

# Market Update

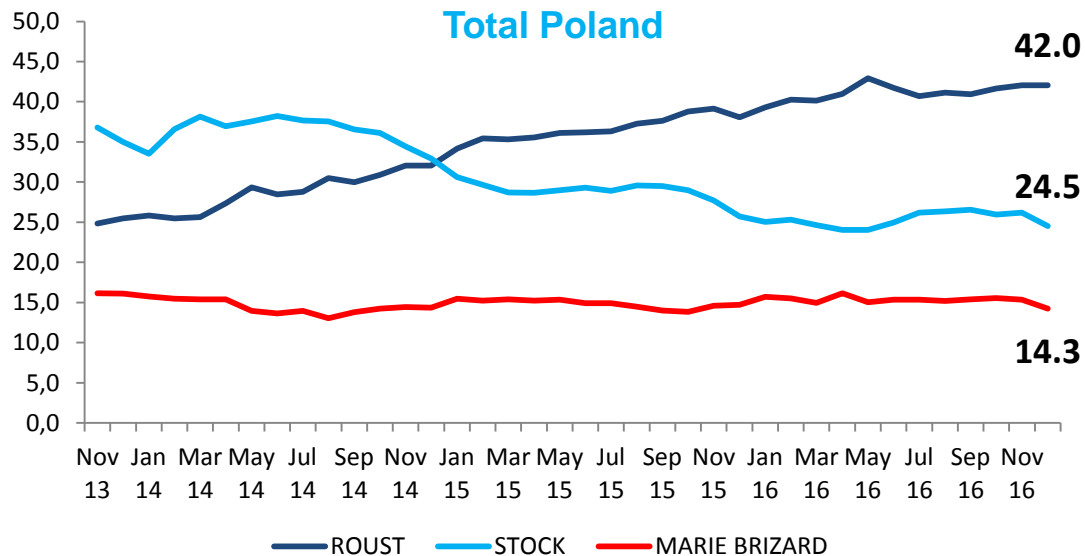
January 2017

# Rationale for publishing market data and peer performance

- Western Gate is concerned by what appears to be a growing lack of transparency from Stock Spirits, both the executive and the Board
- A planned investor day was cancelled, the Company has opted not to publish a 3Q trading statement, against its practice in each of the last three years and released pre-close trading statement containing no sales data.
- As a result of the above and Western Gate's continued concerns around Stock's operating performance we have decided to provide the wider investment community with an update on the Polish market situation based on publicly available data.
- We would also note that Stock's main competitor has recently emerged in a significantly stronger financial position following a successful restructuring of its debt and has provided updated disclosure highlighting another strong period of performance during 3Q 2016

