

Stock Spirits Group PLC

Results for the six months ended 30 June 2016

Stock Spirits Group PLC, a leading Central and Eastern European branded spirits producer, announces its results for the six months ended 30 June 2016.

FINANCIAL HIGHLIGHTS

- **Total revenue €116.0 million (2015: €108.0 million)**
- **Operating profit €12.5 million (2015: €5.2 million)**
- **Profit after tax €8.4 million (2015: €0.2 million)**
- **Basic EPS €0.04 per share (2015: €0.00 per share)**
- **Interim dividend €0.0227 per ordinary share (2015: €0.0125)**
- **Special Dividend announced in June €0.119 per ordinary share (€0.10 per share)**
- EBITDA¹ before exceptionals €17.9 million (2015: €10.8 million)

OPERATIONAL HIGHLIGHTS

- Total volume 5.4 million 9 litre cases (2015: 4.9 million)
- Management focus on Poland turnaround, positive results emerging
- Other markets performance in line with expectations
- Full management teams now in all markets
- Appointment of Mirek Stachowicz as CEO
- Focus on embedding 2015 NPD and limited new products launched in H1 2016
- New distribution agreements in place with Synergy in Poland and Distell in Slovakia and Italy

Mirek Stachowicz, CEO of Stock Spirits Group, commented:

"I am delighted to have been appointed CEO and pleased to announce EBITDA growth across all our markets for the first half of this year, after a difficult 2015. The Board is particularly pleased that the many initiatives we have put in place in Poland are starting to show positive results, with market share being regained across our core traditional trade outlets. Although the recovery is in its early days, the Board is confident that the strengthened management team in Poland will be able to build on this encouraging start over the coming months.

We are also pleased to announce today the payment of an interim dividend of €0.0227 per share, following the payment in July of a special dividend of €0.119 per share.

I would like to thank our staff for all their hard work and commitment in helping put Stock Spirits on the path to sustainable growth."

Management will be hosting a presentation for analysts at 9.00am on Wednesday 10th August 2016 at:

JP Morgan
60 Victoria Embankment
London
EC4Y 0JP

¹We have referenced EBITDA, a non-gaap measure in the financial highlights section. For details of the reconciliation of EBITDA to GAAP financial numbers please refer to notes 5 and 6 in the Unaudited Interim Condensed Consolidated Financial Statements

There will be a simultaneous web cast of the presentation via www.stockspirits.com with a recording made available shortly thereafter.

For further information:

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

Lesley Jackson, Chief Financial Officer

A copy of this interim results announcement ("announcement") has been posted on www.stockspirits.com. Investors can also address any query to investorqueries@stockspirits.com.

Disclaimer

This announcement may contain statements which are not based on current or historical fact and which are forward looking in nature. These forward looking statements may reflect knowledge and information available at the date of preparation of this announcement and the Company undertakes no obligation to update these forward looking statements. Such forward looking statements are subject to known and unknown risks and uncertainties facing the Group including, without limitation, those risks described in this announcement, and other unknown future events and circumstances which can cause results and developments to differ materially from those anticipated. Nothing in this announcement should be construed as a profit forecast.

This announcement contains inside information which is disclosed in accordance with the Market Abuse Regulation.

Notes to editors:

About Stock Spirits Group

Stock Spirits, one of Central and Eastern Europe's leading branded spirits and liqueurs businesses, offers a modern premium branded spirits portfolio, rooted in local and regional heritage. With core operations in Poland, the Czech Republic, Slovakia, Italy, Croatia and Bosnia & Herzegovina, Stock also exports to more than 40 other countries worldwide. Global sales volumes currently total over 100 million litres per year.

Stock holds strong market positions in spirits in both Poland and the Czech Republic, where it has invested in what are believed to be state of the art production facilities, and is one of the world's leading vodka producers. Core Stock brands include products made to long-established recipes such as Stock brandy, Fernet Stock bitters and Limonce, as well as more recent creations like Stock Prestige and Zoladkowa de Luxe vodkas.

Stock was created through the integration of Eckes & Stock and Polmos Lublin in 2008 and floated on the main market of the London Stock Exchange in October 2013.

Stock supports and is active in the promotion of responsible and moderate drinking. For further information please visit: www.stockspirits.com

INTERIM MANAGEMENT REPORT

Overview

In the first six months of the year, our primary focus has been the stabilisation and turnaround of the Polish business. We are now beginning to see the early signs of positive results, evidenced by a stabilisation in our Polish market share.

We have actioned most of the initiatives outlined within our 2015 year end results presentation which arose from the root and branch review we conducted. We will comment on these further in the narrative on Poland.

The overall vodka market in Poland has returned to volume growth YTD with an improvement in value, and the traditional trade still by far the most important and largest channel. The key initiative for us during H1 has been the targeted reduction in price of a number of core products in Poland. Since implementation, this is beginning to work its way through the supply chain to the consumer on shelf. The price gap between our leading products and competitor brands has narrowed and we have seen early signs of stabilisation in our overall market share.

An important step to complete in Poland was the recruitment of a full management team to replace the Group personnel who had been running the business "in situ" since early 2015. At the end of June we now have in place a full team, with a new Managing Director, Finance Director and Sales Director.

Other markets have performed in line with expectations, with EBITDA growth and EBITDA margin improvement recorded in all markets.

Following a busy year of new product launches in 2015 we have launched a limited number of new products in the first half of 2016, allowing the markets to focus on embedding the launches from last year. Notably we have now rolled out our successful premium brand, Amundsen Expedition, launched in Poland last year, into all of our markets with owned distribution.

As stated at the year end we planned to expand our portfolio, primarily in the premium segment. We are pleased to have completed new distribution agreements for the exclusive Beluga vodka brand from Synergy in Poland and the spirits portfolio from Distell

in Slovakia and Italy. We now have distribution agreements with premium spirits brand owners in all of our owned markets, with products which complement our own portfolio and importantly expand our offering to consumers in the whisky category.

