

RÉMY COINTREAU

**Fiscal Year 2015/16
12 months ended
31 March 2016**

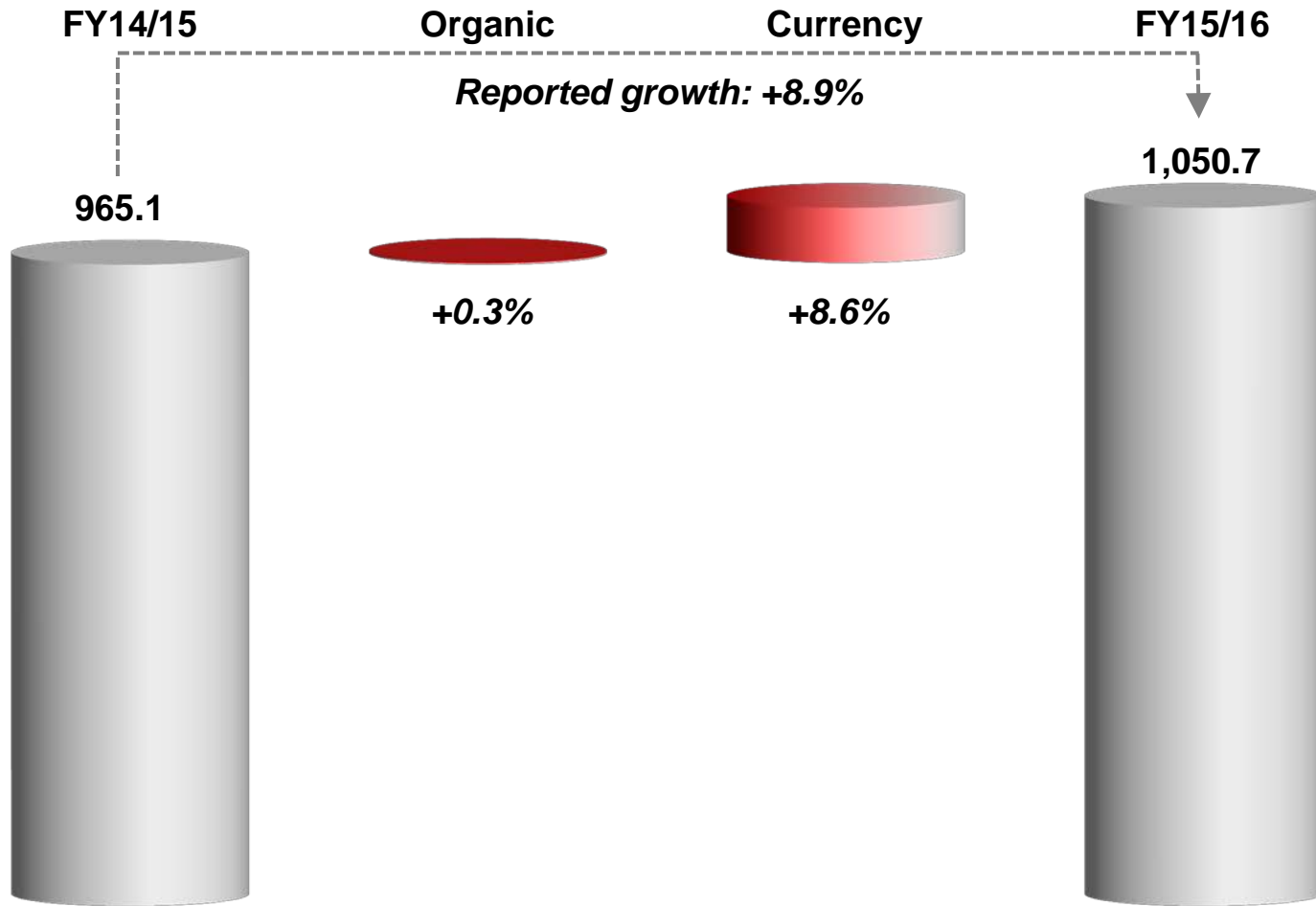
19 April 2016

Key Messages

- Solid Q4 performance (+9.8% organic sales growth)...
- ...Drives positive organic sales growth in FY2015-16 (+0.3%)
- Technical factors: a 3.2pp/EUR31.3m hit on 12M organic sales growth
- Gradually improving consumer trends in the past 12M
 - Ongoing strength in the US
 - Improving trends in the EMEA zone
 - Clear improvement in Greater China depletions
 - Ongoing weakness in Russia and deteriorated trends in Global Travel Retail
- FY15/16 current operating profit growth outlook confirmed

