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April 1, 2016, Moscow, Russia **PRESS RELEASE**

Synergy announces its financial results for the full year 2015: sales grew by 2% and amounted to 47,591 million roubles, net revenue showed a 9% increase and amounted to 30,706 million roubles, gross profit increased by 5% and amounted to 12,673 million roubles.

Synergy PJSC (Synergy, Synergy Group of Companies, Group or Company) (MOEX: SYNG), one of the leading spirits producers in Russia, today announces consolidated financial results for the full year 2015 prepared in accordance with International Financial Reporting Standards (IFRS).

Key financial figures for the full year 2015 and major corporate events:

Shipments in volume terms	**-10%**
Net revenue	**+9%**
Alcohol segment revenue	**+6%**
Gross profit	**+5%**
Alcohol segment gross profit	**+1%**
EBITDA	**-3%**
Net debt, decrease	**-938 million roubles**
Positive net cash flow from operating activities	**2,067 million roubles**

- **Synergy signed important long-term agreements with companies Allied Brands S.R.L. and Sazerac on the distribution of Italian absinthe Xenta and American bourbons Benchmark and Buffalo Trace in Russia;**
- **The import portfolio of the Company now includes the legendary Caribbean rum Sailor Jerry and whiskey-based liqueur Drambuie from William Grant & Sons;**
- **Super-premium Beluga brand line has been supplemented with 3 new products: the limited Beluga Celebration series, as well as bitters Beluga Hunting Herbal and Beluga Hunting Berry;**
- **Synergy launched new brands: «Georgievskaya Vodka», «Kapitanskiy» Rum and Gin, cognac «Sokrovischa Tiflisa», as well as a brand line of «Vogue» sparkling wines.**

Commenting on the financial results, Chairman of the Management Board of Synergy Alexander Mechetin said: “In 2015, despite of the difficult conditions, the Company continued to implement a long-term development strategy, focusing on business diversification and increasing its operating efficiency. Against the backdrop of general unstable economic situation in 2015, Synergy demonstrated growth of certain financial figures due to proactive approach to all activities.

The Company increased its net revenue by 9%, the alcohol segment revenue by 6% and gross profit by 5%, despite of a 10% decrease in shipments in volume terms. Decrease in shipments was associated with a set of factors typical for crisis: decrease in purchasing power of the consumer and, as consequence, overall decrease in trade in the country, plus the persisting significant market share of illegal products.

At the same time, the Company’s net profit showed drop due to a significant increase in the cost of financing in the first half of 2015. The Company has created a solid foundation to improve profitability in 2016 and beyond due to new programme for improving business performance launched last year. The programme included the following measures: reduction in operating expenses, particularly administrative costs; innovative restyling of products with a focus on import substitution of components; optimization of the production platform.

It is worth mentioning a number of positive changes in the industry taking place from 2016. We note the intensified fight of the government against illicit alcohol, which has a positive effect on the shipments performed by legal players. In particular, according to preliminary data as of the 1 quarter of 2016, the shipments of Synergy have shown double-digit growth compared to the same period in 2015. The similar dynamics is typical in general for the legal market of vodka and distilled beverages at the beginning of the current year.

It should also be noted that in the 1 quarter of 2016, Synergy signed an unprecedented agreement for the Russian alcohol market with Bacardi on the opening of bottling line of whisky William Lawson’s on the plant Traditsii Kachestva (Traditions of Quality). In the next two years, it is planned to produce 10 million litres under this brand.

Currently, Synergy takes the leading position on the market of distilled beverages, possessing a diversified portfolio consisting of leading brands, great and unique distribution platform, while being the No. 1 independent importer of premium spirits.

Over the reporting period, guided the strategy of maximum diversification, the Company has brought to the market a number of brands with considerable potential. These include: Georgievskaya Vodka, Kapitanskiy Rum and Gin, cognac “Sokrovischa Tiflisa”, as well as a broad brand line of “Vogue” sparkling wines. The Company has developed its flagship super-premium Beluga brand. Here, we expanded our presence through the limited Beluga Celebration series, as well as bitters Beluga Hunting Herbal and Beluga Hunting Berry.

