RÉMY COINTREAU

Paris, November 23rd, 2017

First half-year results 2017/18
(April 2017 – September 2017)

Sharp increase in half-year results
Fiscal 2017/18 outlook unchanged

For the period ending 30 September 2017, the Group posted consolidated sales of €544.4 million, with reported growth of 6.0%, and an increase of 7.0% on an organic basis (at constant exchange rates and consolidation scope).

Current Operating Profit (COP) totalled €134.1 million, up 8.2% on a reported basis. In organic terms, COP was up by 11.8%: The significant expansion of the gross margin, driven by the outperformance of our exceptional spirits (> 50$), largely offset a double-digit increase in communication and brand image spending, as well as strengthened investment in our distribution network. Consequently, **the current operating margin reached 24.6%** at the end of September, **up 1.1 point in organic terms.**

Excluding non-recurring items, the Group share of net profit rose 17.9% on a reported basis to €90.3 million, while net margin increased by 1.7 point to 16.6% (+1.8 pp on an organic basis).

Key figures

Millions of euros (€m)	**at 30 Sep 2017 Reported**	at 30 Sep 2016 Reported	Change	
			Reported	Organic(*)
Sales	**544.4**	513.4	+6.0%	+7.0%
Current Operating Profit	**134.1**	123.9	**+8.2%**	**+11.8%**
Current operating margin	**24.6%**	24.1%	+0.5pp	+1.1pp
Net profit Group share	**89.2**	76.0	17.3%	+19.4%
Net margin after minority interests	**16.4%**	14.8%	+1.6pp	+1.7pp
Net profit excluding non-recurring items	**90.3**	76.6	**+17.9%**	**+20.0%**
Net margin excluding non-recurring items	**16.6%**	14.9%	+1.7pp	+1.8pp
EPS after minority interests	**1.80**	1.56	+15.4%	-
EPS excluding non-recurring items	**1.82**	**1.57**	**+15.9%**	-
Net debt to EBITDA ratio	**1.66**	2.16	-	-

(*) Organic growth is calculated assuming constant exchange rates and consolidation scope.

Current Operating Profit by division

Millions of euros (€m)	**at 30 Sep 2017**	at 30 Sep 2016	Change	
	Reported	Reported	Reported	Organic(*)
House of Rémy Martin	**115.5**	101.9	+13.3%	+17.6%
As % of sales	***31.5%***	*31.6%*	*-0.1pp*	*+0.6pp*
Liqueurs & Spirits	**22.5**	27.4	(17.8%)	(17.5%)
As % of sales	***17.4%***	*20.3%*	*-2.9pps*	*-2.8pps*
Subtotal: Group brands	**138.0**	129.3	**+6.7%**	**+10.2%**
As % of sales	***27.8%***	*28.3%*	*-0.5pp*	*+0.1pp*
Partner brands	**2.5**	2.7	(8.3%)	(8.3%)
As % of sales	***5.2%***	*4.9%*	*+0.3pp*	*+0.3pp*
Holding company costs	**(6.4)**	(8.1)	(21.3%)	(21.3%)
Total	**134.1**	123.9	**+8.2%**	**+11.8%**
As % of sales	***24.6%***	*24.1%*	***+0.5pp***	*+1.1pp*

House of Rémy Martin

Revenue for the **House of Rémy Martin** saw strong growth in the first half of the year (+15.4% in organic terms), thanks to the outstanding performance of the Asia Pacific region (driven by Greater China, Singapore and Japan) and solid development in Europe, the Middle East & Africa. Travel Retail also made a solid start to the year in all regions, notably for our highest-end products.

Current Operating Profit totalled €115.5 million, up 17.6% in organic terms, and current operating margin came out at 31.5%, up 0.6 point organically. Highly favourable mix and price effects on the gross margin offset a significant step-up in communication and image investments, and also allowed us to strengthen the distribution structures dedicated to the House's more high-end products.

Liqueurs & Spirits

The decline in Liqueurs & Spirits sales (-4.5% in organic terms) can be attributed to the deconsolidation of Passoã sales since December 1st, 2016. This development concealed strong growth by the division's brands (+5%) in the first half.

The growth of the **House of Cointreau** was underpinned by solid performance in its number-one market, the United States, as well as the brisk development of frontier markets (Greater China and Russia). The **House of Metaxa** enjoyed impressive growth, buoyed by the success of its upmarket "12 Stars" quality and accelerated Travel Retail trends in Europe. **Mount Gay** and **S^T-Rémy** benefited from positive trends in their long-standing markets.

(*) Organic growth is calculated assuming constant exchange rates and consolidation scope.

The **Progressive Hebridean Distillers** (Bruichladdich/Port Charlotte/Octomore/The Botanist) pursued their solid growth, boosted by the remarkable development of The Botanist gin.

