

RÉMY COINTREAU

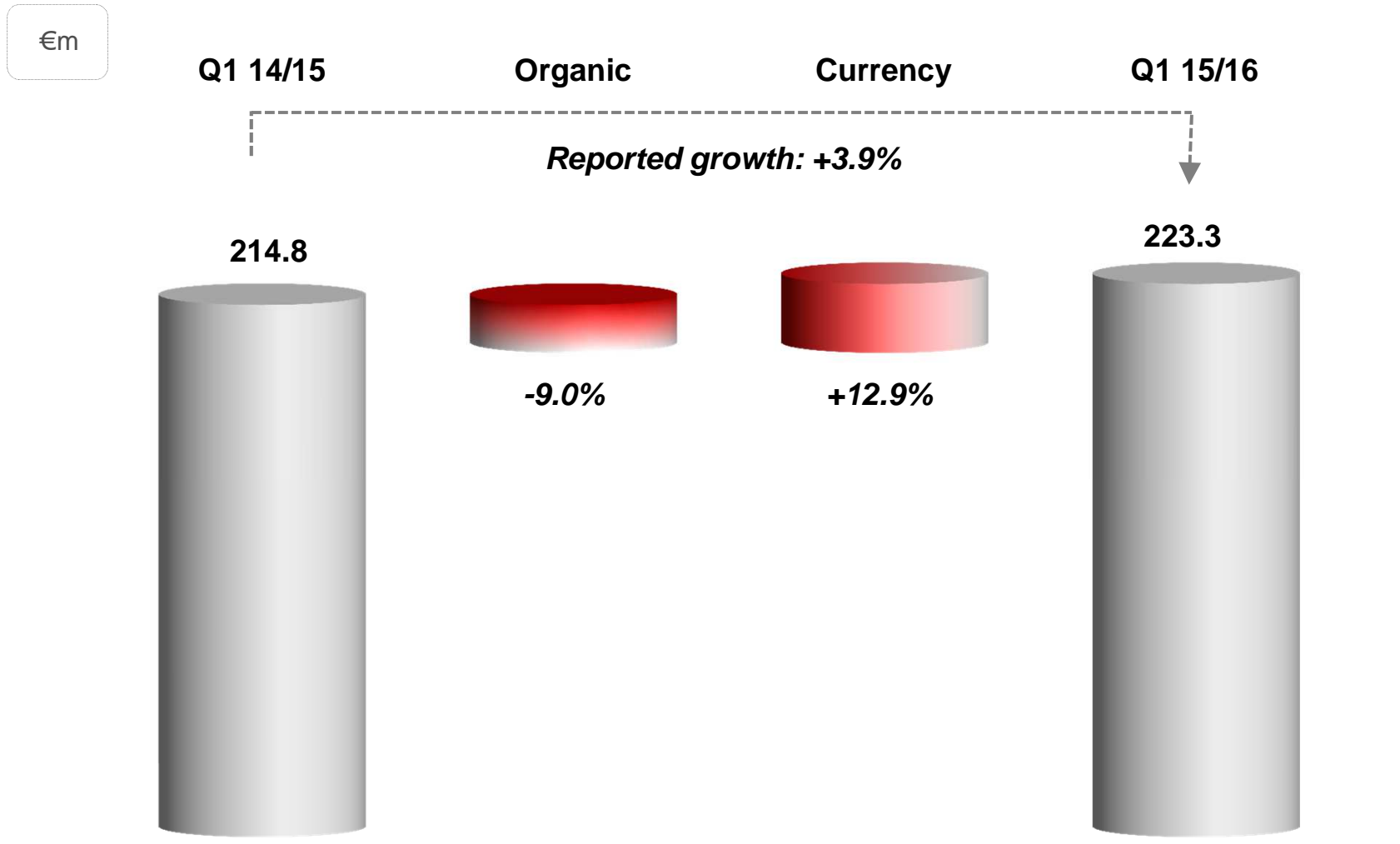
***Fiscal Year 2015/16
3 months ended
30 June 2015***