In 2015, the Company rapidly developed distribution of imported products from partner companies. According to the results of 2015, the Company’ imports showed a 32% increase (to 461 thousand dcl.).

Synergy signed exclusive contracts with new partners such as Allied Brands S.R.L. and Sazerac. Now, the Company represents Italian absinthe Xenta and American bourbons Benchmark and Buffalo Trace on the territory of the Russian Federation. In addition, Synergy’s portfolio has been supplemented with the legendary Caribbean rum Sailor Jerry and whiskey liqueur Drambuie from the Company’s strategic partner William Grant & Sons. Currently, Synergy continues to strongly operate in the majority of highly profitable fields, which has positive impact on the Company’s profitability in general and directly influences its stability.”

FINANCIAL OVERVIEW

Financial Performance and Operations Results

The table below shows the Company's consolidated financial results for 2015 compared to the figures for 2014.

(in million roubles, except for those figures stating otherwise)

	2015	2014	Change
Sales, thousands dcl.	9,870	11,021	-10%
Sales, including excise	47,591	46,814	+2%
Net Revenue	**30,706**	**28,163**	**+9%**
COGS	18,033	16,135	+12%
Gross Profit	12,673	12,028	+5%
Gross Profit Margin, %	*41.3%*	*42.7%*	*-1.4pp*
General and Administrative Expenses	2,582	2,411	+7%
Distribution Expenses	8,260	7,389	+12%
EBITDA	**2,885**	**2,973**	**-3%**
EBITDA Margin, %	*9.4%*	*10.6%*	*-1.2pp*
Operating Income	2,109	2,274	-7%
Operating Income Margin, %	*6.9%*	*8.1%*	*-1.2pp*
Net Financial Expenses	1,737	945	+84%
Net Income	**241**	**1,090**	**-78%**
Net Income Margin, %	*0.8%*	*3.9%*	*-3.1pp*
Earnings per Share, RUR	12.21	61.73	-80%
Net operating cash flow	2,067	-878	

In 2015, the Company's sales continued to be pressured by the growth of excise rate increased in 2014, as well as reduced purchasing power of consumers due to economic crisis in the country. Shipments of Synergy Group showed a 10% decrease (from 11,021 million dcl. to 9,870 million dcl.). However, due to an increase in prices and export and import activities, the Company managed to almost completely mitigate this decline (net revenue showed a 9% increase from 28,163 million roubles to 30,706 million roubles). Additional pressure on shipments was applied by the introduction of the Unified State Automated Information System (USAIS) in the wholesale segment from January 1, 2016. Distributors minimized their stocks at the end of the year due to the specific nature of the transition to USAIS. However, in the first quarter of 2016, wholesale companies were rebuilding their stocks resulted in supporting the Company's sales in early 2016.

The gross profit margin showed a slight decrease due to inflationary cost growth, while the Company's gross profit showed a 5% increase up to 12,673 million roubles.

General and administrative expenses showed a 7% increase up to 2,411 million roubles due to the indexation of charges on payment of labour.

Given the difficult situation on the alcohol market, the Company made efforts to improve operating efficiency, and the Company's commercial expenses showed a 12% increase up to 8,260 million roubles compared to a 26% increase a year earlier.

Consolidated EBITDA for 2015 remained at the level of the previous year. Its reduction did not exceed 3% (from 2,973 million roubles to 2,885 million roubles). This result is considered by the Company a good achievement given the decrease in shipments by 10%.

Net profit showed a 78% decrease from 1,090 million roubles to 241 million roubles. Such decrease is almost entirely due to a sharp increase in interest rates – the weighted average rate of borrowings as of December 31, 2014 amounted to 10.9%, as of June 30, 2015 – 14.82%, despite the fact that interest rates on new borrowings were even higher in the peak moments of the financial crisis. As of the end of 2015, the weighted average cost of borrowings decreased to 14.06% and continued to decrease in 2016. As long as the financial situation continues to stabilize and the Central Bank of the Russian Federation continues to implement its policy of reducing interest rates, the Company expects a recovery in the net profit figures in 2016.

