RÉMY COINTREAU

Paris, 8 June 2017

2016-17 consolidated annual results
(April 2016 – March 2017)

Excellent annual performance
Sharp increase in the current operating margin at 20.7%
Net profit (excluding non-recurring items) up 22.3%

Rémy Cointreau's sales for the financial year ended 31 March 2017 totalled €1,094.9 million, representing reported growth of 4.2%. In organic terms (at constant exchange rates and scope), growth amounted to 4.7%, due to the **outstanding performance of the Group Brands (+7.4%).**

The Current Operating Profit grew 26.7% to €226.1 million, driven by organic growth of 13.8% and very favourable currency effects. Thus, the **Group's operating profitability reached 20.7%** (up 3.7 points), due to the excellent performance of our exceptional spirits (> USD50) and a controlled increase in communication investments and overheads. Consolidated net profit (Group share) grew 85.7% to €190.3 million. **Excluding non-recurring items, net profit was €135.0 million, an increase of 22.3%.**

Key figures

(€ millions)	**at 31 March 2017 Published**	at 31 March 2016 Published	Change Published	Organic(*)
Sales	**1,094.9**	1,050.7	4.2%	+4.7%
Current operating profit	**226.1**	178.4	**+26.7%**	**+13.8%**
Current operating margin	***20.7%***	*17.0%*	*+3.7pts*	*+1.5pts*
Net profit (Group share)	**190.3**	102.4	+85.7%	+73.5%
Net profit excluding non-recurring items	**135.0**	110.4	**+22.3%**	**+10.5%**
Net margin excluding non-recurring items	***12.3%***	*10.5%*	*+1.8pts*	*+0.6pt*
EPS (Group share)	**3.87**	2.11	+83.4%	-
EPS excluding non-recurring items	**2.75**	2.27	+21.1%	-
Net debt/EBITDA ratio	**1.78**	2.29	-0.51	-

(*) Absolute values and organic growth are calculated at constant exchange rates and scope.

Current operating profit by division

(€ millions)	**at 31 March 2017 Published**	at 31 March 2016 Published	Change Published	Change Organic(*)
House of Rémy Martin	**185.2**	139.7	+32.6%	+19.9%
as % of sales	***26.2%***	*21.6%*	*+4.6pts*	*+1.9pts*
Liqueurs & Spirits	**57.5**	48.0	+19.9%	+9.7%
as % of sales	***20.8%***	*17.5%*	*+3.3pts*	*+1.5pts*
Sub-total Group brands	**242.7**	187.6	**+29.3%**	**+17.3%**
as % of sales	***24.7%***	*20.4%*	*+4.3pts*	*+1.8pts*
Partner brands	**2.0**	6.1	(66.9%)	(72.4%)
as % of sales	***1.8%***	*4.8%*	*-3.0pts*	*-3.3pts*
Holding company costs	**(18.6)**	(15.4)	+21.1%	+21.8%
Total	**226.1**	178.4	**+26.7%**	**+13.8%**
as % of sales	***20.7%***	*17.0%*	***+3.7pts***	***+1.5pts***

The House of Rémy Martin

The accelerated organic sales growth of The House of Rémy Martin (+10.0%) in 2016-17 was driven by the excellent performance of the Americas and Asia-Pacific regions. In particular, Greater China saw a marked increase in private consumption during the second half of the year.

In this buoyant context, the Rémy Martin and LOUIS XIII brands pursued their strategy of focusing on their high-end products with a number of initiatives, including the launch of the LOUIS XIII Mathusalem and a new Rémy Martin XO decanter. LOUIS XIII also brought about a change in industry codes to offer its customers an ultimate experience by opening a boutique in a Beijing shopping centre, amid the finest luxury brands.

The Current Operating Profit amounted to €185.2 million, up 19.9% in organic terms and the operating margin was 26.2%, an organic increase of 1.9 points (+4.6 points in published terms). Very favourable mix and price effects largely offset a double-digit increase in communication investments and an increase in distribution costs dedicated to the upmarket qualities of the House of Rémy Martin.

