RÉMY COINTREAU

Paris, 5 June 2014

2013/14 CONSOLIDATED ANNUAL RESULTS

2013/14: A year of transition

Current operating profit in line with targets

Back to growth in 2014/15

Rémy Cointreau's sales for the financial year ended 31 March 2014 totalled €1,031.6 million, an organic decrease of 10.7% compared with the previous year. This decline primarily reflected the Group's decision to reduce inventory levels in Chinese distribution networks, against a backdrop of weaker consumption. Conversely, the Group maintained strong momentum in the US as well as sales growth in Europe.

Current operating profit totalled €150.2 million, a decline of 38.8% (down 40.8% organically), in line with the target stated on 17 April 2014 during the publication of the Group's full-year sales. Apart from high comparatives (18.1% growth over the 2012/13 financial year), this decrease reflects the destocking effort in China, an unfavourable geographical mix and a continuing policy of sustained investment in both the brands and in strengthening the distribution network. As a result, the current operating margin was 14.6%, compared with 20.6% the previous year.

Net profit, excluding non-recurring items, was €80.2 million, a decline of 46.9%.

The net debt to EBITDA ratio, although higher, remained moderate at 2.09 at 31 March 2014.

Key figures

(€ millions)	**2014**	2013	% Change	
	at 31 March	at 31 March	Published	Organic[1]
Sales	**1,031.6**	1,193.3	(13.5%)	(10.7%)
Current operating profit	**150.2**	**245.4**	**(38.8%)**	**(40.8%)**
Current operating margin	**14.6%**	20.6%	-	-
Net profit – Group share	**62.4**	130.4	(52.2%)	-
Net profit excluding non-recurring items	**80.2**	**151.5**	**(46.9%)**	**-**
Net margin excluding non-recurring items	**7.8%**	**12.7%**	-	-
Net debt/EBITDA ratio	**2.09**	0.99	-	-
Net earnings per share exc. non-recurring items	**1.63**	3.10	(47.4%)	**-**
Net earnings per share	**1.27**	2.67	(52.4%)	-

(1) *at constant exchange rates*

Current operating profit by division

(€ millions)	2014 at 31 March	2013 at 31 March	% Change Published	Organic[1]
Rémy Martin	**125.4**	216.6	(42.1%)	(43.9%)
as % of sales	***22.8%***	*30.1%*		
Liqueurs & Spirits	**37.1**	44.8	(17.1%)	(21.2%)
as % of sales	***15.6%***	*18.9%*		
Sub-total Group brands	**162.6**	**261.4**	**(37.8%)**	**(40.0%)**
as % of sales	***20.6%***	*27.3%*		
Partner brands	**8.7**	4.2	+105.1%	+123.7%
as % of sales	***3.6%***	*1.8%*		
Holding company costs	**(21.0)**	(20.3)	+3.8%	+3.9%
Total	**150.2**	**245.4**	**(38.8%)**	**(40.8%)**
as % of sales	***14.6%***	***20.6%***		

[1] *at* constant *exchange rates*

The data below is expressed in millions of Euros, with changes provided in organic terms[1]

Rémy Martin

The sales decline of 20.8% to €551.2 million primarily reflected weak sales in China in the context of a transforming spirits market. This situation should not mask the brand's momentum in the US, Japan, Russia and Africa.

Current operating profit reached €125.4 million, a decline of 43.9%. Aside from the unfavourable geographical mix and the continued sustained level of marketing investment, divisional profitability was over-penalised by the destocking efforts in China. Nevertheless, as the positive price effect of €22 million confirmed, the Group ensured that it maintained a high value policy consistent with its long-term strategy. The current operating margin for the year ended 31 March 2014 was 22.8%, compared with 30.1% the previous year.

Liqueurs & Spirits

Sales grew by 3.3% to €237.3 million. This performance reflected a slight decline in Cointreau sales (due to the adjustment of US shipments in the fourth quarter), but double-digit growth for Metaxa and Mount Gay. St Rémy's growth was supported by successful innovations, Passoa was adversely affected by a competitive environment in Europe and Bruichladdich continued its expansion within the Group's network.

Current operating profit totalled €37.1 million. This 21.2% decline was the result of a competitive European environment and an acceleration in advertising and promotional investment over the second half of the year. The current operating margin was 15.6%, compared with 18.9% the previous year.