Segment reporting

The table below illustrates changes in segment revenue and gross profit for the year 2015 as compared with 2014. The data presented below does not include intersegment revenue.

(RUR million)

	Alcohol Segment			**Food Segment**		
	2015	**Increase**	**2014**	**2015**	**Increase**	**2014**
Revenue	23,771	+6%	22,441	6,900	+21%	5,722
Gross Profit	10,840	+1%	10,779	1,821	+33%	1,369
Gross Profit Margin, %	*45.6%*	*-2pp*	*48.0%*	*26,4%*	*+2.5pp*	*23.9%*

Alcohol Segment

The alcohol segment dynamics is similar to the overall results of the Group: a drop in sales volume, an increase in revenue and gross profit due to an increase in prices and dynamic diversification of the Group's operations.

Food Segment

2015 showed growth in all food sub-segments. Focus on more premium products in the dairy and meat sectors, as well as the effective work of the poultry division contributed positively to the segment results.

Capital Structure

The table below illustrates changes in the equity structure as of December 31, 2015, as compared to the previous period.

(in million roubles, except for those indicators which are otherwise stated)

	December 31, 2015	December 31, 2014	**Year-on-Year**
Total Debt	**8,449**	8,708	**+30.4%**
Long-Term Debt	**5,647**	5,544	**-4.5%**
Short-Term Debt	**2,802**	2,904	**+261.6%**
Share of long-term debt in total debt, %	***67%***	*64%*	***-23pp***
Share of unsecured liabilities in total debt, %	***43%***	*49%*	***-13pp***
Cash and Equivalents	**1,161**	482	**+3.2%**
Net debt	**7,288**		
Total Capital and Reserves	**19,261**	19,144	**+4.2%**
Total Capital	**25,463**	25,220	**+2%**
Net Debt / EBITDA	***2.53***	*2.77*	***+63.6%***

In 2015, the Company's total debt decreased by 259 million roubles and amounted to 8,449 million roubles.

Cash balances increased significantly, primarily due to balances in USD and EUR to secure import operations in 1H2016. As long as exchange rates continue to be stabilized, the amount of cash on balances will steadily decrease.

Improving the efficiency of capital management led to decrease in net debt by 938 million roubles, or by 11.4% down to 7,288 million roubles.

Operating cash flow

Net positive operating cash flow in 2015 amounted to 2,067 million roubles (negative net operating cash flow in 2014 amounted to 878 million roubles). Generation of significant cash flow by the Company demonstrates its ability to effectively manage working capital, which is especially important in the current crisis situation.

About Synergy, Co

PJSC “Synergy” is the leading diversified spirits group in Russia with a 15% share of the legal vodka market in Russia. The Company`s strategic focus lays on production and distribution of alcoholic beverages. Synergy is #1 Russian independent importer of spirits. Synergy possesses its own distributional platform, ensuring the largest possible market coverage, and diversified portfolio of federal brands, addressing market demands across the full spectrum of price points, from the low-middle to the super-premium price segments.

The Company`s federal brand portfolio includes super-premium vodka Beluga, premium vodka Veda, sub-premuim vodkas Myagkov and Russky Lyod, middle vodka Belenkaya, low-middle vodka Gosudarev Zakaz and brandy Zolotoy Reserv. The Company operates seven spirits production plants and one of the largest distributional platform in Russia. Synergy is the exclusive distributor of one of the global premium spirits producer William Grant & Sons, representing in Russia such brands as Scottish whisky Glenfiddich, Grant’s, Clan McGregor, The Balvenie, gin Hendrick’s and Irish whisky Tullamore Dew. In addition to this, the Company distributes also the products of French house of Camus cognac. Also the imported portfolio of Synergy includes Ron Barcelo rum, Amarula liqueur, Milagro tequila, brandy "Tsar Tigran", "Yerevan Traditional" and the balms line of Latvijas balzams.

The combination of strong portfolio of brands, strong production base and developed sales system supports Synergy`s competitive advantages and profound organic growth year on year.

Click on http://sygroup.ru/ for more information on the Company.

