



RÉMY COINTREAU

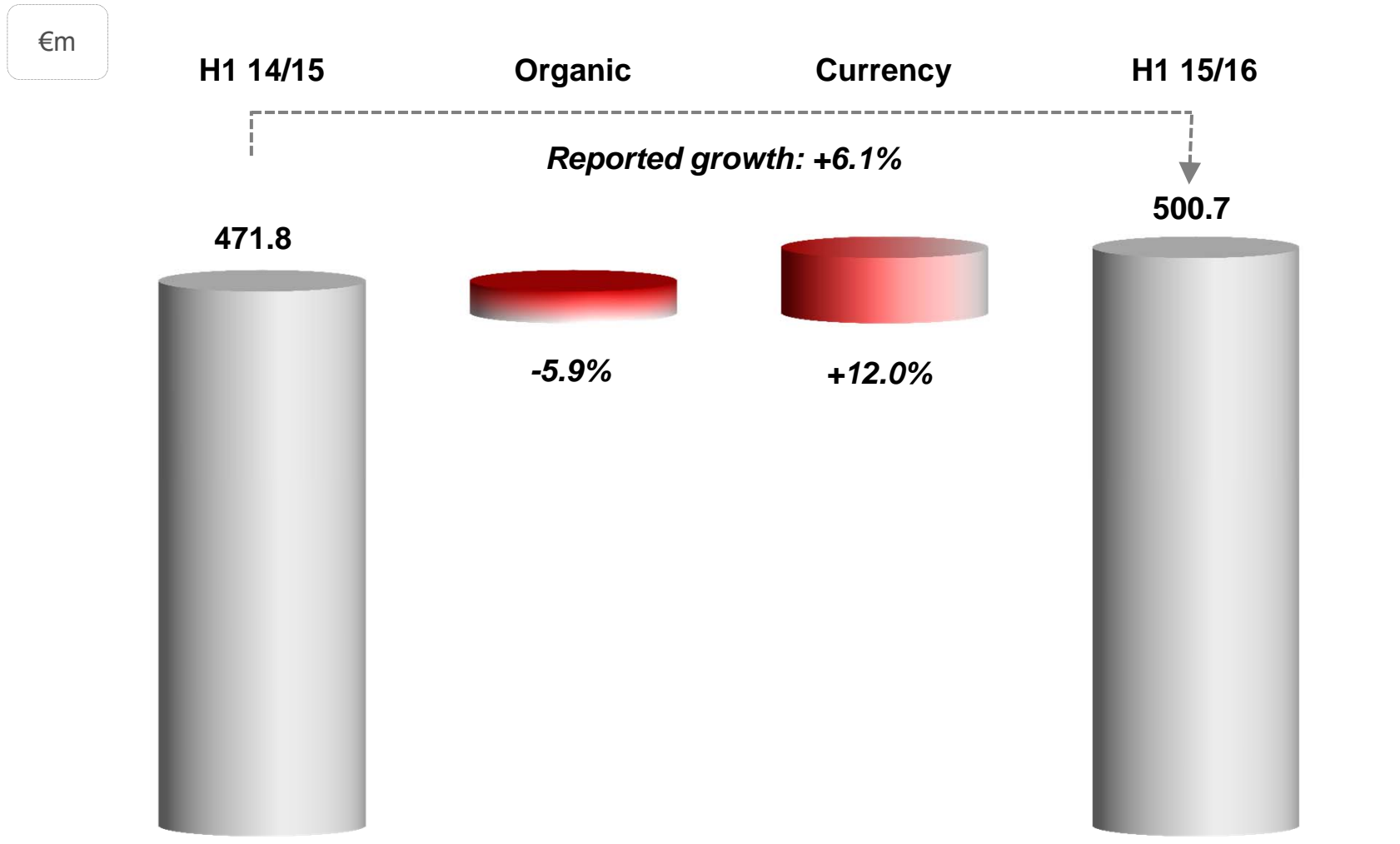
**Fiscal Year 2015/16
6 months ended
30 September 2015**