Liqueurs & Spirits

In 2016-17, the organic growth in sales of Liqueurs & Spirits (+1.3%) was mitigated by the deconsolidation of Passoã's sales from 2 December 2016 (brand now managed by a joint venture under the control of Lucas Bols). It therefore masks a solid growth in the division's brands (+4%) over the 12-month period.

In January 2017, the Group acquired two Single Malt whisky brands, consolidated in the Liqueurs & Spirits division: Domaine des Hautes Glaces and Westland. As these distilleries are at the early stages of their development, they did not make a significant contribution to the sales over the period.

(*) Absolute values and organic growth are calculated at constant exchange rates and scope.

The Current Operating Profit totalled €57.5 million, an organic increase of 9.7%, led by the positive sales leverage of Cointreau, Metaxa and The Botanist over the financial year. Thus, despite an increase in communication investments, the current operating margin was 20.8% at the end of March, representing an organic increase of 1.5 points (+3.3 points in published terms).

Partner Brands

The fall in sales can be explained by the end of the agreement for the distribution of champagne brands (Piper-Heidsieck and Charles Heidsieck) in France, Belgium and in Travel Retail, while sales of other partner brands continue to perform well in the EMEA region.

The reduction in the Current Operating Profit (organic decline of 72.4% **to €2.0 million**), is primarily attributable to the change in the portfolio of partner brands during the financial year.

Consolidated results

The Current Operating Profit amounted to €226.1 million, representing organic growth of 13.8%. The reported growth (+26.7%) also includes a positive currency effect of €23.6 million (favourable hedging policy during the financial year) and a loss of €0.6 million, corresponding to the scope effect of the two Single Malt whisky brands acquired in January 2017.
As a result, the current operating margin grew 3.7 points to 20.7% (+1.5 points in organic terms).

Operating profit was €221.3 million, after taking into account a net non-recurring expense of €4.8 million, primarily associated with the costs of reorganising the distribution network.

Net financial expenses amounted to €31.9 million, an increase of €4.6 million over the year. Although gross finance costs declined over the year (due to a partial refinancing of the Group's debt under very favourable conditions in September 2016), foreign exchange result deteriorated by €6.2 million, primarily due to the valuation of the portfolio of hedging instruments according to IFRS standards.

The income tax charge was €44.5 million, stable compared to last year, thanks to a non-recurring deferred tax income of €14.1 million (reduction in the French tax rate voted in the 2017 finance act). Adjusted for this non-recurring item, **the effective tax rate amounted to 31.0%,** which represents an increase compared to the 2016 March rate (29.1%). This was due to a less favourable geographical mix during the fiscal year.

The share in profits of associates was a loss of €19.6 million. It includes a new adjustment in the value of the participating interest in Dynasty Fine Wines Ltd. As Dynasty has not published its accounts since 2012, Rémy Cointreau has carried out another assessment of its participating interest.

(*) Absolute values and organic growth are calculated at constant exchange rates and scope.

The net profit after tax from deconsolidated and discontinued operations amounted to €65.0 million at 31 March 2017. This profit is a result of the contribution operation carried out during the creation of the Passoã joint venture. As the entity is under the operational and financial control of Lucas Bols N.V, it is not consolidated. In return, a financial asset was recorded on the Rémy Cointreau Group's balance sheet.

The net profit (Group share) therefore reached €190.3 million, up 85.7%.

Excluding non-recurring items (+€55.3 million), the net profit (Group share) was €135.0 million, up 22.3% and the net margin showed an increase of 1.8 points to 12.3%. **Net earnings per share (excluding non-recurring items) reached €2.75** (+21.1%).

Net debt totalled €390.1 million at 31 March 2017, a reduction of €68.1 million over the financial year, due to the excellent cash generation from operations, which largely offset the investment cost of the two Single Malt whisky brands.

Therefore, **the "net debt/EBITDA" ratio markedly improved at 1.78** at the end of March 2017 versus 2.29 at the end of March 2016.

The return on capital employed (ROCE) reached 21.2% at 31 March 2017, representing a healthy increase of 3.9 points over the financial year.