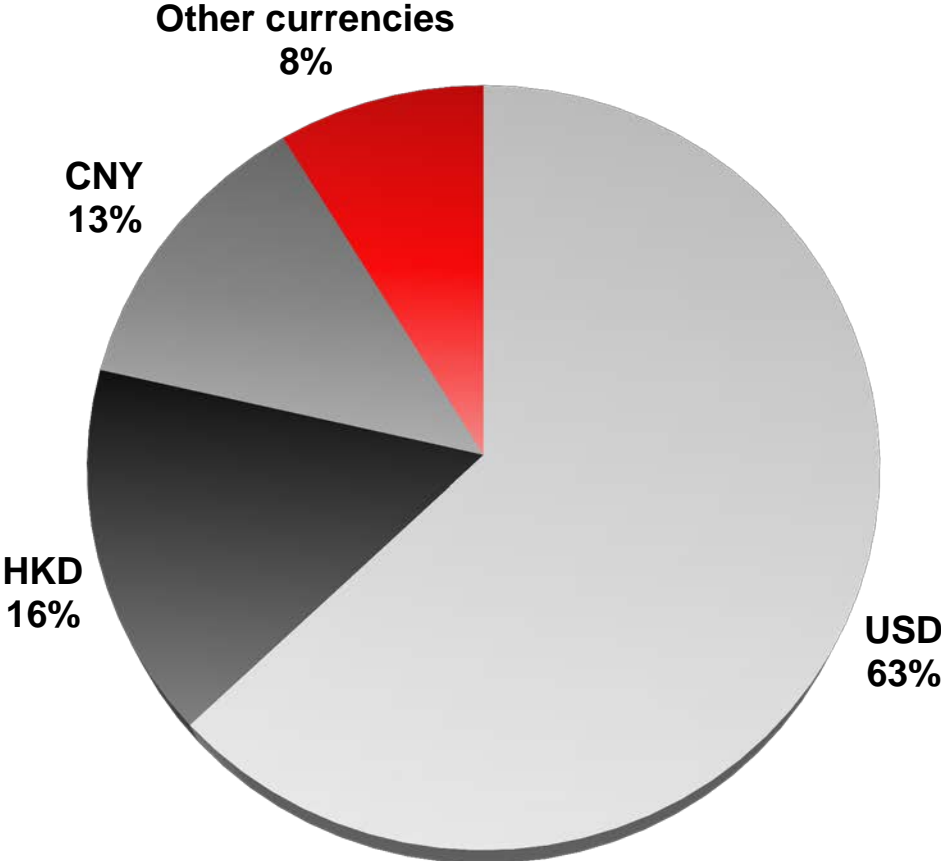
FY2015/16 Sales Analysis

€m

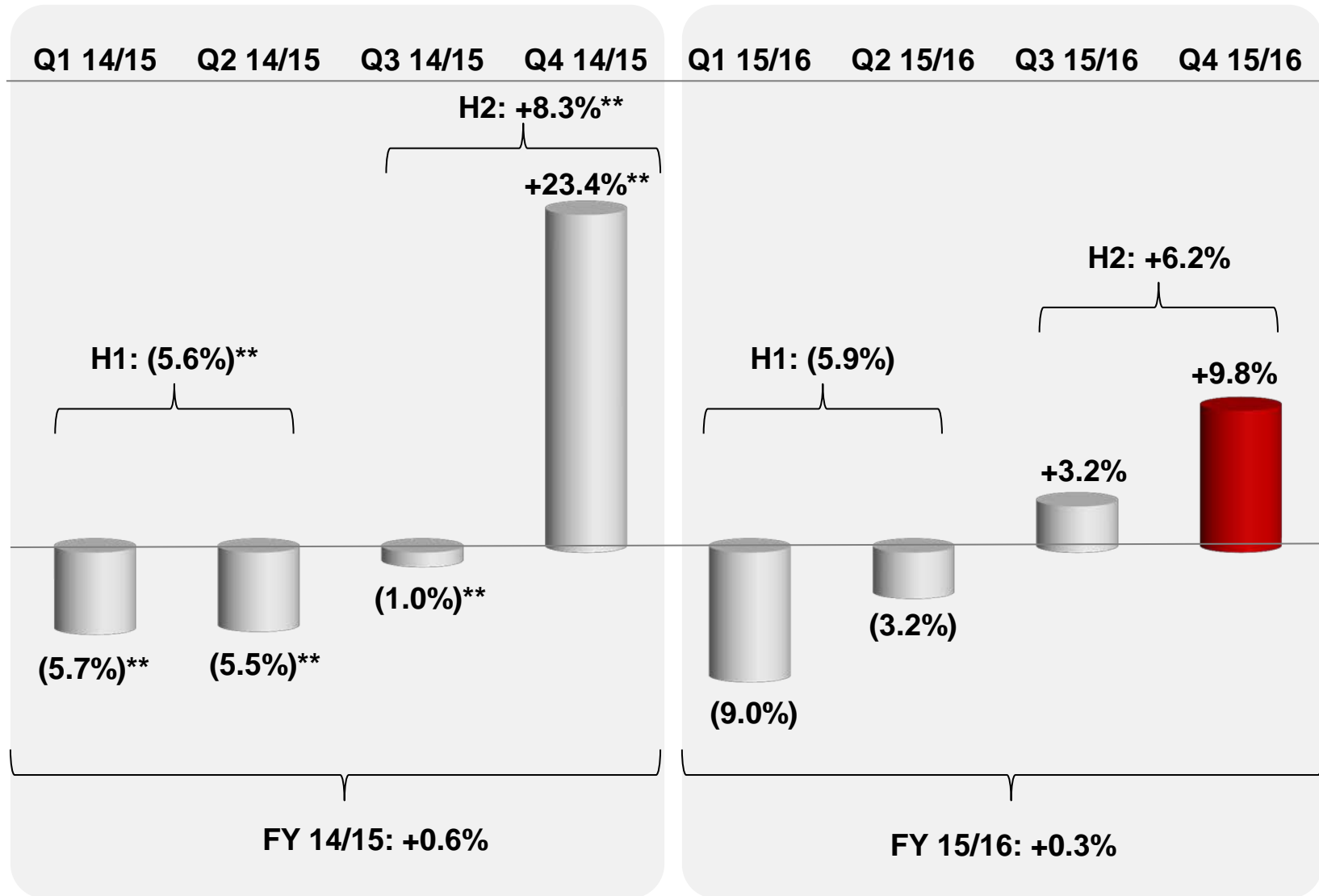


Currency Impact on FY2015/16 Sales

Positive currency impact : EUR82.7m

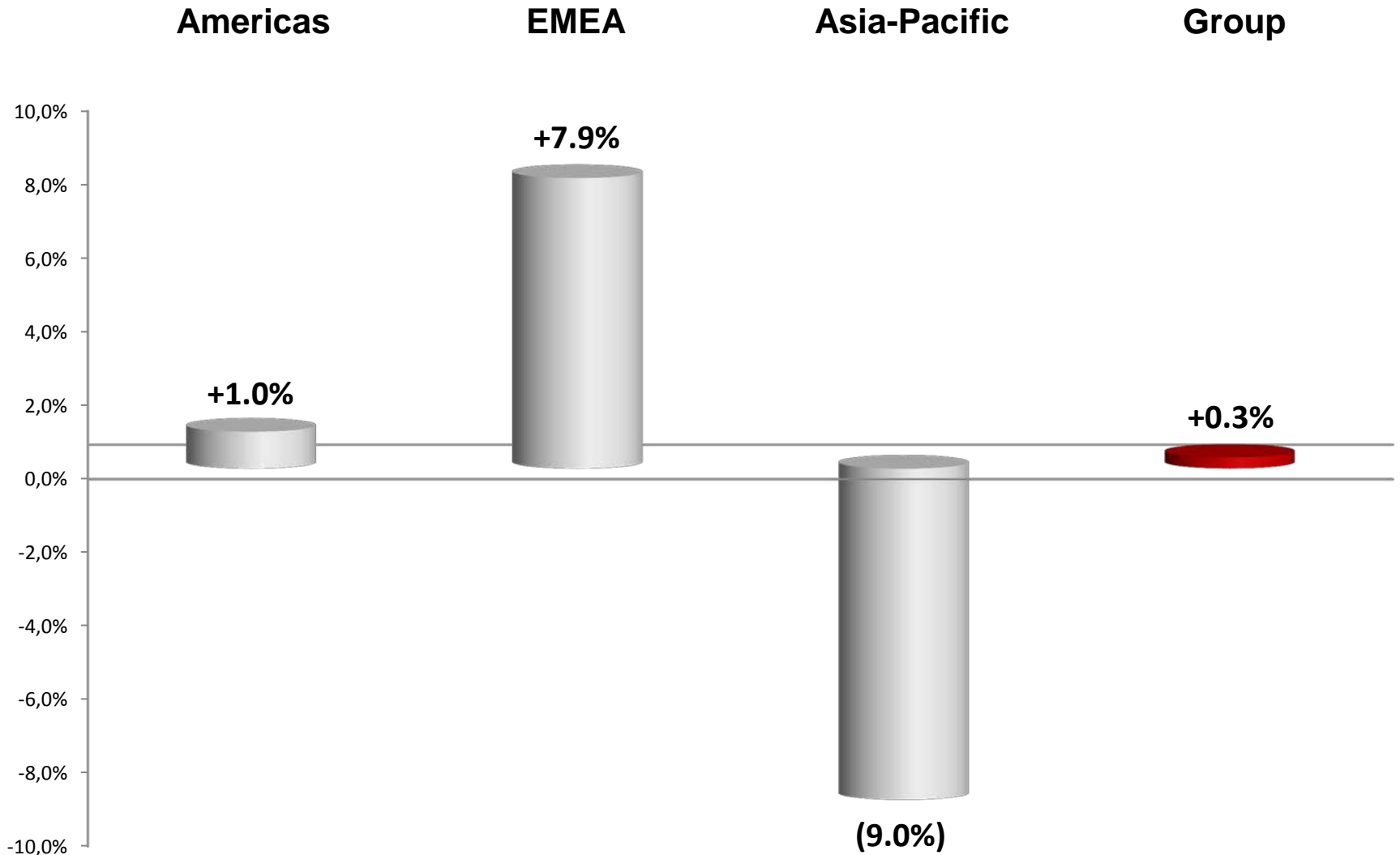


Quarterly Organic Sales Growth



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

FY15/16 Organic Growth by Region



FY2015/16 Organic Trends by Region (1)

- **Asia-Pacific sales down 9.0% in FY15/16, despite improved momentum in H2**
 - Technical factors weighed on 12M performance (mainly in H1)
 - Route-to-Market adjustments in Greater China
 - Streamlining of on-trade outlets in Greater China
 - Change in distributor in Australia
 - Greater China showing a clear improvement in depletion trends
 - Sound Chinese New Year trends
 - Volume depletions up mid-single digits and value depletions flat over 12M
 - Positive inflection led by Mainland China and Taiwan, while HK and Macau remain soft
 - Solid trends in Japan and in South East Asia (Singapore, Philippines, Thailand)
 - New route to market in Australia (joint-venture)
 - Travel Retail negatively impacted by lower spend per capita