16 October 2015

Key Messages

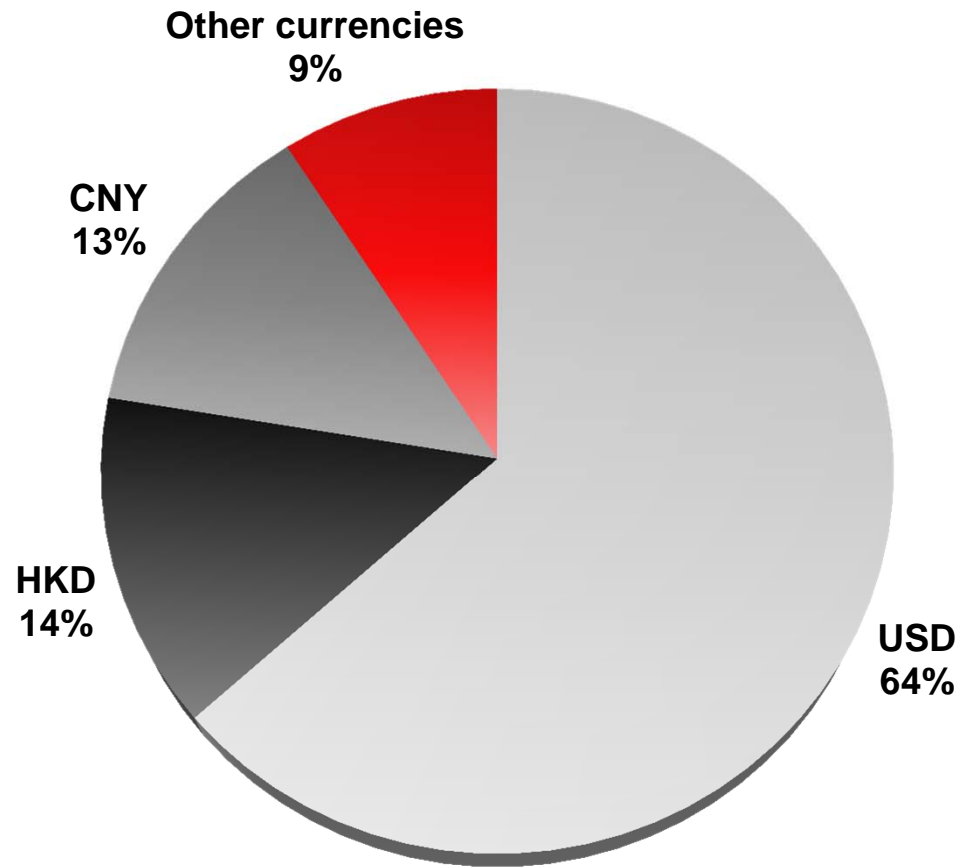
- H1 sales performance is in-line with our expectations
- Technical factors: a 4.9pp/EUR23.3m hit on H1 organic sales growth
- Gradually improving consumer trends in H1:
 - Accelerated trends in the US and in Africa
 - Slight improvement in Western Europe, led by Germany and the UK
 - Gradual improvement in sell-through in Greater China
 - Ongoing weakness in Russia
- A year of two-halves (H2 will be much stronger than H1)
- FY15/16 outlook confirmed