Current Operating Profit totalled €22.5 million, down 17.5% in organic terms. This trend can largely be attributed to the deconsolidation of Passoã (for which seasonality is high in the first half of the fiscal year), as well as to the voluntary reduction in lower-end volumes, as part of the strategy to move the Group's brand portfolio upmarket. Finally, there was a sizeable increase in communication and image investments. Current operating margin stood at 17.4% at the end of September, down 2.8 points on an organic basis.

Partner Brands

The decline in Partner Brand sales (-14.3% in organic terms) was primarily a side effect of changes in the portfolio of distributed brands: The consolidation of Passoã sales (now partially distributed by the Rémy Cointreau network, on behalf of the joint venture) was more than offset by the end of the distribution agreement for the champagne brands (Piper-Heidsieck and Charles Heidsieck).

Current Operating Profit totalled €2.5 million, down 8.3% on an organic basis.

Consolidated results

Current Operating Profit amounted to €134.1 million, up 8.2% as reported, and up 11.8% organically.

COP was penalised by unfavourable foreign exchange over the half-year in the amount of €2.4 million: The average €/USD conversion rate deteriorated over the period (1.14 compared with 1.12 at 30 September 2016), and the average collection rate (tied to the Group's hedging policy) was 1.16 over the half-year, compared with 1.14 at 30 September 2016.

The scope effect was also negative by €2.1 million, reflecting the integration of the Single Malt whisky acquisitions (Domaine des Hautes Glaces and Westland), finalised in January 2017. These two brands, acquired at an early stage in their development, required capacity investments in order to ensure their future growth.

Consequently, the current operating margin increased 0.5 pp to 24.6% over the first half-year (+1.1 pp in organic terms).

Operating profit was €132.3 million, after taking into account other operating charges for €1.8 million, related to the cost of restructuring the distribution network.

(*) Organic growth is calculated assuming constant exchange rates and consolidation scope.

Net financial expenses came to €8.8 million, down €6.7 million, thanks to the favourable refinancing of a portion of the Group's financial debt at the end of 2016 (OCEANE bond), as well as a lower average debt over the period.

The tax charge was €34.5 million, for an effective rate of 27.9%, a decrease from September 2016 (29.8%), as a result of the geographical distribution of profits.

Consequently, **the Group share of net profit** rose 17.3% on a reported basis to €89.2 million.

Excluding non-recurring items, the Group share of net profit amounted to €90.3 million, up 17.9% as reported, and the net margin rose 1.7 pp to 16.6%.

Excluding non-recurring items, net earnings per share came out at €1.82 (up +15.9% on a reported basis).

Net debt stood at €430.6 million, an increase of €40.5 million from March 2017 (seasonal peak of working capital requirement of eaux-de-vie), but a decrease of €17.1 million from September 2016, notably due to a substantial increase in EBITDA over the half-year.

Consequently, **the net debt to EBITDA ratio** once again showed an improvement at the end of September 2017, standing at 1.66 (compared with 1.78 at the end of March 2017 and 2.16 at the end of September 2016).

Recent financial events

On 25 July 2017, the Shareholders' Meeting approved the payment of an ordinary dividend of €1.65 per share for the 2016/17 financial year, with an option for the payment of the entire dividend in shares. Seventy percent of the rights were exercised by the shareholders in favour of a payment in shares.

2017/18 outlook

At the end of this first half, **Rémy Cointreau confirms its guidance of growth in Current Operating Profit over the financial year 2017/18, assuming constant exchange rates and consolidation scope.**

(*) Organic growth is calculated assuming constant exchange rates and consolidation scope.

Sales and current operating profit by division

Millions of euros (€m)	at 30 Sep 2017		at 30 Sep 2016	Change	
	Reported	Organic*	Reported	Reported	Organic*
	A	B	C	A/C-1	B/C-1
Sales					
House of Rémy Martin	367.0	372.3	322.5	13.8%	15.4%
Liqueurs & Spirits	129.2	128.8	134.8	(4.2%)	(4.5%)
Subtotal: Group brands	496.1	501.1	457.3	8.5%	9.6%
Partner Brands	48.2	48.0	56.0	(13.9%)	(14.3%)
Total	**544.4**	**549.1**	**513.4**	**6.0%**	**7.0%**
Current Operating Profit					
House of Rémy Martin	115.5	119.9	101.9	13.3%	17.6%
As % of sales	*31.5%*	*32.2%*	*31.6%*	*-0.1pp*	*+0.6pp*
Liqueurs & Spirits	22.5	22.5	27.4	(17.8%)	(17.5%)
As % of sales	*17.4%*	*17.5%*	*20.3%*	*-2.9pps*	*-2.8pps*
Subtotal: Group brands	138.0	142.4	129.3	6.7%	10.2%
As % of sales	*27.8%*	*28.4%*	*28.3%*	*-0.5pp*	*+0.1pp*
Partner brands	2.5	2.5	2.7	(8.3%)	(8.3%)
As % of sales	*5.2%*	*5.2%*	*4.9%*	*+0.3pp*	*+0.3pp*
Holding company costs	(6.4)	(6.4)	(8.1)	(21.3%)	(21.3%)
Total	**134.1**	**138.6**	**123.9**	**8.2%**	**11.8%**
As % of sales	*24.6%*	*25.2%*	*24.1%*	*+0.5pp*	*+1.1pp*

(*) Organic growth is calculated assuming constant exchange rates and consolidation scope.