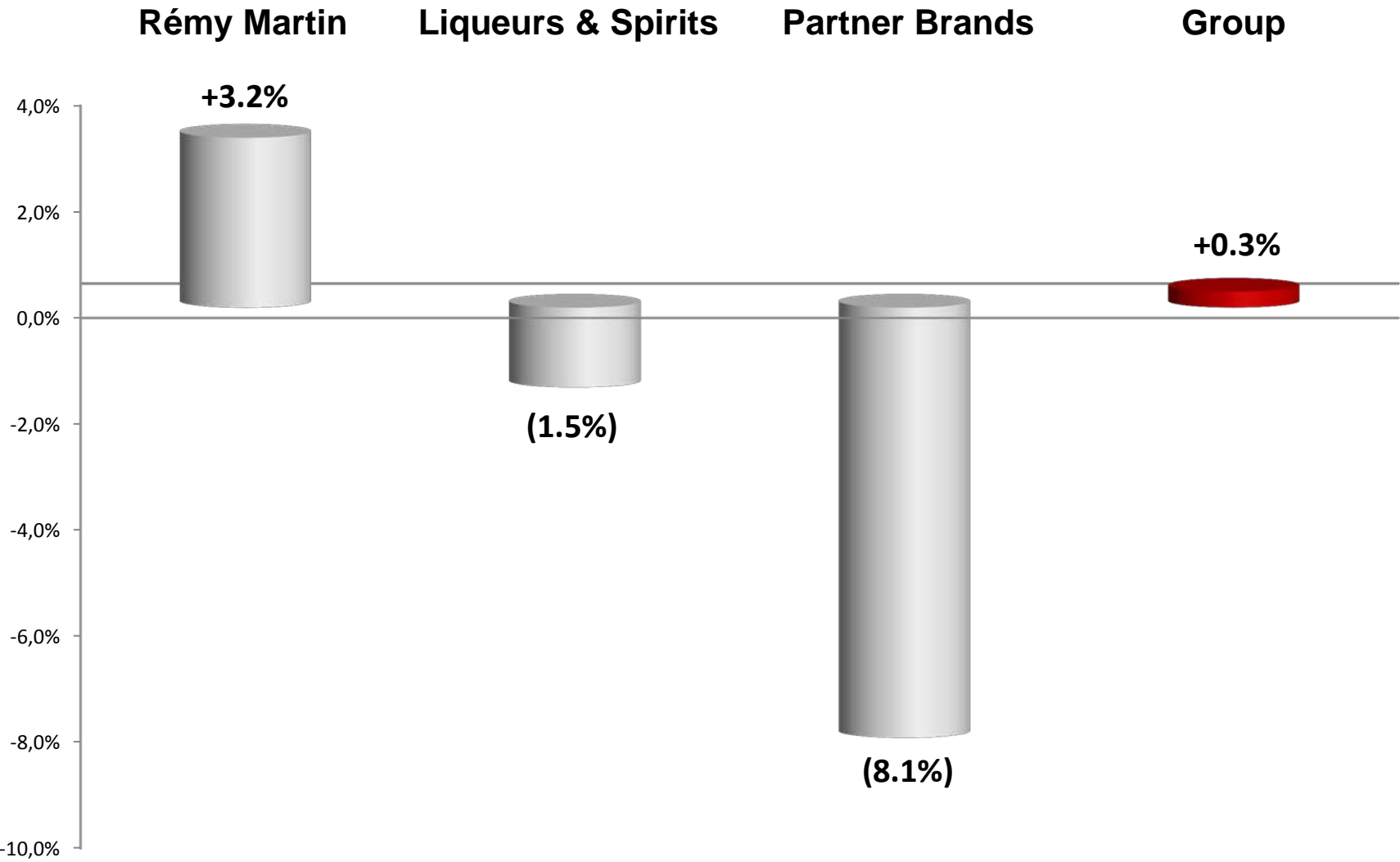
FY2015/16 Organic Trends by Region (2)

- **Americas sales up 1.0% in FY15/16: strong US depletions mitigated by technical factors**
 - Technical factors muted Americas' sales performance
 - Exit from the VS cognac category in the US (H1)
 - High comparable base for Cointreau in the US (H1)
 - Change in distributor in Canada (H1)
 - Termination of the distribution contract of the champagne brands in the US (12M)
 - US: Group brands' value depletions (excl.VS) running at steady double-digit rates in FY
 - +15.5% over 3M, +14.7% over 6M, +16.2% over 12M
 - Travel Retail penalized by the stronger USD

FY2015/16 Organic Trends by Region (3)