21 July 2015

Key Messages

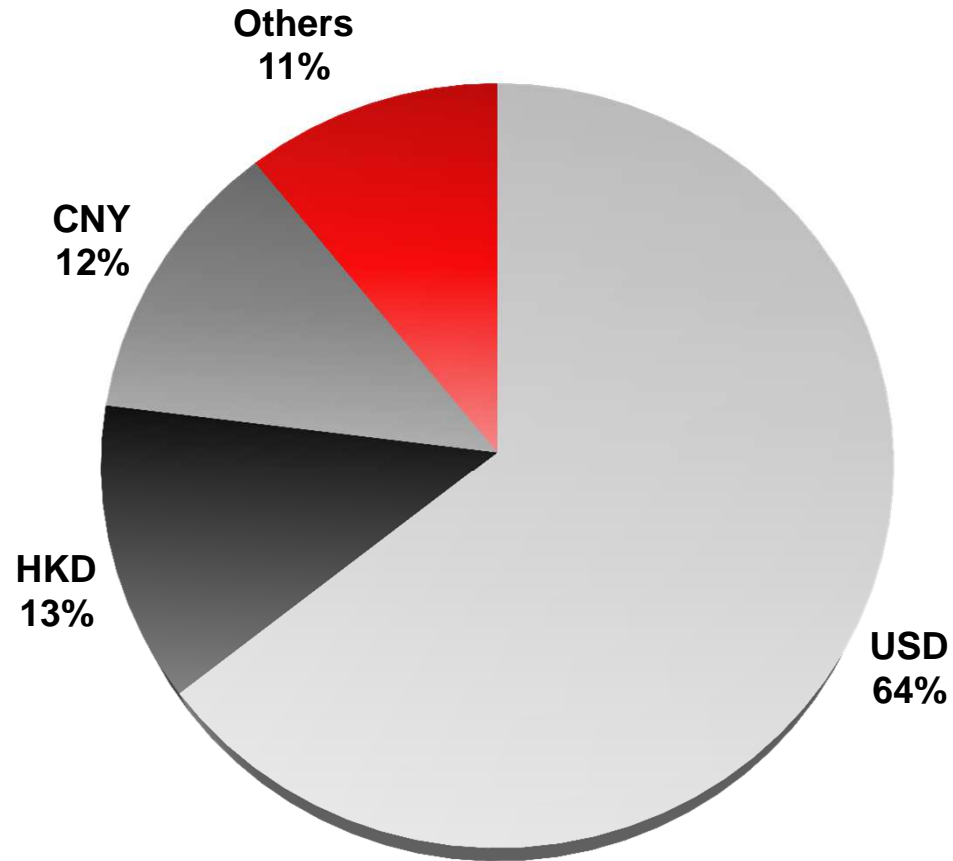
- Q1 performance is in-line with our expectations
- Technical factors: a 6.3pp hit on Q1 organic sales growth
- Mixed consumer trends in Q1:
 - Deterioration in Russia and Greece;
 - Stability in Greater China;
 - Improvement in Western Europe and accelerated trend in the US
- A year of two-halves (H2 will be much stronger than H1)
- Q1 has historically been a small contributor to full-year sales (c20% on an organic basis)
- FY15/16 outlook confirmed