H1 2015/16 Sales Analysis

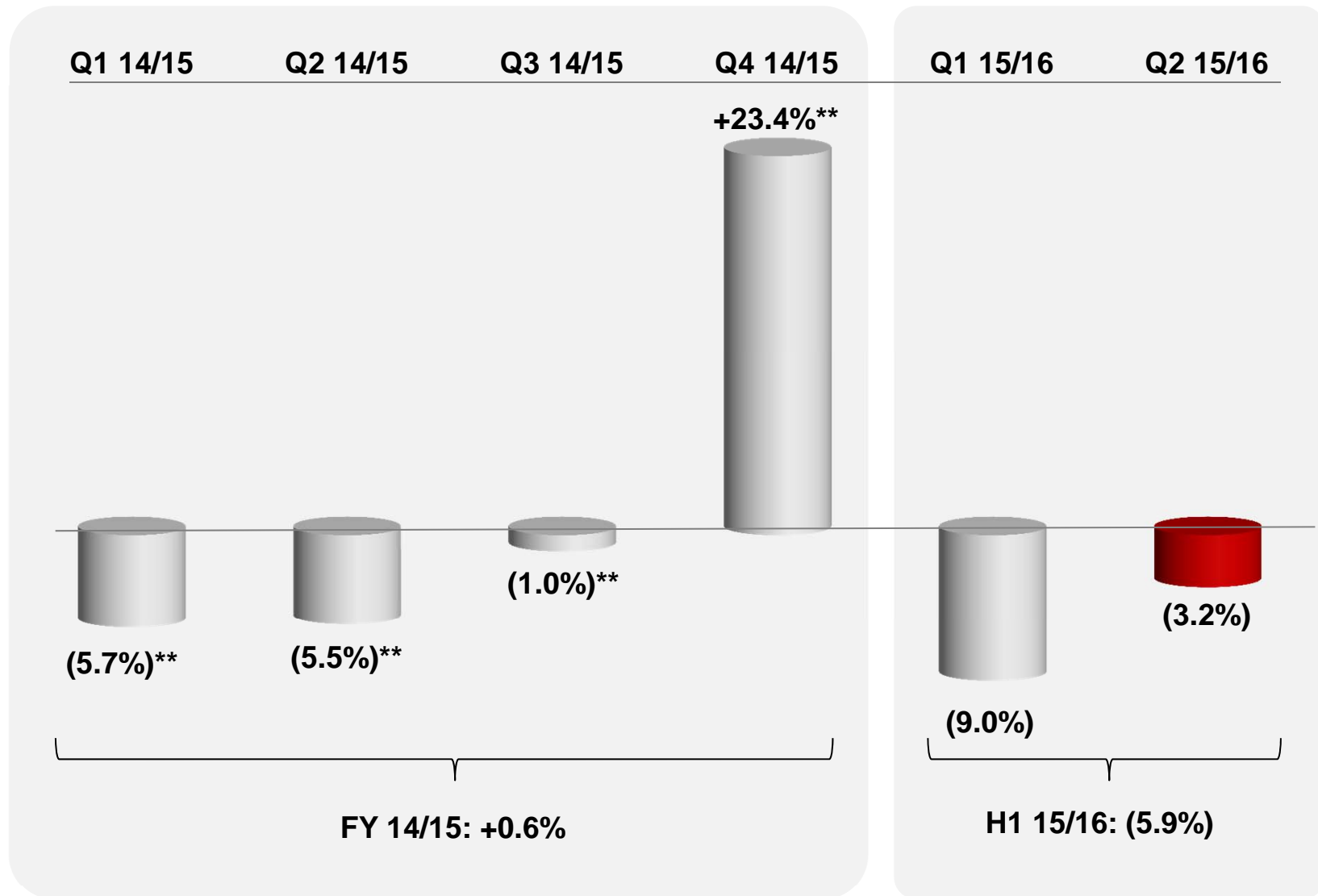


Currency Impact on H1 2015/16 Sales

Positive currency impact : EUR56.6m

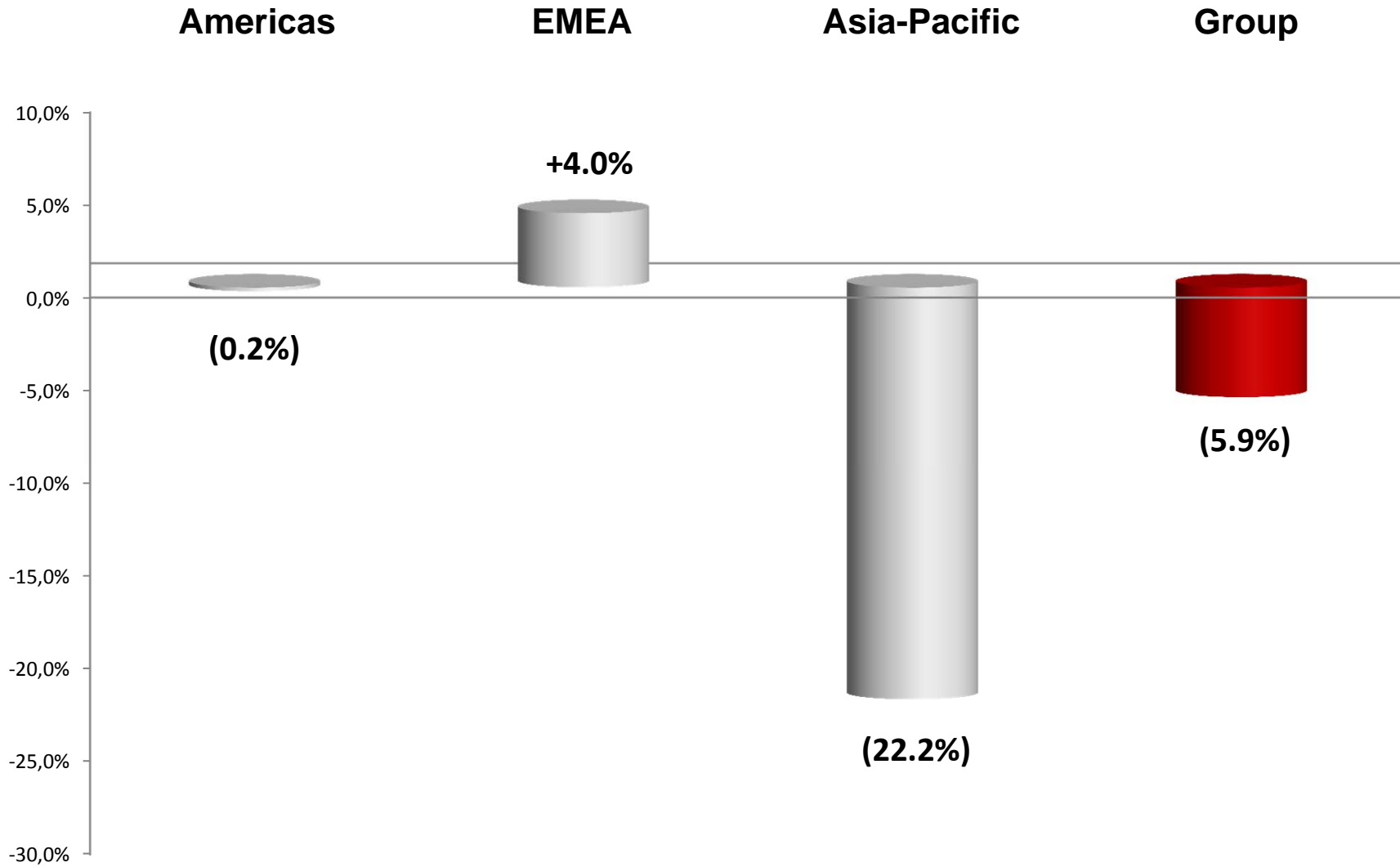


Quarterly Organic Sales Growth



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

H1 Organic Growth by Region



H1 2015/16 Trends by Region (1)

- **Asia-Pacific sales -22.2%, led by Chinese wholesalers cautiousness and RTM changes**
 - Technical factors weighed on H1 performance:
 - Route-to-Market adjustments in Greater China
 - Streamlining of on-trade outlets in Greater China
 - Change in distributor in Australia
 - Greater China seeing continued improvement in sell-through trends
 - Sell-in < Sell-through, due to wholesalers' cautiousness, amid soft macro environment
 - Gradual improvement in sell-through: volume depletions flat+ and value depletions down mid-single digits in H1
 - Improvement led by Mainland China, while HK and Macau remain soft
 - Solid trends in South East Asia (Vietnam, Philippines, Thailand) and in Japan
 - New route to market in Australia (joint-venture)

