

Stock Spirits Group PLC

Trading statement and change of AGM details

Stock Spirits Group PLC, provides a summary trading statement covering the trading period from 1st January 2016 to 31st March 2016.

FINANCIAL HIGHLIGHTS ⁽¹⁾

- **Total revenue €55.3 million, growth of 29% (2015: €42.7 million)**
- **Operating profit of €6.3 million (2015: loss €4.2 million)**
- **Closing net debt of €43.6 million, a reduction of €13.6m since the year end**
- Adjusted EBITDA⁽²⁾ €9.0 million (2015: loss €1.4 million)
- Adjusted EBITDA margin⁽²⁾ 16%, following a negative margin in 2015

OPERATIONAL HIGHLIGHTS

- Group sales volume growth of nearly 29% versus Q1 2015
- 4 new product launches including Stock Prestige Gin
- Another 6 international spirits awards for outstanding product quality including newly launched Saska Czysa and Amundsen Expedition
- Poland
 - Market value share MAT 29.5% (2015: MAT 36.9%) ⁽³⁾
 - Market value share in the month of Feb 27.2% (Dec 2015: 27.0%) ⁽³⁾
 - Top line growth in sales revenue of 71%
 - A return to EBITDA profit in Q1 following a loss in Q1 2015
 - Remain the leader in the important flavoured vodka category ⁽⁴⁾, No. 2 position in total vodka (including flavoured vodka)
- Czech Republic
 - Market value share MAT 35.0% (2015: MAT 33.4%) ⁽⁵⁾
 - Top line growth in sales revenue, and an increase in EBITDA of 15%
 - Continuing strong growth of the Fernet brand following launch of new flavours and brand building investment in 2015
- Italy & Other markets
 - Strong Q1 in Italy following depressed outcome in Q1 2015 due to excise duty increase (Excise duty increase January 1st 2015)
 - Net sales revenue and EBITDA growth in our Other markets during the quarter

Chris Heath, CEO of Stock Spirits Group, commented:

“The positive momentum we saw in the second half of last year has continued and we have seen a strong start to 2016, with volume, sales revenue and EBITDA growth. All markets have recorded EBITDA growth in the first quarter. Especially pleasing is a return to profit in the quarter in Poland following a loss in Q1 2015. There is still much to do but the initiatives we have been implementing since making the management changes in January last year and following the ‘root and branch’ review this year are clearly delivering results.

It is still early days, but we are pleased with the start the new products we launched in 2015 have made and the recent medal awards for both our core brands, and several new products launched in 2015, continues to confirm the outstanding quality of our brands versus their competitive set.

In addition to the strong trading performance, our net debt at the end of Quarter 1 has reduced to €43.6million, a reduction of €13.6million since the year end, further strengthening our balance sheet.

We will provide a further short update at our forthcoming AGM.”

CHANGE OF DATE, TIME AND VENUE OF THE AGM

In order to respond fully to the recent statements made by a shareholder in respect of the resolutions requisitioned for the forthcoming AGM, the Company has decided to move the date and venue of the AGM to 11:30am on 23 May 2016 at J.P. Morgan, 60 Victoria Embankment, London EC4Y 0JP.

⁽¹⁾ Financial highlights and other references to financial performance are extracted from unaudited consolidated Group accounts prepared for the quarter ending 31st March 2016. All comparatives are for the quarter ended 31st March 2015, unless otherwise stated

⁽²⁾ Stock Spirits Group uses alternative performance measures as key financial indicators to assess the underlying performance of the Group. Details of the basis of calculation for Adjusted EBITDA and Adjusted EBITDA margin are unchanged from the 2015 Annual report and accounts and details can be found in Note 7

⁽³⁾ Nielsen, total Poland, total off trade, % value share, end Feb 2016 and end Dec 2015

⁽⁴⁾ Flavoured vodka category includes flavoured vodka and vodka based flavoured liqueurs

⁽⁵⁾ Nielsen, total Czech Republic, total off trade, % value share MAT, end Feb 2016

Management will be hosting a call at 10am on Thursday 14 April 2016. Details for the call are:

Please dial **+44 (0) 20 3059 8125**. Participants should state they wish to join the Stock Spirits Group trading update conference call.

For further information:

See the company website: www.Stockspirits.com

Investor queries should be sent to: investorqueries@stockspirits.com

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