RÉMY COINTREAU

Paris, 7 June 2018

2017/18 consolidated annual results
(April 2017 – March 2018)

Excellent annual performance
Current Operating Profit grows 14.1%*
Higher targets set for 2019/20 objectives

On 31 March 2018, sales for the Rémy Cointreau Group totaled €1,127.0 million, representing reported growth of 2.9%. In organic terms (at constant exchange rates and scope), growth accelerated to 7.2%, thanks to a **remarkable performance of the Group Brands (+9.2%)**.

In organic terms, the **Current Operating Profit grew 14.1%** and the **Current Operating Margin reached 22.0%** (up 1.3 points). The notable improvement in the profitability of the Group can be attributed to a healthy increase in the gross margin, fueled by the excellent performance of our exceptional spirits (> USD50) and a controlled increase in overheads. It also includes a significant increase in our communication investments (+9.1% for Group Brands). Adjusting for unfavorable currency and scope effects, the COP grew **4.7%.**

Excluding non-recurring items, net profit was €151.3 million, an increase of 12.0% (+22.0% in organic terms). Consolidated net profit (Group share) was €148.2 million, down -22.1% (net profit from last year included non-recurring gains amounting to €65.0M).

Key figures

(€ millions)	**at 31 March 2018**	at 31 March 2017	Change	
	Reported	Reported	Reported	Organic(*)
Sales	**1,127.0**	1,094.9	2.9%	+7.2%
Current Operating Profit	**236.8**	226.1	**+4.7%**	**+14.1%**
Current Operating Margin	***21.0%***	*20.7%*	*+0.3pt*	*+1.3pts*
Net profit (Group share)	**148.2**	190.3	(22.1%)	(15.0%)
Net profit excluding non-recurring items	**151.3**	135.0	**+12.0%**	**+22.0%**
Net margin excluding non-recurring items	***13.4%***	*12.3%*	*+1.1pts*	*+1.7pts*
EPS (Group share)	**2.98**	3.87	(23.1%)	-
EPS excluding non-recurring items	**3.04**	2.75	+10.6%	-
Net debt/EBITDA ratio	**1.48**	1.78	(0.30)	-

(*) Absolute values and organic growth are calculated at constant exchange rates and scope.

Current Operating Profit by division

(€ millions)	**at 31 March 2018**	at 31 March 2017	Change	
	Reported	Reported	Reported	Organic(*)
House of Rémy Martin	**204.4**	185.2	+10.4%	+18.8%
as % of sales	***26.9%***	*26.2%*	*+0.7pt*	*+1.3pts*
Liqueurs & Spirits	**42.8**	57.5	(25.5%)	(16.4%)
as % of sales	***16.1%***	*20.8%*	*-4.7pts*	*-3.2pts*
Sub-total Group brands	**247.2**	242.7	**+1.9%**	**+10.4%**
as % of sales	***24.1%***	*24.7%*	*-0.6pt*	*+0.2pt*
Partner brands	**5.3**	2.0	+163.2%	+175.7%
as % of sales	***5.3%***	*1.8%*	*+3.5pts*	*+3.8pts*
Holding company costs	**(15.7)**	(18.6)	(15.5%)	(15.5%)
Total	**236.8**	226.1	**+4.7%**	**+14.1%**
as % of sales	***21.0%***	*20.7%*	***+0.3pt***	***+1.3pts***

The House of Rémy Martin

The accelerated organic sales growth of The House of Rémy Martin (+13.2%*) in 2017/18 was driven by the excellent performance of the Asia-Pacific region, notably Greater China, Singapore, and Japan. The United States, Russia, and Travel Retail also contributed to the strong momentum of the House.

This year's performance results from the brand-upscaling strategy expressed through several initiatives of the House: Rémy Martin XO benefited from significant media investments behind its "One Life/Life Them" campaign, as well as communication activities and "on-trade" events to recreate XO at the heart of the "Celebration." LOUIS XIII continued to invest in strengthening the notoriety of the brand and developing closer relationships with clients. The second opus of the "100 years" campaign was a great success and a second boutique (in London) was opened during the year. These initiatives will allow LOUIS XIII to offer unique and personalized experiences to its clients, and to nourish an innovative CRM program.

The Current Operating Profit amounted to €204.4 million, up 18.8% in organic terms and the operating margin stood at 26.9%, an organic increase of 1.3 points (+0.7 point in reported terms). Very favorable mix and price effects largely offset a significant increase in communication investments and strengthened distribution costs dedicated to the upmarket qualities of the House of Rémy Martin.

Liqueurs & Spirits

The division posted a decline of 1.0%* during the year. Excluding the deconsolidation of Passoã (a brand managed by a joint venture under the control of Lucas Bols since December 2016), sales of Liqueurs & Spirits were up 4% in organic terms over the period.

(*) Absolute values and organic growth are calculated at constant exchange rates and scope.

The Current Operating Profit totaled €42.8 million, an organic decline of 16.4%. This can be explained by an acceleration of investments in communication (notably the new campaigns for Cointreau and Metaxa), as well as the deconsolidation of Passoã during the year.

