



RÉMY COINTREAU

Interim Results
Six months ended
30 September 2013

26 November 2013

François Hériard Dubreuil

Chairman

A Long-Term and Value Adding Strategy

In a challenging environment:

- Maintaining our high end strategy
ongoing move upmarket by all our brands
- Strengthening our distribution network
- Enlarging geographical footprint
- Targeted investment in brands
- Continued innovation
- Strict cost control

Investing to drive future growth

Key Figures



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		Change	
		Organic	Publishe d
■ Sales	€ 558.0m	(3.6%)	(6.3%)
■ Current operating profit	€ 132.7m	(7.3%)	(6.2%)
■ Current operating margin	23.8%		-
■ Net profit (Group share)	€69.3m		(20.0%)
■ Net profit (exc. non-recurring items)	€85.5m		(3.4%)
■ Net debt/EBITDA ratio	1.09		
■ Net profit per share (exc. non-recurring items)	€ 1.73		
■ Net profit per share (Group share)	€ 1.40		

Review of Activities

Frédéric Pflanz

Chief Executive

Six Months Highlights

Against an uncertain environment, particularly in China:

- Decline in sales in China due to unfavourable factors (anti-extravaganza measures, trade inventory levels)
- Growth in the US and Europe
- Growth in the Liqueurs & Spirits division
- Operating margin maintained despite an unfavourable mix
- Exchange rate had a negative impact on sales, which was compensated for through hedging
- Strict cost control
- Solid financial position

Six Months Highlights

Brands

- Rémy Martin: 10.4% organic decline
 - Growth in the US
 - Slowdown in China
- Liqueurs & Spirits: organic growth of 10.2%
 - Cointreau: progress in all regions
 - Metaxa and Mount Gay: growth in all key markets
 - Bruichladdich continues to expand throughout our network and has doubled its production

Markets

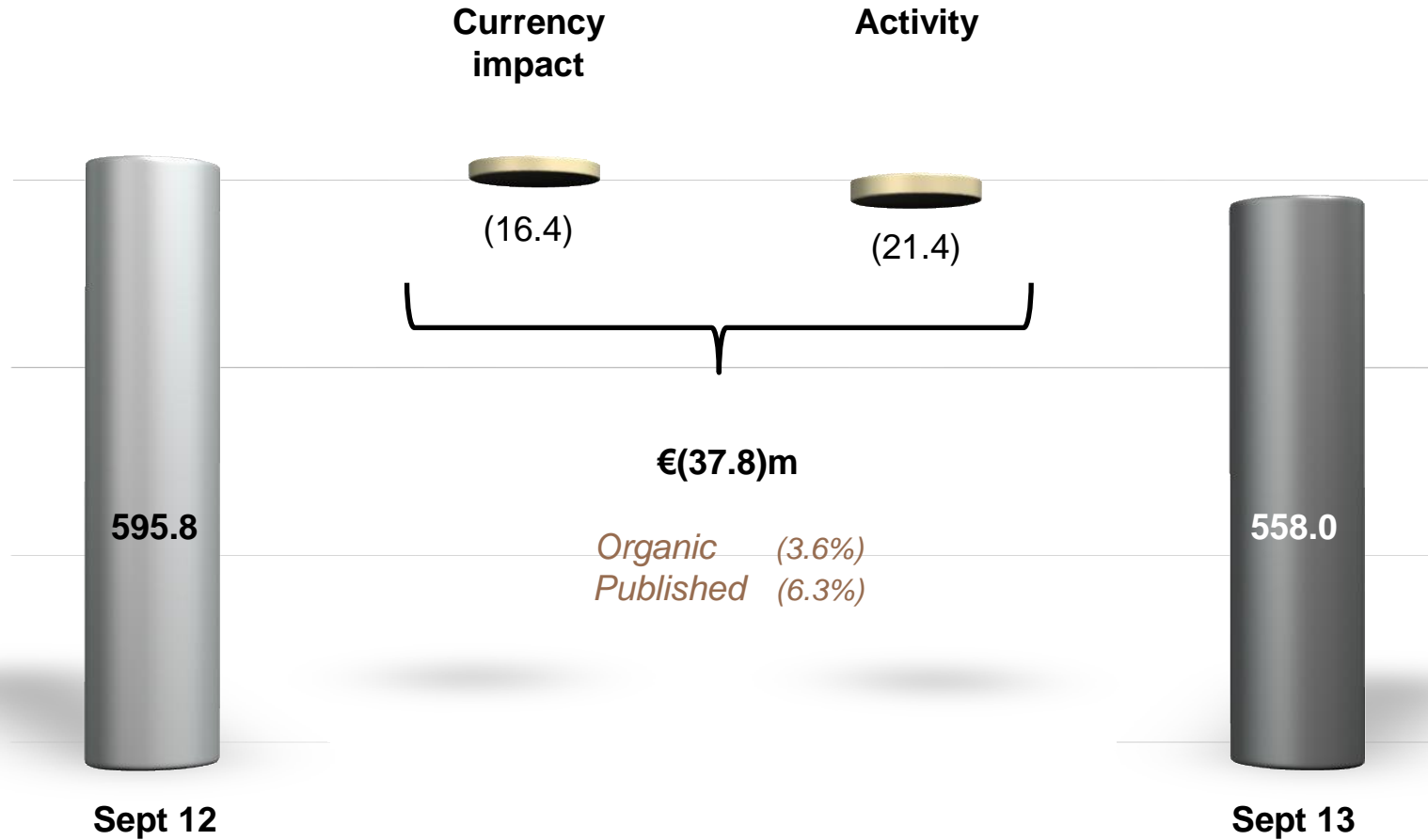
- Americas: double-digit growth driven by the US
- Europe: healthy performance
- Asia: regional decline due to decelerating factors in China

