

NO
10



RÉMY COINTREAU

INTEGRATED REPORT

EXTRACT FROM THE REGISTRATION DOCUMENT

2018/2019

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The Rémy Cointreau Group is one of the major operators in the global Wine & Spirits market with a portfolio of exceptional brands, which include the Rémy Martin et LOUIS XIII cognacs and the Cointreau liqueur. The brands are mostly distributed by a network of subsidiaries established in the Group's various strategic markets.

Rémy Cointreau is listed on Euronext Paris. The free float represents approximately 42%. The Rémy Cointreau Group is controlled by the majority shareholder, the Andromède family holding company.

CHAIRMAN'S MESSAGE



MARC HÉRIARD
DUBREUIL

It is with great pride that we end this year. In a buoyant high-end spirits market, the uniqueness of our brand portfolio, the quality of our execution, and the creativity and commitment of our teams have enabled the Group to deliver historic results in 2018/2019 across all areas: sales, operating margin and profits.

It has taken some time to get to this point, but we are confident in remaining here in the future, despite the changing environment with which we are faced. Our performance allows us to look to the future without fear.

Our brands have taken their time to mature, to thrive and craft these exceptional spirits that win over our clients and which will continue to attract new

generations. They are the wealth on which we can capitalise as we pave the way forward, harnessing the momentum provided by digital technology to accelerate the pace.

And I am even prouder to say that our results have been achieved by respecting our CSR commitments, which are at the heart of our strategic ambition. It is more important than ever that our CSR policy is an active part of the Group's value



creation, while continuing to build on its annual commitment to the Global Compact.

A key point of our strategic CSR vision, is our environmental commitment to responsible and sustainable winemaking that respects our terroirs. All our brands have their roots in the earth. The attachment that they have to their terroirs helps to build awareness of the importance of preserving resources.

Accordingly, in Cognac, 94% of the vineyards supplying the House of Rémy Martin are committed to this approach and 42% are now High Environmental Value certified. On the isle of Islay, our Bruichladdich distillery has been certified “Biodynamic” by the European Union, just like that of Domaine des Hautes

Glaces in the French Alps. And at Cointreau, a certification process for oranges has been initiated with our suppliers. Our ambition is clear: over the next five years, 100% of the land used to grow our ingredients and produce our *eaux-de-vie* will be managed responsibly and sustainably. This commitment is essential for preserving our brands over the centuries.

The age-old reasoning of the Group’s brands considers the long term. The Group’s Houses have survived the test of time, and always with the same preoccupation: transmitting everything they can to ensure the future.

Time is our challenge but it is also our ally in assisting our ambition: to be the leader in exceptional spirits.

“ALL OUR BRANDS
HAVE THEIR ROOTS
IN THE EARTH.
THE ATTACHMENT
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TERROIRS HELPS TO
BUILD AWARENESS
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HISTORY OF THE GROUP

The Rémy Cointreau Group, whose charentaise origins date back to 1724, is the result of the merger in 1990 of the holding companies of the Hériard Dubreuil and Cointreau families, which controlled E. Rémy Martin & C° SA and Cointreau & Cie SA respectively. It is also the result of successive alliances between companies operating in the same Wines and Spirits business segment.

KEY DATES AND EVENTS

1703	■ Creation of Mount Gay Rum in Barbados	2006	■ Disposal of the Dutch and Italian Liqueurs & Spirits operations
1724	■ Establishment of The House of Rémy Martin Cognac		Decision by Rémy Cointreau to resume full control over its distribution by March 2009
1849	■ Creation of Cointreau & Cie by the Cointreau brothers	2008	■ Creation of a proprietary distribution network
1881	■ Creation of the Bruichladdich Distillery in Islay	2009	■ 30 March: Rémy Cointreau exits the Maxxium distribution joint venture
1888	■ Creation of the Metaxa brand		1 April: Rémy Cointreau controls 80% of its distribution
1924	■ Acquisition by André Renaud of E. Rémy Martin & C° SA	2011	■ 8 July: Rémy Cointreau sells its Champagne division to EPI
1965	■ André Hériard Dubreuil takes over from his-father-in-law, André Renaud	2012	■ 3 September: acquisition of the Bruichladdich Distillery, which produces single malt whiskies on the isle of Islay in Scotland
1966	■ Creation of Rémy Martin's international distribution network		20 November: François Hériard Dubreuil becomes Chairman of the Rémy Cointreau Group
1980	■ Creation by Rémy Martin of the French-Chinese joint venture Dynasty Winery in partnership with the city of Tianjin (China)		18 December: acquisition of the cognac company Larsen
1985	■ Acquisition by the Rémy Martin Group of Charles Heidsieck Champagne	2013	■ 30 August: disposal of Larsen to the Finnish Altia group
1986	■ Creation of the Passoã brand	2015	■ 27 October: disposal of Izarra to Spirited Brands
1988	■ Acquisition by the Rémy Martin Group of Piper-Heidsieck Champagne	2016	■ 1 December: set-up of a joint-venture for the activities of Passoã
1989	■ Acquisition by the Rémy Martin Group of Mount Gay Rum	2017	■ 5 January: acquisition of The Domaine des Hautes Glaces distillery, which produces single malt whiskies in the French Alps
1990	■ Transfer by Pavis SA of Rémy Martin shares to Cointreau & Cie SA		6 January: acquisition of the Westland distillery, which produces single malt whiskies in the state of Washington, US
1991	■ Adoption by the Group of the corporate name of Rémy Cointreau		1 October: Marc Hériard Dubreuil becomes Chairman of the Rémy Cointreau Group
1998	■ Dominique Hériard Dubreuil becomes Chair of Rémy Cointreau	2019	■ 1 April: Rémy Cointreau sells its distribution subsidiaries in the Czech Republic and Slovakia
1999	■ Establishment of the Maxxium distribution joint-venture with three partners, the Rémy Cointreau Group, the Edrington Group and Jim Beam Brands Worldwide (Fortune Brands)		
2000	■ Acquisition of Bols Royal Distilleries including, in particular, the Bols and Metaxa brands		
2001	■ Vin & Sprit joins the Maxxium network as its fourth partner		
2005	■ Initial public offering of Dynasty Fine Wines Group on the Hong Kong Stock Exchange		
	■ Disposal of Bols' Polish operations to CEDC		

