RÉMY COINTREAU

Paris, 20 July 2018

First-quarter sales 2018/2019
(April 2018 – June 2018)

A solid start to the year
Group Brands deliver a strong performance (+8.8%*)
2018/19 guidance confirmed

Rémy Cointreau posted sales of €241.5 million in the first quarter of its 2018/19 financial year, up 0.5% in reported terms. This reflects organic growth (at constant exchange rates and scope) of 5.9%, partially offset by unfavourable currency effects.

The **Group Brands (+8.8%)** had a strong start to the year: The **House of Rémy Martin** pursued its upward momentum (+11.1%*) underpinned by remarkable growth in Greater China and Travel Retail. The **Liqueurs and Spirits** division renewed its growth (+2.8%*) in the first quarter, driven by the **Houses of Cointreau** and **Metaxa**, as well as the **single malt whiskies** and **The Botanist** gin. **Partner Brands** continued their decline, in line with the Group's strategy to gradually refocus on the Group Brands.

Geographically speaking, Asia Pacific posted an excellent performance in the first quarter, thanks to highly robust trends in Greater China, Singapore, and Japan. Growth in the Americas was slowed by anticipated price increases in the beginning of the financial year and will normalize in the following quarters. The end of distribution contracts for Partner Brands weighed on the Europe, Middle East & Africa (EMEA) region and masks a solid underlying performance in Russia, the United Kingdom and Germany.

Sales breakdown by division:

	Pre IFRS 15				Post IFRS 15
	3 months	3 months	Change		3 months
(€ millions)	**to 30/06/18**	**to 30/06/17**	**Reported**	**Organic (*)**	**to 30/06/18**
House of Rémy Martin	163.5	156.6	4.4%	11.1%	147.0
Liqueurs & Spirits	57.8	58.6	-1.3%	2.8%	55.3
Subtotal: Group Brands	**221.3**	**215.2**	**2.8%**	**8.8%**	**202.3**
Partner Brands	20.2	25.0	-19.2%	-19.7%	20.0
Total	**241.5**	**240.2**	**0.5%**	**5.9%**	**222.2**

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

House of Rémy Martin

The **House of Rémy Martin** continued its positive momentum in the first quarter (+11.1% in organic terms), thanks to highly favourable trends persisting in Greater China and sustained growth in Singapore, Australia, and Japan. The more modest trends in the Americas and EMEA regions can be explained by the anticipated price increases in the beginning of the financial year.

The remarkable performance of the House was fuelled by a number of creative initiatives launched by its two brands during the first quarter: **LOUIS XIII** opened two new boutiques – one at the Harrod's in London and the other at Xian in China. **Rémy Martin** unveiled its limited-edition XO Cannes 2018 available exclusively in Travel Retail. The brand also partnered with the American kinetic artist Matt W. Moore to design a limited-edition Rémy Martin VSOP and the App "ARt" using augmented reality, which combines the strong symbols of the House with his iconic "Vectorfunk" abstract graphics.

Liqueurs & Spirits

The Liqueurs & Spirits division renewed its growth in the first quarter (+2.8% in organic terms), fuelled by the launch of new communication campaigns.

The **House of Cointreau** had a solid start to the year. The launch of its new campaign "The Art of the Mix" and its activations surrounding the 70th anniversary of the *Margarita* are beginning to bear fruit. The Americas region and the United Kingdom recorded sound results over the period, and the brand continued its rapid development in Asia-Pacific. The **House of Metaxa** enjoyed healthy growth in Russia/CIS, in Germany and in Travel Retail during the first quarter. **Mount Gay** and **St-Rémy** had a soft start to the year, as part of the strategy to reposition these brands upmarket, while **The Botanist** achieved exceptional growth across all geographical areas. Finally, the vitality of the **Whisky** business unit primarily reflects an outstanding performance of the Scottish single malts: the Progressive Hebridean Distillers have recently unveiled their new campaign #WeAreIslay, which will be launched in the coming months, along with new packaging for **Port Charlotte**.

Partner Brands

Sales continue to decline (-19.7% in organic terms), due to the termination of new distribution contracts with third-party brands.

2018/19 outlook

On the heels of this positive start to the year, Rémy Cointreau confirms its guidance of growth in Current Operating Profit over the financial year 2018/19, assuming constant exchange rates and consolidation scope.

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

Appendices:

Sales and organic growth by division

Sales in the first-quarter 2018-19 (April to June 2018)

(€ millions)	Pre-IFRS 15						Post-IFRS 15
	Reported 18-19 A	Currency 18-19	Organic 18-19 (*) B	Reported 17-18 C	Change : Reported A/C-1	Change : Organic (*) B/C-1	Reported 18-19
House of Rémy Martin	163,5	-10,5	174,0	156,6	4,4%	11,1%	147,0
Liqueurs & Spirits	57,8	-2,4	60,3	58,6	-1,3%	2,8%	55,3
Subtotal: Group Brands	**221,3**	**-12,9**	**234,3**	**215,2**	**2,8%**	**8,8%**	**202,3**
Partner Brands	20,2	0,1	20,1	25,0	-19,2%	-19,7%	20,0
Total	**241,5**	**-12,8**	**254,4**	**240,2**	**0,5%**	**5,9%**	**222,2**

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.

Starting on April 1st 2018, the Rémy Cointreau Group applied the standard "IFRS 15 – Revenue from Contracts with Customers." For the transition, the Group did not opt for retrospective application. Thus, the comparative period has not been restated and organic growth is calculated using turnover which excludes the impact of IFRS 15. The main effect of this standard is the reclassification of some SG&A costs (notably some promotional expenses) in deduction of net sales. Its estimated impact on the full-year is a reduction in net sales amounting to 8% and an accretive effect of about 1.5 points on the Current Operating Margin.

Organic sales growth

Organic growth is calculated excluding the impacts of variations in exchange rates as well as acquisitions and disposals.

The impact of exchange rates is calculated by converting sales for the current financial year into the exchange rate of the previous financial year.

For acquisitions in the current financial year, the sales of the acquired entity are not included in organic growth calculations. For acquisitions in the previous financial year, the sales of the acquired entity are included in the previous financial year but are only included in organic growth calculations for the current year starting from the anniversary date of the acquisition.

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

For significant disposals, we use data following the application of IFRS 5, which systematically reclassifies the sales of the sold entity in "Net profit from activities sold or to be sold" for the current and previous financial year.

This indicator serves to focus on Group performance common to both financial years, which local management is more directly capable of influencing.

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