Group Sales



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€m



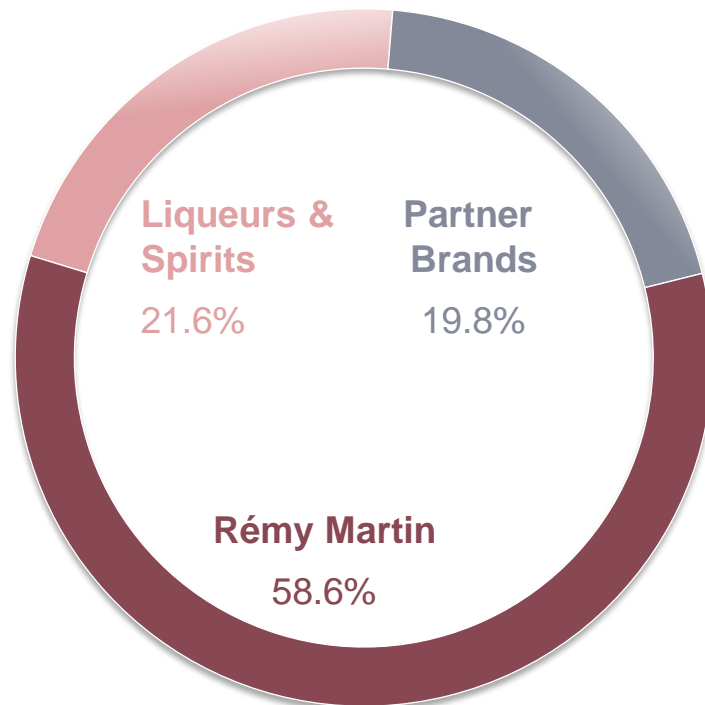
Breakdown of Quarterly Sales (organic)

<i>in %</i>	Q1	Q2	H1
Rémy Martin	(12.9)	(8.3)	(10.4)
Liqueurs & Spirits	+13.0	+4.7	+10.2
Sub-total - Group brands	(7.1)	(5.3)	(5.7)
Partner brands	+20.5	(5.5)	+6.0
Total	(2.3)	(5.3)	(3.6)

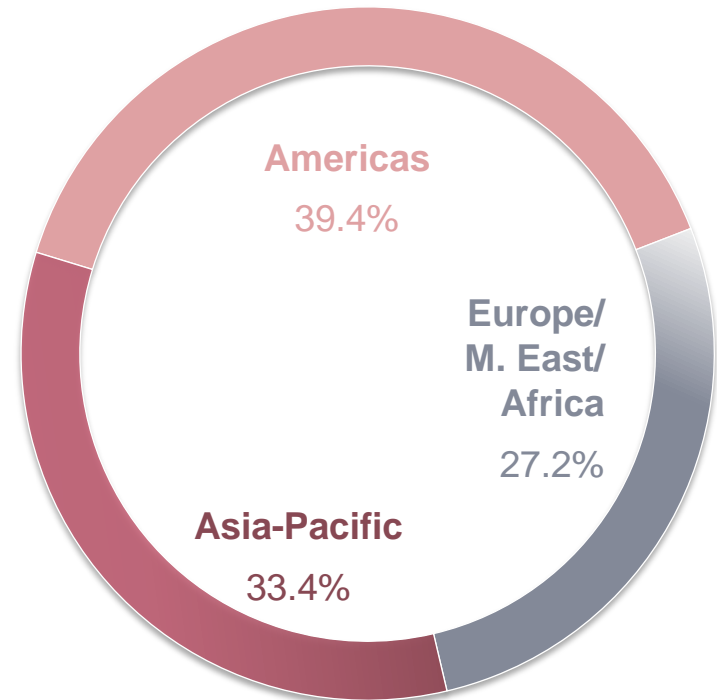
Breakdown of Sales (€558.0m)