# Market share progression

Further market share deterioration in 4Q 2016

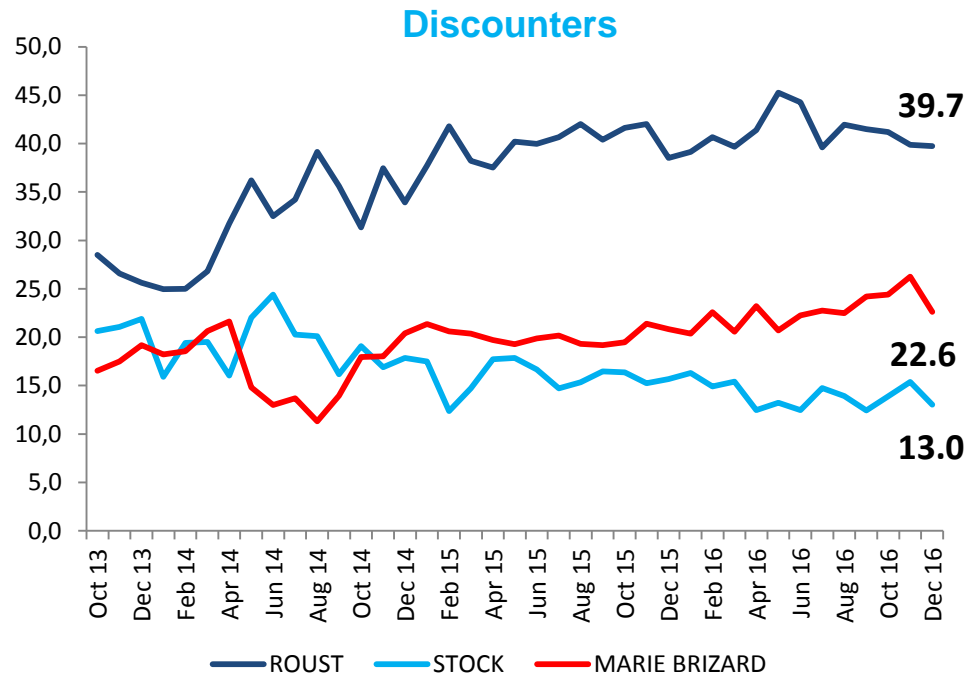
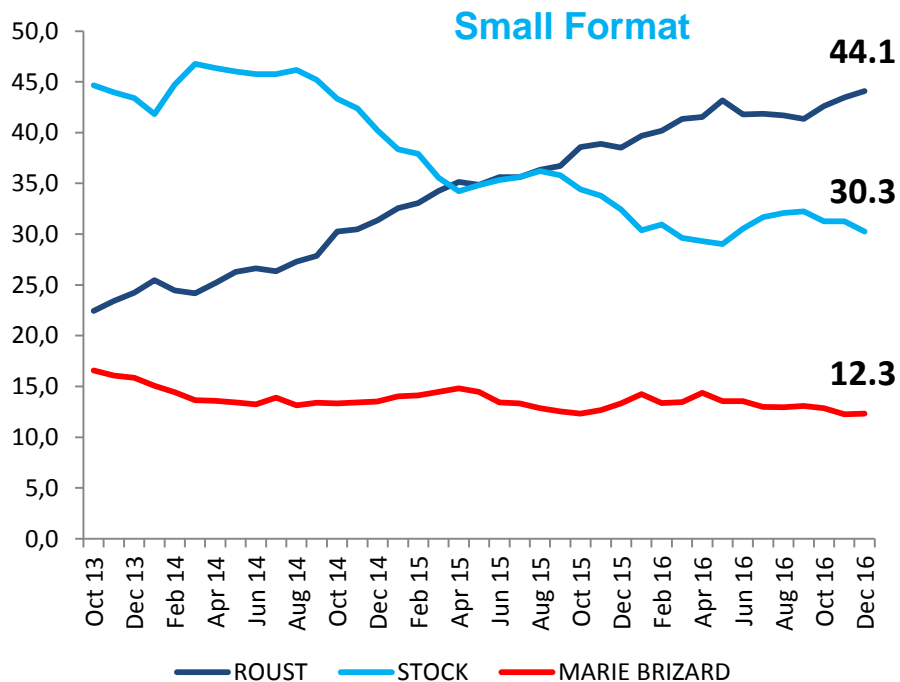


Change of retail sales according Nielsen data	2015	2016
<b>VODKA MARKET</b>	<b>-0.9%</b>	<b>3.5%</b>
ROUST	24.8%	16.6%
MARIE BRIZARD	1.4%	6.1%
STOCK	-19.6%	-8.4%

- Market share in December 2016 close to last three years minimum level
- Slowing down sales value on growing market

