



**BANJALUČKA PIVARA**  
- 1873 -

### **Statement to accompany unaudited financial results for Q3 2018**

The third quarter of 2018 has been a mixed result for the Company, affected both by the climate and trends in the market. Despite a very wet and changeable period through July and even into August, September has proved to be favourable. Nonetheless, the cumulative effect of a generally poor summer, are now visible in a 2% drop in sales volume versus last year.

The effect of this drop in sales is multiplied in our financial results. After a number of years of stable input prices, we are now feeling the effects of rising oil and raw material prices. At the same time, selling prices are not rising and the costs of selling and promotion are growing quickly. The combined effect is that profitability is falling and our final result for the first nine months of the year reflects this with a lower net profit of 3.7 million KM.

In the coming period, the Company will continue to focus on sales volume growth both in BiH and in export markets, most importantly Serbia and Croatia. Continued rises in input costs will mean that the Company has to become more efficient and raise productivity in order to maintain competitiveness.

Nicholas Penny  
Director



30<sup>th</sup> October 2018