



RÉMY COINTREAU

Paris, 20 July 2016

Fiscal year 2016-2017
First quarter sales
(April 2016 – June 2016)

Start of fiscal year in line with our forecasts 2016/17 guidance confirmed

Rémy Cointreau generated sales of €218.6 million in the first quarter of its 2016/17 fiscal year, stable in organic terms^(*) and down 2.1% on a reported basis.

The sales trend in this early part of the year was in line with our expectations and represents a good performance following growth of 10%^(*) in the fourth quarter of the 2015/16 fiscal year. Quarterly volatility in sales has masked a further uplift in end demand for our products in both volume and value terms over the past few months.

Geographically, the Americas region once again had a very good first quarter, buoyed by cognac, while the Europe, Middle East and Africa (EMEA) region enjoyed growth driven by its emerging markets. Although depletions in the Asia Pacific region continued to accelerate (especially in value terms), revenues dipped as expected in the first quarter.

It should be noted that the first quarter does not traditionally make a significant contribution to annual sales.

Breakdown of sales by division:

(€ millions)	3 months to 30/06/16	3 months to 30/06/15	Change	
			Reported	Organic (*)
Rémy Martin	130.0	134.3	-3.2%	-0.5%
Liqueurs & Spirits	58.1	59.8	-2.8%	-0.8%
Subtotal: Group brands	188.1	194.1	-3.1%	-0.6%
Partner brands	30.5	29.2	+4.5%	+4.3%
Total	218.6	223.3	-2.1%	+0.0%

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

Rémy Martin

Almost stable^(*) cognac sales in the first quarter reflect excellent performance in the Americas region and a one-off decline in the EMEA and Asia Pacific regions.

End demand for our cognac brands remains buoyant and even points to an accelerating trend in high-end qualities, driven by a tangible increase in communications investments.

The division continued its marketing initiatives over the period, including the limited editions *Carte Blanche à Baptiste Loiseau* and *XO Cannes 2016* by Rémy Martin, as well as *L'Odysée d'un Roi* by Louis XIII.

Liqueurs & Spirits

Strong momentum in Metaxa and Islay Spirits partially offset the decline in the division's other brands in the quarter.

The slight drop-off in sales of **Cointreau** was mainly due to the timing of Easter and early orders ahead of first quarter price rises.

Metaxa consolidated its return to growth in this early part of the year, buoyed by its main markets (Germany, Poland and Russia) and strong marketing initiatives including *Metaxa Honey Shot* and *Angel's Treasure*.

Sales of **Mount Gay** declined following further price rises in entry-level ranges in the United States. *Black Barrel* and *XO* successfully continued their international development.

Islay Spirits (Bruichladdich/Port Charlotte/Octomore/The Botanist) maintained strong growth in the quarter, helped by new listings in their target markets (Travel Retail, United States, France, United Kingdom) and a strategy for expanding into new markets (Austria, Australia and Africa).

Strong performance by **St-Rémy XO** was masked by a decline in sales of entry-level products in Nigeria, while end demand for **Passoa** has returned to healthy growth in France and the United Kingdom in recent months.

Partner brands

Strong first quarter performance by partner brands in the EMEA region more than offset a decline in champagne sales linked to the evolution in distribution contracts.

2016/17 outlook

At the end of this first quarter – fully in line with the group's forecasts – Rémy Cointreau confirms its guidance of growth in Current Operating Profit over the 2016/17 fiscal year, assuming constant exchange rates and consolidation scope.