RÉMY COINTREAU

Paris, 9 June 2016

Consolidated 2015-2016 annual results
(April 2015 – March 2016)

Strong annual performance
Current operating profit: up 6.1% in organic terms
Net profit: up 10.6%

Rémy Cointreau generated sales of €1,050.7 million in the year ended 31 March 2016, up 8.9% relative to the previous year. In organic terms, growth was positive: +1.7% for Group brands and +0.3% overall.

The EMEA (Europe, Middle East and Africa) region delivered a strong performance in the year led by the Group's expansion strategy in Africa, while the Americas region benefited from remarkable growth in the Group's brands amid a favourable environment for dark spirits, particularly in the United States. Asia-Pacific countries saw significant growth in the second half of the year.

Current operating profit totalled €178.4 million, up 6.1% on an organic basis (up 14.4% on a reported basis), in line with the organic growth targets set by the Group in June 2015. Current operating margin thus improved 80 bps to 17.0%. This increase was driven by the performance of the Group's exceptional spirits (> USD 50) and work to optimise overheads, allowing for a targeted increase in communications investments.

Consolidated net profit attributable to the Group rose 10.6% to €102.4 million.
Excluding non-recurring items, net profit came in at €110.4 million, up 16.7%.

Key figures

Millions of euros (€m)	**To 31 March 2016 Reported**	To 31 March 2015 Reported	Change Reported	Organic*
Sales	**1,050.7**	965.1	8.9%	+0.3%
Current operating profit	**178.4**	156.0	**+14.4%**	**+6.1%**
Current operating margin	**17.0%**	16.2%	-	-
Net profit — Group share	**102.4**	92.6	+10.6%	-1.4%
Net margin — Group share	**9.7%**	9.6%	**-**	**-**
Net profit excluding non-recurring items	**110.4**	94.6	**+16.7%**	**+5.0%**
Net margin excluding non-recurring items	**10.5%**	9.8%	-	-
EPS — Group share	**2.11**	1.91	+10.5%	-
EPS excluding non-recurring items	**2.27**	1.95	+16.4%	-
Net debt to EBITDA ratio	**2.29**	2.64	-	-

(*) Organic growth is calculated assuming constant exchange rates and consolidation scope.

Current operating profit by division

Millions of euros (€m)	**To 31 March 2016 Reported**	To 31 March 2015 Reported	Change Reported	Change Organic(*)
Rémy Martin	**139.7**	117.4	19.0%	+6.4%
As % of sales	***21.6%***	*20.8%*		
Liqueurs & Spirits	**48.1**	51.8	(7.1%)	(2.8%)
As % of sales	***17.6%***	*19.7%*		
Subtotal: Group brands	**187.8**	169.2	**+11.0%**	**+3.6%**
As % of sales	***20.4%***	*20.4%*		
Partner brands	**6.0**	7.3	(17.1%)	(22.9%)
As % of sales	***4.7%***	*5.3%*		
Holding company costs	**(15.4)**	(20.5)	(25.0%)	(25.0%)
Total	**178.4**	156.0	**+14.4%**	**+6.1%**
As % of sales	***17.0%***	*16.2%*		

Rémy Martin

After two years of decline, sales at the **House of Rémy Martin** recovered in the year, up 3.2% on an organic basis, mainly driven by strong performance in the United States, Africa, South-East Asia and Japan.

The **Rémy Martin** brand benefited from its new "One Life / Live Them" global communication platform and very strong growth in the 1738 Accord Royal and Club brands in the United States and Asia respectively. Meanwhile, **Louis XIII** was boosted by the success of the "100 Years: The Movie You Will Never See" campaign.

Current operating profit totalled €139.7 million, up 6.4% on an organic basis. The operating margin came in at 21.6%, up 80 basis points, with the rising cost of eaux-de-vie and the acceleration in communications investments comfortably offset by favourable mix and price effects and work to optimise the division's overheads.

Liqueurs & Spirits

The strategy of acceleration in moving the range upmarket was also effective in the Liqueurs & Spirits division in 2015-2016: in the Travel Retail channel, **Cointreau** successfully launched *Cointreau Blood Orange* and **Metaxa** rolled out *Angels' Treasure*. **Mount Gay** *Black Barrel* confirmed its position as one of the leaders in the high-end rum segment in its new markets, while **Octomore** added to its range by launching the limited edition *7.4 Virgin Oak*.

While these initiatives supported the division's growth in the second half of the year, they did not fully compensate for macroeconomic (Greece and Russia) and technical factors that hampered performance in the first half. Full-year performance thus remained slightly negative (down 1.5% on an organic basis).

Current operating profit totalled €48.1 million, down 2.8% on an organic basis as a result of higher communications expenditure to support brands and creative initiatives. The current operating margin came in at 17.6%, compared with 19.7% in the year to end March 2015.

(*) Organic growth is calculated assuming constant exchange rates and consolidation scope.

Partner brands

The decline in sales was the result of the expiry of the distribution agreement for champagne brands (Piper Heidsieck and Charles Heidsieck) in the United States, while the other partner brands posted double-digit growth in the EMEA region.

Current operating profit totalled €6.0 million, down 22.9% on an organic basis due to the decline in sales in the year.

Consolidated results

Current operating profit totalled €178.4 million, up 6.1% on an organic basis. The reported growth (+14.4%) benefited from a €12.9 million positive foreign exchange effect driven by both conversion and transaction effects (hedging policy).