Partner Brands
Sales grew by 6.1% to €243.1 million (including €103 million from the Edrington Group brands in the US), due to the performance of the Scotch whisky and Champagne brands distributed in the US, and the spirits brands distributed in Belgium and the Czech Republic.

Operating profit totalled €8.7 million at the end of March 2014 (including €3 million attributable to the Edrington Group brands in the US), compared with €4.2 million the previous year.

The increase in **holding company costs** was confined to 3.9% and represented 2.0% of sales (compared with 1.7% the previous year).

Consolidated results

Current operating profit declined by 40.8% in organic terms but 38.8% in published terms, due to a foreign exchange gain of €5.0 million. The average €/USD book rate deteriorated to 1.34 over the period under review, compared with 1.29 at 31 March 2013. Conversely, the Group's hedging policy achieved an average collection rate of 1.31, compared with 1.35 the previous year. It should be noted that the US Dollar represented 83% of foreign currencies hedged in 2013/14.

Operating profit totalled €145.3 million after taking into account a non-recurring net charge of €4.9 million, primarily related to the Larsen transaction.

The net financial expense was €26.2 million, an increase of €6.2 million compared with the previous year. This rise was primarily related to movements in foreign exchange and interest rate hedge instruments.

The income tax charge amounted to €45.8 million, resulting in an effective tax rate of 38.5%, compared with 33.1% at the end of March 2013. This increase was due, principally, to an unfavourable geographical mix, with a greater significance of profits generated in France where the effective tax rate increased, as well as the technical reversal of deferred tax assets.

The share of profit of associates corresponds to the equity investment in Dynasty. At 31 March 2014, Dynasty had yet to publish its 2012 and 2013 financial statements. During the financial year, Rémy Cointreau carried out an impairment test, following which an impairment charge of €10.9 million was recognised (recorded in the first half of the year). In two years, the value of the Group's 27% equity investment in Dynasty decreased from €58.8 million to €29.4 million.

The Group's share of net profit declined 52.2% in published terms to €62.4 million.

Excluding non-recurring items, net profit totalled €80.2 million, a reported decline of 46.9% with earnings per share of €1.63, compared with €3.10 the previous year.

Net debt was €413.5 million, an increase of €148.0 million over the financial year. This rise was primarily due to the decrease in EBITDA, to the Group's resolve to maintain its strategic investments and to the €75.9 million share buyback programme conducted between 5 December 2013 and 29 January 2014.

The net debt/EBITDA ratio therefore rose to 2.09 at the end of March 2014 (0.99 at the end of the previous year), but remained at the lower end of the range for the spirits industry.

The Group's **return on capital employed (ROCE)**, which was 17.1% at the end of March 2014 (compared with 30.3% the previous year), remained at a high level. The decrease in ROCE reflects the dual impact of the decline in Group profits and the increase in capital employed (growth in strategic eaux-de-vie investment and capital expenditure).

A dividend of €1.27 per share with the option of a full payment in cash or a partial payment in shares (0.90 euro in cash and 0.37 euro in shares) will be put to a shareholders' vote at the Annual General Meeting to be held on 24 July 2014.

Recent financial events

On 25 March 2014, the Group announced the cancellation of 1,283,053 shares (representing 2.6% of the capital) acquired at an average price of €59.2 per share, during the buyback programme initiated on 5 December 2013 and completed on 29 January 2014.

On 31 March 2014, the distribution contract for the Edrington Group brands in the US expired after more than fifteen years of fruitful collaboration.

Post-balance sheet event

Rémy Cointreau signed an amendment and an extension to its €255 million revolving credit facility at a lower cost and with a maturity extended to April 2019.

Outlook

In an environment that remains uncertain (a transforming Chinese spirits market and a weak macro-economy in Western Europe), the Group is entering the 2014/15 financial year with confidence: thanks to its management policies - prudent on inventories and resolute on pricing, the Group can set an objective of achieving organic growth in sales and current operating profit in 2014/15. This objective should be viewed on a pro-forma basis for the Partner Brands division (i.e. excluding the impact of the end of the distribution contract of the Edrington brands in the US).

Rémy Cointreau remains convinced of the relevance of its high value strategy and the upmarket positioning of its brands in the context of strong global demand for authentic and superior quality spirits.

As a result, the Group will resolutely pursue its marketing investment, its creative innovations and the expansion of its distribution network, whilst maintaining strict cost control. All these elements make the Group confident in its ability to return to profitable and steady growth in the future.

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