We have always carefully monitored our cost base and in March we began a thorough review of the cost base of the organisation. As a result, we have identified a number of initiatives and opportunities, including corporate costs and we are announcing the closure of our Swiss office. Related to this closure, we also announce the departure of Ian Croxford, former Chief Operations Officer (COO), with immediate effect. The position of COO will not be replaced. We would like to thank him for the contribution he has made to Stock Spirits over the last nine years; more details are provided later in the finance section. However, the Board are cognisant that whilst cost control is important, we will manage this without compromising our ability to deliver our longer term strategy.

Although our long-term strategy to seek consolidation opportunities in the CEE region remains, our primary focus is on our performance and turnaround in Poland. We do not plan to undertake any material M&A activity in 2016. In March we announced that we would return cash to shareholders if we did not complete any material M&A by the end of the year. Consequently the Board announced a special dividend in June of £0.10 per ordinary share (€0.119). This, together with the normal dividend payout, will result in the payment of 100% of net free cash flow to shareholders for 2016. Today, we are announcing an interim dividend of €0.0227 per share.

In April, Chris Heath retired as CEO from the Group, and Mirek Stachowicz, an Independent non executive director, assumed Chris' responsibilities as the Group's Interim CEO. The Board has today announced Mirek will assume the position of CEO on a permanent basis.

As a Board, we do not perceive any significant issues for Stock Spirits Group with regard to Britain's exit from the EU, however, we will continue to monitor and report on this position as the consequences of this become clearer.

Market Performance:

Poland

Total vodka market volumes have continued to show improvement and are in growth by 2.5% in the 6 months to the end of June 2016, versus a decline last year of -3.3% in the same period (source: Nielsen²).

The value of the vodka market also increased YTD in value terms by 2.9% (2015:flat). The largest channel for the vodka market remains the traditional trade and this has seen an increase YTD from a decline in volumes in 2015 of -7.7% to 4.5% in 2016, (source: Nielsen).

We have already implemented a number of actions, highlighted by the root and branch review and our progress is set out below:

The key action was the price reduction on a number of core products in order to restore their previous competitive position so as to stimulate top line growth, stabilise and regain market share with particular focus on the traditional trade. We are working with priority trade partners to support our pricing initiatives. Early signs indicate that we are taking volume share (source: CMR data) from our competitors and stabilising our share of this important channel, demonstrating our strategy is beginning to yield positive results.

At the end of June our volume market share was 25.0% in the overall Polish market and 29.3% in the traditional trade channel (source: Nielsen), which reflects a stabilisation in the last few months.

Across the Group, investment in advertising and promotion spend has been reallocated to provide support for the Polish root & branch initiatives. This has allowed the price reductions in Poland to be absorbed with a small impact to gross margin to date, but EBITDA margin has grown.

We expect the price reductions to have a more marked impact in the second half.

We recently announced that we have reached agreement with Synergy for the distribution of the Beluga vodka brand. This super premium brand complements our existing portfolio and adds strength to our growing portfolio of premium brands.

EBITDA in the first half was €15.1m versus €9.2m last year with an improved margin of 24.8% against 17.4% last year.

Czech Republic

We have seen growth in value on an MAT basis in our focus categories of herbal bitters and local rum (including our Bozkov brand) and clear vodka has been maintained versus prior years. A change of strategy on the Bozkov brand, (offering a wider mix of variants which increase choice and price range for the consumer), has helped grow our MAT value share from 55.3% to 55.7% (source: Nielsen).

Our investment in new products and increased spend on advertising in the last 2 years has driven strong performance in herbal bitters, where we have grown volume share in

this important category from 47.3% June last year to 50.2% in June this year on an MAT basis (source: Nielsen).

In the Czech Republic as in Poland, we have focused on embedding and growing the new products we launched in 2015. We have added an extension to the leading Bozkov range early in the first quarter and launched the premium Amundsen Expedition vodka following the launch in Poland last year.

²All data as per Nielsen June 2016. It should be noted that historical data for 2015 has been updated by Nielsen, consequently there are some differences between 2015 data as reported in this statement versus those reported in the 2015 interim statement

In February Jan Havlis joined as Managing Director for the Czech Republic, completing the management team. Jan has already restructured the commercial team and implemented a number of changes which will deliver some modest savings in 2017.

Whilst net sales revenue has remained flat, our results in the first half of the year show a growth in EBITDA from €6.7m in 2015 to €7.8m this year, and margin improvement from 24.0% to 28.1%.

Italy

In a continuing difficult market we have managed to hold volume and value market share. Following a number of challenging years for the brandy category, resulting from raw material price increases compounded by the recent and numerous duty increases, the changes we made last year to our pricing and promotional plans, we have recorded value share gains in brandy. However, with a softening of the market, flavoured vodka is now facing sharp decline as a category. We have a significant share in this category so the impact is more noticeable for us. We have already implemented a number of changes and will monitor progress.

In line with our stated strategy we have extended the Italian portfolio, particularly in the premium segment, through the launch of Amundsen Expedition vodka and the signing of a new distribution contract to distribute the spirits portfolio for Distell. The Distell portfolio extends our offering into the important whisky category.

We have recently retendered our logistics service provider in this market and the result will be some savings commencing in 2017, which will not be material

Stock Italy has recorded growth in EBITDA from €2.8m to €2.9m compared to the same period last year, with margin improving from 18.9% last year to 21.5% this year.

Other Markets

Performance in our other markets which include Slovakia, Bosnia & Herzegovina and Croatia together with our export operations, was in line with our expectations. The continuing success of our new products launched in 2015 has resulted in strong growth in Slovakia. We have further extended our portfolio there with the agreement to distribute the Distell spirits range. As with Italy, this agreement provides us with access to the whisky category.

In Slovakia, Bosnia & Herzegovina and Croatia we have also launched Amundsen Expedition.