A PORTFOLIO OF EXCEPTIONAL SPIRITS

The French family-controlled Rémy Cointreau Group boasts a portfolio of exceptional world-renowned spirits: Rémy Martin and LOUIS XIII cognacs, Cointreau liqueur, Greek Metaxa spirit, Mount Gay rum, St-Rémy brandy, The Botanist gin, and the single malt whiskies Bruichladdich, Port Charlotte, Octomore, Westland and Domaine des Hautes Glaces.

During the 2018/2019 financial year, the Group set a new record with net sales of €1,216.5 million (*proforma*) and organic growth of 7.8% (with the Group Brands up by 9.8%). The Group's current operating profit totalled €263.6 million and current operating margin increased to 21.7% (*proforma*).

The Rémy Cointreau Group's internal organisation is based on nine brand divisions and four sales divisions (Americas, Europe, Middle-East, Africa, Asia-Pacific and Global Travel Retail). All these divisions receive support from the holding company. Depending on the spirit category, production process and geographic sales distribution, the Group's brands are allocated to one of the following two divisions: "The House of Rémy Martin" or "Liqueurs & Spirits".

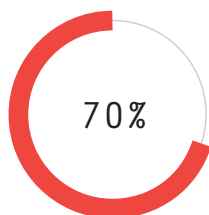
Brands which Rémy Cointreau distributes through its network on behalf of third parties form a separate category, "Partner Brands".

Rémy Cointreau's Group Brands



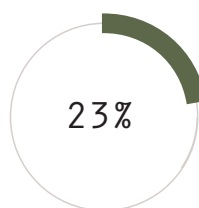
Net sales by division*

The House of Rémy Martin:
Rémy Martin
and LOUIS XIII



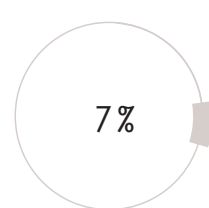
Net sales of
€851.9 million

Liqueurs & Spirits:
Cointreau, Metaxa, Mount Gay, St-Rémy,
the Botanist and single malt whiskies



Net sales of
€276.6 million

Partner Brands:
Third-party brands distributed
by the Group



Net sales of
€87.9 million

* *Proforma figures (pre-IFRS 15, 16 and 9).*

HOUSE OF RÉMY MARTIN

HOUSE OF RÉMY MARTIN BRANDS

The House of Rémy Martin produces a range of cognacs under the Rémy Martin and LOUIS XIII brands. These cognacs are made exclusively from *eaux-de-vie* sourced in Grande Champagne and Petite Champagne, the two leading crus of the Cognac appellation, which offer the greatest ageing potential (more than 100 years, for some Grande Champagne *eaux-de-vie*).

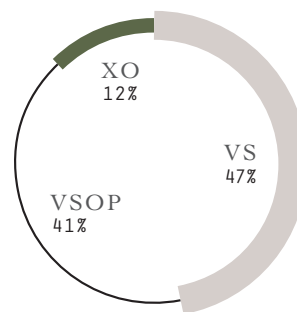
The House of Rémy Martin is thus positioned in the high-end segment, with four flagship products:

- VSOP Fine Champagne;
- The “intermediate” quality products 1738 Accord Royal and CLUB;
- XO Excellence Fine Champagne;
- LOUIS XIII Grande Champagne.

COMPETITIVE POSITIONING

Four Cognac brands share around 85% of the world market by volume and nearly 90% by value (source: IWSR): Hennessy (LVMH), Martell (Pernod Ricard), Rémy Martin (Rémy Cointreau), and Courvoisier (Suntory). Rémy Martin’s market share of cognac shipments for all qualities combined is 12% by volume (source: BNIC March 2019). Rémy Martin makes 98% of its shipments in the QS (*Qualité Supérieure*) segment, which accounts for 53% of the total cognac market (source: BNIC March 2019). In the superior qualities (QS) segment, Rémy Cointreau has a market share of 23% by volume (source: BNIC).

