

## PRESS RELEASE

# **Lobkowicz Group Breweries reported in first half of 2015 EBITDA indicator cleared of non-recurring items totalling CZK 123.535 million**

Praha (27 August 2015) – The breweries of Lobkowicz Group, a.s., the fourth largest brewery conglomerate in the Czech market consisting of seven regional breweries (Protivín, Uherský Brod, Jihlava, Rychtář, Klášter, Vysoký Chlumeč and Černá Hora), has reported its results for the first six months of 2015. In this period the group succeeded in increasing its operating profit measured with the EBITDA indicator by 3.5% to CZK 117.3 million, and after clearing it of non-recurring items, a total of CZK 123.5 million. It succeeded in boosting sales in the home market and increasing to some extent beer production in hectolitres.

Total consolidated earnings in the first six months of 2015 increased by 0.4% to CZK 580.2 million in comparison with last year. Earnings from beer sales rose by 0.2% to CZK 552.1 million. The increase in earnings is largely due to the increase in sales. The highest share in earnings in pubs and restaurants was reported for the brands Lobkowicz and Klášter. A significant increase was reported for 12° and 14° beer and some beer specialities introduced last year, such as Chlumecký India Pale Ale.

Earnings before interest, taxes, and depreciation – EBITDA – for the first six months of this year totalled CZK 117.3 million, which is an increase of 3.5% on the year before. The same indicator cleared of one-time items for the first six months of this year amounted to CZK 123.5 million, an increase of 2.0% from the previous year. Furthermore, for the first six months the company achieved an adjusted EBITDA margin of 21.3%.

*“The results that we achieved for the first six months of 2015 confirm our good position in the highly competitive beer market in the Czech Republic. It is shown that the specialisation of our breweries in making fair and honest beer in an artisanal manner pays off and the consumers appreciate it. We are doing well on the operating level, where we are growing steadily, and on the level of net profit for the shareholders, which we have markedly improved by capitalisation of shareholders’ loans,”* said Zdeněk Radil, CEO and chairman of the board.

*“We are very positive about the third-quarter results as we managed to maximize our sales thanks to the record hot weather. July was the absolute record in the Group’s beer sales in its history and the year-on-year increases in sales in the summer months (June to August) exceeded the ten percent threshold. It is too early to estimate the impact on the consolidated results but we believe we will have an excellent result for the third quarter,”* added Zdeněk Radil.

Operating profit (EBIT) for the first six months of 2015 totalled CZK 40.0 million, an increase of 38.2% on last year as a result of better operating performance in cost management. In the first six months of 2015 the Group generated net profit of CZK 30.0 million in

comparison with a loss of CZK 26 million in the first six months of last year as a result of capitalisation of shareholders' loans last year, which markedly reduced the Group's debt burden.

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