RÉMY COINTREAU

26 November 2013

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

Rémy Cointreau's sales for the six months to 30 September 2013 were €558.0 million, an organic decline of 3.6% compared with the same period the previous year, during which strong growth of 13.3% was reported. Although the Group maintained a strong momentum in the US and Europe, this did not offset the slowdown recorded in China.

Current operating profit was €132.7 million, an organic decline of 7.3% compared with high comparative figures in 2012, during which 18% growth was achieved. The current operating margin improved slightly to 23.8%, compared with 23.7% for the same period last year.

Key Figures

(€m)	6 months to 30.09.13	6 months to 30.09.12	% Change Organic[1]	Published
Net sales	**558.0**	595.8	(3.6%)	(6.3%)
Current operating profit	**132.7**	141.5	(7.3%)	(6.2%)
Current operating margin	**23.8%**	23.7%	-	-
Net profit (Group share)	**69.3**	86.6	-	(20.0%)
Net profit (exc. non-recurring items)	**85.5**	88.5	-	(3.4%)
Net margin (exc. non-recurring items)	**15.3%**	14.9%	-	-
Net debt/EBITDA ratio	**1.09**	0.86	-	-
Net earnings per share (exc. non-recurring items)	**1.73**	1.84	-	-

[1] *at comparable exchange rates*

Current operating profit by division

(€m)	6 months to 30.09.13	6 months to 30.09.12	% Change Organic[1]	Published
Rémy Martin	**116.1**	131.4	(11.7%)	(11.7%)
Liqueurs & Spirits	**20.9**	19.3	+2.6%	+8.2%
Sub-total – Group brands	**137.0**	150.8	(9.9%)	(9.1%)
Partner brands	**4.5**	2.3	+74.6%	+90.6%
Holding company costs	**(8.7)**	(11.6)	(24.7%)	(24.7%)
Total	**132.7**	141.5	(7.3%)	(6.2%)

[1] *at comparable exchange rates*

-MORE-

The data provided below is expressed in millions of euros and changes are organic.

Rémy Martin

The 10.4% decline in sales to €327.2 million reflected the unfavourable situation in the Chinese market for imported spirits, which was not offset by the growth noted in the Americas and Europe regions. The temporary slowdown in sales momentum in China, which does not in any way detract from the brand's fundamentals, did not constrain the House of Rémy Martin's strategic and targeted investment in this region.

Current operating profit totalled €116.1 million, a decline of 11.7%. The current operating margin was 34.5%, virtually unchanged from the 34.9% level recorded in the previous period. This performance was a result of maintaining a high gross margin, increased targeted marketing investment and strict control of both the structure and distribution costs.

Liqueurs & Spirits

Sales totalled €120.4 million, an increase of 10.2% compared with the previous period, with all regions recording growth. Cointreau grew in the US and other countries in the Americas region, as well as in its key European markets. Metaxa, Mount Gay and St-Rémy all performed well over the first six months of the financial year. The single malt Scotch whisky, Bruichladdich, acquired in September 2012, continued its expansion within the Group's network.

Current operating profit increased by 2.6% to €20.9 million, with maintained high levels of marketing investment. The current operating margin was 16.0%, compared with 17.2% for the same period the previous year. Excluding Bruichladdich, currently being integrated into the network, the margin would have been 18.1%, an increase of almost 1 percentage point.

Partner Brands – The 6.0% increase in sales was due, in particular, to the solid performance of the Scotch whisky brands distributed in the US. The divisional operating profit was €4.5 million, compared with €2.3 million for the same period last year.

Consolidated results

Current operating profit declined by 7.3% and by 6.2% in published data due to a net foreign exchange gain of €1.5 million. The average €/USD book rate was 1.32 for the period compared with 1.27 for the same period last year. Taking into account its hedging policy, the Group achieved an average collection rate of 1.31, compared with 1.34 in the same period last year. After taking into account impacts totalling €3.5 million, primarily related to the Larsen transaction, **operating profit** was €129.2 million.

Net financial expense was €10.7 million, an increase of €1.2 million, primarily related to movements on foreign exchange and interest hedging instruments.

The **tax charge** was €38.2 million, representing a tax rate of 32.2%, which was stable compared with the same period last year.

The share in profit from associates primarily related to the equity investment in the Chinese Group, Dynasty. At 31 March 2013, Rémy Cointreau recognised a €15.9 million impairment charge on its securities. At 30 September 2013, the Dynasty Group had neither published its 2012 Annual results nor its 2013 Interim results. Rémy Cointreau subsequently carried out a further review following which it recognised an additional impairment charge of €10.9 million.

Net profit consequently declined by 20.0% in published data to €69.3 million. Earnings per share were €1.40 compared with €1.80 for the same period the previous year. Excluding non-recurring items, net profit was €85.5 million, a moderate decline of 3.4%, with earnings per share of €1.73, compared with €1.84 the previous year.

Net debt was €304.6 million, an increase of €39.1 million since the beginning of the financial year, primarily due to the seasonality of working capital requirements. The net debt to EBITDA bank ratio was 1.09 at the end of September 2013, compared with 0.99 at the end of March 2013. At 30 September 2013, the Group had €665 million in confirmed financial resources.

Financial highlights

On 22 July 2013, the Fitch ratings agency accredited Rémy Cointreau with an investment grade rating (BBB- with a Stable outlook). On 10 October, Standard & Poor's upgraded Rémy Cointreau's rating to BBB- Positive outlook followed, on 24 October, by Moody's, which upgraded its rating to Baa3 Stable outlook.

On 13 August, the Group completed a €65 million bond issue with a 10-year maturity and a fixed coupon of 4%.

On 19 November, Rémy Cointreau announced that it had reallocated the shares purchased under its share buyback programme. Out of a total of 1,428,794 shares held by the Group, 1,150,000 were cancelled as part of a share capital reduction approved on the same day, with the remaining 278,794 shares being reallocated to servicing long-term incentive plans.

Outlook

In an uncertain economic environment in Europe and against the backdrop of a sharp slowdown in China, which remains impacted by high inventory levels in distribution and poor short-term visibility, the business environment will be less favourable in the second half of the year. This situation will adversely affect the full-year current operating profit, which is expected to record a substantial double-digit decline at the end of the financial year, following many years of sustained, steady growth. Nevertheless, the Group remains confident in its medium and long-term outlook in Asia, particularly in China, where its development potential remains unaffected.

Rémy Cointreau is resolutely pursuing its strategy of developing its upmarket brands and creating long-term value. Due to the quality of its brand portfolio, supported by targeted investment, continued resolute innovation, the qualitative strengthening of its distribution, and strict cost control, the Group is confident in the capacity of its value adding model to bring about a return to steady growth.

-ENDS-

For further information, please contact:
Rémy Cointreau
Analysts: Luca Marotta (Analysts) Tel: 00 33 1 44 13 45 13
Press: Joëlle Jézéquel (Press) Tel: 00 33 1 44 13 45 15
Caroline Sturdy Tel: 07775 568 500

The regulatory information in respect of this announcement is available at www.remy-cointreau.com