Operating profit came in at €178.7 million after taking into account net non-recurring income of €0.3 million.

Net financial expenses totalled €27.3 million, down €2.4 million in the year thanks to a reduction in charges linked to gross financial debt and a foreign exchange gain.

The income tax expense amounted to €44.1 million, giving an effective tax rate of 29.1%, higher than the March 2015 rate (26.4%), which was helped by a favourable geographical mix and positive technical factors.

The Group's **share of profits from associates** was a €4.8 million loss, mainly reflecting an adjustment to the value of the investment in Dynasty Fine Wines Ltd. At 31 March 2016, Dynasty had yet to publish its 2012, 2013, 2014 and 2015 financial statements. During the year, Rémy Cointreau had its investment re-appraised and subsequently recognised a €3.7 million impairment loss.

Net profit attributable to the Group was €102.4 million, up 10.6%.

Excluding non-recurring items (-€8.0 million), net profit attributable to the Group came in at €110.4 million, up 16.7%, and the net margin rose 70 basis points to 10.5%. Net earnings per share (excluding non-recurring items) came in at €2.27 (up 16.4%).

Net debt totalled €458.2 million at 31 March 2016, down €8.4 million in the year thanks to effective management of the working capital requirement (excluding strategic purchases of eaux-de-vie).

As a result, the **net debt to EBITDA ratio** improved significantly to 2.29x at end March 2016, compared with 2.64x at end March 2015.

The **return on capital employed (RoCE)** was 17.3% for the year ended 31 March 2016, up 170 bps in the year.

A dividend of €1.60 per share (up 4.6%) will be put to the vote at the annual general meeting, to be held on 26 July 2016. Payment will be combined with a cash or share option for the full amount of the dividend payable.

(*) Organic growth is calculated assuming constant exchange rates and consolidation scope.

2016-2017 outlook

Confident in its acceleration strategy of moving upmarket, the Rémy Cointreau Group expects to deliver growth in current operating profit, assuming constant exchange rates and consolidation scope, in financial year 2016-2017.

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Regulated information in connection with this press release can be found at www.remy-cointreau.com

NOTES

Sales and current operating profit by division

Millions of euros (€m)	To 31 March 2016		To 31 March 2015	Change	
	Reported	At constant exchange rates	Reported	Reported	Organic(*)
	A	B	C	A/C-1	B/C-1
Sales					
Rémy Martin	647.8	582.8	564.8	+14.7%	3.2%
Liqueurs & Spirits	273.7	259.0	262.9	+4.1%	-1.5%
Subtotal: group brands	921.5	841.8	827.8	+11.3%	+1.7%
Partner brands	129.2	126.2	137.3	-5.9%	-8.1%
Total	**1,050.7**	**968.0**	**965.1**	**+8.9%**	**+0.3%**
Current operating profit					
Rémy Martin	139.7	124.9	117.4	+19.0%	+6.4%
As % of sales	*21.6%*	*21.4%*	*20.8%*		
Liqueurs & Spirits	48.1	50.3	51.8	-7.1%	-2.8%
As % of sales	*17.6%*	*19.4%*	*19.7%*		
Subtotal: group brands	187.8	175.2	169.2	+11.0%	+3.6%
As % of sales	*20.4%*	*20.8%*	*20.4%*		
Partner brands	6.0	5.6	7.3	-17.1%	-22.9%
As % of sales	*4.7%*	*4.4%*	*5.3%*		
Holding company costs	(15.4)	(15.4)	(20.5)	-25.0%	-25.0%
Total	**178.4**	**165.5**	**156.0**	**+14.4%**	**+6.1%**
As % of sales	*17.0%*	*17.1%*	*16.2%*		

(*) Organic growth is calculated assuming constant exchange rates and consolidation scope.

Summary income statement

Millions of euros (€m)	To 31 March 2016		To 31 March 2015	Change	
	Reported	At constant exchange rates	Reported	Reported	Organic*
	A	B	C	A/C-1	B/C-1
Sales	1,050.7	968.0	965.1	8.9%	0.3%
Gross profit	665.8	617.9	618.1	7.7%	0.0%
Gross profit margin	63.4%	63.8%	64.0%		
Current operating profit	**178.4**	**165.5**	**156.0**	**14.4%**	**6.1%**
Current operating profit as % of sales	17.0%	17.1%	16.2%		
Other operating income (expense)	0.3	0.3	0.5		
Operating profit	178.7	165.7	156.5		
Net financial income (expense)	(27.3)	(30.1)	(29.7)		
Corporate income tax	(44.1)	(39.5)	(33.5)		
Tax rate	29.1%	29.1%	26.4%		
Share of profits from associates	(4.8)	(4.8)	(0.7)		
Minority interests	(0.1)	(0.1)	-		
Net profit — Group share	102.4	91.3	92.6	10.6%	-1.4%
Net profit as % of sales	9.7%	9.4%	9.6%		
Net profit excluding non-recurring items	**110.4**	**99.3**	**94.6**	**16.7%**	**5.0%**
Net profit (excluding non-recurring items) as % of sales	**10.5%**	**10.3%**	**9.8%**	**-**	**-**
EPS — Group share	2.11	1.88	1.91	10.5%	-
EPS excluding non-recurring items	2.27	2.04	1.95	16.4%	-

(*) Organic growth is calculated assuming constant exchange rates and consolidation scope.