

LETTRE AUX ACTIONNAIRES

/ JANUARY 2017



RÉMY COINTREAU

2016/17 FINANCIAL YEAR

RESULTS FOR THE
FIRST HALF-YEAR

(APRIL 2016 – SEPTEMBER 2016)



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New LOUIS XIII boutique in Beijing, China.

STRONG INCREASE IN FIRST - HALF RESULTS

The Group posted consolidated sales of €513.4 million for the first six months to 30 September 2016, an increase of 4.1% on an organic basis (at constant exchange rates and scope of consolidation) and 2.5% on a reported basis.

Current operating profit (COP) came out at €123.9 million, up 7.0% on an organic basis. The robust performance was driven by the success of the Group's highest-end products. **COP increased 15.9% on a reported basis**, partially helped by a positive foreign exchange effect over the half-year period. Current operating margin increased by 270 basis points to 24.1% over the period, with favourable foreign exchange and mix effects offsetting an increase in communication investments. **Excluding non-recurring items, the Group share of net profit rose 11.8% on a reported basis to €76.6 million**, while net margin increased by 120 basis points to 14.9%.

CONSOLIDATED RESULTS

Current operating profit totalled €123.9 million, up 15.9% as reported and 7.0% in organic terms.

The performance was driven by positive exchange effects worth €9.4 million. While the average €/USD exchange rate deteriorated over the period (1.12 compared with 1.11 at 30 September 2015), the Group benefited from its active but prudent hedging policy, improving its average collection rate to 1.14 over the period compared with 1.24 at 30 September 2015.

Operating profit amounted to €123.9 million, with other operating expenses proving non-significant.

Net financial expenses came to €15.5 million, up €0.4 million, mainly due to the impact of the valuation of the currency risk hedging portfolio.

The tax charge was €32.3 million, for an effective rate of 29.8%, an increase on September 2015 (28.0%) resulting from the geographical trend in results.

Consequently, the Group share of net profit rose 14.8% on a reported basis to €76.0 million.

Excluding non-recurring items, **the Group share of net profit** amounted to €76.6 million, up 11.8% as reported, and the net margin rose 70bps to 14.9%.

Excluding non-recurring items, net earnings per share came out at €1.57 (up 11.3% on a reported basis).

Net debt stood at €447.7 million, down €10.5 million on March 2016 owing to the significant increase in EBITDA over the six-month period.

The net debt to EBITDA ratio once again showed an improvement at end-September 2016, standing at 2.16 (compared with 2.29 at end-March 2016 and 2.53 at end-September 2015) despite the usual unfavourable seasonality of the first half of the year.



Three LOUIS XIII decanters engraved for L'Odysée d'un Roi project.

_ KEY FIGURES

| MILLIONS OF EUROS (€M) | AT 30 SEP 2016 REPORTED | AT 30 SEP 2015 REPORTED | CHANGE | |
|--|----------------------------|----------------------------|----------|-------------|
| | | | REPORTED | ORGANIC (*) |
| Sales | 513.4 | 500.7 | 2.5% | 4.1% |
| Current operating profit | 123.9 | 107.0 | 15.9% | 7.0% |
| Current operating margin | 24.1% | 21.4% | +2.7pts | +0.6pts |
| Net profit — Group share | 76.0 | 66.3 | 14.8% | 5.4% |
| Net margin — Group share | 14.8% | 13.2% | | |
| Net profit excluding non-recurring items | 76.6 | 68.6 | 11.8% | 2.7% |
| Net margin excluding non-recurring | 14.9% | 13.7% | | |
| EPS — Group share | 1.56 | 1.37 | 13.9% | |
| EPS excluding non-recurring items | 1.57 | 1.41 | 11.3% | |
| Net debt to EBITDA ratio | 2.16 | 2.53 | | |

(*) Organic: at constant exchange rates and scope of consolidation

_ CURRENT OPERATING PROFIT BY DIVISION

| MILLIONS OF EUROS (€M) | AT 30 SEP 2016 REPORTED | AT 30 SEP 2015 REPORTED | CHANGE | |
|---------------------------|----------------------------|----------------------------|----------|-------------|
| | | | REPORTED | ORGANIC (*) |
| Rémy Martin | 101.9 | 85.9 | +18.7% | +9.1% |
| As % of sales | 31.6% | 27.4% | | |
| Liqueurs & Spirits | 27.4 | 24.1 | +13.7% | +8.6% |
| As % of sales | 20.3% | 18.5% | | |
| Subtotal: Group brands | 129.3 | 109.9 | +17.6% | +9.0% |
| As % of sales | 28.3% | 24.8% | | |
| Partner brands | 2.7 | 3.3 | (18.0%) | (15.8%) |
| As % of sales | 4.9% | 5.8% | | |
| Holding company costs | (8.1) | (6.3) | +28.5% | +28.5% |
| Total | 123.9 | 107.0 | +15.9% | +7.0% |
| As % of sales | 24.1% | 21.4% | | |

(*) Organic: at constant exchange rates and scope of consolidation

RÉMY MARTIN

The House of Rémy Martin made a strong start to the year, posting 5.1% sales growth in organic terms on outstanding performances in the Americas region and renewed growth in Greater China.

