



RÉMY COINTREAU

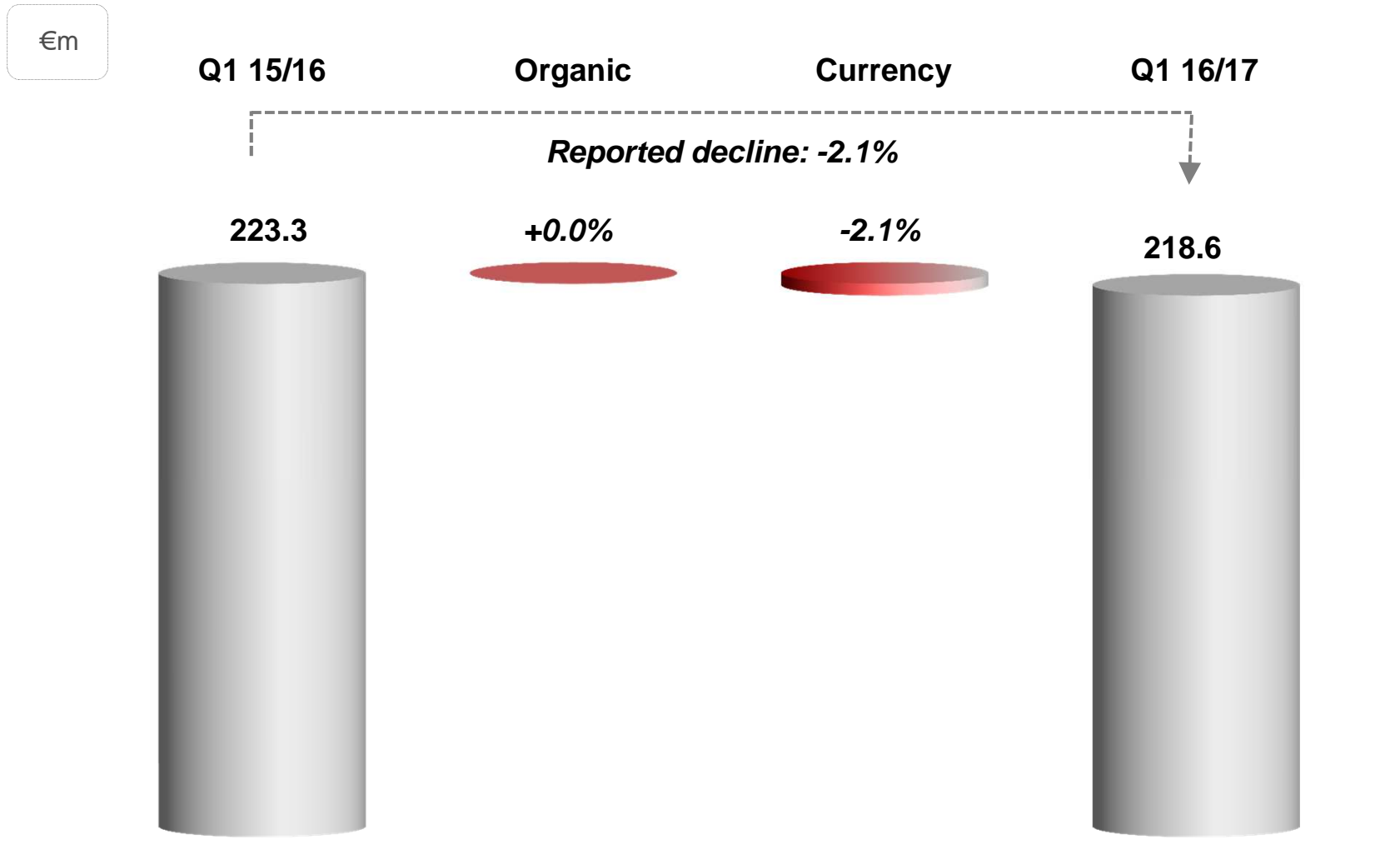
***Fiscal Year 2016/17
3 months ended
30 June 2016***