- **Europe, Middle East & Africa sales up 7.9% in the FY15/16**
 - Western Europe: slightly positive growth
 - Small negative technical factor: earlier Easter celebrations (Q1)
 - Solid sell-in trends in Germany, the UK, Netherlands and Spain
 - Improving depletion trends in France
 - Central Europe: double-digit growth
 - Strong performance in the Czech Republic, Slovakia and Poland
 - Ongoing weakness in Greece and Turkey
 - Russia/CIS: weak trends
 - Sell-in trends hit by poor consumption trends and destocking (mainly in H1) in FY
 - Depletions down mid-single digits (improving trends in Q4)
 - New round of price increases in January 2016
 - Travel Retail penalized by soft Russian tourism
 - Triple-digit sales growth in Africa, led by good depletion trends and expansion into newer markets

FY2015/16 Organic Growth by Product Division



Rémy Martin (+3.2% organic growth in FY)

■ Asia-Pacific

- High single-digit sales decline in FY (technical factors/ Greater China wholesalers' prudence) ; back to growth in Q4
- Improvement in Greater China's sell-through: depletions up in mid-single digits in volume, flat in value

■ Americas

- Sales up double-digits in FY, led by ongoing strength in the US
- US volume depletions (excl. VS) running at strong double-digit rates

	Volume depletion trends to Mar 2016		
	3 months	6 months	12 months
US Cognac/Brandy Market	4.4%	4.5%	10.4%
Rémy Martin (excl. VS)	14.5%	16.3%	18.9%

Source: NABCA/Discus

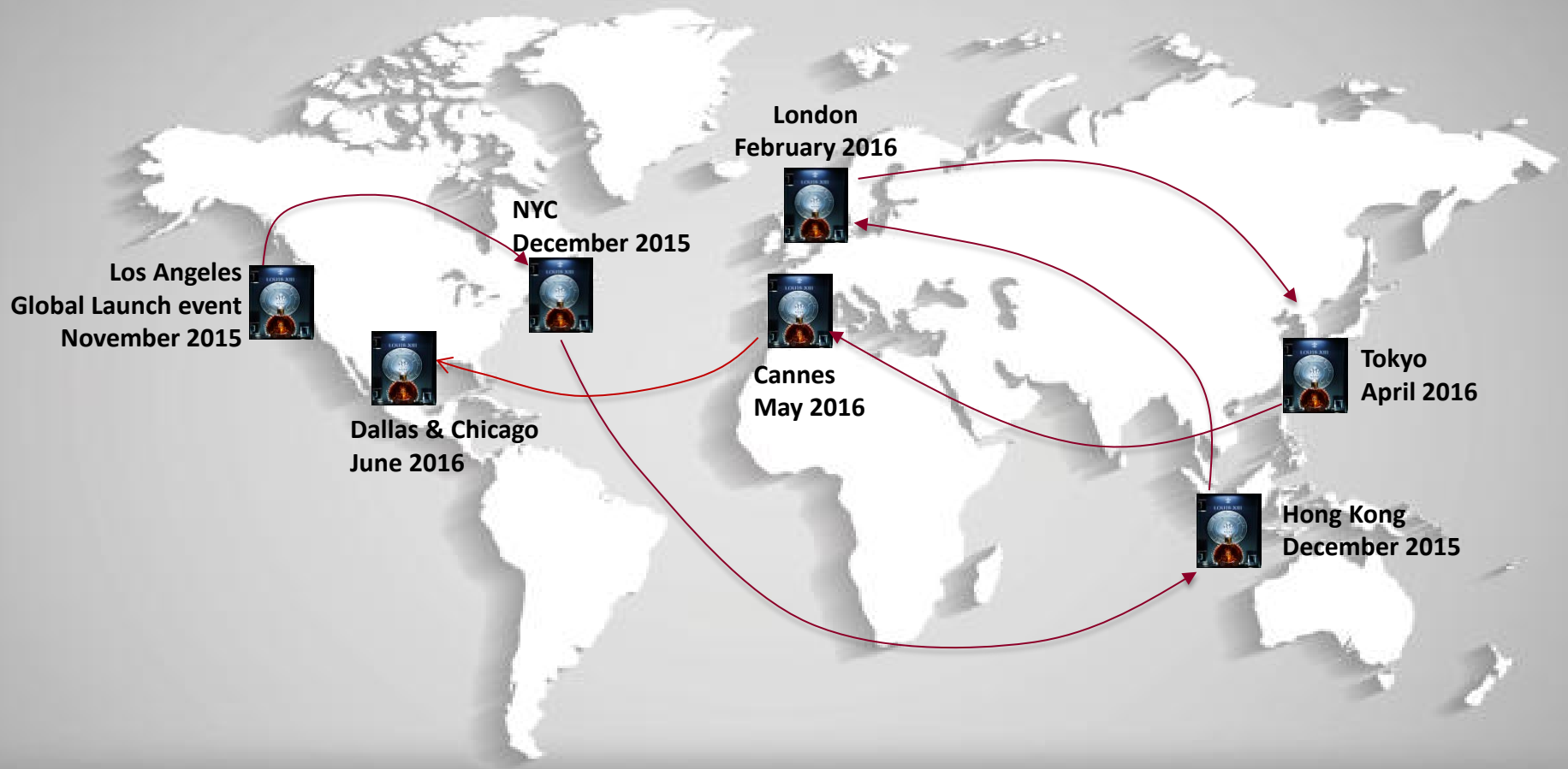
- Strong performance of 1738 and pick-up of Louis XIII depletions drove **price/mix gains of 2pp** in the 12M period to March