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Cautionary note concerning forward looking statements

Matters discussed in this press release may constitute forward-looking statements. Forward-looking statements are the statements other than ones related to the historical facts. The words “believe”, “expect”, “anticipate”, “intend”, “estimate”, “will”, “may”, "continue", “should” and similar expressions identify the forward-looking statements. Forward-looking statements include statements regarding: objectives, goals, strategies, outlook and growth prospects; future plans, events or performance and potential for future growth; liquidity, capital resources and capital expenditures; economic outlook and industry trends; developments of our markets; the impact of regulatory initiatives; and the strength of our competitors.

The forward-looking statements in this press release are based upon various assumptions and estimates based on management’s examination of historical operating trends, data contained in our records and other data available from third parties. Although we believe that these assumptions and estimates were reasonable when made, they are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond our control. Such risks, uncertainties, contingencies and other important factors could cause the actual results of Synergy, Co. or the industry to differ materially from those results expressed or implied in this press release by such forward-looking statements. Such risks, uncertainties, contingencies and other important factors include, among others: political and social developments; general economic, market and business conditions; trends in the markets in which we operate or plan to operate; our business and growth strategies; planned acquisitions or divestitures; our expansion into other geographic regions or market segments; the effects of legislation, regulation, bureaucracy or taxation on our business; and our anticipated future revenues, capital expenditures and financial resources. Accordingly, such forward-looking statements cannot be relied on, and neither Synergy, Co., nor any other person can assure you that projected results will be achieved in the future.

The information, opinions and forward-looking statements contained in this presentation speak only as at the date of this presentation, and are subject to change without notice. Neither Synergy, Co. nor any other person undertakes, nor do they have any obligation, to provide updates or to revise any forward-looking statements except as may be required by applicable law and regulation.

(All amounts in Russian Rubles million, unless stated otherwise)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2015	**2014**
Sales	47 591	46 814
Excise duties	(16 885)	(18 651)
Net revenue	**30 706**	**28 163**
Cost of sales	(18 033)	(16 135)
Gross profit	**12 673**	**12 028**
General and administrative expenses	(2 582)	(2 411)
Distribution expenses	(8 260)	(7 389)
Other income/(expense)	278	46
Operating profit	**2 109**	**2 274**
Net finance costs	(1 737)	(945)
Profit before tax	**372**	**1 329**
Income tax	(131)	(239)
Total comprehensive income for the period	**241**	**1 090**
Attributable to		
Equity holders of the Company	210	1 065
Non-controlling interest	31	25
Basic earnings per share	**12.21**	**61.73**
(expressed in Russian Rubles per share)		

(All amounts in Russian Rubles million, unless stated otherwise)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31 December 2015	31 December 2014
ASSETS		
Non-current assets		
Property, plant and equipment	6 724	7 021
Goodwill	235	235
Investment in associates	700	–
Intangible assets	7 228	7 002
Other long-term assets	102	122
Deferred tax assets	478	456
Total non-current assets	**15 467**	**14 836**
Current assets		
Inventories	7 137	5 355
Biological assets	281	290
Trade and other receivables	10 970	13 153
Prepayments	576	571
Income tax overpaid	61	32
Cash and cash equivalents	1 161	482
Total current assets	**20 186**	**19 883**
TOTAL ASSETS	**35 653**	**34 719**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Equity and reserves		
Share capital	2 495	2 495
Treasury Shares	(773)	(785)
Retained earnings	11 268	11 127
Other reserves	5 582	5 572
Total equity attributable to shareholders of PAO Synergy	**18 572**	**18 409**
Non-controlling interest	689	735
Total equity and reserves	**19 261**	**19 144**
Non-current liabilities		
Loans and borrowings	5 647	5 544
Deferred tax liabilities	555	532
Total non-current liabilities	**6 202**	**6 076**
Current liabilities		
Loans and borrowings	2 802	3 164
Trade and other payables	7 326	6 153
Income tax payable	62	182
Total current liabilities	**10 190**	**9 499**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**35 653**	**34 719**