EBITDA for the period was €1.5m, versus €0.9m in 2015, with an improved EBITDA margin of 10.9% versus 6.8% last year.

Financial Performance

The results for H1 2016 have shown significant improvement against very weak financial results for the first half of last year and are in line with our expectations.

We have recorded growth in net sales revenue reflecting improved volume performance; despite net selling price per case slightly declining reflecting the price reductions implemented in Poland on a number of core products.

Cost of goods has remained largely flat which has resulted in a marginal decrease in gross margin by 50 basis points. Whilst the price reduction implemented in Poland has had a limited impact to margins in H1, there will be more of a marked impact in H2.

The Group has reallocated advertising and promotional spend between markets to provide support for the Polish initiatives, which combined with more limited NPD in 2016 has not been at the expense of supporting brand equity, which has continued.

The Group has continued to review the corporate structure and overheads and implemented a number of cost saving initiatives. Some savings have already been generated and these are reflected in the results. As part of this review we have decided to close the Swiss operation (which forms part of our reported corporate overheads), with the departure of the COO, Ian Croxford, as mentioned above. We expect the restructuring costs to be in the range of €0.8m to €1.3m in 2016, and will generate savings of circa €1.5m from the start of 2017.

Operating profit before exceptional items is €12.5m versus €5.2m last year, which is an improvement of over 100%, and adjusted EBITDA was €17.9m versus €10.8m for 2015.

In line with expectations the Group has not recorded any exceptional costs in H1.

Underlying finance costs before foreign exchange movements, of €1.3m (2015: €4.1m) have significantly benefited from the refinancing of the Group last year and the move to a fully flexible revolving credit facility with reduced margins. A foreign currency gain of €1.5m was recognised and driven by exchange movements on inter company loans, are recorded in line with IFRS reporting requirements. The inter company loans which have generated this impact have now been fully settled and we do not expect such movements to recur.

In the first half of the year we have incurred slightly higher levels of capital spend (compared with last year) due to investment in flexible packaging capability in Poland. We do not expect full year capital spend to be materially different from prior years. We have also paid out the final dividend declared for 2015, resulting in closing net debt at the end of June of €58.0m, giving the Group a leverage ratio of 0.96X, which is both lower than the same period last year and the year end.

Foreign exchange movements did not have a material impact upon the translation of Group operating profits. There has however been recorded a €8.1m movement in balance sheet reserves due to the impact of foreign exchange differences on the translation from the functional currencies of the Groups foreign subsidiary into Euros

Basic earnings per share are reported as €0.04 for H1 versus €0.00 for 2015.

The Group remains focused upon cash generation and has reported an adjusted free cash flow of €15.9m in the first half.

Given the strength of the Group's cash flow, low leverage and the decision not to undertake any material acquisitions during 2016, the Board announced a special dividend of £0.10 per share in June (€0.119). As announced in June, together with our stated dividend policy, the Board expect to return 100% of net free cash flow to shareholders in 2016. The special dividend was paid on 27th July 2016.

The Board of Directors have agreed an interim dividend payment of €0.0227 per share to be paid in £. The dividend will be paid on 23rd September 2016, with record date 2nd September 2016 (shareholders on the register at close of business on 1st September 2016). The Euro : Sterling exchange rate will be fixed on the record date. The shares will be quoted ex-dividend on 1st September 2016.

Going concern

After making enquiries, the Directors have a reasonable expectation that the Company and its subsidiaries have adequate resources to continue in operational existence for at least the next 12 months. For this reason, they continue to adopt the going concern basis in preparing the consolidated financial information of the Group.

Principal Risks and uncertainties

The Board considers the key risks for the Group remain as:

- Economic & Political risk - The Group's results are affected by overall economic conditions in its key geographic markets and the level of consumer confidence and spending in those markets. The Group's operations are primarily in Central and Eastern Europe markets where there is a risk of economic and regulatory uncertainty. Political, economic and legal systems and conditions in emerging economies are generally less predictable.
- Taxes - Increases in taxes, particularly increases to excise duty rates and VAT, could adversely affect the demand for the Group's products. Changes in tax laws and related interpretations and increased enforcement actions and penalties may alter the environment in which the Group does business.
- Consumer Preferences - Shifts in consumer preferences may adversely affect the demand for the Group's products and weaken the Group's competitive position.
- Marketplace and Competition - The Group operates in a highly competitive environment and faces competitive pressures from both local and international spirits producers, which may result in pressure on prices and loss of market share.

Further detail on the principal risks and uncertainties affecting the business activities of the Group are set out on pages 48 to 51 in the Stock Spirits Group Annual Report 2015, a copy of which is available on the Company's website at www.stockspirits.com. In the view of the Board there is no material change in these risks in respect of the remaining six months of the year

Responsibility statement of the directors in respect of the half-yearly financial report

We confirm to the best of our knowledge:

The condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU

The interim management report includes a fair review of the information required by:

- a) DTR 4.2 7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
- b) DTR 4.2 8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

Board of Directors

Alberto Da Ponte and Randy Pankevicz were appointed to the Board as non-executive directors at the AGM in May.

The Board of Directors as at 10th August 2016 is as follows: David Maloney (Chairman), Mirek Stachowicz (Chief Executive Officer), Lesley Jackson (Chief Financial Officer), Andrew Cripps (Senior Independent Non-Executive Director), John Nicolson (Independent Non-Executive Director), Randy Pankevicz (Non-Independent Non Executive Director) and Alberto Da Ponte (Non-Independent Non Executive Director).