Geographical balance

by division

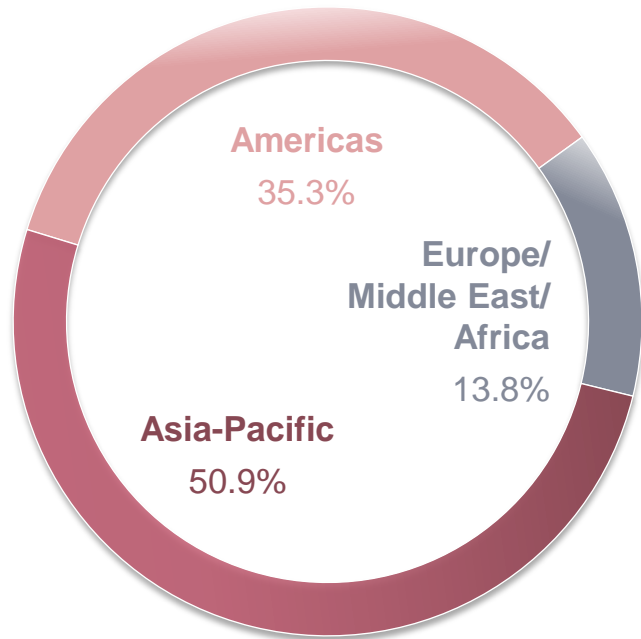


by region

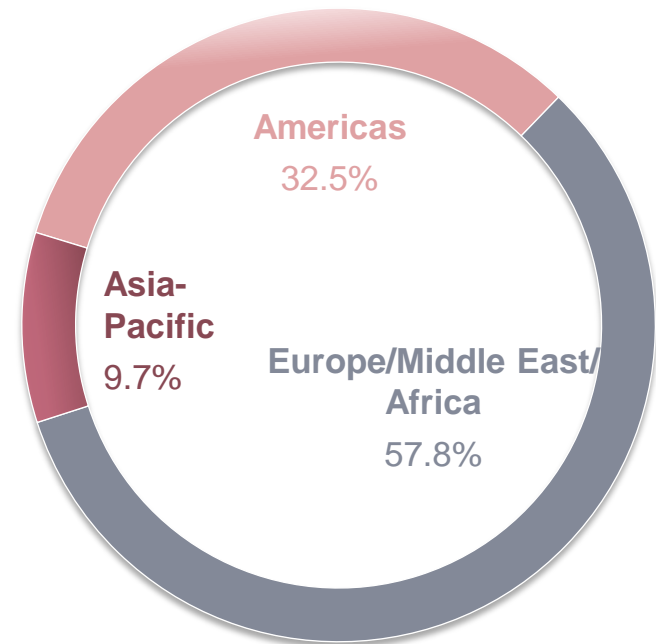


Breakdown of Sales by Geographic Region

Rémy Martin



Liqueurs & Spirits





Current Operating Profit

€m

Currency impact Volume Price/Mix A&P Other

+1.5

+18.6

+14.8

(6.2)

(37.5)

€(8.8)m

141.5

132.7

Organic (7.3%)

Published (6.2%)

Sept 12

Sept 13

Operating Margin: 23.7%

23.8%
(org. 22.8%)

Net Profit



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Net profit exc. non-recurring items
(€m)

Published (3.4%)



Sept 12



Sept 13

Net profit – Group share
(€m)

Published (20.0%)