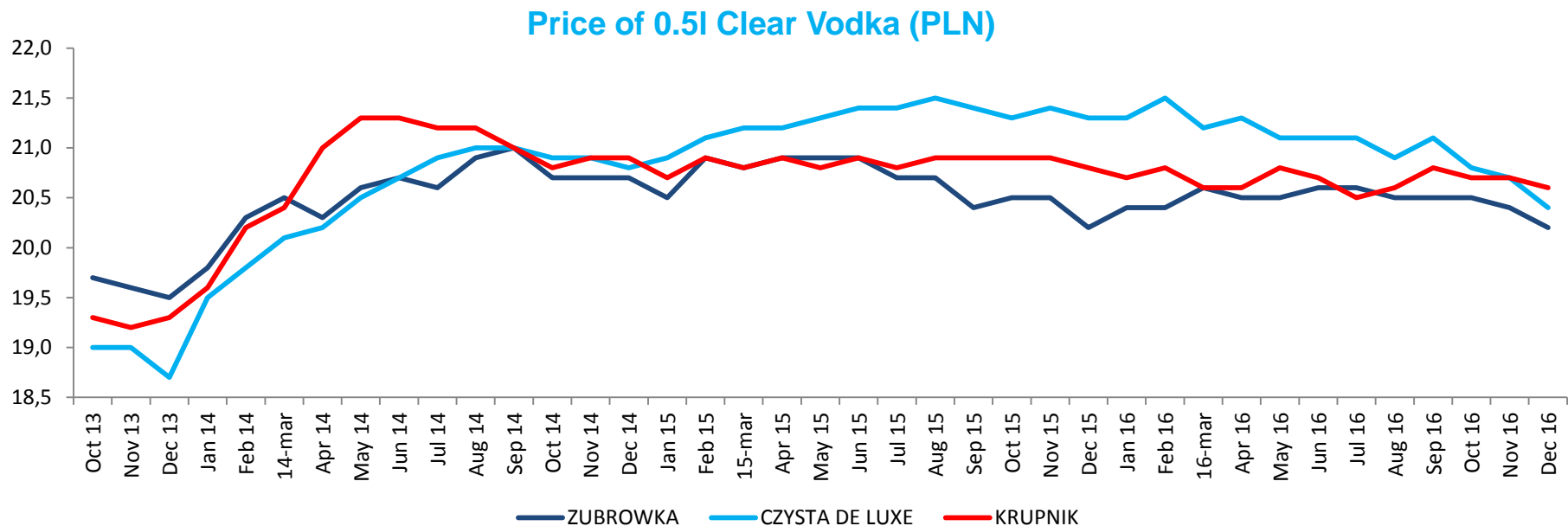
# Market share progression by channels

Further market share deterioration



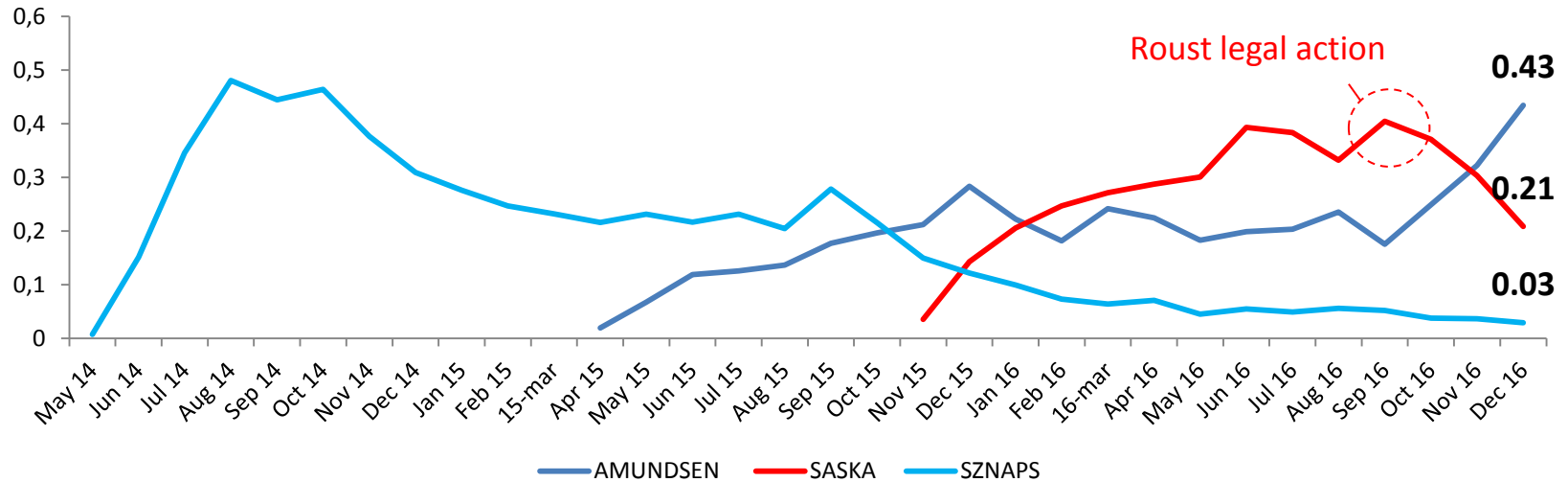
# Price strategy

Increase of prices by Stock Spirits in 2015 and decrease in 2016, while competitors have largely remained at stable levels during 2016



- Stock Spirits significant investment into prices to reduce the gap to competitors