For and on behalf of the Board of Directors:

Mirek Stachowicz
Chief Executive Officer

David Maloney
Chairman

10 August 2016

Stock Spirits Group PLC Unaudited Interim Condensed Consolidated Financial Statements *Six-month period ended 30 June 2016*

Independent Review Report to Stock Spirits Group PLC

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half yearly financial report for the six months ended 30 June 2016 which comprises the Interim Condensed Consolidated Income Statement, Interim Condensed Consolidated Statement of Comprehensive Income, Interim Condensed Consolidated Statement of Financial Position, Interim Condensed Consolidated Statement of Changes in Equity, Interim Condensed Consolidated Statement of Cash Flows, and the related explanatory notes. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the Disclosure and Transparency Rule ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA"). Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Directors' Responsibilities

The half yearly financial report is the responsibility of, and has been approved by, the

directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our Responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2016 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Simon Hayden-Jones (Senior Statutory Auditor)

For and on behalf of KPMG LLP

Chartered Accountants

Reading

10 August 2016

Interim condensed consolidated income statement

For the six months ended 30 June 2016

		<i>Six months ended 30 June 2016</i>	<i>Six months ended 30 June 2015</i>
		<i>Unaudited</i>	<i>Unaudited</i>
	<i>Notes</i>	<i>€000</i>	<i>€000</i>
Revenue	5	115,989	108,049
Cost of goods sold		(54,077)	(49,758)
Gross profit		<hr/> 61,912	<hr/> 58,291
Selling expenses		(30,829)	(33,399)
Other operating expenses		(18,610)	(19,680)
Operating profit		<hr/> 12,473	<hr/> 5,212
Finance income	8	1,601	1,009
Finance costs	8	(1,349)	(4,257)
Profit before tax		<hr/> 12,725	<hr/> 1,964
Income tax expense	9	(4,346)	(1,733)
Profit for the period		<hr/> <hr/> 8,379	<hr/> <hr/> 231

Attributable to:			
Equity holders of the Parent		8,379	231
Earnings per share, (cents), attributable to equity holders of the Parent			
Basic and diluted	10	0.04	0.00

Interim condensed consolidated statement of comprehensive income

For the six months ended 30 June 2016

	<i>Six months ended 30 June 2016 Unaudited €000</i>	<i>Six months ended 30 June 2015 Unaudited €000</i>
Profit for the period	8,379	231
Other comprehensive (expense)/income		
Other comprehensive (expense)/income to be reclassified to profit or loss in subsequent periods:		
Exchange differences arising on translation of foreign operations	(8,095)	12,434
Income tax effect	-	-
	<u>284</u>	<u>12,665</u>
Other comprehensive (expense)/income not to be reclassified to profit or loss in subsequent periods:		
Re-measurement losses on employee severance indemnity	(2)	(2)
Income tax effect	1	1
Total comprehensive income for the period, net of tax	<u><u>283</u></u>	<u><u>12,664</u></u>

Interim condensed consolidated statement of financial position

As at 30 June 2016

		<i>30 June 2016 Unaudited €000</i>	<i>31 December 2015 Audited €000</i>
Non-current assets			
Intangible assets - goodwill		60,366	60,366
Intangible assets - other	11	296,572	298,896
Property, plant and equipment	12	57,345	59,603
Deferred tax assets		16,384	17,770
Other assets		4,517	4,511
		<u>435,184</u>	<u>441,146</u>
Current assets			
Inventories		30,067	27,716
Trade and other receivables		100,275	131,181
Other assets		-	141
Current tax assets		5	3,569
Cash and cash equivalents	13	77,565	75,806
		<u>207,912</u>	<u>238,413</u>
Total assets		<u><u>643,096</u></u>	<u><u>679,559</u></u>

Non-current liabilities			
Financial liabilities	14	134,955	132,281
Other financial liabilities		193	285
Deferred tax liabilities		45,718	45,775
Provisions		1,008	1,092
Trade and other payables		736	669
		<u>182,610</u>	<u>180,102</u>
Current liabilities			
Trade and other payables		42,969	49,612
Financial liabilities	14	27	-
Other financial liabilities		191	212
Income tax payable		8,831	12,277
Indirect tax payable		51,280	71,460
Provisions		975	1,034
		<u>104,273</u>	<u>134,595</u>
Total liabilities		<u>286,883</u>	<u>314,697</u>
Net assets		<u>356,213</u>	<u>364,862</u>

Interim condensed consolidated statement of financial position

As at 30 June 2016

		<i>30 June</i>	<i>31</i>
		<i>2016</i>	<i>December</i>
			<i>2015</i>
		<i>Unaudited</i>	<i>Audited</i>
	<i>Notes</i>	<i>€000</i>	<i>€000</i>
Capital and reserves			
Issued capital	16	23,625	23,625
Share premium		183,541	183,541
Merger reserve		99,033	99,033
Consolidation reserve		5,130	5,130
Own share reserve		(633)	(635)
Other reserve		9,535	9,254
Foreign currency translation reserve	16	7,189	15,284
Retained earnings		28,793	29,630
Total equity		<u>356,213</u>	<u>364,862</u>
Total equity and liabilities		<u>643,096</u>	<u>679,559</u>

Interim condensed consolidated statement of changes in equity

For the six months ended 30 June 2016

	<i>Issued</i>	<i>Share</i>	<i>Merger</i>	<i>Consolidation</i>	<i>Own</i>	<i>Other</i>	<i>Foreign</i>	<i>Retained</i>	<i>Total</i>
	<i>capital</i>	<i>premium</i>	<i>reserve</i>	<i>reserve</i>	<i>share</i>	<i>reserve</i>	<i>Currency</i>	<i>Earnings</i>	<i>equity</i>
	<i>€000</i>	<i>€000</i>	<i>€000</i>	<i>€000</i>	<i>€000</i>	<i>€000</i>	<i>Reserve</i>	<i>€000</i>	<i>€000</i>
Balance at 1 January 2015	23,625	183,541	99,033	5,130	-	8,160	6,413	17,602	343,504
Profit for the period	-	-	-	-	-	-	-	231	231
Other comprehensive	-	-	-	-	-	-	12,434	(1)	12,433