Global cognac shipments by quality (source: BNIC)



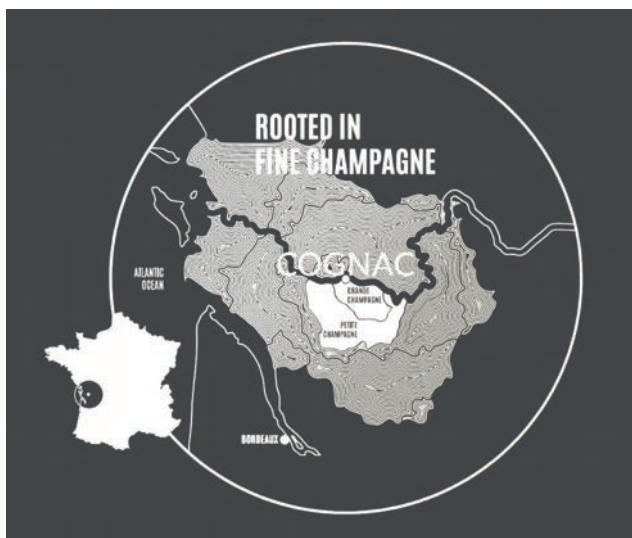
COGNAC APPELLATION D’ORIGINE CONTRÔLÉE AND “FINE CHAMPAGNE”

Cognac is an *appellation d’origine contrôlée* (AOC) brandy (*eau-de-vie* distilled from grapes) that comes from vineyards in the Cognac region (south-west France). The appellation covers six crus: Grande Champagne, Petite Champagne, Borderies, Fins Bois, Bons Bois and Bois Ordinaires. “Fine Champagne”, which refers to a cognac made exclusively from the first two crus, Grande Champagne (at least 50%) and Petite Champagne make up a separate *appellation d’origine contrôlée* within the Cognac AOC.

Rémy Martin only selects its *eaux-de-vie* from the “Fine Champagne” (Grande Champagne and Petite Champagne) AOC, whose quality is best suited to the production of its superior quality cognacs with their longer ageing potential.

Cognac is a blend of *eaux-de-vie* of different vintages (after ageing in oak barrels). Accordingly, there are several quality levels classified in accordance with legal standards (BNIC) based on the youngest *eau-de-vie* used:

- VS (“Very Special”), which by law must be aged for a minimum of two years;
- QS (*Qualité Supérieure*), covering all the VSOP and QSS labels;
- VSOP (“Very Superior Old Pale”), which by law must be aged for a minimum of four years;
- QSS (*Qualité Supérieure Supérieure*), which by law must be aged for a minimum of ten years;
- XO (“Extra Old”), which is included in the QSS category.



THE HOUSE OF RÉMY MARTIN AND THE SOURCING OF EAUX-DE-VIE

All House of Rémy Martin cognacs are produced in and around the town of Cognac, on a site that includes ageing and fermentation cellars, laboratories, a packaging complex, offices and a visitor and reception centre.

The House also owns wine estates (238 hectares of vines eligible for the Cognac appellation), as well as a new distillery in Juillac, which opened in November 2018. However, the stock of Cognac *eaux-de-vie* has been built up largely as a result of exclusive partnerships with Grande and Petite Champagne producers. This partnership policy, introduced in 1966, has enabled the Group to manage its long-term supplies and meet the quality standards required by the House of Rémy Martin.

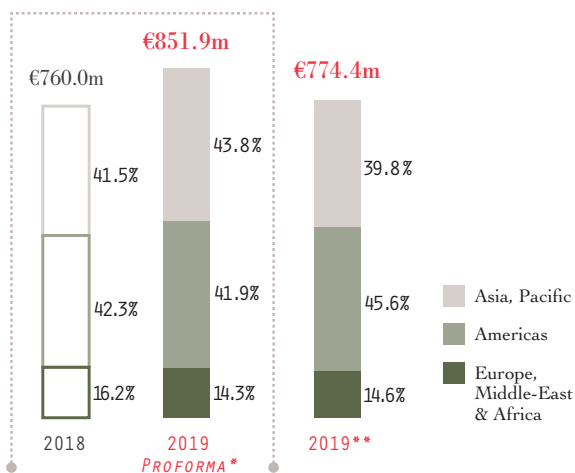
The partnership mainly consists of a cooperative, Alliance Fine Champagne (AFC), whose members manage around 60% of the Grande Champagne and Petite Champagne vineyards, *via* different types of collective and individual long-term agreements.

From an accounting point of view, the commitments made by the House of Rémy Martin through the AFC are fully recognised in the consolidated statement of financial position of the Rémy Cointreau Group, once the *eaux-de-vie* covered by these agreements have been produced and have passed quality control. Any contractual commitments not yet produced are disclosed in off-balance sheet commitments.

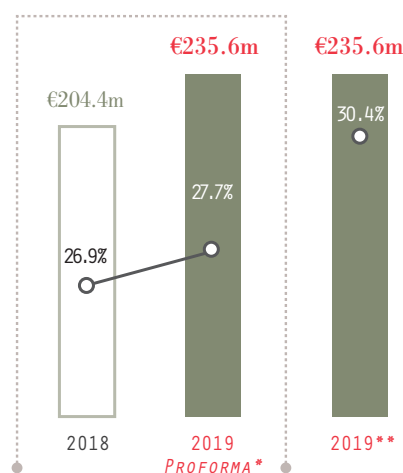
HOUSE OF RÉMY MARTIN KEY FIGURES

In 2018/2019, the House of Rémy Martin accounted for 70% of the Group's total net sales and 99% of its international sales.

**Net sales (in €m)
and breakdown by geographic area (in %)**



**Current operating profit/(loss) (in €m)
and current operating margin (in %)**



* Proforma figures (pre-IFRS 15, 16 and 9).

