

## Regulatory Story

**Company** Blavod Wines & Spirits plc  
**TIDM** BES  
**Headline** Blavod Wines & Spirits plc :  
Trading Update  
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### **Blavod Wines & Spirits PLC**

("Blavod" or the "Company")

### **Trading and Financing Update**

Blavod Wines and Spirits plc (AIM:BES), owner of premium drinks brands, including Blavod Black Vodka, and Blackwoods Gin is pleased to issue the following trading and financing update for the year ending 31 March 2012.

#### **Highlights**

- Trading in line with market expectations
- Focus on key brands producing increased sales
- Waldemar Behn GmbH distribution agreement progressing well
- Launch of RedLeg Rum
- Improved operational cost control

#### **Current Trading**

The Company has continued to make progress in improving operational efficiencies, with a number of smaller brands being transferred to a partner company to allow a greater focus on remaining brands in the portfolio. Benefits from this strategy have been seen in the 2012 first quarter trading results.

The distribution agreement announced on 5 December 2011 with Waldemar Behn GmbH & Co for the production of Blavod Black Vodka in Germany, is progressing well and we expect to continue to see the benefits from this as sales are increased in new and existing European markets.

In March 2012 we announced the launch of RedLeg, a premium rum, spiced with vanilla & ginger and, with the initial production run successfully completed, first orders are now being dispatched to customers. Rum is one of the fastest growing drinks categories in the UK with spiced rum outpacing the spirits market as a whole. The IP is wholly owned by Blavod and the product is trademark registered in all key markets around the world.

The Group has continued to expand its market coverage with four new export markets for owned brands in North America, Europe and Asia and an additional three markets in mainland Europe becoming active in the period.

At the year-end, a new sales order transaction and reporting system was successfully implemented and this has greatly improved efficiencies in processing orders.

## **Financing**

The Company continues to manage its working capital effectively and, as was stated in the interim results published on 5 December 2011, the Board is in discussions with a number of parties to secure the additional working capital that is required to meet the ongoing cash requirements of the business and ultimately to allow the development of the Company over the medium term. A further announcement on this matter is expected to be made shortly.

Don Goulding, Executive Chairman of Blavod, said:

"We have achieved a great deal in the last few months in strengthening the Company and its operations and at the same time expanding the sales and distribution channels in the UK, as well as into new and exciting global markets.

Looking forward, market conditions remain unchanged, with premium brands such as ours outperforming the market and the value brands under strong price pressure. The Company remains well placed to grow and, once adequately funded, will be in a position to accelerate this growth."

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## About Blavod

Blavod Wines & Spirits plc is listed on the Alternative Investment Market (AIM:BES). It owns drinks brands in a number of sectors of the alcoholic drinks market. These include premium Vodka, premium Gin and Rum and are called Blavod Original Black Vodka, Blackwood's Vintage Gin & Nordic Vodka, Diva Vodka, Jago's Cream liqueur and RedLeg Rum.

The Group markets and sells these brands in the UK as well as a number of international markets including the US and Russia and has recently announced an agreement with Waldemar Behn GmbH for them to produce, market and distribute Blavod Black vodka in Germany under a licensing agreement to their domestic and Duty-Free/Travel Retail markets as well as continental and Eastern Europe.

The Group also represents a portfolio of spirit and liqueur brands in the UK which include Bruichladdich Islay Malt Whisky, Mickey Finn Schnapps, Fernet Branca, Hapsburg Absinthe, Arran Malt Whisky, HpnotiQ and Pama Liqueurs.

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