Sept 12



Sept 13

Dynamic of innovations



VSOP
Mature Cask Finish



1738



Centaure

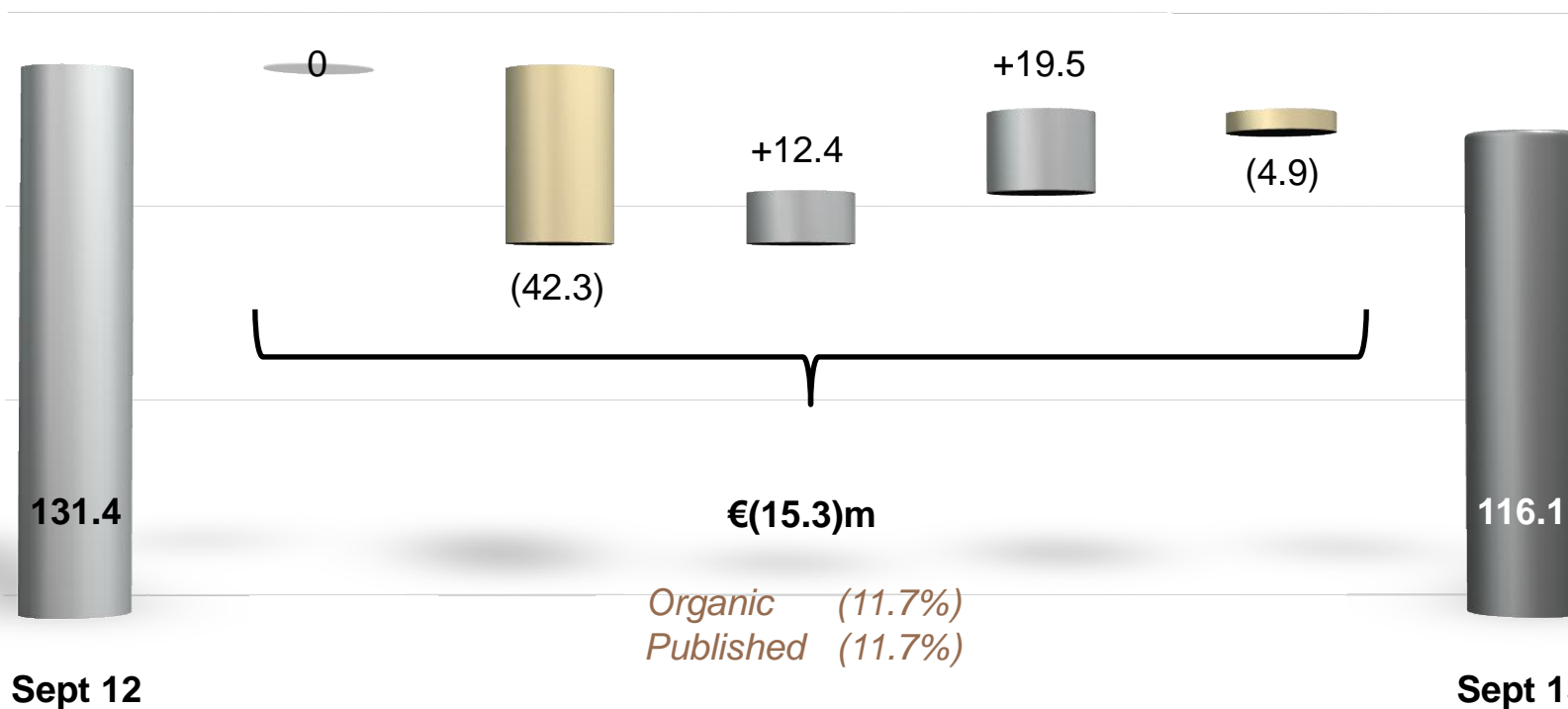
Variation of sales



Rémy Martin

Current Operating Profit (€m)

Currency impact Volume Price/Mix A&P Other



Operating Margin: 34.9%

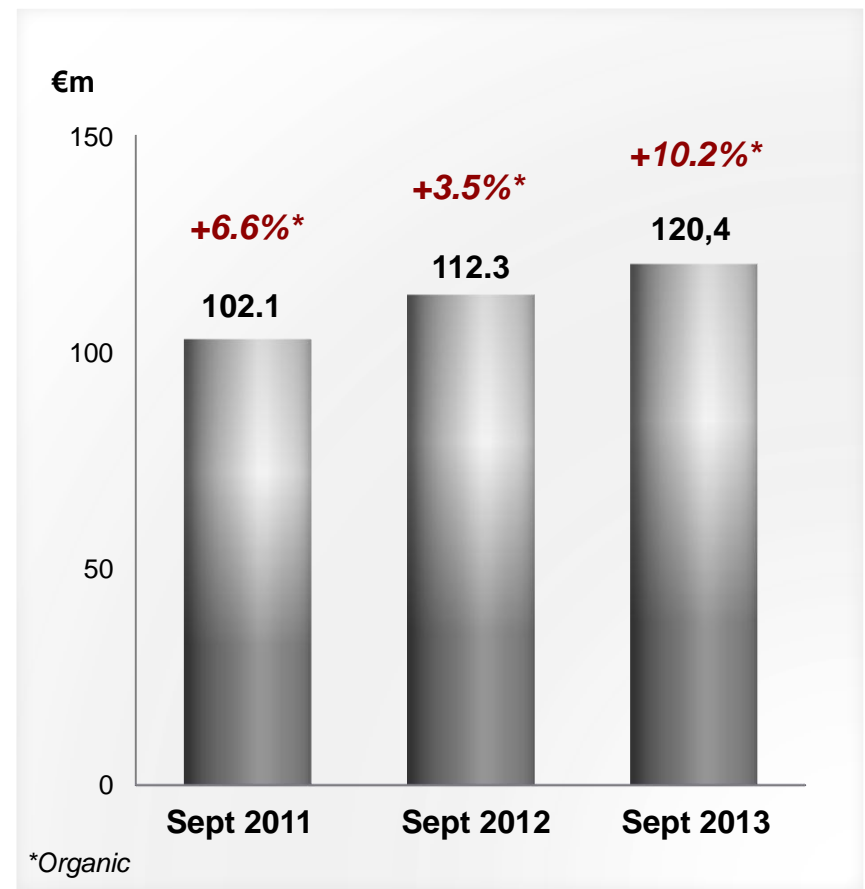
35.5%
(org. 34.5%)