** Figures post-IFRS 15, 16 and 9.

LIQUEURS & SPIRITS

LIQUEURS & SPIRITS BRANDS

The Liqueurs & Spirits division is made up of ten spirit brands in categories such as liqueurs, brandy, gin, single malt whisky and rum. Within each category, the spirits have particular characteristics, the main one being that all the brands are produced in their country of origin, often with know-how passed down through generations:

- Cointreau, an orange-peel liqueur;
- Metaxa, a Greek brown spirit, produced from a blend of wine distillates and aged Muscat wine;
- Mount Gay, a rum from Barbados;
- St-Rémy, a French brandy;
- The Botanist, a gin from Islay (Scotland);
- Bruichladdich, Port Charlotte and Octomore, three brands of single malt Scotch whisky from the Isle of Islay (Scotland);
- Domaine des Hautes Glaces and its range of single malt whiskies produced in the heart of the French Alps;
- Westland and its range of single malt whiskies produced in the state of Washington, US.

COMPETITIVE POSITIONING

The Liqueurs & Spirits brands operate in a market characterised by a large number of players (of various sizes), with numerous international brands coexisting alongside local brands.

LIQUEURS & SPIRITS: SOURCING AND PRODUCTION SITES

The Group's Liqueurs & Spirits brands do not have significant sourcing or production constraints. Consequently, the Group purchases the necessary ingredients (barley, oranges, aromatics, sugar cane, etc.) for the *eaux-de-vie* distillation process, utilising the specific know-how of each brand. The Group's master distillers and blenders then take care of the ageing and blending of the *eaux-de-vie* as required.

The Rémy Cointreau Group also sub-contracts part of its bottling operations to other companies located abroad, in particular Greece for the production of Metaxa, for all markets. Sub-contracting represents 15% of the total volume of Group brands.



Brandons and St Lucy (Barbados)

Mount Gay rum is produced at the distillery of the same name, located close to Mount Gay in the north of the island of Barbados, in the parish of St Lucy. The storage cellars in which the casks of rum are aged are also located at this historic site. Since January 2015, an additional 134 hectares of agricultural land at this site have been devoted to the farming of sugar cane. Mount Gay Distilleries' head office and bottling facilities are located in Brandons, close to the port of Bridgetown in the south of the island.



Isle of Islay (Scotland)

The Bruichladdich distillery is located on the isle of Islay in Scotland, one of the world's most iconic locations for the production of single malt Scotch whiskies.

The production operation (distilling, ageing, bottling) is carried out on the island, on a historic site created in 1881. In March 2018, the acquisition of around 12 hectares of agricultural land was signed. This agricultural land adjoins the distillery, and will mainly be devoted to growing barley and trialling different varieties.



Seattle (USA)

Westland Distillery (US), located in South Downtown Seattle in the state of Washington, gets its malt from producers in the terroirs of the Pacific North-West.



Samos (Greece)

As part of its "terroir" policy, the House of Metaxa acquired a 1.2 hectare wine property on the island of Samos, located at the heart of the island's muscat vineyards. Muscat wine is an essential component in Metaxa's signature taste.



Angers (France)

The production of the Cointreau liqueur and the St-Rémy brandy range is located in St-Barthélemy d'Anjou (on the outskirts of Angers). This site also carries out bottling operations for other Group brands.

It comprises distilling facilities, fermentation cellars, laboratories, a packaging complex, offices, a visitor and reception centre.

Trièves (France)

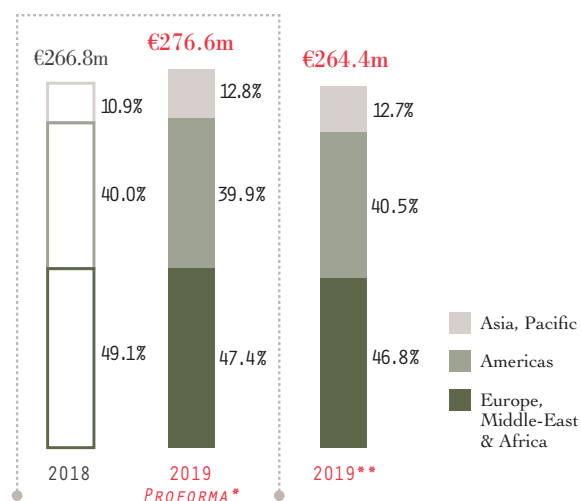
The Domaine des Hautes Glaces, located in the heart of the Trièves region of the Alps, is a mountain farm/distillery which combines French know-how (distilling with traditional Charente stills) and ingredients from local producers. The supplies of barley, rye and spelt (organically grown) come exclusively from growers in the Alps.



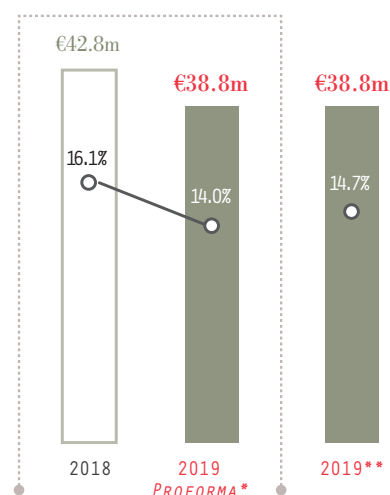
LIQUEURS & SPIRITS KEY FIGURES

In 2018/2019, the Liqueurs & Spirits division accounted for 23% of the Group's total net sales.

Net sales (in €m) and breakdown by geographic area (in %)



Current operating profit/(loss) (in €m) and current operating margin (in %)



PARTNER BRANDS

In 2018/2019, Partner Brands accounted for 7% (*proforma*) of the Group's total net sales.

This category includes brands belonging to other operators in the Wines & Spirits sector. These are distributed by Rémy Cointreau under global agreements or agreements limited to a particular country or region.

Following the non-renewal of many distribution agreements in recent years (as part of the Group's move upmarket), the brands still distributed (as of 31 March 2019) are Passoã liqueur, Jägermeister spirits and certain spirits of the William Grant & Sons Group.