Summary income statement

Millions of euros (€m)	at 30 Sep 2017		at 30 Sep 2016	Change	
	Reported	Organic*	Reported	Reported	Organic*
	A	B	C	A/C-1	B/C-1
Sales	544.4	549.1	513.4	+6.0%	+7.0%
Gross margin	365.8	371.2	339.1	+7.9%	+9.5%
Gross profit margin	*67.2%*	*67.6%*	*66.0%*	*+1.2pp*	*+1.6pp*
Current operating profit	**134.1**	**138.6**	**123.9**	**+8.2%**	**+11.8%**
Current operating profit as % of sales	***24.6%***	***25.2%***	***24.1%***	***+0.5pp***	***+1.1pp***
Other operating income (expense)	(1.8)	(1.8)	(0.0)	-	-
Operating profit	132.3	136.8	123.9	+6.8%	+10.4%
Net financial income (charges)	(8.8)	(10.9)	(15.5)	-43.2%	-29.7%
Corporate income tax	(34.5)	(35.3)	(32.3)	+6.8%	+9.3%
Tax rate	27.9%	28.0%	29.8%	-	-
Share of profits from associates	0.2	0.2	0.0	-	-
Minority interests	(0.1)	(0.1)	(0.1)	-	-
Net profit Group share	89.2	90.9	76.0	+17.3%	+19.4%
Net profit excluding non-recurring items	**90.3**	**92.0**	**76.6**	**+17.9%**	**+20.0%**
Net profit (excluding non-recurring items) as % of sales	***16.6%***	***16.7%***	***14.9%***	***+1.7pp***	***+1.8pp***
Earnings Per Share -- Group share (in euros)	1.80	-	1.56	+15.4%	-
Earnings Per Share -- excluding non-recurring items (in euros)	**1.82**	-	**1.57**	**+15.9%**	-

Reconciliation between the net profit and the net profit excluding non-recurring items

Millions of euros (€m)	at 30 Sep 2017	at 30 Sep 2016
Net profit – Group share	**89.2**	**76.0**
Provision for reorganisation of distribution network	1.9	-
Other operating income (expense)	(0.3)	-
3% contribution upon distribution of the dividend in cash	-	0.4
Other	(0.4)	0.2
Net profit excluding non-recurring items – Group	**90.3**	**76.6**

(*) Organic growth is calculated assuming constant exchange rates and consolidation scope.

Definitions of alternative performance indicators

Rémy Cointreau's management process is based on the following alternative performance indicators, chosen for planning and reporting. The Group management considers that these indicators provide financial statement users with useful additional information for understanding the Group's performance. These alternative performance indicators should be considered as supplementing those included in the consolidated financial statements and the resulting movements.

Organic growth in sales and Current Operating Profit (COP)
Organic growth is calculated excluding the impacts of variations in exchange rates as well as acquisitions and disposals. This indicator serves to focus on Group performance common to both financial years, which local management is more directly capable of influencing.

The impact of exchange rates is calculated by converting the sales and the Current Operating Profit for the current financial year into average exchange rates (or into the hedged exchange rate for the Current Operating Profit) for the previous financial year.

For the current financial year's acquisitions, the sales and the Current Operating Profit of the acquired entity are excluded from the organic growth calculations. For the previous financial year's acquisitions, the sales and Current Operating Profit of the acquired entity are included in the previous financial year, but are only included in the calculation of the organic growth over the current financial year from the anniversary date of acquisition.

In the event of a significant disposal, the data is used after applying IFRS 5, which systematically reclassifies the assigned entity's results as "net profit from activities sold or to be sold" for the current financial year and the previous financial year.

Net profit excluding non-recurring items
The two measures referred to below correspond to key indicators for measuring recurring business performance, by excluding significant items which, due to their nature and non-habitual character, cannot be considered as inherent to the Group's current performance:

- ***Current Operating Profit*** *Current Operating Profit corresponds to the operating profit before other non-current operating income and expenses.*
- ***Net profit Group share, excluding non-recurring items****: Current net profit (Group share) corresponds to the net profit (Group share) adjusted for other non-current operating income and expenses, associated tax effects, profit from deconsolidated and discontinued activities and the contribution upon distribution of the dividend in cash.*

(*) Organic growth is calculated assuming constant exchange rates and consolidation scope.

Gross operating profit (EBITDA)

This aggregate amount, which is used in particular in the calculation of certain ratios, is the sum of the current operating profit, the amortisation expense for intangible and tangible fixed assets for the period, the expense associated with share option plans and dividends paid during the period by associates.

Net debt

Net finance costs as defined and used by the Group correspond to the sum of the long-term financial debt, short-term financial debt and accrued interest, less cash and cash equivalents.

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

(*) Organic growth is calculated assuming constant exchange rates and consolidation scope.