income/(expense)										
Total comprehensive income/(expense)	-	-	-	-	-	-	12,434	230	12,664	
Share based payment compensation	-	-	-	-	-	494	-	-	494	
Dividends	-	-	-	-	-	-	-	(4,932)	(4,932)	
Balance at 30 June 2015 (unaudited)	23,625	183,541	99,033	5,130	-	8,654	18,847	12,900	351,730	
Profit for the period	-	-	-	-	-	-	-	19,189	19,189	
Other comprehensive income/(expense)	-	-	-	-	-	-	(3,563)	1	(3,562)	
Total comprehensive income/(expense)	-	-	-	-	-	-	(3,563)	19,190	15,627	
Share-based payment compensation	-	-	-	-	-	600	-	-	600	
Dividends	-	-	-	-	-	-	-	(2,561)	(2,561)	
Own shares acquired for incentive schemes	-	-	-	-	(713)	-	-	-	(713)	
Own shares utilised for incentive schemes	-	-	-	-	78	-	-	101	179	
Balance at 31 December 2015 (audited)	23,625	183,541	99,033	5,130	(635)	9,254	15,284	29,630	364,862	
Profit for the period	-	-	-	-	-	-	-	8,379	8,379	
Other comprehensive expense	-	-	-	-	-	-	(8,095)	(1)	(8,096)	
Total comprehensive income/(expense)	-	-	-	-	-	-	(8,095)	8,378	283	
Share based payment compensation	-	-	-	-	-	281	-	-	281	
Own shares utilised for incentive schemes	-	-	-	-	2	-	-	-	2	
Dividends	-	-	-	-	-	-	-	(9,215)	(9,215)	
Balance at 30 June 2016 (unaudited)	23,625	183,541	99,033	5,130	(633)	9,535	7,189	28,793	356,213	

Interim condensed consolidated statement of cash flows

For the six months ended 30 June 2016

		<i>Six months ended 30 June 2016</i>	<i>Six months ended 30 June 2015</i>
		<i>Unaudited</i>	<i>Unaudited</i>
	<i>Notes</i>	<i>€000</i>	<i>€000</i>
Operating activities			
Profit for the period		8,379	231
Adjustments to reconcile profit for the period to net cash flows:			
Income tax expense recognised in income statement	9	4,346	1,733
Interest expense and bank commissions	8	1,349	4,257
(Gain)/loss on disposal of tangible and intangible assets		(9)	35
Other financial income	8	(127)	(155)
Depreciation and impairment of property, plant and equipment	12	4,578	4,763
Amortisation of intangible assets and goodwill	11	819	784
Net foreign exchange gain	8	(1,474)	(854)
Share-based payment compensation		281	494
Movement in provisions		(143)	357
		<u>17,999</u>	<u>11,645</u>
Working capital adjustments			
Decrease in trade receivables and other assets		31,041	67,487
Increase in inventories		(2,351)	(9,783)

Decrease in trade payables and other liabilities		(26,756)	(68,948)
Cash flows generated by operations		19,933	3,400
Income tax paid	9	(2,456)	(3,856)
Net cash flows from operating activities		17,477	(456)
Investing activities			
Interest received	8	127	155
Payments to acquire intangible assets	11	(398)	(210)
Purchase of property, plant and equipment	12	(3,691)	(1,351)
Proceeds from sale of property, plant and equipment		27	-
Proceeds from asset previously classified as held for sale		-	120
Net cash flow from investing activities		(3,935)	(1,286)
Financing activities			
New borrowings raised		4,197	(4,194)
Interest paid		(1,337)	(3,821)
Dividend paid to equity holders of the parent		(9,215)	(4,932)
Net cash flow from financing activities		(6,355)	(12,947)
Net increase/(decrease) in cash and cash equivalents		7,187	(14,689)
Cash and cash equivalents at the start of the period		75,806	82,914
Effect of exchange rates on cash and cash equivalents		(5,428)	4,098
Cash and cash equivalents at the end of the financial period	13	77,565	72,323

1. Corporate information

The interim condensed consolidated financial statements of Stock Spirits Group PLC (the Company) and its subsidiaries (the Group) for the six months ended 30 June 2016 were authorised for issue in accordance with a resolution of the directors on 10 August 2016.

Stock Spirits Group PLC is domiciled in England. The Company's registered office is at Solar House, Mercury Park, Wooburn Green, Buckinghamshire, HP10 0HH, United Kingdom.

The Company, together with its subsidiaries, is involved in the production and distribution of branded spirits in Central and Eastern Europe.

2. Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2016 have been prepared on a going concern basis in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union.

The annual financial statements of the group are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU. As required by the Disclosure and Transparency Rules of the Financial Conduct Authority, the condensed set of financial statements has been prepared applying the accounting policies and presentation that were applied in the preparation of the company's published consolidated financial statements for the year ended 31 December 2015.

The financial information contained in this interim statement, which is unaudited, does not constitute statutory accounts as defined by the Companies Act 2006. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2015. The annual financial statements of the Group were prepared in accordance with IFRS as adopted by the European Union and can be found on the Group's website at www.stockspirits.com.

The financial information for the six months ended 30 June 2016 and the comparative financial information for the six months ended 30 June 2015 has not been audited, but has been reviewed. The comparative figures for the financial year ended 31 December 2015 are not the company's statutory accounts for that financial year. Those accounts have been reported on by the company's auditor and delivered to the registrar of companies. The report was (i) unqualified (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

Having made appropriate enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in existence for the foreseeable future. Accordingly it is appropriate to adopt the going concern basis in preparing the interim condensed consolidated financial statements.

The consolidated financial information is presented in Euros ('€'). The closing foreign exchange rates used to prepare these financial statements are as follows:

	<i>Six months ended 30 June 2016</i>	<i>Six months ended 30 June 2015</i>	<i>Year ended 31 December 2015</i>
PLN	4.40	4.19	4.26
CZK	27.11	27.26	27.03
GBP	0.83	0.71	0.74
CHF	1.08	1.04	1.08

3. Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statement are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2015, except for the adoption of new standards and interpretations noted below.