* Proforma figures (pre-IFRS 15, 16 and 9).

** Figures post-IFRS 15, 16 and 9.

STRATEGIC VISION: HIGH-END POSITIONING IN A HIGH-GROWTH SEGMENT

A SINGLE AMBITION: TO BECOME THE GLOBAL LEADER IN EXCEPTIONAL SPIRITS

The Spirits market features an extensive number of co-existing local and international brands in a particularly competitive environment.

Against this background, Rémy Cointreau has, for many years, implemented a value creation strategy aimed at developing its upmarket brands in the high-end segments of the global markets, which offer high growth and earnings potential. Over the past 15 years, the implementation of this strategy has led the Group to dispose of brands and other assets deemed less suited to its value creation strategy and to resume full control of its distribution in key markets (exit from Maxxium in April 2009).

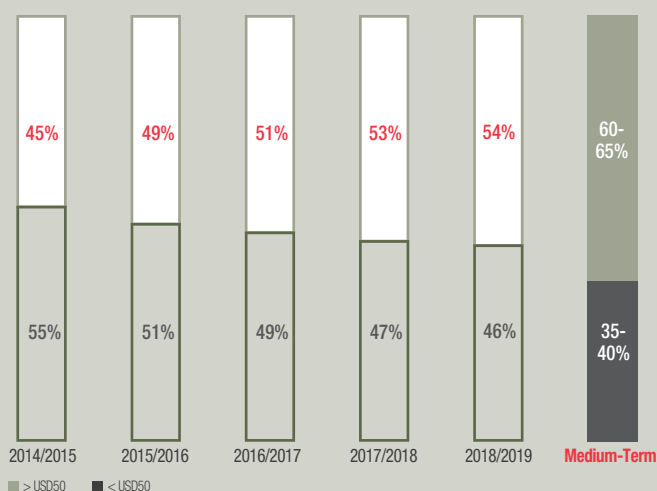
With its own distribution network in Asia, the US and in some European countries, Rémy Cointreau controls around 85% of its

net sales. The Group is therefore able to implement a pricing and distribution strategy consistent with its high-end positioning.

For the past four years, the Group has accelerated its strategy of moving upmarket so as to differentiate itself and emphasise its uniqueness: ultimately, the Group's ambition is to become the world leader in exceptional spirits (which retail at more than \$50). In 2018/2019, the Group's exceptional spirits represented 54% of the Group's net sales (compared with 53% in 2017/2018 and 45% in 2014/2015).

The Group's ambition is for its exceptional spirits to increase gradually so that in the medium term they make up between 60% and 65% of its net sales.

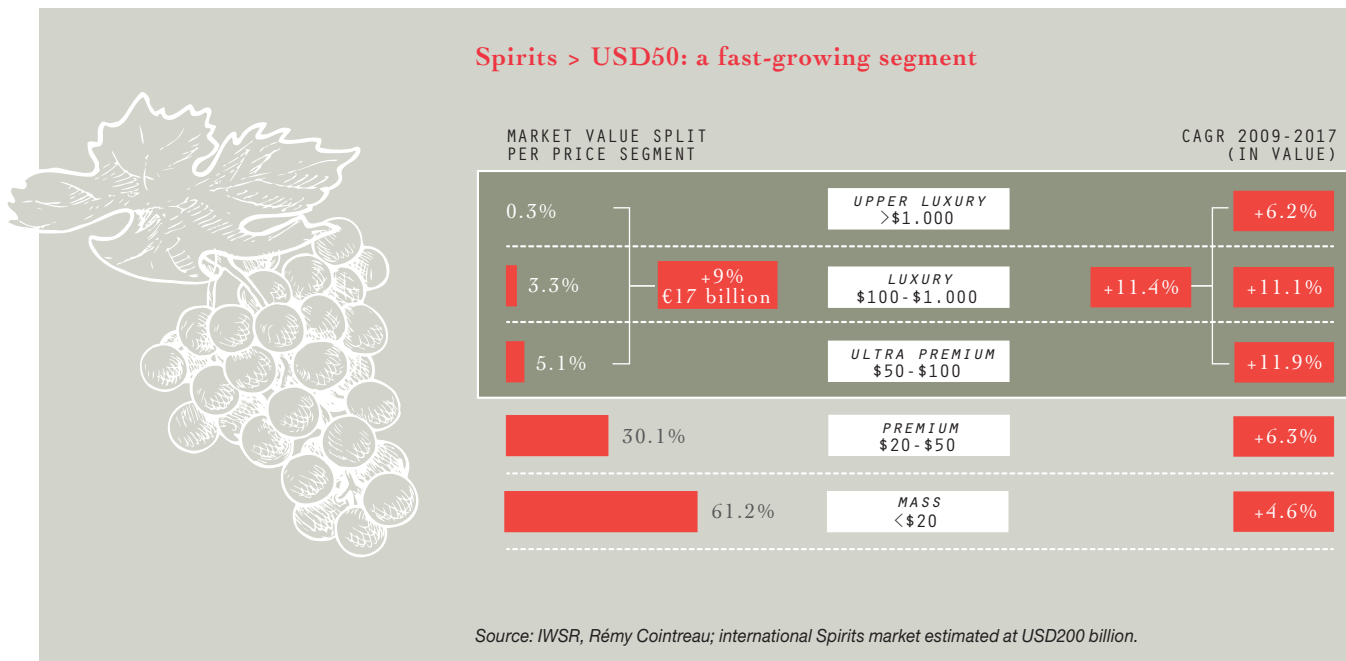
Contribution of exceptional spirits (> US\$50)
to the Group's net sales