# New Product Development – Value Market Share (%)

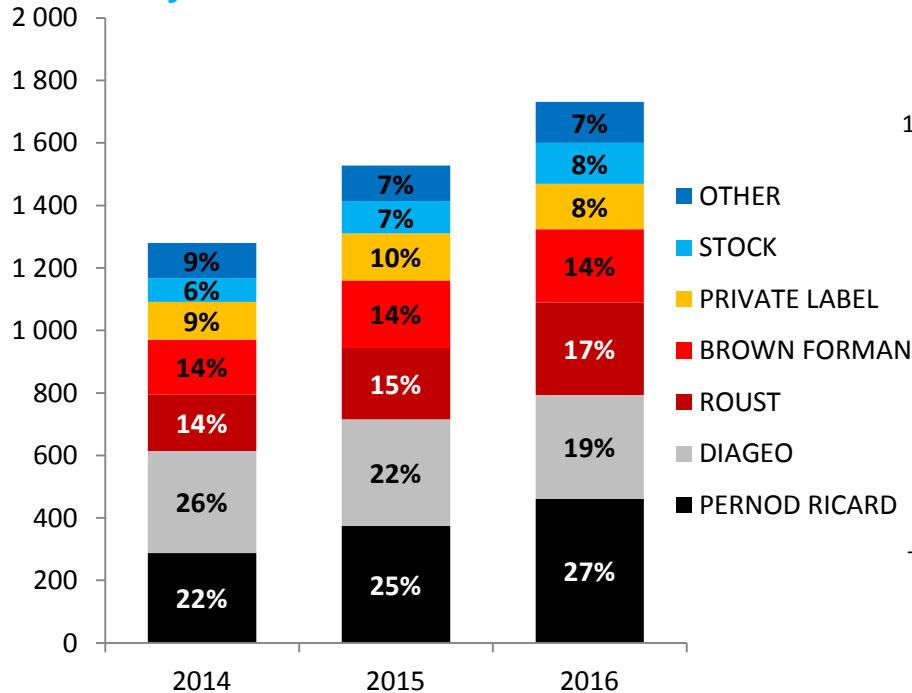


- Since Roust legal action, Saska is losing sales
- Amundsen is growing since September 2016, but the volume remains low (volume lower than Sznaps at its launch in 2H 2014)
- Sznaps is virtually non-existent today

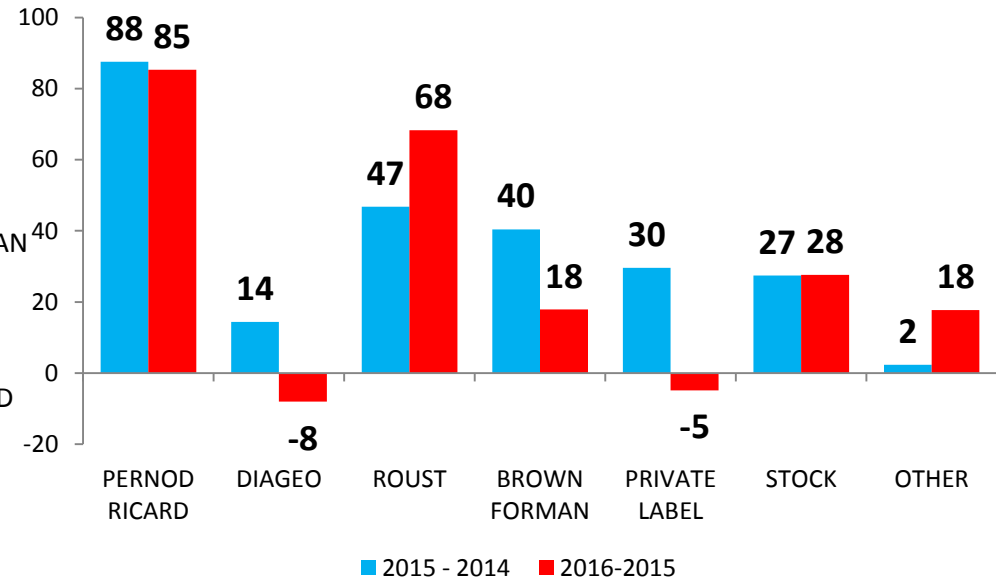
# Whisky market in Poland - sales and market share evolution

Pernod Ricard and Roust have been the main beneficiaries of the rapidly growing whisky market, Stock Spirits 6th player on the market

## Whisky retail sales and value market share



## Change in whisky retail sales (PLN m)



# Important notice and disclaimer

This presentation has been derived from publicly available information only. Any opinions expressed in this presentation are those of Western Gate only and no reliance may be placed for any purposes whatsoever on the information or opinions contained in this presentation or on its completeness. No representation or warranty, express or implied, is given by or on behalf of Western Gate or its subsidiary undertakings, affiliates, respective agents or advisers or any of such persons' affiliates, directors, officers or employees or any other person as to the fairness, accuracy, completeness or verification of the information or the opinions contained in this presentation and no liability is accepted for any such information or opinions.

This presentation is being made only to and is directed only at persons in the United Kingdom having professional experience in matters relating to investments, being investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended.

This presentation is not directed at and should not be relied upon, used or transmitted to any person to whom it would be unlawful to make this document available. Furthermore, for the avoidance of doubt, this presentation is not intended to be directed or available in any jurisdiction where it would be unlawful to direct it or make it available.

Nothing contained in this presentation is or is to be construed as an offer of securities or an invitation or inducement to engage in investment activity including the purchase, sale, exchange or subscription for securities of any nature.



Thank you