A dividend of 1.65 euro per share (i.e. an increase of 3.1%) shall be put to a shareholders' vote at the general meeting on 25 July 2017. Payment will be with an option in cash or in shares for the entire dividend distributed. The dividend payment formalities shall be brought forward this year. The option period shall be effective from 1 August to 25 August 2017, and the dividend shall be paid in cash beginning on 4 September 2017.

Outlook

Due to its unique business model and its portfolio of exceptional spirits, the Rémy Cointreau Group pursues its long-term strategy of focusing on its high-end products, founded on the excellence of terroirs, the mastery of savoir-faire and the importance of time.

By 2019-20, bolstered by a significant development in its profitability over the last two years, **the Group is now anticipating a current operating margin between 21.5% and 22.5%** (compared with 18.0% and 20.0% previously). This new target is based on a euro-dollar parity of 1.11 (compared with 1.30 for the initial target set in June 2015, on the basis of the 2014-15 results) and the scope at the end of March 2017.

For 2017-18, Rémy Cointreau is anticipating another year of growth in its Current Operating Profit, at constant exchange rates and scope.

(*) Absolute values and organic growth are calculated at constant exchange rates and scope.

Definitions of alternative performance measures

Rémy Cointreau's management process is based on the following alternative performance measures, chosen for scheduling and reporting. The Group's management considers that these measures provide useful additional information for users of financial statements to understand the Group's performance. These alternative performance measures must be considered complementary to those shown in the consolidated financial statements and the transactions resulting therefrom.

Organic growth in sales and in Current Operating Profit (COP)

Organic growth is calculated by excluding the impacts of exchange rate fluctuations in addition to acquisitions and disposals. This measure emphasises the Group's performance over the two financial years, a performance that local management is able to influence more directly.

The impact of exchange rates is calculated by converting the sales and the Current Operating Profit for the current financial year into average exchange rates (or into the hedged exchange rate for the Current Operating Profit) for the previous financial year.

For the current financial year's acquisitions, the sales and the Current Operating Profit of the acquired entity are excluded from the organic growth calculations. For the previous financial year's acquisitions, the sales and Current Operating Profit of the acquired entity are included in the previous financial year, but are only included in the calculation of the organic growth over the current financial year from the anniversary date of acquisition.

In the event of a major disposal, the data is used after applying IFRS 5 (which systematically reclassifies the assigned entity's results as "net profit from discontinued operations" for the current financial year and the previous financial year).

The "excluding non-recurring items" measures

The 2 measures referred to below correspond to key indicators for measuring recurring business performance, by excluding significant items which, due to their nature and non-habitual character, cannot be considered as inherent to the Group's current performance:

- ***Current Operating Profit:*** *Current Operating Profit corresponds to the operating profit before other non-current operating income and expenses.*
- ***Net profit (Group share), excluding non-recurring items****: Current net profit (Group share) corresponds to the net profit (Group share) adjusted for other non-current operating income and expenses, associated tax effects, profit from discontinued operations and the contribution upon distribution of the dividend in cash.*

(*) Absolute values and organic growth are calculated at constant exchange rates and scope.

Gross operating profit (EBITDA)

This aggregate amount, which is used in particular in the calculation of certain ratios, is the sum of the current operating profit, the amortisation expense for intangible and tangible fixed assets for the period, the expense associated with share option plans and dividends paid during the period by associates.

Net debt

Net finance costs as defined and used by the Group correspond to the sum of the long-term financial debt, short-term financial debt and accrued interest, less cash and cash equivalents.

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The regulatory information related to this press release is available at www.remy-cointreau.com

(*) Absolute values and organic growth are calculated at constant exchange rates and scope.