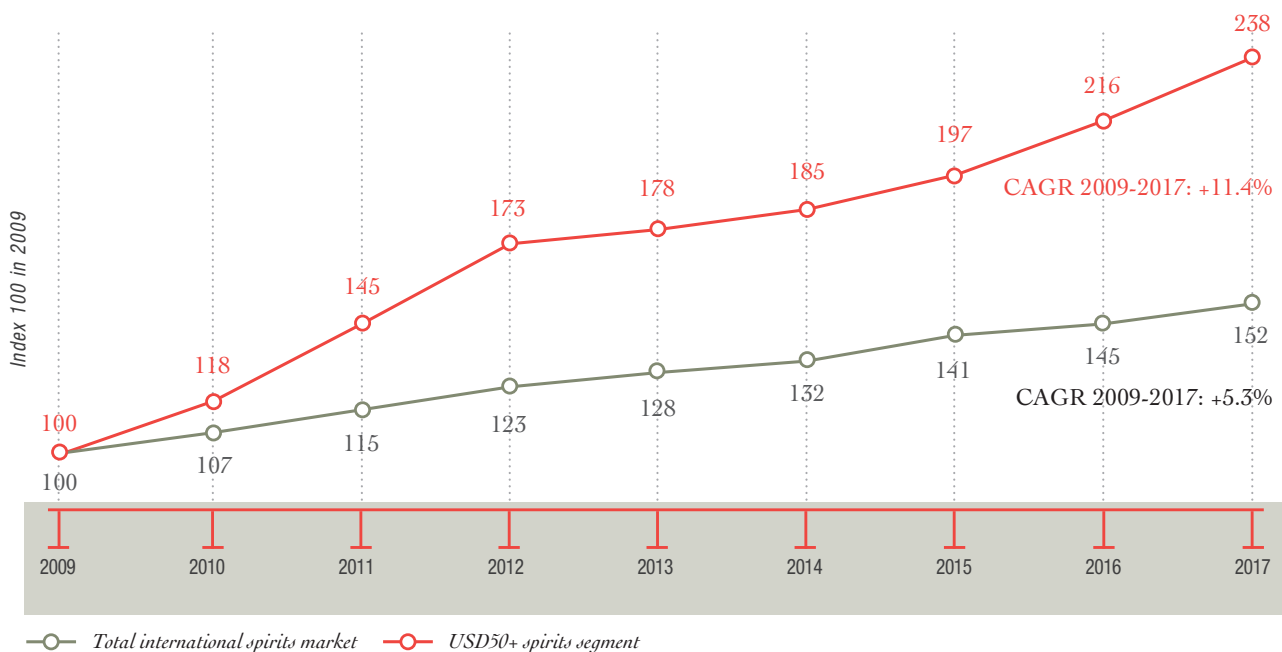
— EXCEPTIONAL SPIRITS ENJOY AN ATTRACTIVE DYNAMIC

Rémy Cointreau has solid credentials in the exceptional spirits segment: exceptional spirits represent 54% of the Group's sales, whereas they comprise just 9% of the global spirits market. These exceptional spirits enjoy an attractive dynamic (+11% growth per year on average, compared with +5% for the spirits market as a

whole over the last eight years), driven by a move towards the high-end of the market and an increasingly discerning clientele in terms of the quality, production, know-how and history of the spirits they consume.



The exceptional spirits segment has structurally outperformed the global spirits market since 2009.



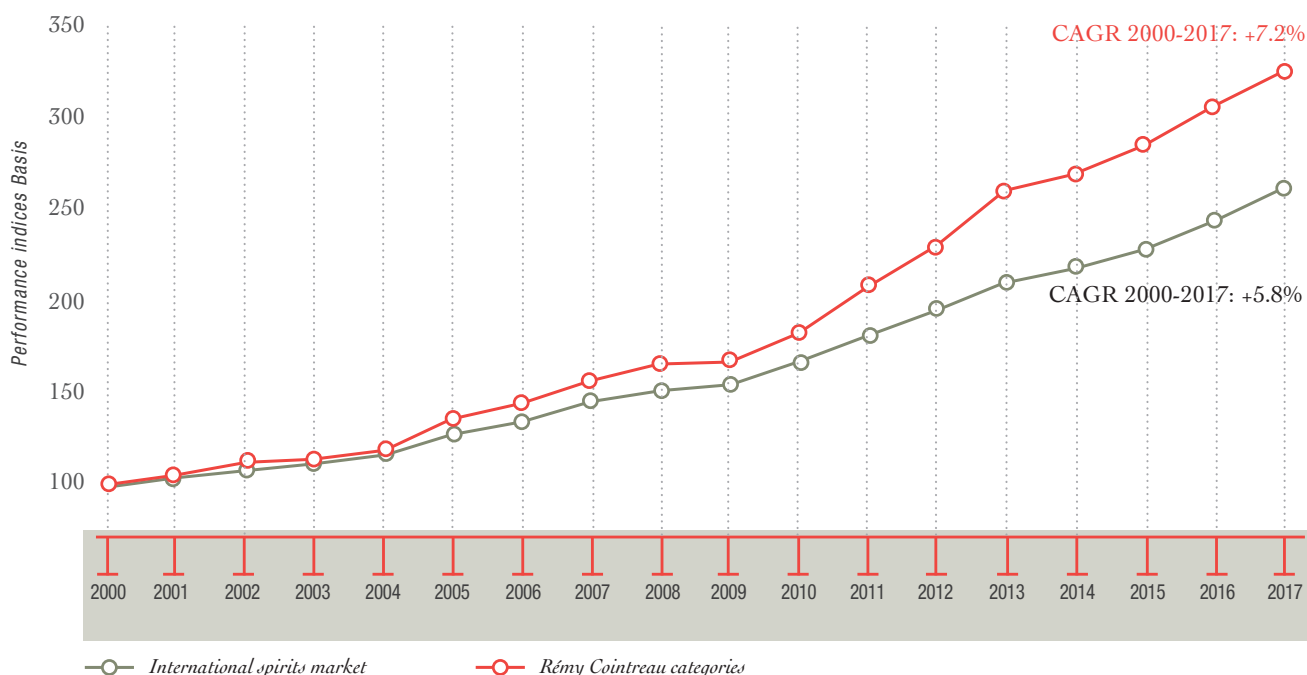
Source: IWSR, Rémy Cointreau, international spirits market estimated at around 200 billion USD.