Liqueurs & Spirits

Move upmarket



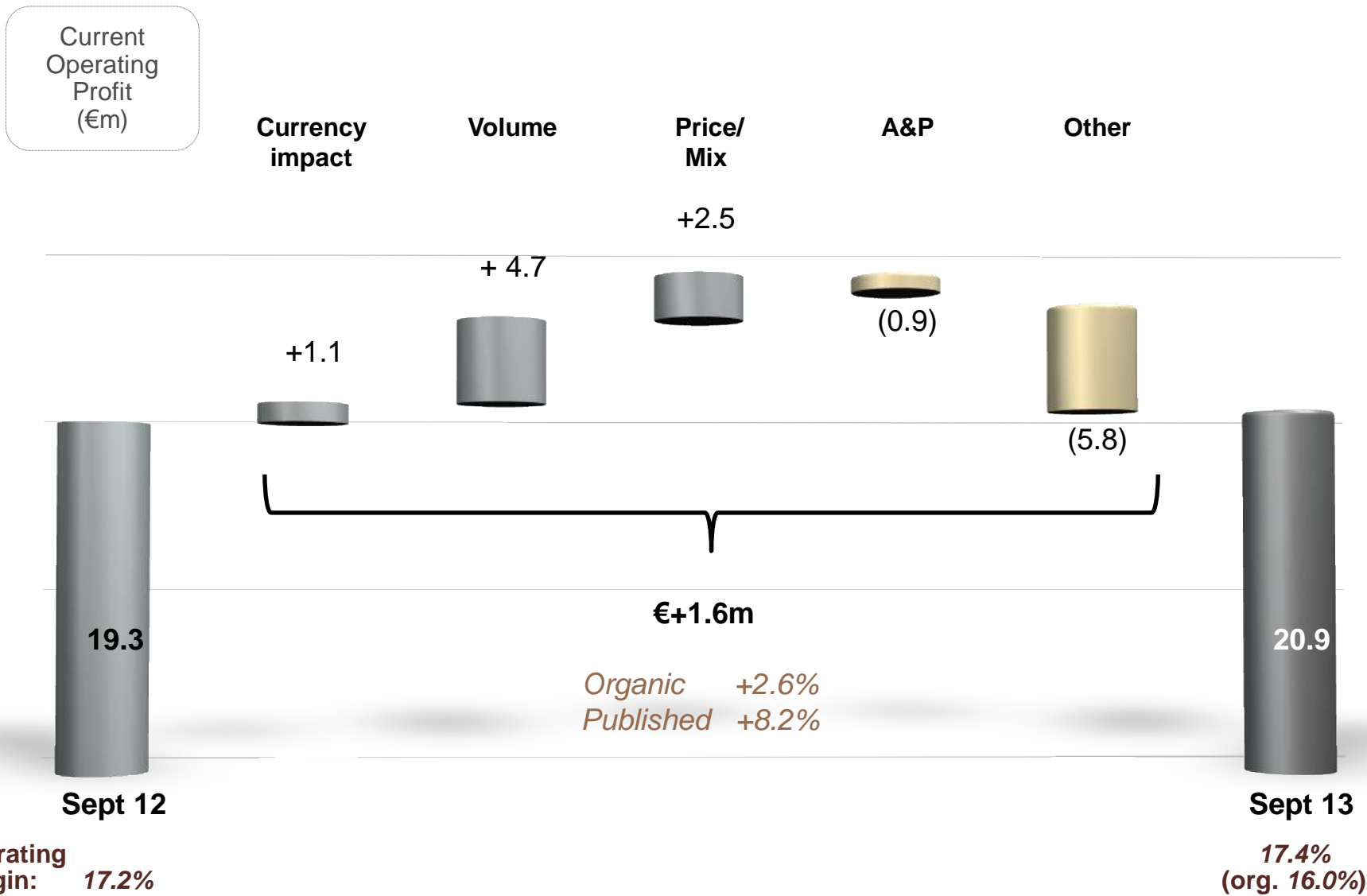
Breakdown of sales



Liqueurs & Spirits



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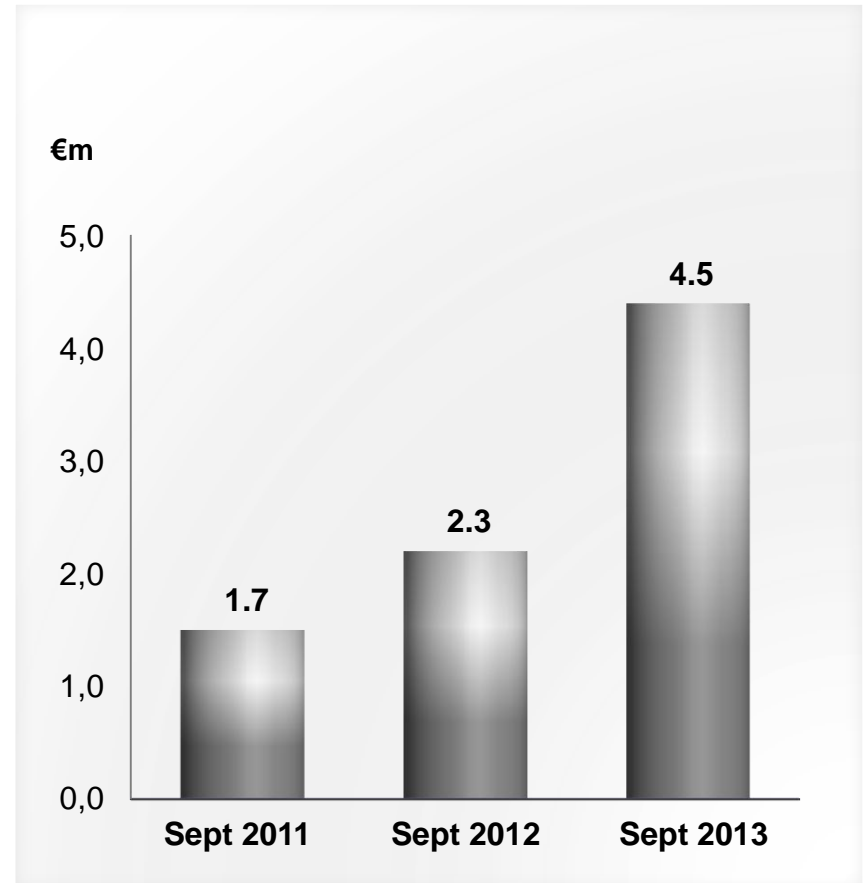
Partner Brands