Some new standards and amendments apply for the first time and are effective from 1 January 2016. However, they do not have a material impact on the annual consolidated financial statements of the Group or the interim condensed consolidated financial statements of the Group.

New/revised standards and interpretations adopted in 2016

The following amendments to existing standards and interpretations were effective in the period to 30 June 2016, but were either not applicable to, or did not have a material impact on, the Group:

Amendments to IAS 27: Equity method in Separate Financial Statements

Amendments to IAS 1: Disclosure initiative

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation

Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations

Amendments to IAS 16 and IAS 41: Bearer Plants

Annual Improvements to IFRSs 2012-2014 Cycle

4. Use of estimates and judgements

The preparation of the interim financial information requires management to make judgments, estimates and assumptions that effect the application of policies and reported amounts of certain assets, liabilities, revenues and expenses. These are discussed on page 113 of the Group's 2015 annual financial statements. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods if the revision affects both the current and future periods.

5. Segmental analysis

In identifying its operating segments, management follows the Group's geographic split, representing the main products traded by the Group. The Group is considered to have five reportable operating segments: Poland, Czech Republic, Italy, Other Operational and Corporate. The Other Operational segment consists of the results of operations of the Slovakian, International and Baltic Distillery entities. The Corporate segment consists of expenses and central costs incurred by non-trading Group entities.

Each of these operating segments is managed separately as each of these geographic areas require different marketing approaches. All inter-segment transfers are carried out at arm's length prices. The measure of revenue reported to the chief operating decision-maker to assess performance is based on external revenue for each operating segment and excludes intra-Group revenues. The measure of adjusted EBITDA reported to the chief operating decision-maker to assess performance is based on operating profit and excludes intra-Group profits, depreciation, amortisation, exceptional items and non-recurring expenses.

5. Segmental analysis (continued)

The Group has presented a reconciliation from profit before tax per the consolidated income statement to adjusted EBITDA below:

For the six

For the six

	<i>months ended 30</i> <i>June 2016</i>	<i>months ended 30</i> <i>June 2015</i>
	<i>€000</i>	<i>€000</i>
Profit before tax	12,725	1,964
Net finance (income)/cost	(252)	3,248
Operating profit	12,473	5,212
Depreciation and amortisation (note 11,12)	5,397	5,547
Exceptional items (note 7)	-	-
EBITDA before exceptionals	17,870	10,759
Non-recurring (income)/expenses (note 6)	(9)	8
Adjusted EBITDA	17,861	10,767

Total assets and liabilities are not disclosed as this information is not provided by segment to the chief operating decision-maker on a regular basis.

	<i>Poland</i>	<i>Czech Republic</i>	<i>Italy</i>	<i>Other Operational</i>	<i>Corporate</i>	<i>Total</i>
<i>30 June 2016</i>	<i>€000</i>	<i>€000</i>	<i>€000</i>	<i>€000</i>	<i>€000</i>	<i>€000</i>
External revenue	60,743	27,575	13,645	14,026	-	115,989
EBITDA before exceptionals	15,088	7,771	2,934	1,525	(9,448)	17,870
Non recurring (income)/expenses	(1)	(11)	-	3	-	(9)
Adjusted EBITDA	15,087	7,760	2,934	1,528	(9,448)	17,861

<i>Memo note:</i>	<i>€000</i>
Head Office costs	(4,489)
PLC related costs including NEDs, internal audit and external communications	(1,014)
Group external audit	(149)
PSP and share-based payments	(567)
Local market support costs including operations and IT	(2,155)
Group NPD projects	(327)
Insurance	(362)
Sub total	(9,063)
Senior team recruitment, incremental 2016 AGM & other one-off costs	(1,039)
Other including consolidation adjustments and FX	654
Total Corporate costs	(9,448)

5. Segmental analysis (continued)

	<i>Poland</i>	<i>Czech Republic</i>	<i>Italy</i>	<i>Other Operational</i>	<i>Corporate</i>	<i>Total</i>
<i>30 June 2015</i>	<i>€000</i>	<i>€000</i>	<i>€000</i>	<i>€000</i>	<i>€000</i>	<i>€000</i>
External revenue	52,522	27,748	14,636	13,143	-	108,049
EBITDA before exceptionals	9,155	6,657	2,758	889	(8,700)	10,759
Non recurring (income)/expenses	(3)	-	10	1	-	8
Adjusted EBITDA	9,152	6,657	2,768	890	(8,700)	10,767

<i>Memo note:</i>	<i>€000</i>
Head Office costs	(4,704)
PLC related costs including NEDs, internal audit and external communications	(810)
Group external audit	(196)
PSP and share-based payments	(583)
Local market support costs including operations and IT	(2,209)
Group NPD projects	(154)
Insurance	(538)
Other including consolidation adjustments and FX	494
Total Corporate costs	(8,700)

Seasonality

Sales of spirits beverages are somewhat seasonal, with the fourth calendar quarters accounting for the highest sales volumes. The volume of sales may be affected by both weather conditions and public holidays.

6. Adjusted EBITDA, adjusted EBIT and free cash flow bridges

The Group defines adjusted EBIT as operating profit before exceptional items and non-recurring (income)/expenses, and adjusted EBITDA as operating profit before depreciation and amortisation, exceptional items and non-recurring (income)/expenses. The Group defines free cash flow as net cash generated from operating activities (excluding income tax paid, certain exceptional items and their related impact on working capital adjustments), plus net cash used in or generated from investing activities (excluding interest received, net cash paid for acquisitions and net proceeds from the sale of subsidiaries).

6. Adjusted EBITDA, adjusted EBIT and free cash flow bridges (continued)

Adjusted EBIT, adjusted EBITDA and free cash flow are supplemental measures of the Group's performance and liquidity that are not required to be presented in accordance with IFRS.