Current operating profit totalled €101.9 million, up 9.1% in organic terms, and current operating margin came out at 31.6%, up 110 basis points, on an organic basis. The solid performance resulted from favourable volume and mix effects, the House's high-end products having fuelled the growth in sales. Investments in communication were stepped up over the half-year period.



LIQUEURS & SPIRITS

Macroeconomic and technical factors were a drag on performances in 2015/16, but Liqueurs & Spirits got back on track in the first half of 2016/17, especially on the core European and US markets, achieving 5.1% organic sales growth overall. **Cointreau** posted a solid performance, with end-demand remaining strong in the United States and continuing to improve in France. **Metaxa** confirmed its return to growth over the half-year on a combination of improved momentum in Russia/CIS and stabilized sales in Greece. **Islay Spirits (Bruichladdich/ Port Charlotte/ Octomore/The Botanist)** continued to see double-digit growth in the first half, driven by its main markets. The dip in sales at **Mount Gay** and **St-Rémy** in the first part of the year reflected the accelerated upscaling process for these brands, which led to a decline in low-end volumes.

Current operating profit totalled €27.4 million, for organic growth of 8.6%, with positive sales leverage (and volumes in particular) having absorbed an increase in communication investments over the period. Current operating margin stood at 20.3% at end-September, up 60bps on an organic basis.

PARTNER BRANDS

The fall in sales was attributable to the end of the distribution agreement for Piper Heidsieck and Charles Heidsieck champagnes in France, Belgium and Travel Retail. Sales of other partner brands continued to enjoy strong momentum in the EMEA region.

Current operating profit came to €2.7 million, down 15.8% in organic terms, led by the decline in champagne sales.



New Rémy Martin XO bottle.

RECENT FINANCIAL EVENTS

On 26 July 2016, the Shareholders' Meeting approved the payment of an ordinary dividend of €1.60 per share for the 2015-2016 financial year, with an option for the payment of the entire dividend in shares. Eighty-three per cent of the rights were exercised by the shareholders in favour of a payment in shares.

On 7 September 2016, the Rémy Cointreau Group issued a convertible bond (OCEANE) of €275 million with a ten-year maturity and a 0.125% coupon. The premium was set at 40% (corresponding to a share value of €110.70).

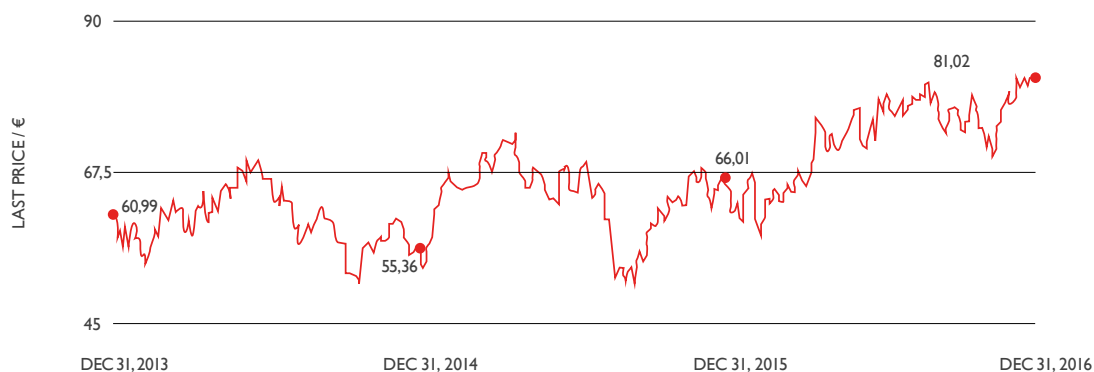
On 14 October 2016, the Rémy Cointreau Group announced its project to create a joint venture with Lucas Bols for the activities of Passoã.

On 27 October 2016, the Rémy Cointreau Group announced that it was entering exclusive negotiations with a view to acquiring the Domaine des Hautes Glaces distillery.

2016 / 17 OUTLOOK

At the end of this first half – fully in line with the Group's forecasts – **Rémy Cointreau confirms its guidance of growth in current operating profit** over the financial year 2016/17, assuming constant exchange rates and consolidation scope.

STOCK MARKET PERFORMANCE



PERFORMANCE OF THE LAST YEARS

One year : 22,7%
Two years : 46,4%
Three years : 32,8%



CALENDAR 2017

January 19, 2017 Turnover for the 9 months 2016-17

April 19, 2017 Annual turnover 2016-17

June 8, 2017 Annual results 2016-17

July 19, 2017 Turnover for first quarter 2017-18

July 25, 2017 General Meeting 2017

October 17, 2017 Turnover for first half-year 2017-18

November 23, 2017 Half-year results 2017-18



SHAREHOLDER CONTACTS

Laetitia Delaye

Tel. +33 (0)1 44 13 45 25

laetitia.delaye@remy-cointreau.com

Regulated information in connection with this press release can be found at www.remy-cointreau.com





METAXA ANGELS' TREASURE.