



Interim Management Report

on the results of the

Zwack Unicum Plc.

in the first quarter of the 2016–2017 business year

The Board of Directors of the Zwack Unicum Plc. has approved the Management's report about the results of the Company in the first quarter of the 2016–2017 business year.

The data are not audited (either those prepared according to the IFRS standards or those prepared according to the Hungarian accounting rules).

Total gross sales of the Company amounted to HUF 5.303 million, a year-on-year increase of 22.0%. Net sales (sales revenues excluding excise tax and public health product tax) were HUF 3.160 million, a year-on-year increase of 23.9% (HUF 611 million).

Net domestic sales showed a year-on-year increase of 23.9% (HUF 540 million). (That is, HUF 2.804 million instead of HUF 2.263 million in the previous year.)

The first quarter's spike in sales was due to several factors. The public health product tax was introduced in January 2015, and our sales were lower than usual in April–June 2015 because the majority of our trading partners had brought forward their purchases to December 2014. The domestic consumption of spirits has been tangibly increasing. Third, the UEFA Euro 2016 men's football championship had a favourable effect on the consumption of spirits, especially in the on trade channel. These positive factors resulted in a nearly 2% market share increase of Zwack portfolio on the total Hungarian spirit market.

Within domestic sales, the net sales of own-produced goods had a year-on-year increase of 22.3%. Domestic sales of premium products increased by 11.4% while the net sales of quality products rose by 60.0%.

There was a year-on-year increase of 31.0% in the net earnings from traded products. Broken down, sales of the Diageo portfolio shot up by 36.1%, while those of other products traded went up by 23.7%.

Market research figures for April–May 2016 indicate that, expressed in volume, the Hungarian market of spirits increased by 3.3%. The growth is mostly due to increase in the segment of quality products (15.8%). The premium segment – which is also very important for Zwack – increased by 12.4%. The non-branded segment decreased by 9.4%.

Export earnings were HUF 357 million, which is a year-on-year increase of 24.5% (HUF 70 million). There was a double-digit growth in each of our key markets (Italy, Germany, Romania, and the duty-free segment).