20 July 2016

Key Messages

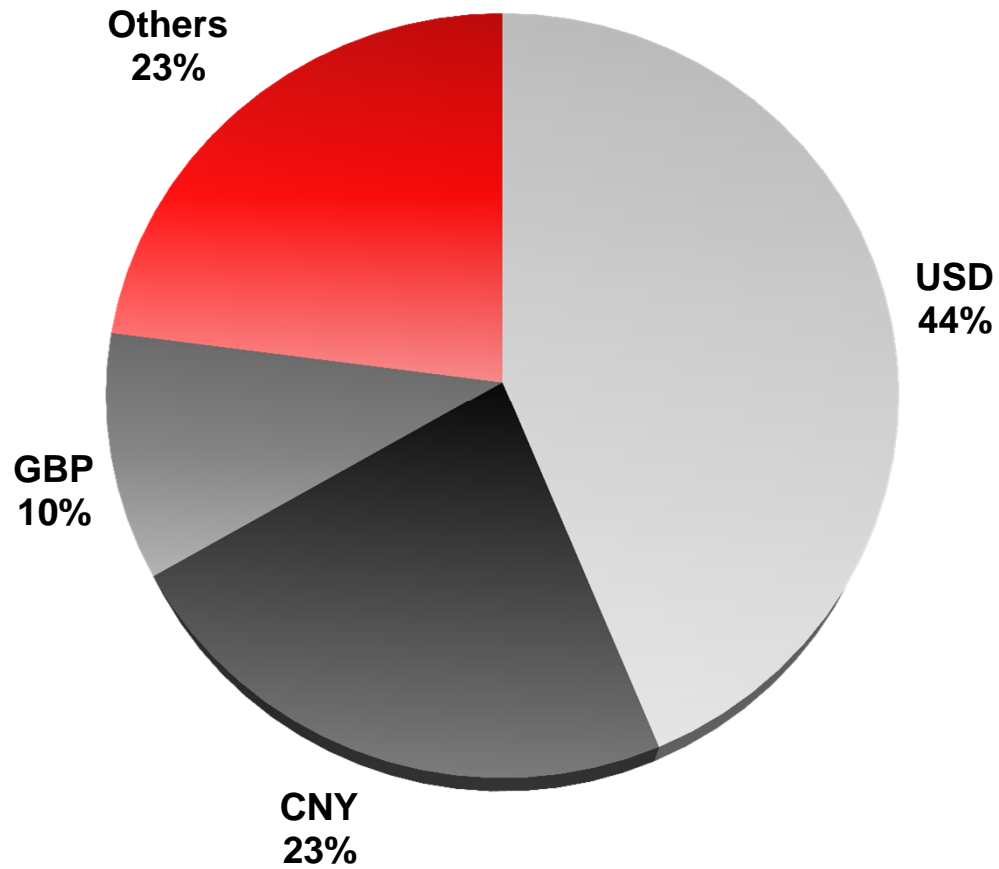
- Q1 performance fully in-line with our expectations
- Q1 is a small contributor to full-year sales (c20% on an organic basis):
Flat Q1 2016-17 after strong Q4 2015-16
- Further improvement in depletion trends in Q1 (both in volume and value):
 - Accelerated growth in the US
 - Further improvement in Greater China
 - Positive signals in Russia
 - Western Europe broadly unchanged
 - Travel Retail still weak
- Organic sales growth to accelerate in coming quarters
- FY16/17 outlook confirmed