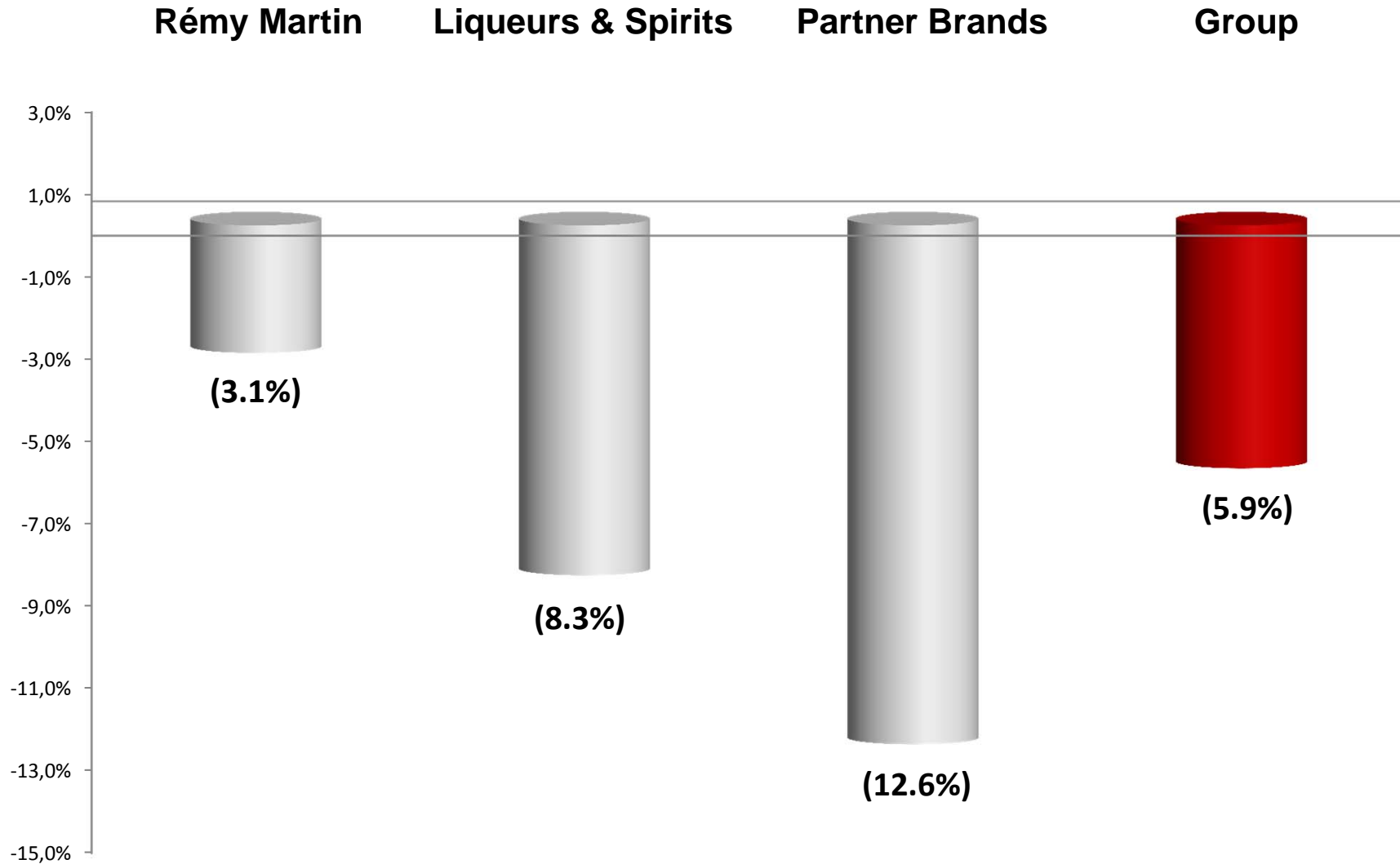
H1 2015/16 Trends by Region (2)

- **Americas sales flat (-0.2%): strong depletion trends mitigated by technical factors**
 - While technical factors weighed on the sales 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 in distributor in Canada
 - ...Group's US value depletions (excluding VS) are running at strong double-digit rates:
 - +17.3% over 3M, +18.4% over 6M, +15.2% over 12M
 - Remarkable acceleration versus FY14-15: we are in the right categories and in the growing segments

