1. Number of full time employees

	End of base period	Beginning of business year	End of reported period
At Company level	218	218	218

TSZ3. (Strategic) top managers and employees affecting the operations of the Issuer

Jelleg	Name	Position	Beginning of appointment	End of appointment	Own ordinary shares (no.)	Own redeemable liquidation preference shares (no.)
FB	Dr. Hubertine Underberg-Ruder	Chairperson	2006.06.29	2017. 07. 31.	-	-
FB	Dr. Rudolf Kobatsch		2012.06.28	2016. 03. 29.	-	-
FB	Renato Juric		2015.06.25	2018. 07. 31.	-	-
FB	Dr. Geiszt György		2007.06.30	2017. 07. 31.	-	-
FB	Dr. Szecskay András		1992.09.30	2017. 07. 31.	651	-
FB	Dr. Salgó István		2006.06.29	2017. 07. 31.	-	-
IT	Zwack Sándor	Chairperson	2008.06.26	2017. 07. 31.	-	-
IT	Wolfgang Spiller		2012.06.28	2017. 07. 31.	-	-
IT	Zwack Isabella Veronika		2008.06.26	2017. 07. 31.	-	-
IT	Pavel Reyes Lyubushkin		2015.06.25	2018. 07. 31.	-	-
IT	Kalina Plamenova Tsanova		2015.06.25	2018. 07. 31.	-	-
IT	Frank Odzuck		2004.04.22	2017. 07. 31.	-	16 000
IT	Dörnyei Tibor András		2002.04.24	2017. 07. 31.	-	10 500
SP	Frank Odzuck	General Manager	2003. 11. 01		-	16 000
SP	Dörnyei Tibor András	Financial Director	2001. 03. 01		-	10 500
SP	Belovai Csaba	Commercial Director	2004. 01. 26		-	8 500
SP	Márfi Márta	Marketing Director	2004. 09. 01	2016.03.31.	-	-
SP	Dr.Segesváry Gábor	Human Resources Director	1999. 12. 01		-	-
SP	Seprős László	Production and Technical Director	2009. 04. 01		-	-

¹ Employee in strategic position (SP), Member of the Board of Directors (IT), Member of the Supervisory Board (FB)