Q1 2016/17 Sales Analysis

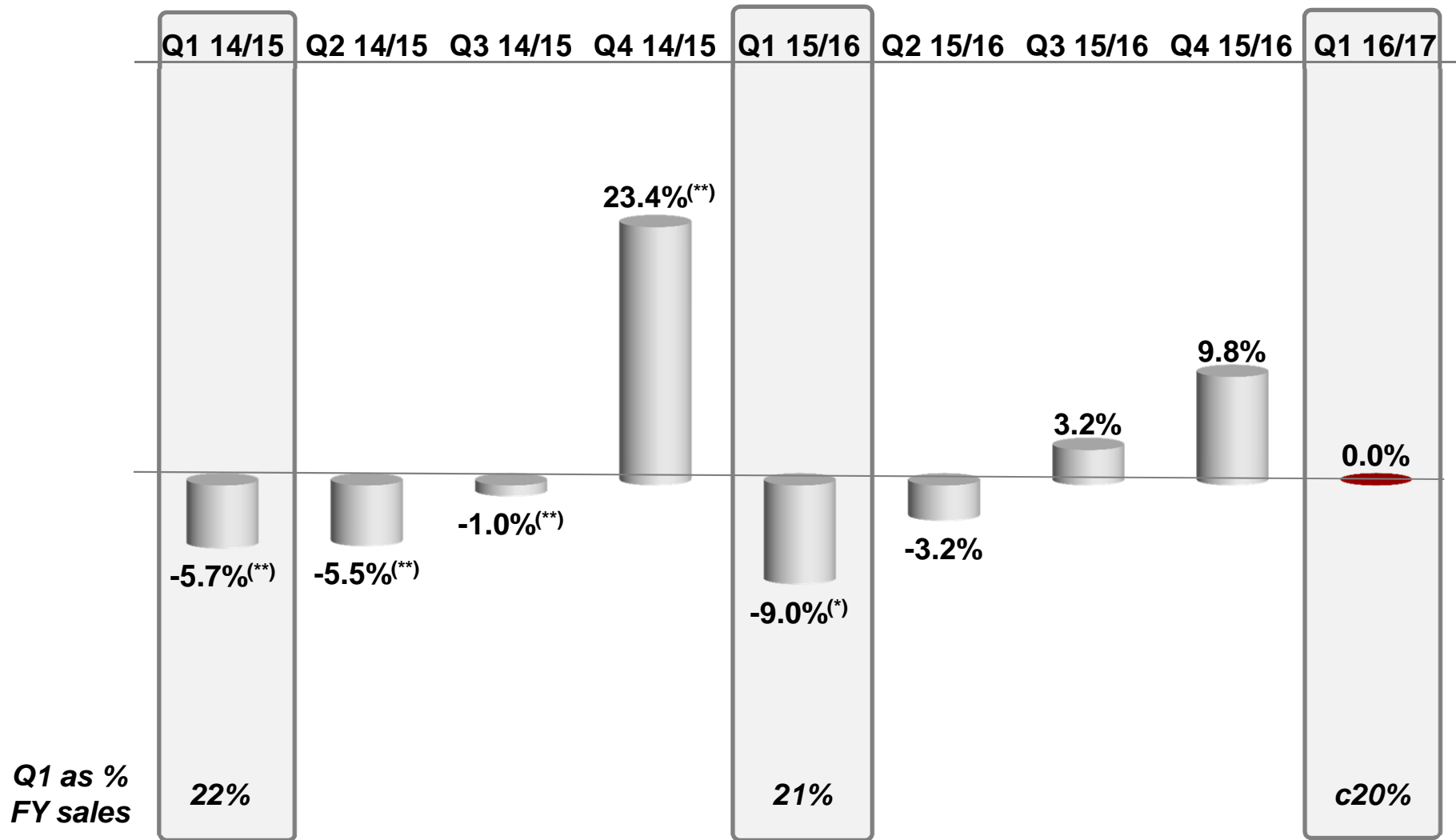


Currency Impact on Q1 2016/17 Sales

Negative currency impact of EUR4.8m



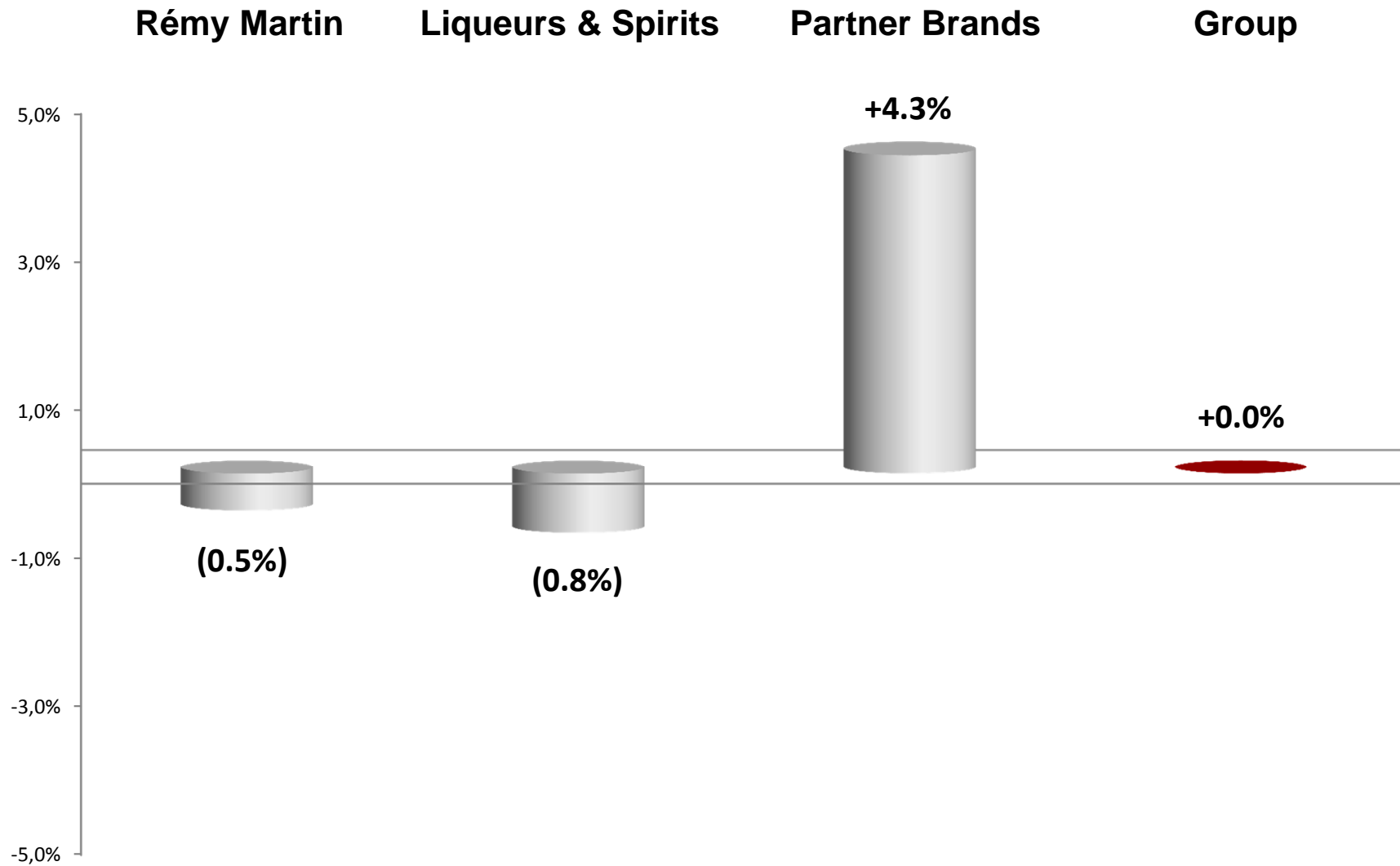
Quarterly Organic Sales Growth



(* Excluding technical factors, organic sales growth was -2.7%

(**) Calculated based on 2013/14 pro forma sales (i.e. excluding the Edrington contract in the US)

Q1 Organic Growth by Product Division



Q1 2016/17 Trends by Region (1)

- **Asia Pacific: a planned Q1 drop, that will reverse in the remainder of the year**
 - Significant gap between negative sell-in and improving sell-out (in value) in the quarter
 - Greater China: volume and value depletions up mid-single digits in Q1, o/w:
 - Solid double-digit growth in Mainland China and Taiwan
 - Weakness in Macau and HK
 - Improving depletion trends in Australia further to change in route-to-market
 - Ongoing strength in Singapour, Malaysia and Thailand
 - Further weakness in Travel Retail (lower spend per capita)
- **Americas: very strong sales and depletion trends in Q1**
 - Organic sales up double-digit in Q1
 - US: Group Brands' value depletions showing a further acceleration in the last 3M to June:
 - +18.5% over 3M, +16.3% over 6M, +14.8% over 12M
 - Acceleration led by Rémy Martin, Cointreau and Bruichladdich
 - Good start in Canada
 - LatAm returns to growth

Q1 2016/17 Trends by Region (2)