Sales



*Organic

Current Operating Profit



Consolidated Interim Results

Luca Marotta

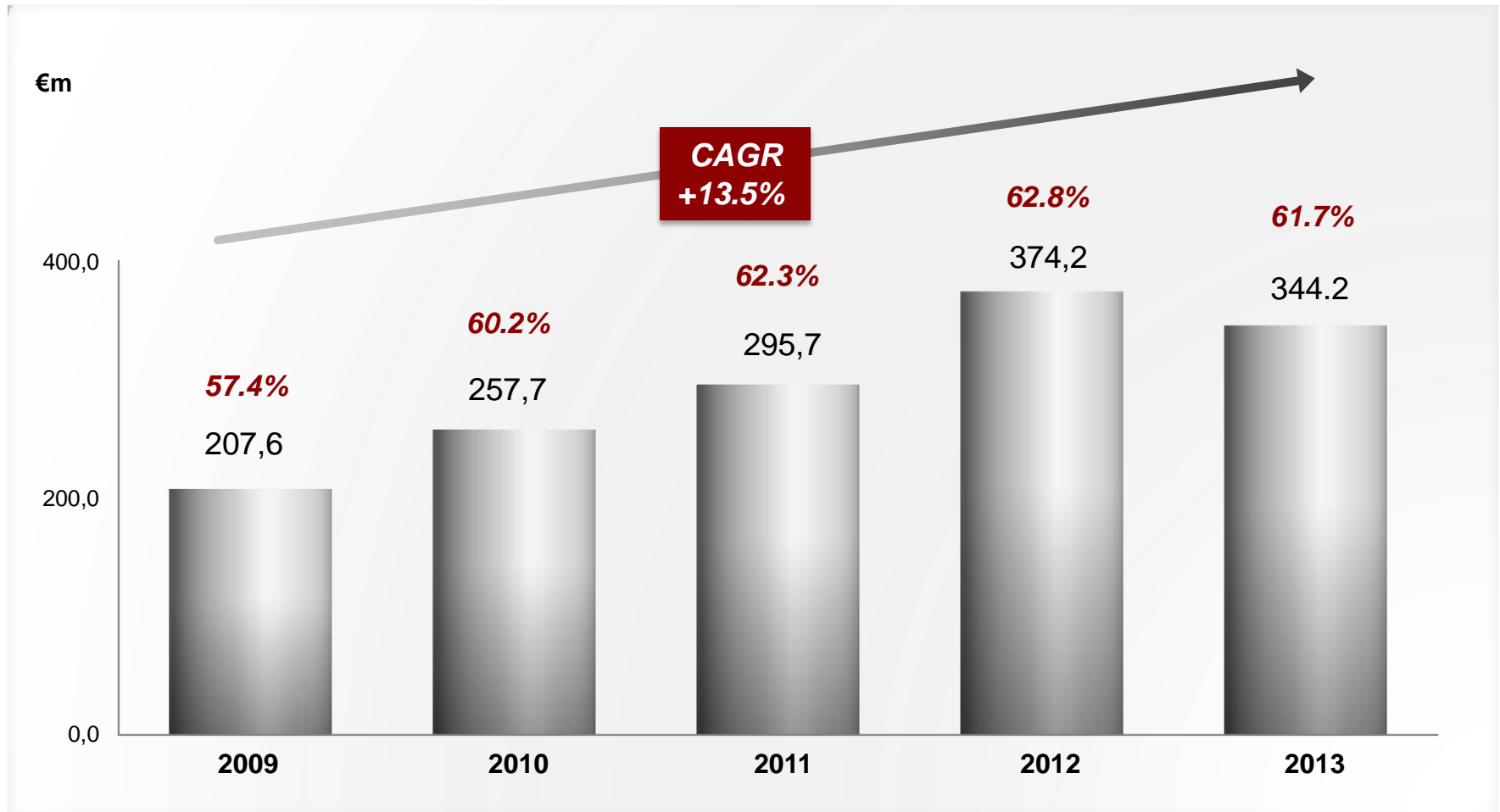
Finance Director

Analysis of Current Operating Profit

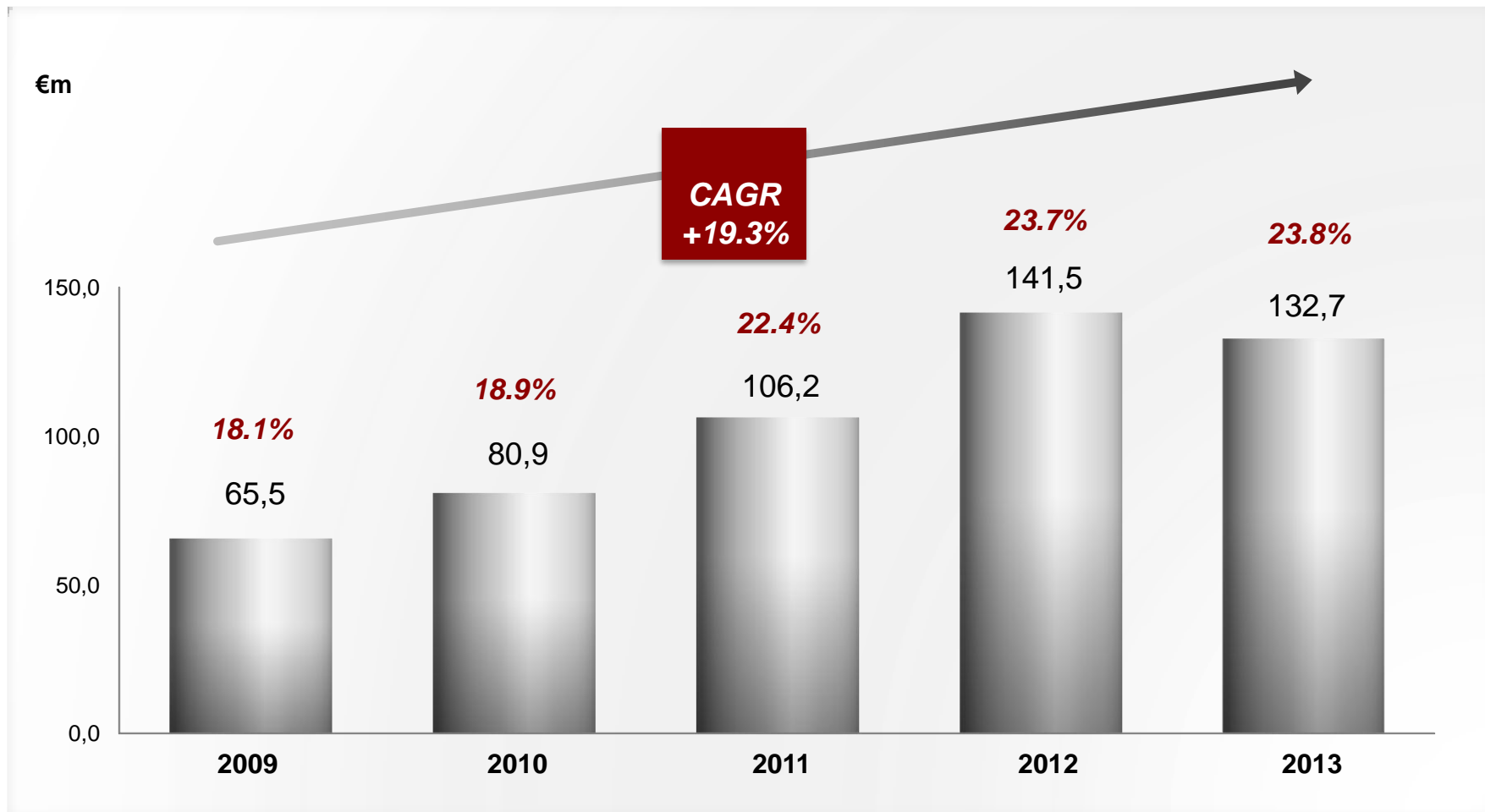
(€m)	2012	2013	% Change
Sales	595.8	558.0	(6.3%)
Gross profit	374.2	344.2	(8.0%)
<i>in %</i>	62.8%	61.7%	
Sales & marketing expenses	(192.0)	(170.5)	
Administrative expenses	(41.9)	(41.6)	
Other income & expenses	1.2	0.6	
Current operating profit	141.5	132.7	(6.2%)
Current operating margin	23.7%	23.8%	

Change in Gross Margin over 5 Years

(at 30 September)



Change in Operating Margin over 5 Years (at 30 September)



Net Profit



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(€m)	2012	2013
Current operating profit	141.5	132.7
Other operating income/(expenses)	(2.7)	(3.5)
Operating profit	138.8	129.2
Financial charges	(9.5)	(10.7)
Profit before tax	129.3	118.5
Taxation	(41.8)	(38.2)
Tax rate	32.3%	32.2%
Share in profit of associates	(0.9)	(10.9)
Net profit – Group share	86.6	69.3
Net profit (exc. non-recurring items)	88.5	85.5
Net margin (exc. non-recurring items)	14.9%	15.3%

Net Debt/Cash Flow



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(€m)	2012	2013	Change
Net financial debt at 1 April	(188.6)	(265.5)	(76.9)
Gross operating profit (EBITDA)	152.0	144.3	(7.7)
Change in inventories and working capital related to eaux-de-vie	(40.4)	(78.7)	(38.3)
Capital expenditure	(12.7)	(21.4)	(8.7)
Other working capital items	(79.1)	(81.5)	(2.4)
Income tax	(25.4)	(38.9)	(13.5)
Asset disposals	-	36.8	36.8
Acquisitions (including acquired debt)	(72.8)	-	72.8
Other (net)	1.0	0.3	(0.7)
Total cash flow for the period	(77.4)	(39.1)	38.3
Net financial debt at 30 September	(266.0)	(304.6)	(38.6)
A Ratio	0.86	1.09	