— POSITIONED ON FAST-GROWING CATEGORIES OF SPIRITS

In addition, Rémy Cointreau Group brands belong to categories of spirits (such as cognac, single malt whisky, dark rum or gin) that have significantly outperformed the market in recent years (+7.2%

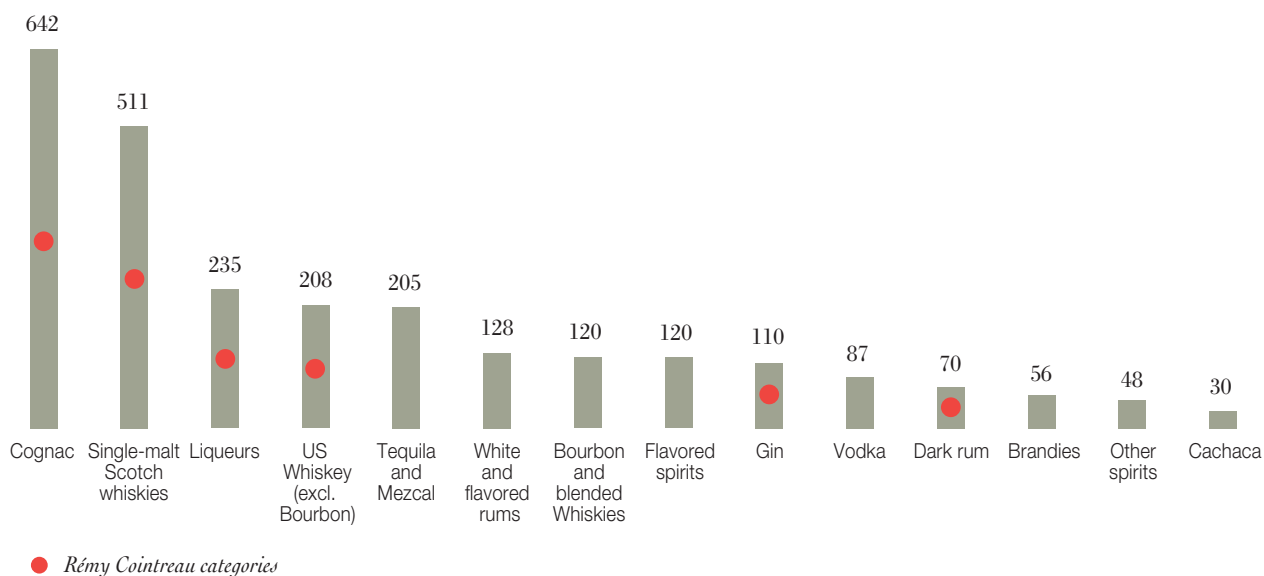
per year on average during the period 2000-2017, compared with 5.8% for the market) and that retain a strong consumer appeal.

Rémy Cointreau Group categories structurally outperformed market growth



Correspondingly, these categories offer very attractive valuation levels ("value per case"): cognac, single malt whisky and liqueurs are the categories of spirits with the highest value per case on the market.

Value per case by category of spirits (in €)