- **Europe, Middle East & Africa: positive growth led by emerging markets**
 - Western Europe: sell-in penalized by earlier Easter in Q1; sell-out unchanged (flat+)
 - Q1 shipments penalized by the earlier Easter celebrations
 - Good depletion trends in the UK and in France, but weakness in Belgium further to duty increase
 - Central Europe: ongoing strength, both in sell-in and sell-out
 - Solid momentum led by Czech Republic and Slovakia
 - Improving trends in Poland, led by Metaxa
 - Greece and Turkey remain weak
 - Improving trends in Russia/CIS
 - Sell-in back to growth in Q1
 - Positive inflexion in depletions in recent months
 - Travel Retail returns to growth in Q1, although largely due to Partner Brands
 - Africa: slower growth rate in Q1, held back by Nigeria (macro-economic factors)

Rémy Martin (-0.5% organic decline)

■ Asia Pacific:

- Sales decline in Q1 (after very strong growth in Q4) not representative of FY expectations
- Greater China improving further: volume and value depletions up mid-single digit in Q1

■ Americas:

- Sales up double-digits in Q1
- US volume depletions running at sustained double-digit rates

	Volume depletion trends to Jun 2016		
	3 months	6 months	12 months
US Cognac/Brandy Market	8.4%	7.0%	8.7%
Rémy Martin	17.0%	14.5%	14.5%

Source: NABCA/Discus

- Solid growth in QSS categories driving **price/mix gains of 3-4pp** in 12M period to June

■ Europe, Middle East & Africa:

- Sales decline in Q1 led by Western Europe (earlier Easter, significant price increases in Germany, shipment phasing)
- Solid depletion trends in the UK and Africa (in particular in South Africa)
- Improvement in Russia/CIS

Rémy Martin: Marketing Initiatives

Carte Blanche à Baptiste Loiseau



XO Cannes Limited Edition 2016



Liqueurs & Spirits (-0.8% organic decline)

- **Slight Q1 sales decline largely due to earlier Easter and buy-in ahead of price increases**
- **Cointreau: sell-in decline in Q1; but further improvement in sell-out trends**
 - Q1 sales decline due to shipment phasing (earlier Easter and price increases in Q1)
 - US depletions showing further acceleration in recent months, led by successful Cointreau Fizz activation programs
 - US value depletions benefited from **price/mix gains of 1-2pp** in the 12M period to June

Volume depletion trends to Jun 2016			
	3 months	6 months	12 months
US Cordials Market (*)	-16.5%	-10.0%	-6.4%
Cointreau	9.5%	7.4%	6.0%

Source: NABCA/Discus

(*) Category up low single-digits excluding Southern Comfort

- Good sell-out trends in the UK and in France; challenging in Belgium post duty increase
- **Metaxa: sell-in and sell-out trends back to growth**
 - Improvement led by Germany, Poland and Russia

Liqueurs & Spirits (-0.8% organic decline)

■ Mount Gay:

- Q1 sales decline resulting from a new round of price increases on Eclipse in the US
- Positive mix gains led by the successful international roll-out of Black Barrel and XO
- US volume depletions largely reflecting upgrading strategy (gradual elimination of low-end volumes)

	Volume depletion trends to Jun 2016		
	3 months	6 months	12 months
US Rum Market	-4.5%	-2.3%	-1.3%
Mount Gay	-3.8%	-4.7%	-3.6%

Source: NABCA/Discus

- US value depletions enjoyed a **4-5pp price/mix gain** in the 12M period ending June
- **Islay Spirits:** double-digit sales growth led by new listings in core markets and expansion into newer markets (Autriche, Australie, Afrique)
- **St-Rémy:** strength in St-Rémy XO offset by a decline in low-end quality volumes in Nigeria
- **Passoa:** sell-out back to growth in France and in the UK

Liqueurs & Spirits: Marketing Initiatives

Cointreau Fizz's Summer Tour in France



TOURNÉE D'ÉTÉ

Partner Brands (+4.3% organic growth)

- Positive Q1 performance driven by third-party spirits distributed in EMEA
- Sales in champagne brands (Piper and Charles Heidsieck) continued to decline in the quarter

2016/17 Outlook Confirmed

- Q1 organic sales performance fully in-line with **Group's expectations**
- Maintains guidance of delivering **positive growth** in Current Operating Profit, **at constant exchange rate and scope**, in fiscal 2016/17



Q&A