The current operating margin recorded by the Liqueurs & Spirits division was 16.1% at the end of March, down -3.2 points organically. In reported terms, the decline was -4.7 points, resulting from negative currency and scope effects (Westland distilleries and Domaine des Hautes Glaces, acquired at an early stage in their development, negatively contributed to the COP of the division, which is in line with strategic plans).

Partner Brands

The fall in sales can be attributed to changes in the portfolio of distributed brands. Sales of Passoã, now partially distributed by Rémy Cointreau on behalf of the joint venture, did not compensate for the termination of a number of third-party distribution contracts.

The Current Operating Profit grew to **€5.3 million**.

Consolidated results

The Current Operating Profit amounted to €236.8 million, representing organic growth of **14.1%.** The reported growth (+4.7%) also includes a negative currency effect of €18.5 million (impact of currency hedges) and a loss of €2.6 million, corresponding to the scope effect of the two Single Malt whisky brands acquired in January 2017.
As a result, the current operating margin grew 0.3 point to 21.0% (+1.3 points in organic terms).

Operating profit was €223.1 million, after accounting for a net non-recurring expense of €13.7 million, which is composed of a €11.8M write-off of intangible assets related to Mount Gay and a charge of €1.9M primarily associated with the costs of reorganizing the distribution network.

Net financial expenses amounted to €22.0 million, an improvement of €9.9 million over the year. This is primarily the result of a reduction in the costs of the gross financial debt, thanks to a partial refinancing of the Group's debt under very favorable conditions in September 2016. Additionally, the foreign exchange result (a valuation of the portfolio of hedging instruments according to IFRS standards), which is volatile by nature, improved by €2.5m.

The income tax charge was €53.5 million, aided by non-recurring items of €10.5m (including the impact of announced tax rate declines on deferred taxes in France and in the United States, and reimbursement of the taxes paid on cash dividends over the last 3 years). Adjusted for these items, **the effective tax rate was 29.7%**, a lower rate compared to March 2017 (30.7%), thanks to a favorable geographic mix.

(*) Absolute values and organic growth are calculated at constant exchange rates and scope.

The share in profits of associates was a gain of €0.5 million.

The net profit (Group share) therefore reached €148.2 million, down 22.1%. The net profit recorded in the previous year incorporated a gain of €65.0m, which is linked to a contribution transaction carried out during the creation of the Passoã joint venture (in return, a financial asset was recorded on the Rémy Cointreau Group's balance sheet).

Excluding non-recurring items (+€3.1 million), the net profit (Group share) was €151.3 million, up 12.0% (+22.0% in organic terms) and the net margin showed an increase of 1.1 points to 13.4% (+1.7 points in organic terms). **Net earnings per share (excluding non-recurring items) reached €3.04 (+10.6%).**

Net debt totaled €282.8 million at 31 March 2018, a reduction of €107.3 million over the financial year, due to strong recurring free cash flow growth (up 54%), which largely offset the share buyback program and the increase in dividend payments.

Therefore, **the "net debt/EBITDA" ratio markedly improved to 1.48** at the end of March 2018 versus 1.78 at the end of March 2017.

The return on capital employed (ROCE) reached 21.9% at 31 March 2018, representing a healthy increase of 0.7 point over the financial year (up 2.5 points in organic terms).

A dividend of 1.65 euro per share (unchanged compared to the prior year) shall be put to a shareholders' vote at the general meeting on 24 July 2018. Payment will be with an option in cash or in shares for the entire dividend distributed.

Outlook

Due to its unique business model and its portfolio of exceptional spirits, the Rémy Cointreau Group pursues its long-term strategy of focusing on its high-end products, founded on the excellence of terroirs, the mastery of savoir-faire and the importance of time.

On the heels of a strong rise in profitability in 2017/18 (1.3 points in organic terms), **the Rémy Cointreau Group revises its target to increase the Current Operating Margin** over the three-year period ending March 2020. For the financial years 2017/18, 2018/19, and 2019/20, Rémy Cointreau now anticipates **a cumulative increase of 2.4-3.0 points** (compared with the target of +0.8-1.8 points set last year), **at constant exchange rates and scope.**

For 2018/19, Rémy Cointreau anticipates **another year of growth in its Current Operating Profit, at constant exchange rates and scope**.

(*) Absolute values and organic growth are calculated at constant exchange rates and scope.

Definitions of alternative performance measures

Rémy Cointreau's management process is based on the following alternative performance measures, chosen for scheduling and reporting. The Group's management believes that these measures provide useful additional information for users of financial statements to understand the Group's performance. These alternative performance measures must be considered complementary to those shown in the consolidated financial statements and the transactions resulting from them.

Organic growth in sales and in Current Operating Profit (COP)
Organic growth is calculated by excluding the impacts of exchange rate fluctuations in addition to acquisitions and disposals. This measure emphasizes the Group's performance over the two financial years, a performance that local management is able to influence more directly.

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 major disposal, the data is used after applying IFRS 5 (which systematically reclassifies the assigned entity's results as "net profit from discontinued operations" for the current financial year and the previous financial year).