■ Europe, Middle East & Africa

- Strong double-digit sales growth, led by Africa
- Good depletion trends led by Germany, the UK, South Africa and Nigeria

Rémy Martin: Marketing Initiatives

- Louis XIII: First media, PR and social results of the « 100 Years » campaign
 - Advertising equivalent : EUR12.5m
 - Number of press and digital clippings : 1,200
 - Audience scope : 1.3 billion people



Liqueurs & Spirits (-1.5% organic decline in FY)

- **FY15/16 sales decline entirely due to technical factors in H1; H2 back to growth**
 - Technical factors: Cointreau comps in the US (H1), earlier Easter in Western Europe (Q1), and changes in distributors in Australia and Canada (mainly Q1)
 - Weak sell-in in Russia, Greece and EMEA Travel Retail
- **Cointreau**
 - Sales decline entirely due to high US comparables in H1; normalized growth in H2
 - Strong US depletions trends, led by both channels, despite a competitive environment
 - US value depletions benefited from a **price/mix gain of 1pp** in the 12M period to March

	Volume depletion trends to Mar 2016		
	3 months	6 months	12 months
Total US Cordials Market	-3.7%	-3.9%	-3.5%
Cointreau	5.3%	2.8%	5.0%

Source: NABCA/Discus

- Improved depletions in Western Europe, led by the UK, Germany and France

Liqueurs & Spirits (-1.5% organic decline in FY)

- **Metaxa:** FY sales decline led by Russia, Greece and Travel Retail (Russian tourists); Back to growth in H2, led by the successful launch of Metaxa Honey Shot (Central Europe)

- **Mount Gay**

- Solid sales growth led by double-digit growth in the Barbados and the international development of its high-end qualities
- US volume depletions softer in the last 6 months further to significant price increases on Eclipse (+c30%) and XO

	Volume depletion trends to Mar 2016		
	3 months	6 months	12 months
Total US Rum Market	-0.1%	-1.8%	-2.1%
Mount Gay	-5.8%	-3.8%	-0.7%

Source: NABCA/Discus

- US value depletions enjoyed a **price/mix gain of 3-4pp** in the 12M period ending March
- **Islay Spirits:** Double-digit sales growth led by new listings in Europe, US, Japan, and GTR
- **St-Rémy:** Broadly stable sales due to a change in distributor in Canada (brand's largest market)
- **Passoa:** High comps in France (Football's World Cup last year), but solid growth in the UK

Liqueurs & Spirits: Marketing Initiatives

Metaxa Angels' Treasure



Octomore Virgin Oak



Partner Brands (-8.1% organic decline in FY)

- Double-digit decline in sales mainly reflects the end of the distribution contract of Piper and Charles Heidsieck in the US (EUR13.0M loss)
- Double-digit growth of the third-party spirits distributed in EMEA

2015/16 Outlook Confirmed

- FY2015/16 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