	<i>For the six months ended 30 June 2016</i>	<i>For the six months ended 30 June 2015</i>
	<i>€000</i>	<i>€000</i>
Operating profit	12,473	5,212
Exceptional items (note 7)	-	-
Non recurring (income)/expenses*	(9)	8
Adjusted EBIT	<u>12,464</u>	<u>5,220</u>
Depreciation and amortisation (note 11, 12)	5,397	5,547
Adjusted EBITDA	<u>17,861</u>	<u>10,767</u>
Adjusted EBITDA margin	<u>15.4%</u>	<u>10.0%</u>

*Non-recurring (income)/expenses relate to profits or losses on disposals and impairment of fixed assets, not meeting the criteria for categorisation as exceptional items.

	<i>For the six months ended 30 June 2016</i>	<i>For the six months ended 30 June 2015</i>
	<i>€000</i>	<i>€000</i>
Net cash generated from operating activities	17,477	(456)
Income tax paid	2,456	3,856
Net cash pre investing and financing activities	<u>19,933</u>	<u>3,400</u>
Net cash generated from investing activities	(3,935)	(1,286)
Interest received	<u>(127)</u>	<u>(155)</u>
Cash flow pre financing activities	15,871	1,959
Cash impact of exceptional items	-	-
Free cash flow	<u>15,871</u>	<u>1,959</u>
Free cash flow as a percentage of adjusted EBITDA	88.9%	18.2%
Adjusting items	-	-
Adjusted free cash flow	<u>15,871</u>	<u>1,959</u>
Adjusted free cash flow as a percentage of adjusted EBITDA	<u>88.9%</u>	<u>18.2%</u>

7. Exceptional items

The Group had no exceptional costs in the period to 30 June 2016 (2015: €nil).

8. Finance costs and income

	<i>For the six months ended 30 June 2016</i>	<i>For the six months ended 30 June 2015</i>
	<i>€000</i>	<i>€000</i>
Finance income:		
Foreign currency exchange gain	1,474	854
Interest income	127	

Total finance income	1,601	1,009
Finance costs:		
Interest payable on bank overdrafts and loans	900	2,855
Bank commissions, guarantees and other payables	261	963
Other interest expense	188	439
Total finance costs	1,349	4,257
Net finance (income)/costs	(252)	3,248

9. Income taxes

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the interim condensed consolidated income statement are:

	<i>For the six months ended 30 June 2016</i>	<i>For the six months ended 30 June 2015</i>
	<i>€000</i>	<i>€000</i>
Current income tax		
Current income tax charge	3,381	1,130
Tax (credit)/charge relating to prior periods	(20)	494
Other taxes	-	-
Deferred income tax		
Relating to the origination and reversal of temporary differences	985	109
Total tax expense	4,346	1,733

Tax inspections

The Group's Czech subsidiary, Stock Plzen Bozkov s.r.o. received a tax assessment relating to 2011 from the Czech tax authorities in February 2016. Management will be vigorously defending the Company's position, and have therefore not made a provision against this assessment, which totals €1,050,000.

10. Earnings per share

Basic earnings per share amounts are calculated by dividing the profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

Details of the earnings per share are set out below:

	<i>For the six months ended 30 June 2016</i>	<i>For the six months ended 30 June 2015</i>
Basic earnings per share		
Profit attributable to the equity shareholders of the Company (€'000)	8,379	231
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	199,786	200,000
Basic earnings per share (€)	0.04	0.00
Diluted earnings per share		
Diluted profit attributable to the equity shareholders of the Company (€'000)	8,379	36
Weighted average number of diluted ordinary shares adjusted for the effect of dilution	199,786	201,614
Diluted earnings per share (€)	0.04	0.00
Reconciliation of profit attributable to equity shareholders of the Company to diluted profit attributable to the equity shareholders of the Company		
Profit attributable to the equity shareholders of the Company (€'000)	8,379	231
Effect on profit resulting from change of classification of cash-settled share-based payments to equity-settled share-based payments (€'000)	-	(195)
Diluted profit attributable to the equity shareholders of the Company (€'000)	8,379	36
Reconciliation of basic to diluted ordinary shares		
Weighted average number of Ordinary shares	200,000	200,000
Effect of purchase of own shares	(214)	-
Basic weighted average number of Ordinary shares	199,786	200,000

Effect of PSP options	-	1,390
Effect of LTIP options	-	224
Diluted weighted average number of Ordinary shares	<u>199,786</u>	<u>201,614</u>

There have been no other transactions involving ordinary shares between the reporting date and the date of authorisation of these financial statements.

11. Intangible assets - other

	<i>Customer Relationships and Trademark</i>		<i>Software</i>	<i>Total</i>
	<i>Brands</i>	<i>Trademark</i>		
	<i>€000</i>	<i>€000</i>	<i>€000</i>	
At 1 January 2016, cost, net of accumulated amortisation	294,261	1,160	3,475	298,896
Additions	-	-	398	398
Transfers	-	-	164	164
Amortisation expense	-	(59)	(760)	(819)
Foreign currency adjustment	(1,974)	-	(93)	(2,067)
At 30 June 2016, cost, net of accumulated amortisation	<u>292,287</u>	<u>1,101</u>	<u>3,184</u>	<u>296,572</u>

	<i>Customer Relationships and Trademark</i>		<i>Software</i>	<i>Total</i>
	<i>Brands</i>	<i>Trademark</i>		
	<i>€000</i>	<i>€000</i>	<i>€000</i>	
At 1 January 2015, cost, net of accumulated amortisation	283,696	1,278	3,240	288,214
Additions	-	-	1,393	1,393
Transfers	(340)	-	265	(75)
Amortisation expense	-	(118)	(1,463)	(1,581)
Foreign currency adjustment	10,905	-	40	10,945
At 31 December 2015, cost, net of accumulated amortisation	<u>294,261</u>	<u>1,160</u>	<u>3,475</u>	<u>298,896</u>

