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Pivovary Lobkowicz Group, a.s.: **Announcement of Intention to Float on the Prague Stock Exchange**

PRAGUE (28 April 2014) - Pivovary Lobkowicz Group, a.s. ("PLG" or the "Group"), the Czech top 5 brewing group and beer producer (by total production) consisting of seven regional breweries located in the Czech Republic, announces its intention to proceed with an initial public offering (the "**IPO**") and subsequent listing of its shares in the Prime Market operated by the Prague Stock Exchange (the "**PSE**"). Should the IPO be carried out, it would comprise a public offering in the Czech Republic and Austria and an international offering by way of a private placement to eligible investors in reliance on regulation S under the U.S. Securities Act of 1933, as amended. It is expected that the IPO would be accomplished by the end of the second quarter of 2014.

Erste Group Bank AG is acting as the Lead Manager and Sole Bookrunner of the offering. Česká spořitelna, a.s. is acting as the Domestic Lead Manager in the Czech Republic.

Prior to going public, the prospectus of the PLG has to be approved by the Czech National Bank (the "**CNB**") and consequently published. The listing of the shares in the Prime Market of the PSE is subject to approval of the PSE.

Commenting on the announcement Zdeněk Radil, Chairman of the Board of Directors and CEO of Pivovary Lobkowicz Group, a.s.: *„We are very pleased to have developed a strong position in the highly competitive brewing market in the Czech Republic. The intended offering of our shares is the next significant step for the Group and proves a strong interest of investors in the traditional Czech brewing industry. The IPO will enable us to gain additional resources to boost the growth of our market*

share via acquisitions of new restaurants and public houses, new investments in the marketing infrastructure and export development.”

About Pivovary Lobkowicz Group:

PLG is the Czech no. 4 brewing group by local sales and no. 5 by total production. It consists of seven regional breweries (Protivín, Uherský Brod, Jihlava, Rychtář, Klášter, Vysoký Chlumec and Černá Hora) located throughout Bohemia and Moravia which are centrally managed. Commencement of their activities dates back to the Middle Ages and the oldest brewery was founded as early as in 1298. The breweries Protivín and Vysoký Chlumec were owned by the most significant aristocratic families in the country.

The Group produces a wide portfolio of beers that differ from each other by the large spectrum of their taste. In addition, soft drinks and table waters are produced. The Group currently offers 70 beer brands. Apart from traditional beer such as pale ales lagers, it offers a range of beer specialties – from semi-dark and higher-alcohol-content beers to dark lagers and non-alcoholic beer.

Key Business Highlights

- Established in 2007, it ranks among top 5 beer producers in the Czech Republic by total production of beer
- Estimated market share in the Czech Republic of approximately 4-5%. In the gastronomy segment, the market share is around 6%
- 7 local breweries fully invested and upgraded for technology and capacity
- Unique portfolio of 70 beer brands
- Simple and effective organisational structure, parent company directly controls individual subsidiaries
- Vertically integrated with key input supplier – a 50% owned malting company Moravamalt
- 2013 production of 854 thousands hectolitre of beer and 32 thousands hectolitre of soft drinks
- 2013 total sales of CZK 1,159 million, of which 20% are export

Business strategy and competitive advantages

The Group's business strategy is based on the following:

- Distribution network expansion by acquisitions of new customers (pubs and restaurants)
- Acquisition of another brewery during 2014 already pre-negotiated. Further acquisitions of breweries considered and to be evaluated on a case by case basis
- Focus on higher margin premium beers and special beers. Adaptation to market trends, introduction of new beer types and innovative products while maintaining economies

- Leveraging strong perception of Czech beers outside the country, further focus on export development

The Group believes that its competitive advantages, compared to the other market leaders, are the following:

- PLG is a unique combination of large scale producer keeping local footprint with loyal customer base
- PLG operates recently modernized production facilities with low maintenance CAPEX
- Unique brand portfolio
- High share of special beers in its product mix
- Experienced top management

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