APPENDICES

Sales and current operating profit by division

(€ millions)	at 31 March 2017		at 31 March 2016	Change	
	Published	Organic(*)	Published	Published	Organic(*)
	A	B	C	A/C-1	B/C-1
Sales					
House of Rémy Martin	707.5	712.6	647.8	+9.2%	+10.0%
Liqueurs & Spirits	276.3	277.1	273.9	+0.9%	+1.3%
Sub-total Group brands	983.8	989.7	921.8	+6.7%	+7.4%
Partner Brands	111.0	110.6	129.0	-13.9%	-14.2%
Total	**1,094.9**	**1,100.3**	**1,050.7**	**+4.2%**	**+4.7%**
Current operating profit					
House of Rémy Martin	185.2	167.5	139.7	+32.6%	+19.9%
as % of sales	*26.2%*	*23.5%*	*21.6%*	*+4.6pts*	*+1.9pts*
Liqueurs & Spirits	57.5	52.7	48.0	+19.9%	+9.7%
as % of sales	*20.8%*	*19.0%*	*17.5%*	*+3.3pts*	*+1.5pts*
Sub-total Group brands	242.7	220.2	187.6	+29.3%	+17.3%
as % of sales	*24.7%*	*22.2%*	*20.4%*	*+4.3pts*	*+1.8pts*
Partner brands	2.0	1.7	6.1	(66.9%)	(72.4%)
as % of sales	*1.8%*	*1.5%*	*4.8%*	*-3.0pts*	*-3.3pts*
Holding company costs	(18.6)	(18.8)	(15.4)	+21.1%	+21.8%
Total	**226.1**	**203.1**	**178.4**	**+26.7%**	**+13.8%**
as % of sales	***20.7%***	***18.5%***	***17.0%***	***+3.7pts***	***+1.5pts***

(*) Absolute values and organic growth are calculated at constant exchange rates and scope.

Summary profit and loss account

(€ millions)	at 31 March 2017		at 31 March 2016	Change	
	Published	Organic(*)	Published	Published	Organic(*)
	A	B	C	A/C-1	B/C-1
Sales	1,094.9	1,100.3	1,050.7	4.2%	4.7%
Gross Margin	730.7	711.5	665.8	9.7%	6.9%
Gross Margin/Sales	*66.7%*	*64.7%*	*63.4%*	*+3.3pts*	*+1.3pts*
Current operating profit	**226.1**	**203.1**	**178.4**	**26.7%**	**13.8%**
Current Operating Profit/Sales	***20.7%***	***18.5%***	***17.0%***	***+3.7pts***	***+1.5pts***
Other operating income and expenses	(4.8)	(4.1)	0.3	-	-
Operating profit	221.3	199.0	178.7	-	-
Financial result	(31.9)	(25.7)	(27.3)	-	-
Income tax	(44.5)	(40.9)	(44.0)	-	-
Tax rate	23.5%	23.6%	29.1%	-	-
Share in profits of associates	(19.6)	(19.6)	(4.8)	-	-
Net profit/(loss) from deconsolidated and discontinued operations	65.0	65.0	-	-	-
Minority interests	0.0	0.0	(0.1)	-	-
Net profit (Group share)	190.3	177.8	102.4	85.7%	73.5%
Net profit excluding non-recurring items	**135.0**	**122.0**	**110.4**	**22.3%**	**10.5%**
Net profit (excluding non-recurring items)/Sales	***12.3%***	***11.1%***	***10.5%***	***+1.8pts***	***+0.6pt***
Earnings Per Share -- Group share (in euros)	3.87	3.62	2.11	83.4%	-
Earnings Per Share -- excluding non-recurring items (in euros)	2.75	2.48	2.27	21.1%	-

Reconciliation between the net profit and the net profit excluding non-recurring items

(€ millions)	at 31 March 2017	at 31 March 2016
Net profit (Group share)	**190.3**	**102.4**
Provision for impairment on Dynasty Fine Wines Group shares	18.8	3.7
Provision for reorganisation of the distribution network	3.7	2.4
Deferred Tax Liability (France tax rate at 28.9% compared with 34.4%)	(14.1)	-
Net profit/(loss) from deconsolidated and discontinued operations	(65.0)	-
Other	1.3	1.9
Net profit excluding non-recurring items	**135.0**	**110.4**

(*) Absolute values and organic growth are calculated at constant exchange rates and scope.