Q1 2015/16 Sales Analysis

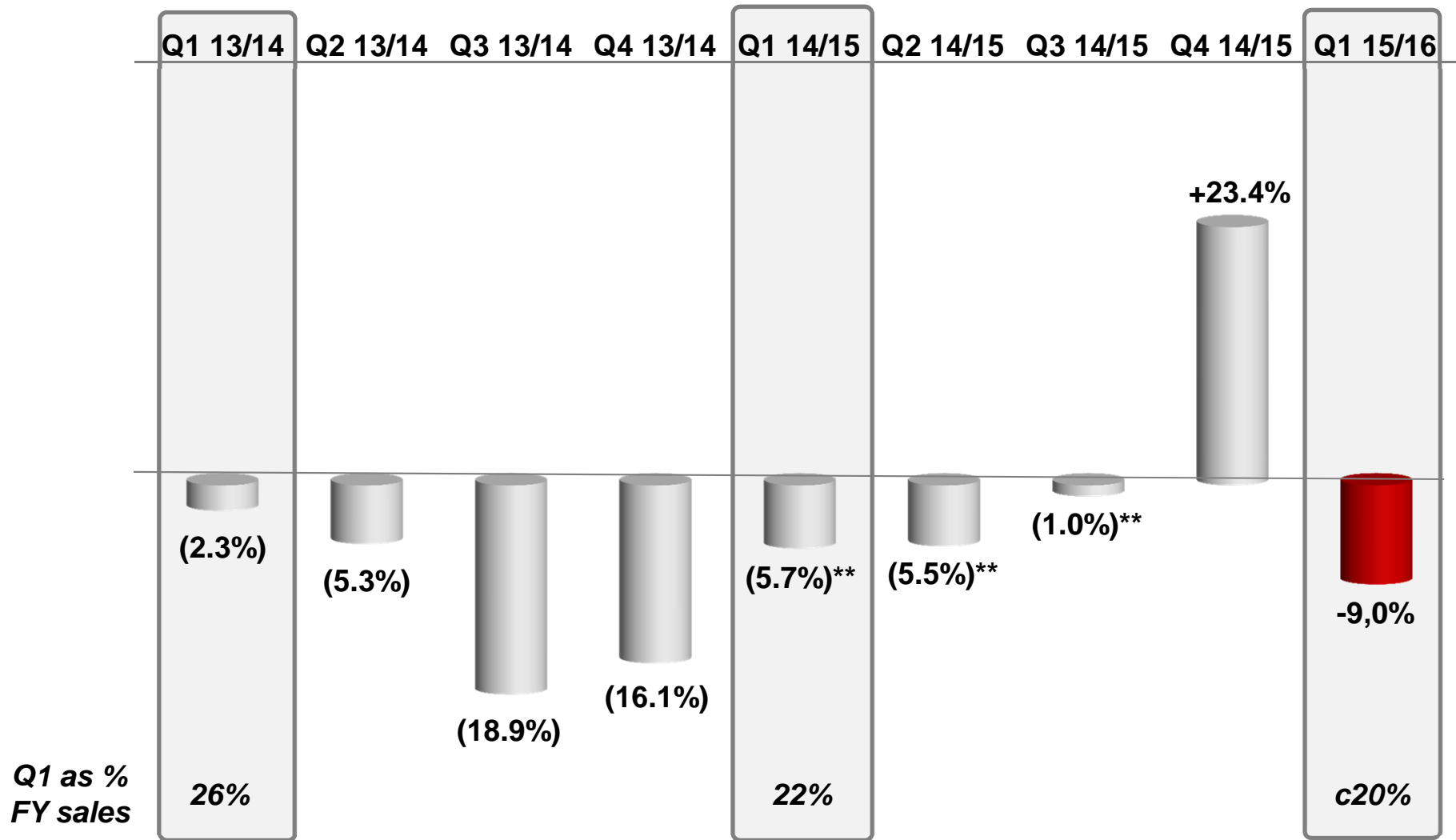


Currency Impact on Q1 2015/16 Sales

Positive currency impact : EUR27.8m

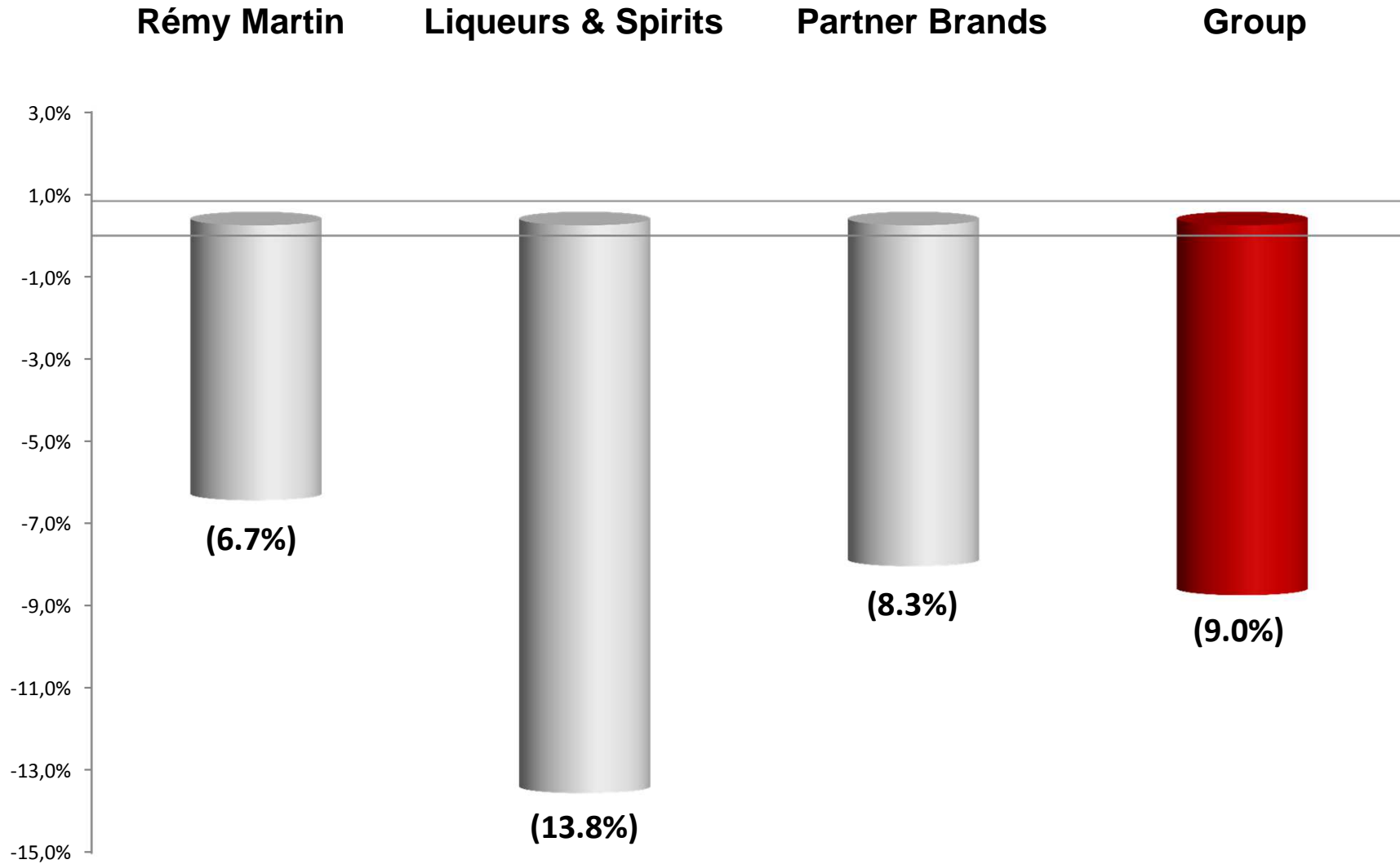


Quarterly Organic Sales Growth



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

Q1 Organic Growth by Product Division



Q1 2015/16 Trends by Region (1)

- **Asia Pacific: Double-digit decline led by wholesalers cautiousness and RTM changes**
 - Technical factors weighed on Q1 performance:
 - Route-to-Market adjustments in Greater China
 - Streamlining of on-trade accounts in Mainland China
 - Change of distributor in Australia
 - Chinese wholesalers remain cautious after 2 years of demand weakness (sell-in < sell-out)
 - Greater China: Volume depletions flat/ Value depletions down high-single digits in Q1, o/w:
 - Some improvement in Mainland China and strength in Taiwan
 - Further weakness in Macau and HK
 - Positive trends in South East Asia (Vietnam, Philippines, Thailand)

Q1 2015/16 Trends by Region (2)

- **Americas: Strong depletion trends overshadowed by technical factors**
 - Organic sales down low-single digits in Q1
 - Technical factors weighed on performance...
 - Exit from the VS cognac category in the US
 - High comparable base for Cointreau in the US
 - End of the distribution contract of the champagne brands (Piper and Charles Heidsieck) in the US
 - Change of distributor in Canada
 - ...While Group's US value depletions (excluding VS) still running at double-digit rate:
 - +16.7% over 3M, +13.3% over 6M, +10.7% over 12M
 - Broad-based acceleration (Rémy Martin, Cointreau, Mount Gay)

Q1 2015/16 Trends by Region (3)

