# Q3 Interim Management Statement

5/11/2014

Stock Spirits, a leading Central European branded spirits producer, provides its interim Management Statement which covers the third quarter of the 2014 financial year (since 30 June 2014).

Following on from a strong first half performance, the latter half of quarter 3 has been a very tough trading period, particularly in Poland where we have continued to see disruption in the supply chain resulting from the duty increase. These trends have continued into the start of quarter 4.

Our market share in the Polish market has continued to be strong and stable. Consumers appear to have largely accepted the price rises and volume trends have continued at the same level we saw in the first half of the year, ie a decline of approximately 3.6% (Source: Nielsen) year to date end August 2014, which we believe has continued during the rest of the quarter.

However we have experienced very aggressive competitor pricing and promotional activity to secure distribution into the trade customers. This has resulted in considerable pressure on margins and whilst we have been able to increase margins slightly compared to last year, we have not yet been able to achieve the growth in revenues expected.

Quarter 4 is the key trading period in the beverage industry and the challenge will be to recover the shortfall experienced in recent months. Unless trading conditions improve, there is a risk that our full year results (Group EBITDA) could be between €5m and €10m below expectations.

Looking forwards we believe that some level of disruption may continue into the early part of next year, after which we expect to see a return to more normal trading patterns.

The company will issue a pre close trading statement in January 2015.

ENDS

**For further information**

| | |
|---|---|
| **Stock Spirits Group:** | **+44 (0) 1628 648 500** |

Christopher Heath, Chief Executive Officer

Lesley Jackson, Chief Financial Officer

Andrew Mills, Investor Relations Director

| | |
|---|---|
| **Bell Pottinger:** | **+44 (0) 20 7861 3232** |

**Back to news index**