

Market Opportunities for Hungarian Pálinka

Budapest, 21 June 2009

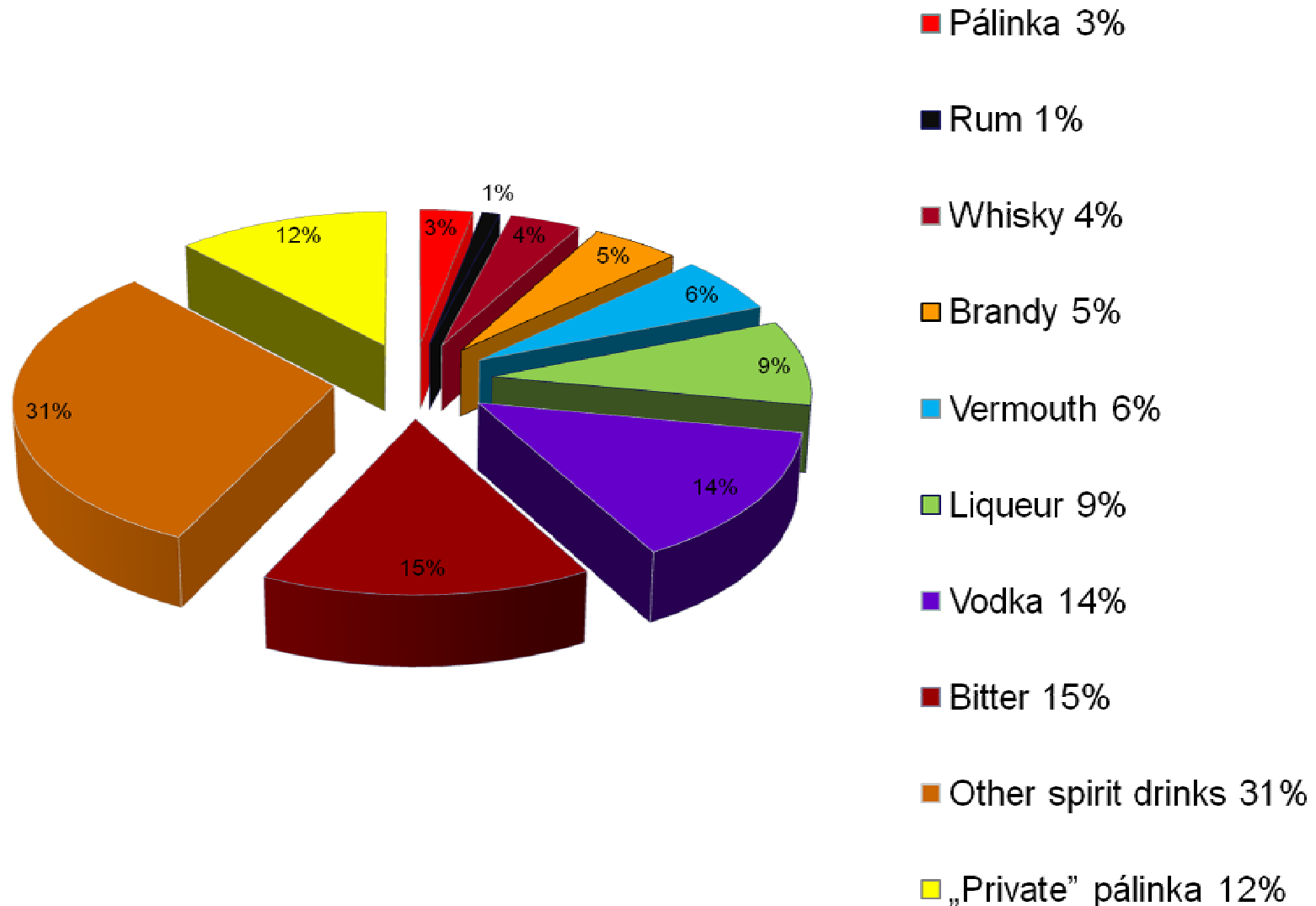
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I. The Hungarian Spirit Market

(65 Million liter)



Famous fruit growing areas



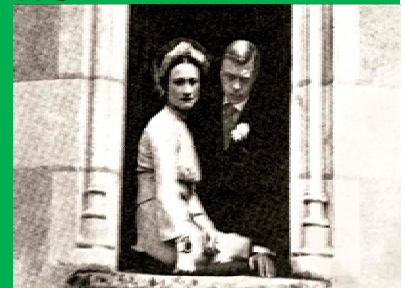
What is pálinka?

- Pálinka in Hungary = cognac, champagne in France or grappa in Italy
- Traditional Hungarian spirit
- Produced using fruit (or grape marc) grown only in Hungary
- Distilled in Hungary
- No added sugar, honey, artificial aromas or alcohol

Pálinka's tradition I.

- Birth: 14th century (older than whisky, rum or cognac)
- Nationality: Hungary
- Ingredients: fresh, ripe fruit
- The first important historical event:
 - 1935: Edward, prince of Wales visited Kecskemét Pálinka Distillery and said about apricot distillate:

“in soda it is better than whisky, in tea it is better than rum”



Pálinka's tradition II.



- After the 2nd world war:
 - nationalization of private businesses
 - Destruction
- Rotting fruit instead of high quality fruit in pálinka
- Result: poor quality pálinka

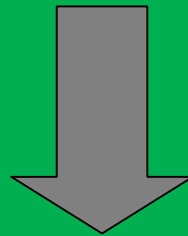


pálinka= old-fashioned, low quality
spirit for people living in the countryside

Pálinka's present



- 21th century:
 - Numerous new pálinka distilleries
 - Novelties, innovations, specialties in the pipeline
 - National and international pálinka competitions, festivals



Pálinka= trendy, premium, national spirit of young people

Pálinka competitions

- **International:**

- World Spirits Award, Klagenfurt
- Destillata, Vienna
- International Wine and Spirits Competition, London

- **National:**

- HunDeszt



Pálinka festivals



Innovations



- Fruit:
 - Mulberry
 - Black currant
 - Sour cherry
- Technology:
 - Palinka aged with fresh rose hip, raspberry and plum
- Ageing:
 - Chestnut barrels
 - Double barrel ageing: mulberry and cherry/ash barrels

Famous pálinka distilleries



Thank you for your attention!

Enjoy Pálinka responsibly!

András Nagy