- **Europe, Middle East & Africa: slight acceleration to low/mid-single digit sales growth**
 - Western Europe sell-out trends turned positive
 - Negative technical factor in Q1: earlier Easter celebrations
 - Acceleration in Germany across the portfolio and positive inflection of Cointreau in France
 - Ongoing strength in Belgium
 - UK back to growth (led by double-digit growth at Rémy Martin)
 - Central Europe muted by Greece
 - Further good momentum in the Czech Republic and Slovakia
 - Sharp drop in Greece due to the political/economic turmoil
 - Weak trends in Russia/CIS
 - Wait-and-see attitude from wholesalers adversely affecting shipments (sell-in < sell-out)
 - Russian depletions down high-single digits over 12M
 - Travel Retail penalized by soft Russian tourism
 - Triple-digit sales growth in Africa, driven by strong depletion trends and expansion into new markets

Rémy Martin (-6.7% organic decline)

■ Asia Pacific:

- Double-digit decline in sales in Q1 (technical factors + wholesalers' cautiousness)
- Greater China depletions: flat volumes (Mainland China slightly better), value down HSD

■ Americas:

- Sales up high single-digits in Q1, led by the US and Mexico (new distributor)
- US volume depletions (excl. VS) running at a double-digit rate

Volume depletion trends to Jun 2015			
	3 months	6 months	12 months
US Cognac Market	21.5%	17.3%	17.2%
Rémy Martin (excl. VS)	24.9%	20.4%	14.7%

Source: NABCA/Discus

- Exit from VS and solid growth of QS drove **price/mix gains of 1-2pp** in 12M period to June

■ Europe, Middle East & Africa:

- Strong double-digit sales growth in the region, led by Africa (opening of new markets) and a solid performance in Western Europe

Rémy Martin: Marketing Initiatives

The Rémy Martin Club connected bottle



Rémy Martin on WeChat



REMY COINTREAU

Liqueurs & Spirits (-13.8% organic decline)

- **Q1 sales decline largely due to technical factors and Russia/Greece shortfall:**

- Technical factors: Cointreau comps in the US, earlier Easter in Western Europe, and changes in distributors in Australia and Canada
- Weak shipments to Russia, Greece and EMEA Travel Retail

- **Cointreau:**

- Double-digit sales decline largely explained by high comps in the US...
-While US depletions remain very healthy, bolstered by new on-trade listings
- US value depletions benefited from **price/mix gains of 1-2pp** in the 12M period to June

Volume depletion trends to Jun 2015			
	3 months	6 months	12 months
US Cordials Market	3.2%	3.2%	2.1%
Cointreau	5.1%	5.4%	4.0%

Source: NABCA/Discus

- Sell-out enjoying accelerating trends in France and Germany
- Ongoing strength in Africa; Successful launch of cointreau Blood Orange in GTR

Liqueurs & Spirits (-13.8% organic decline)

- **Metaxa:** Double-digit sales decline led by Russia, Greece and Travel Retail (Russian tourists); Significant price increases in Germany and Austria
- **Mount Gay:**
 - Double-digit sales growth led by positive mix gains in its key markets (US, Barbados, France, Travel Retail)
 - Acceleration in US volume depletions (strength of Black Barrel/XO; resilience of Eclipse)

Volume depletion trends to Jun 2015			
	3 months	6 months	12 months
US Rum Market	-5.9%	-6.8%	-5.2%
Mount Gay	7.7%	6.4%	2.8%

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 : new listings in Europe, US, Japan, SEAMI and GTR
- **St-Rémy:** Sales decline due to change in distributor in Canada (the brand's largest market)
- **Passoa:** High comps in France (football worldcup last year) and competitive environment

Liqueurs & Spirits: Marketing Initiatives

**Cointreau Blood Orange
Travel Retail Exclusivity**



**Cointreau: Successful Core
Militants strategy in the UK**



**Bruichladdich launched in Vietnam,
Malaysia and the Philippines**



Partner Brands (-8.3% organic decline)

- Decline in sales mainly reflects the end of the distribution contract of Piper and Charles Heidsieck in the US (EUR1.0M loss)
- Good growth of the third-party spirits distributed in EMEA

2015/16 Outlook Confirmed

- Q1 2015/16 organic sales performance in-line with **Group's expectations**
- Maintains guidance of delivering **positive growth** in current operating profit, **at constant exchange rate and scope**



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Q&A