The "excluding non-recurring items" measures
The 2 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 discontinued operations and taxes on the payment of cash dividends.*

(*) Absolute values and organic growth are calculated at constant exchange rates and scope.

Gross operating profit (EBITDA)

This aggregate amount, which is used particularly in the calculation of certain ratios, is the sum of the current operating profit, the amortization 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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The regulatory information related to this press release is available at www.remy-cointreau.com

(*) Absolute values and organic growth are calculated at constant exchange rates and scope.

APPENDICES

Sales and Current Operating Profit by division

(€ millions)	at 31 March 2018		at 31 March 2017	Change	
	Reported	Organic(*)	Reported	Reported	Organic(*)
	A	B	C	A/C-1	B/C-1
Sales					
House of Rémy Martin	760.0	800.8	707.5	+7.4%	+13.2%
Liqueurs & Spirits	266.8	273.5	276.3	(3.4%)	(1.0%)
Sub-total Group brands	1026.8	1074.3	983.8	+4.4%	+9.2%
Partner Brands	100.2	99.5	111.0	(9.8%)	(10.4%)
Total	**1,127.0**	**1,173.8**	**1,094.9**	**+2.9%**	**+7.2%**
Current Operating Profit					
House of Rémy Martin	204.4	219.9	185.2	+10.4%	+18.8%
as % of sales	*26.9%*	*27.5%*	*26.2%*	*+0.7pt*	*+1.3pts*
Liqueurs & Spirits	42.8	48.1	57.5	(25.5%)	(16.4%)
as % of sales	*16.1%*	*17.6%*	*20.8%*	*-4.7pts*	*-3.2pts*
Sub-total Group brands	247.2	268.0	242.7	+1.9%	+10.4%
as % of sales	*24.1%*	*24.9%*	*24.7%*	*-0.6pt*	*+0.2pt*
Partner brands	5.3	5.6	2.0	+163.2%	+175.7%
as % of sales	*5.3%*	*5.6%*	*1.8%*	*+3.5pts*	*+3.8pts*
Holding company costs	(15.7)	(15.7)	(18.6)	(15.5%)	(15.5%)
Total	**236.8**	**257.9**	**226.1**	**+4.7%**	**+14.1%**
as % of sales	***21.0%***	***22.0%***	***20.7%***	***+0.3pt***	***+1.3pts***

(*) Absolute values and organic growth are calculated at constant exchange rates and scope.

Summary profit and loss account

(€ millions)	at 31 March 2018		at 31 March 2017	Change	
	Reported	Organic(*)	Reported	Reported	Organic(*)
	A	B	C	A/C-1	B/C-1
Sales	1,127.0	1,173.8	1,094.9	2.9%	7.2%
Gross Profit	760.7	797.4	730.7	4.1%	9.1%
Gross Profit/Sales	*67.5%*	*67.9%*	*66.7%*	*+0.8pt*	*+1.2pts*
Current Operating Profit	**236.8**	**257.9**	**226.1**	**4.7%**	**14.1%**
Current Operating Profit/Sales	***21.0%***	***22.0%***	***20.7%***	***+0.3pt***	***+1.3pts***
Other operating income and expenses	(13.7)	(13.7)	(4.8)	-	-
Operating profit	223.1	244.2	221.3	-	-
Financial result	(22.0)	(24.5)	(31.9)	-	-
Income tax	(53.5)	(58.6)	(44.5)	-	-
Tax rate	26.6%	26.7%	23.5%	-	-
Share in profits of associates	0.5	0.5	(19.6)	-	-
Net profit/(loss) from deconsolidated and discontinued operations	0.0	0.0	65.0	-	-
Minority interests	0.2	0.2	0.0	-	-
Net profit (Group share)	148.2	161.7	190.3	(22.1%)	(15.0%)
Net profit excluding non-recurring items	**151.3**	**164.8**	**135.0**	**12.0%**	**22.0%**
Net profit (excluding non-recurring items)/Sales	***13.4%***	***14.0%***	***12.3%***	***+1.1pts***	***+1.7pts***
Earnings Per Share -- Group share (in euros)	2.98	3.25	3.87	(23.1%)	-
Earnings Per Share -- excluding non-recurring items (in euros)	3.04	3.31	2.75	10.6%	-

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

(€ millions)	at 31 March 2018	at 31 March 2017
Net profit (Group share)	**148.2**	**190.3**
Net profit/(loss) from deconsolidated and discontinued operations	0.0	(65.0)
Provision for equity interests	0.0	19.6
Impact of tax rate changes on deferred taxes (assets and liabilities) in France and in the US	(5.8)	(14.1)
3% tax on the payment of cash dividends and reimbursement	(7.0)	0.4
Special taxes on corporations in France	2.3	0.0
Write-off of intangible assets related to Mount Gay	11.8	0.0
Other operating income and expenses, net of tax	1.8	3.8
Net profit excluding non-recurring items	**151.3**	**135.0**

(*) Absolute values and organic growth are calculated at constant exchange rates and scope.