Q1 2015/16 Trends by Region (3)

- **Europe, Middle East & Africa sales up 4.0%, led by Africa and Central Europe**
 - Western Europe: slight sales decline in H1; positive sell-out trends led by Germany/UK
 - Negative technical factor in H1: earlier Easter celebrations
 - Double-digit sell-in and sell-out growth in Germany, led by Rémy Martin and Cointreau
 - UK back to growth (healthy sell-in = sell-out), led by Rémy Martin and Mount Gay
 - Central Europe: solid performance in H1, led by a strong Q2
 - Double-digit growth in the Czech Republic and Slovakia; high-single digit growth in Poland
 - Weak sell-in performance in Greece, mitigated by a good touristic summer season
 - Russia/CIS: a weak first half
 - Destocking in Q1; more normalised trends in Q2
 - Russian depletions down double-digits over 12M
 - H2 (peak season) will be key
 - Travel Retail penalized by soft Russian tourism
 - Triple-digit sales growth in Africa, driven by strong depletion trends and expansion into newer markets

H1 Organic Growth by Product Division



Rémy Martin (-3.1% organic decline)

■ Asia-Pacific:

- Double-digit sales decline in H1 (technical factors + wholesalers' cautiousness)
- Greater China sell-through improving gradually: volumes flat+, value down mid-single digits

■ Americas:

- Sales up double-digits in H1, led by the US and Mexico (new distributor)
- US volume depletions (excl. VS) running at a strong double-digit rate

	Volume depletion trends to Sept 2015		
	3 months	6 months	12 months
Total US Cognac Market	18.3%	19.8%	19.3%
Rémy Martin (excl. VS)	19.4%	20.4%	16.5%

Source: NABCA/Discus

- Exit from VS and solid growth of QS drove **price/mix gains of 2-3pp** in 12M period to Sept

■ Europe, Middle East & Africa:

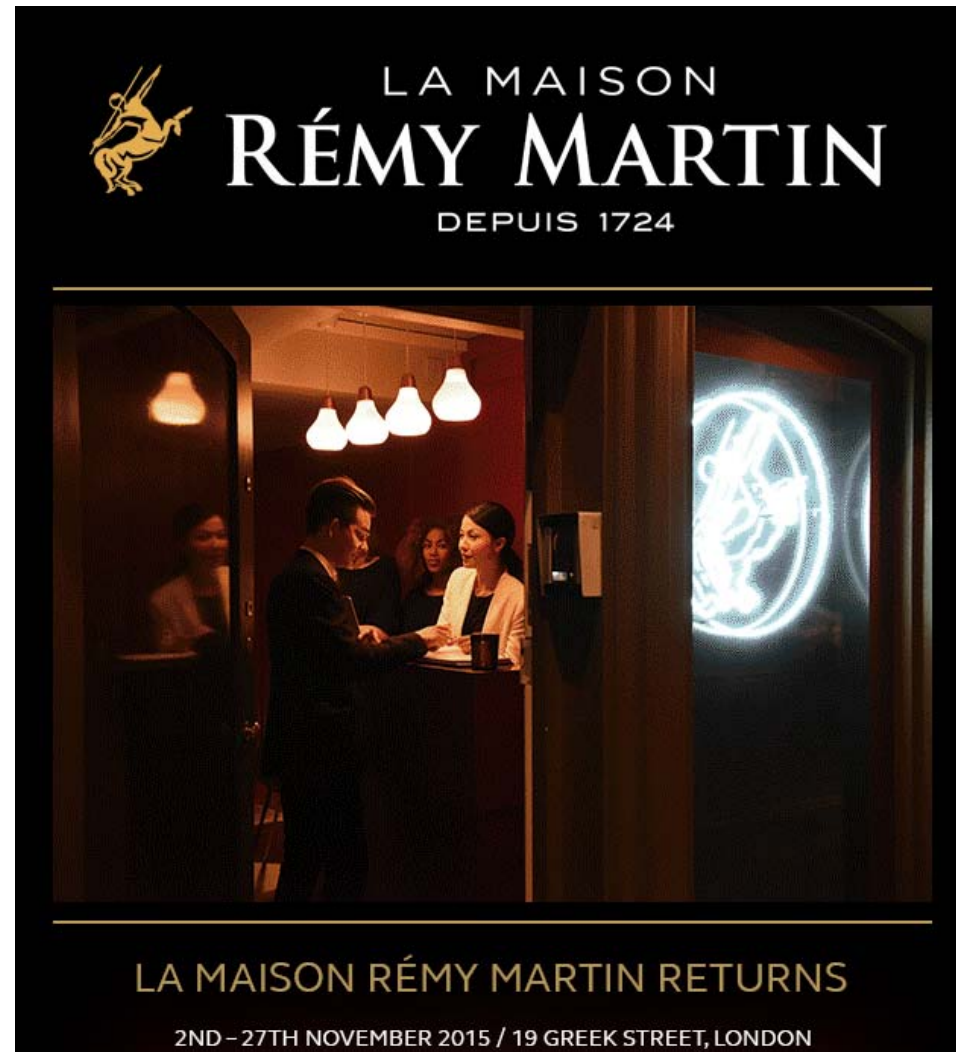
- Strong double-digit sales growth in the region, led by Africa (opening of new markets) and a very good performance in Western Europe