Breakdown of Financial Charges



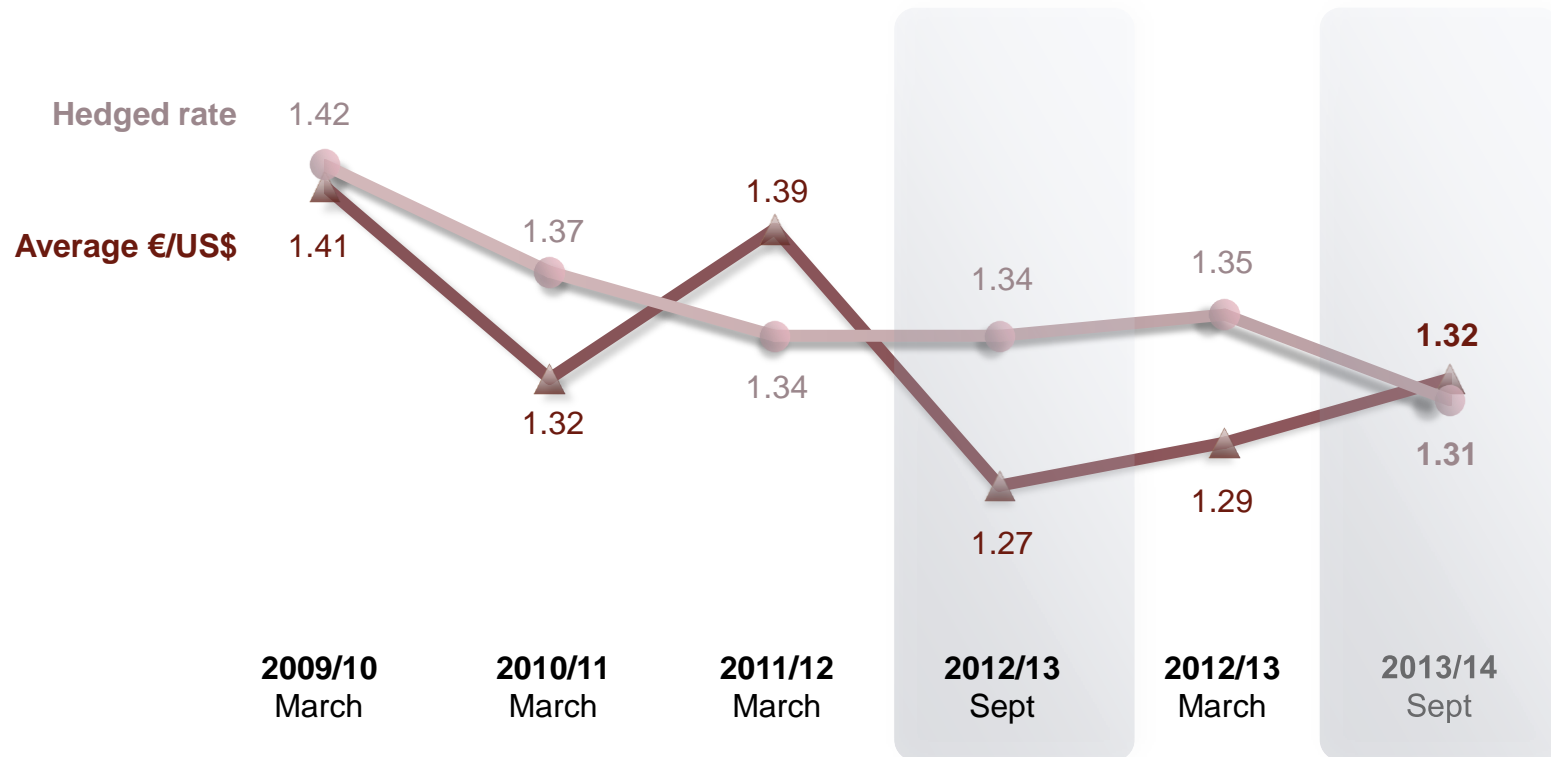
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(€m)	2012	2013
Cost of gross financial debt	(11.7)	(12.3)
Investment income	1.5	1.8
Sub-total	(10.2)	(10.5)
Impact of the portfolio of interest rate instruments	(1.2)	(0.1)
Exchange result	3.0	1.3
Other financial charges (net)	(1.1)	(1.4)
Financial charges	(9.5)	(10.7)

Foreign Exchange Hedging Impact



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Balance Sheet at 30 September



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	<i>Assets</i>		<i>Liabilities</i>		
	2012	2013	2012	2013	
Non-current assets	847.8	834.3	Shareholders' equity	1,048.7	1.098.9
Current assets	1,317.0	1,513.5	Current and non-current liabilities	678.9	736.1
<i>of which inventories</i>	837.0	964.1			
Cash and cash equivalents	171.2	208.2	Gross financial debt	437.2	512.8
Total assets	2,164.8	2,347.8	Total liabilities	2,164.8	2,347.8
Weight of stock	39%	41%	Net gearing	25%	28%

Recent Highlights of 2013

Larsen

- 30 August 2013 – Disposal of Larsen to the Finnish group Altia

Dynasty Wines Ltd

- 30 September 2013, Dynasty's results remained unpublished
 - Rémy Cointreau carried out a further review and recognised an additional impairment charge of €10.9 million at the 30 September balance sheet date to bring down the fair value of the share to €30.1 million

Financial Highlights

The Group was rated "Investment grade" **by:**

- 22 July 2013 - Fitch accredited Rémy Cointreau with BBB-, stable outlook
- 10 October 2013 - Standard & Poor's upgraded its rating to BBB-, stable outlook
- 24 October 2013 - Moody's upgraded its rating to Baa3, stable outlook
- 13 August 2013 - €65m bond issue 10 year maturity and a fixed coupon of 4%
- 19 November 2013 – Reallocation of shares purchased under the share buyback programme. Out of a total of 1,428,794 shares, 1,150,000 were cancelled

Outlook for 2013/14

In a context of slower growth in China, and a lack of short-term visibility, the Group anticipates:

- a decline in H2 sales
- a significant double-digit decline in operating profit
- the resolute ongoing pursuit of innovation and value
- increased targeted marketing investment compared with H1
- expansion into markets with strong growth potential
- the maintenance of strict cost control

Rémy Cointreau remains confident in the capacity of its long-term value adding model to bring about a return to steady growth