12. Property, plant and equipment

The movement in property, plant and equipment for the six-month period ended 30 June 2016 was as follows:

	<i>Land and buildings</i>	<i>Technical equipment</i>	<i>Other equipment</i>	<i>Assets under construction</i>	<i>Total</i>
	<i>€000</i>	<i>€000</i>	<i>€000</i>	<i>€000</i>	
	At 1 January 2016, cost, net of accumulated depreciation	23,629	25,359	7,318	
Additions	-	39	214	3,438	3,691
Transfers	373	879	589	(2,005)	(164)
Disposals	-	(14)	(4)	-	(18)
Depreciation expense	(499)	(2,393)	(1,686)	-	(4,578)
Foreign currency adjustment	(288)	(564)	(218)	(119)	(1,189)
At 30 June 2016, cost, net of accumulated depreciation	<u>23,215</u>	<u>23,306</u>	<u>6,213</u>	<u>4,611</u>	<u>57,345</u>

12. Property, plant and equipment (continued)

	<i>Land and buildings</i>	<i>Technical equipment</i>	<i>Other equipment</i>	<i>Assets under construction</i>	<i>Total</i>
	<i>€000</i>	<i>€000</i>	<i>€000</i>	<i>€000</i>	
	At 1 January 2015, cost, net of accumulated depreciation	21,736	21,854	10,804	
Additions	45	110	365	6,726	7,246
Transfers	2,500	8,585	(328)	(10,682)	75

Disposals	(140)	(405)	(256)	(578)	(1,379)
Depreciation expense	(947)	(5,057)	(3,419)	-	(9,423)
Foreign currency adjustment	435	272	152	73	932
At 31 December 2015, cost, net of accumulated depreciation	23,629	25,359	7,318	3,297	59,603

13. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial period/year as shown in the cash flow statement can be reconciled to the related items in statement of financial position as follows:

	<i>30 June</i> 2016 €000	<i>31 December</i> 2015 €000
Cash and bank balances	<u>77,565</u>	<u>75,806</u>

Cash and cash equivalents are denominated in the following currencies:

	<i>30 June</i> 2016 €000	<i>31 December</i> 2015 €000
Sterling	48,734	17,869
Euro	12,468	15,139
Czech Koruna	6,120	23,539
Polish Zloty	7,031	16,255
Other currencies	3,212	3,004
Total	<u>77,565</u>	<u>75,806</u>

14. Financial liabilities

	<i>Current</i> <i>30 June</i> 2016 €000	<i>Non-current</i> <i>30 June</i> 2016 €000	<i>Current</i> <i>31 December</i> 2015 €000	<i>Non-current</i> <i>31 December</i> 2015 €000
Secured - at amortised cost				
HSBC loan	-	135,185	-	132,496
Cost of arranging bank loan	-	(230)	(55)	(215)
Interest payable	27	-	55	-
	<u>27</u>	<u>134,955</u>	<u>-</u>	<u>132,281</u>

15. Financial assets and liabilities

Set out below is a comparison by category of carrying amounts which approximates fair values of all of the Group's financial instruments that are carried in the financial statements.

As at 30 June 2016

	<i>Loans and</i> <i>receivables</i> €000	<i>Amortised</i> <i>cost</i> €000	<i>Total book</i> <i>value</i> €000
Financial assets:			
Cash	77,565	-	77,565
Trade and other receivables	97,283	-	97,283
Customs deposits	4,517	-	4,517
Financial liabilities:			
Interest-bearing loans and borrowings:			
(i) Finance lease obligations	-	(384)	(384)
(ii) Floating rate borrowings - banks	-	(134,955)	(134,955)
Trade and other payables	-	(40,164)	(40,164)

As at 31 December 2015

	<i>Loans and</i> <i>receivables</i> €000	<i>Amortised</i> <i>cost</i> €000	<i>Total book</i> <i>value</i> €000
Financial assets:			
Cash	75,806	-	75,806
Trade and other receivables	131,765	-	131,765
Customs deposits	4,652	-	4,652
Financial liabilities:			

Interest-bearing loans and borrowings:		
(i) Finance lease obligations	-	(497) (497)
(ii) Floating rate borrowings - banks	-	(132,226) (132,226)
Trade and other payables	-	(46,786) (46,786)

16. Authorised share capital and reserves

Share Capital

	<i>30 June 2016</i>	<i>31 December 2015</i>
Number of ordinary shares		
Ordinary shares of £0.10 each, issued and fully paid	200,000,000	200,000,000
Ordinary shares (€000)	<u>23,625</u>	<u>23,625</u>

Foreign currency translation reserve

	<i>30 June 2016 €000</i>	<i>31 December 2015 €000</i>
Foreign currency translation reserve	<u>7,189</u>	<u>15,284</u>

Exchange differences relating to the translation from the functional currencies of the Group's foreign subsidiaries into Euros are accounted for by entries made directly to the foreign currency translation reserve.

17. Dividend

A special dividend of 11.90 Euro cents per ordinary share was recommended by the Board and has been paid on 27 July 2016. The total dividend payable has not been recognised as a liability at 30 June 2016.

An interim dividend of 2.27 Euro cents per ordinary share has been recommended by the Board in respect of the half year ended 30 June 2016 and will be paid on 23 September 2016. The total dividend payable has not been recognised as a liability at 30 June 2016.

18. Related party transactions

In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

There were no transactions with related parties in the period to 30 June 2016, or in the year ended 31 December 2015, except for Key Management Personnel remuneration.

19. Commitments for capital expenditure

Commitments for the acquisition of property, plant and equipment as of 30 June 2016 are €120,000 (30 June 2015: €135,000).

20. Events after the balance sheet date

Following the balance sheet date the Board have announced the closure of the Swiss Office.

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