Rémy Martin: Marketing Initiatives

Rémy Martin CLUB
Limited Edition by
Christofle



La Maison Rémy Martin returns
London
2-27 November 2015



Liqueurs & Spirits (-8.3% organic decline)

- **H1 sales decline largely due to technical factors and Russian weakness:**
 - Technical factors: Cointreau comps in the US (Q1 and Q2), earlier Easter in Western Europe (Q1), and changes in distributors in Australia and Canada (mainly Q1)
 - Weak sell-in to Russia, Greece and EMEA Travel Retail
- **Cointreau:**
 - Double-digit sales decline largely explained by technical factors (high comps in the US)
 - US depletions have continued to accelerate, helped by new on and off-trade listings
 - US value depletions benefited from a **price/mix gain of 1pp** in the 12M period to Sept

Volume depletion trends to Sept 2015			
	3 months	6 months	12 months
Total US Cordials Market	-1.7%	0.8%	1.1%
Cointreau	8.6%	7.1%	6.0%

Source: NABCA/Discus

- Good sell-out trends in France (Nielsen: +2%) and Germany (Nielsen: +9%)
- Very strong growth in Africa; Successful launch of cointreau Blood Orange in GTR

Liqueurs & Spirits (-8.3% organic decline)

- **Metaxa:** double-digit sales decline led by Russia, Greece and Travel Retail (Russian tourists); Significant price increases in Germany; ongoing strength in Slovakia/Czech Republic
- **Mount Gay:**
 - High-digit sales growth: positive mix gains in key markets (US, Barbados, UK, Travel Retail, France)
 - US volume depletions softer in Q2 further to significant price increases on Eclipse and XO

	Volume depletion trends to Sept 2015		
	3 months	6 months	12 months
Total US Rum Market	1.0%	-2.7%	-3.9%
Mount Gay	-3.1%	2.1%	4.3%

Source: NABCA/Discus

- US value depletions enjoyed a **price/mix gain of 4-5pp** in the 12M period ending Sept
- **Islay Spirits:** Double-digit sales growth led by new listings in Europe, US, Japan, and GTR
- **St-Rémy:** Sales decline due to change in distributor in Canada in Q1 (brand's largest market)
- **Passoa:** High comps in France (football worldcup last year) and competitive environment

Liqueurs & Spirits: Marketing Initiatives

The Botanist foraging experience in South Africa



The Botanist Foraged Cocktail Competition in Japan



First Large-Scale Travel Retail Activation for The Botanist (in Zurich)



Partner Brands (-12.6% organic decline)

- Double-digit decline in sales mainly reflects the end of the distribution contract of Piper and Charles Heidsieck in the US (EUR6.0M loss)
- Solid growth of the third-party spirits distributed in EMEA

2015/16 Outlook Confirmed

- H1 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, for the financial year 2015/16



RÉMY COINTREAU

Q&A