(All amounts in Russian Rubles million, unless stated otherwise)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Treasury Shares	Other reserves and Share premium	Retained earnings	Total shareholders' equity	Non–controlling interest	Total
Balance at 31 December 2013	**2 495**	**(733)**	**5 829**	**10 062**	**17 653**	**716**	**18 369**
Other changes in non–controlling interest	–	–	–	–	–	1	1
Dividends accrued to non-controlling interest in subsidiaries	–	–	–	–	–	(7)	(7)
Share based benefits	–	20	89	–	109	–	109
Repurchase of own shares	–	(72)	(346)	–	(418)	–	(418)
Total changes, not recorded into net profit	**–**	**(52)**	**(257)**	**–**	**(309)**	**(6)**	**(315)**
Total comprehensive income for the period	–	–	–	1 065	1 065	25	1 090
Balance at 31 December 2014	**2 495**	**(785)**	**5 572**	**11 127**	**18 409**	**735**	**19 144**
Other changes in non–controlling interest	–	–	–	–	–	(57)	(57)
Dividends accrued to non-controlling interest in subsidiaries	–	–	–	–	–	(20)	(20)
Separation of other consolidation reserves from share premium into retained earnings	–	–	69	(69)	–	–	–
Share based benefits	–	27	103	–	130	–	130
Repurchase of own shares	–	(15)	(162)	–	(177)	–	(177)
Total changes, not recorded into net profit	**–**	**12**	**10**	**(69)**	**(47)**	**(77)**	**(124)**
Total comprehensive income for the period	–	–	–	210	210	31	241
Balance at 31 December 2015	**2 495**	**(773)**	**5 582**	**11 268**	**18 572**	**689**	**19 261**

(All amounts in Russian Rubles million, unless stated otherwise)

CONSOLIDATED CASH FLOW STATEMENT

	2015	2014
Cash flows from operating activities		
Profit before income tax and finance costs	2 109	2 274
Adjustments to reconcile profit to cash generated from operations		
Depreciation and amortisation	776	699
(Gain)/loss on disposal of property, plant and equipment	(363)	(10)
Share based benefits	130	109
(Gain) on change in fair value of biological assets	13	(87)
Other non-cash transactions	97	78
Changes in working capital:		
(Increase)/decrease in inventories and biological assets	(1 773)	1 826
(Increase)/decrease in accounts receivable	2 035	(1 288)
Increase/(decrease) in accounts payable	1 070	(2 854)
Cash flows from operating activities	**4 094**	**747**
Interest paid	(1 918)	(1 265)
Income tax paid	(109)	(360)
Net cash flow from operating activities	**2 067**	**(878)**
Cash flows from investing activities		
Acquisition of subsidiaries and associates	(700)	11
Acquisition of property, plant and equipment and intangible assets	(639)	(790)
Disposal of property, plant and equipment and intangible assets	394	96
Net cash flow from investing activities	**(945)**	**(683)**
Cash flows from financing activities		
Repurchase of own shares	(177)	(418)
Dividends paid to non-controlling interest	(21)	(16)
Loans and borrowings received	30 351	30 926
Loans and borrowings repaid	(30 596)	(28 916)
Net cash flow from financing activities	**(443)**	**1 576**
Net increase/(decrease) in cash and cash equivalents	**679**	**15**
Cash and cash equivalents at beginning of the year	482	467
Cash and cash equivalents at end of the year	**1 161**	**482**

(All amounts in Russian Rubles million, unless stated otherwise)

EBITDA CALCULATION (UNAUDITED)

	2015	2014
Profit for the period	241	1 090
Income tax	131	239
Net finance costs	1 737	945
Depreciation and amortisation	776	699
EBITDA	**2 885**	**2 973**

**- EBITDA represents net income before interest, income taxes and depreciation and amortization, adjusted for interest income, and other financial expenses. EBITDA margin is EBITDA expressed as a percentage of sales.*

The Company presents EBITDA because it considers it an important supplemental measure of the operating performance.

EBITDA has limitations as an analytical tool, and it should not be considered in isolation, or as substitute for analysis of our operating results as reported under IFRS. Moreover, other companies may calculate EBITDA differently or may use it for different purposes than Synergy, Co. does, limiting its usefulness as a comparative measure.

EBITDA also should not be considered as an alternative to cash flow from operating activities or as a measure of our liquidity.