RÉMY COINTREAU

Paris, 16 October 2015

Financial year 2015/16
Consolidated sales for the first half-year
(April 2015 – September 2015)

First half-year on target; 2015/16 objectives confirmed

Rémy Cointreau generated sales of €500.7 million during the first half of the 2015/16 financial year, achieving reported growth of 6.1%.

In organic terms, sales were down by 5.9% as the group was impacted by a number of technical factors (the exit of VS cognac, high comparables for Cointreau and the end of the champagne brands distribution contract in the United States, changes in distributors in certain markets and adaptation of the distribution network in China) at the start of this financial year. As expected, the second quarter (-3.2% organic) was better than the first (-9.0%), and this positive trend should continue into the second half of the year.

In the period to end September, Europe, the Middle East & Africa (EMEA) posted healthy organic growth, driven by the expansion strategy in Africa, a strong momentum in Central Europe and a slight improvement in Western Europe. The stability of the Americas region and decline in Asia-Pacific were principally the result of technical factors and the continued caution of wholesalers in China. Consumer demand for our brands remains excellent in the United States, and China continues to show signs of a gradual improvement.

Sales breakdown by division:

	6 months	**6 months**	**Change**	
(€ millions)	**to 30/09/15**	**to 30/09/14**	**Reported**	**Organic (*)**
Rémy Martin	313.1	276.8	13.1%	-3.1%
Liqueurs & Spirits	129.9	130.9	-0.8%	-8.3%
Sub-total Group brands	**442.9**	**407.7**	**8.6%**	**-4.8%**
Partner Brands	57.8	64.1	-9.8%	-12.6%
Total	**500.7**	**471.8**	**6.1%**	**-5.9%**

(*) Organic growth is calculated based on constant exchange rates and consolidation scope

Rémy Martin

Rémy Martin's excellent sales performance in the Americas and EMEA regions did not fully compensate for the decline in Asia-Pacific, where shipments were adversely affected by the introduction of the strategic plan (improved product mix and adaptation of the distribution network in China) and cautious Chinese wholesalers.

So the trend contrasts with consumer demand for the brand, which registered solid growth, driven by the United States, Africa, Germany and the UK.

Liqueurs & Spirits

Over this first half-year, the division posted a decline in sales (-8.3% in organic terms), which can be explained by a combination of both technical (high comparables for Cointreau in the United States, the timing of Easter, changes in distributors in certain markets) and macro-economic (Russia, Greece) factors.

The decline in **Cointreau** sales is largely due to technical factors, with very high annual base effects in the United States. Conversely, demand for Cointreau remains high thanks to an excellent sales dynamic in the United States and improving trends in France and Germany. The brand also reaped the benefits of the successful launch of *Cointreau Blood Orange*, a Travel Retail exclusive, in the main European and United States airports.

Metaxa sales fell significantly over the six-month period, impacted by the slowdown in consumption in both Greece and Russia and in Travel Retail purchasing by Russian customers. Central Europe maintained its double-digit growth over the period.

Mount Gay achieved strong growth in the first half of the year, thanks to the success of its superior quality products (*Black Barrel* and *XO*) in the US, as well as in Travel Retail, Barbados and Western Europe.

The two-digit growth of the **Islay Spirits (Bruichladdich/The Botanist)** continued throughout this first half of the year, driven by new account listings in their target markets (Travel Retail, United States, Japan, France, Germany, Belgium).

The decrease in **St-Rémy** sales over the period was primarily due to a change in distributor in Canada (its leading market) whilst the decline of **Passoa** reflects a high comparable in France (launch of Passoa Red Shot and the 2014 FIFA World Cup) and the competitive environment in Western Europe.

Partner Brands

The termination of the distribution contract for the champagne brands (Piper Heidsieck and Charles Heidsieck) in the United States led to a downturn in sales but the partner brands maintained their sales momentum in the EMEA region.

2015/16 outlook

At the end of this half-year — in line with Group forecasts — Rémy Cointreau confirms its objective of delivering positive growth in current operating profit for the 2015/16 financial year, at constant exchange rates and scope.

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Appendix: Net sales and organic growth by activity and by quarter

Financial year 2015/2016

(€ millions)	**Rémy Martin**	**Liqueurs & Spirits**	**Partner Brands**	**Total**
First quarter	134.3	59.7	29.2	223.3
Second quarter	178.8	70.1	28.6	277.5
Total sales	**313.1**	**129.9**	**57.8**	**500.7**

Financial Year 2014/2015

(€ millions)	**Rémy Martin**	**Liqueurs & Spirits**	**Partner Brands**	**Total**
First quarter	120.8	63.2	30.8	214.8
Second quarter	156.1	67.7	33.2	257.0
Total sales	**276.8**	**130.9**	**64.1**	**471.8**

Financial Year 2015/2016 vs. 2014/2015

Organic growth	**Rémy Martin**	**Liqueurs & Spirits**	**Partner Brands**	**Total**
First quarter	-6.7%	-13.8%	-8.3%	-9.0%
Second quarter	-0.4%	-3.3%	-16.5%	-3.2%
Total sales	**-3.1%**	**-8.3%**	**-12.6%**	**-5.9%**