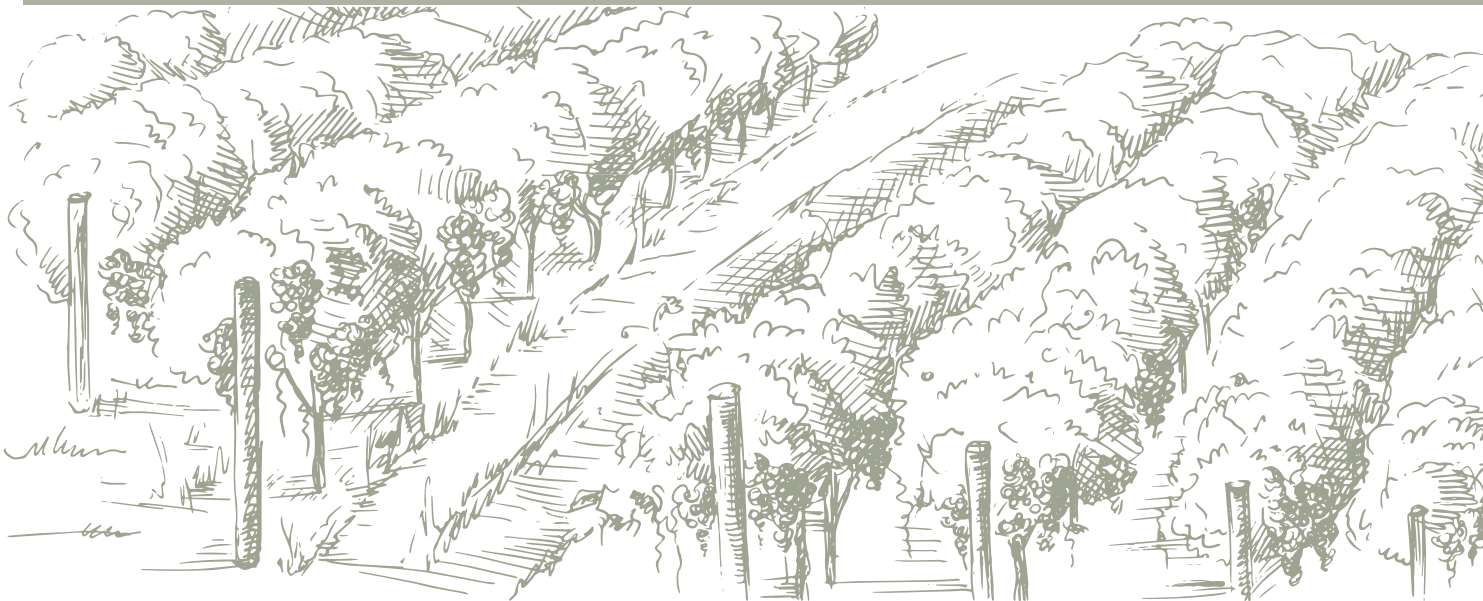


Source: IWSR, Rémy Cointreau.

— A NEW GENERATION OF CLIENTS

Clients of high-end spirits have changed in recent years. Younger, more connected and from affluent backgrounds, these globetrotting millennials from generations Y and Z want to know about the origins of the spirits, their history, how they are made and what makes them different. At the same time, there is a growing demand for

transparency about the quality of the products. Our clients are also looking for a more convenient way of buying our spirits (growth of e-commerce), as well as more services, an enhanced shopping experience and a tailor-made offering.



FIVE STRATEGIC LEVERS TO BECOME THE GLOBAL LEADER IN EXCEPTIONAL SPIRITS

EMPHASISING THE UNIQUE BRAND POSITIONING

Each of the Group's spirits is linked to a particular terroir and know-how:

- within the AOC Cognac region, the House of Rémy Martin's *eaux-de-vie* come exclusively from Grande Champagne and Petite Champagne, which have unrivalled aromatic profiles and ageing potential;
- our Islay single malt whiskeys are made uniquely from Scottish barley, then distilled and aged on the isle of Islay in accordance with traditional methods.

MAXIMISING THE GEOGRAPHIC POTENTIAL OF THE BRANDS AND DIVERSIFYING THE GROWTH DRIVERS

- Our brands are still under-potentialized from a geographic standpoint: LOUIS XIII in the United States, Rémy Martin in Africa, as well as Cointreau and Metaxa in China.
- The increasing strength of our pioneering brands: single malt whiskies, The Botanist gin or Mount Gay rum provide attractive growth potential.

OUR DISTINCTIVE ADVANTAGE

THE SPECIFIC CHARACTERISTICS
OF EACH TERROIR
AND OUR KNOW-HOW
MAKE OUR SPIRITS EXCEPTIONAL

OUR DISTINCTIVE ADVANTAGE

OUR BRANDS HAVE NOT YET
REACHED THEIR FULL POTENTIAL
IN ANY OF OUR MARKETS



BUILDING AN EMOTIONAL RELATIONSHIP WITH OUR CLIENTS

- Increasing the desirability of our spirits: establishing a direct and personalised relationship with our clients through media and digital investments with targeted creative content, but also unique and unforgettable events.
- Retaining our clients: a better understanding of their expectations allows a genuine and long-lasting relationship with our brands.

IMPROVING THE DISTRIBUTION NETWORK IN ACCORDANCE WITH THE GROUP'S STRATEGY

- The Group's strategy of moving towards the high-end of the market must be based on a distribution network whose expertise is consistent with the positioning of our brands: selective retail (wine merchants), high-end bars, restaurants and hotels, and even "retail": for its LOUIS XIII cognac, the Group has a specific sales force and has opened three stores dedicated to the brand.
- The development of online sales will also play a role in building a more direct approach to the distribution of our spirits.

ACCELERATING THE GROUP'S CSR AMBITIONS

- Rémy Cointreau's 2020 CSR plan operationally focuses on 10 of the United Nation's 17 Sustainable Development Goals, selected based on relevancy to the Group.
- In particular, by 2020, the Group's ambition is to achieve 100% responsible purchasing (percentage of suppliers having joined SEDEX), and have all of its winemaking partners committed to an environmental approach (AHVE 1).

OUR DISTINCTIVE ADVANTAGE

OUR CLIENTS ARE SEEKING
EXPERTISE AND DISCERNMENT
BUT ABOVE ALL, EMOTION AND
EXPERIENCE, ELEMENTS CONSISTENT
WITH OUR BRAND PORTFOLIO

OUR DISTINCTIVE ADVANTAGE

RECOGNISED EXPERTISE
AT HIGH-END RETAILERS

OUR DISTINCTIVE ADVANTAGE

EXPERTISE AND CSR ACTIONS
FOR MORE THAN 15 YEARS

A DISTRIBUTION NETWORK: LOCAL KNOW-HOW, AN INTERNATIONAL PRESENCE

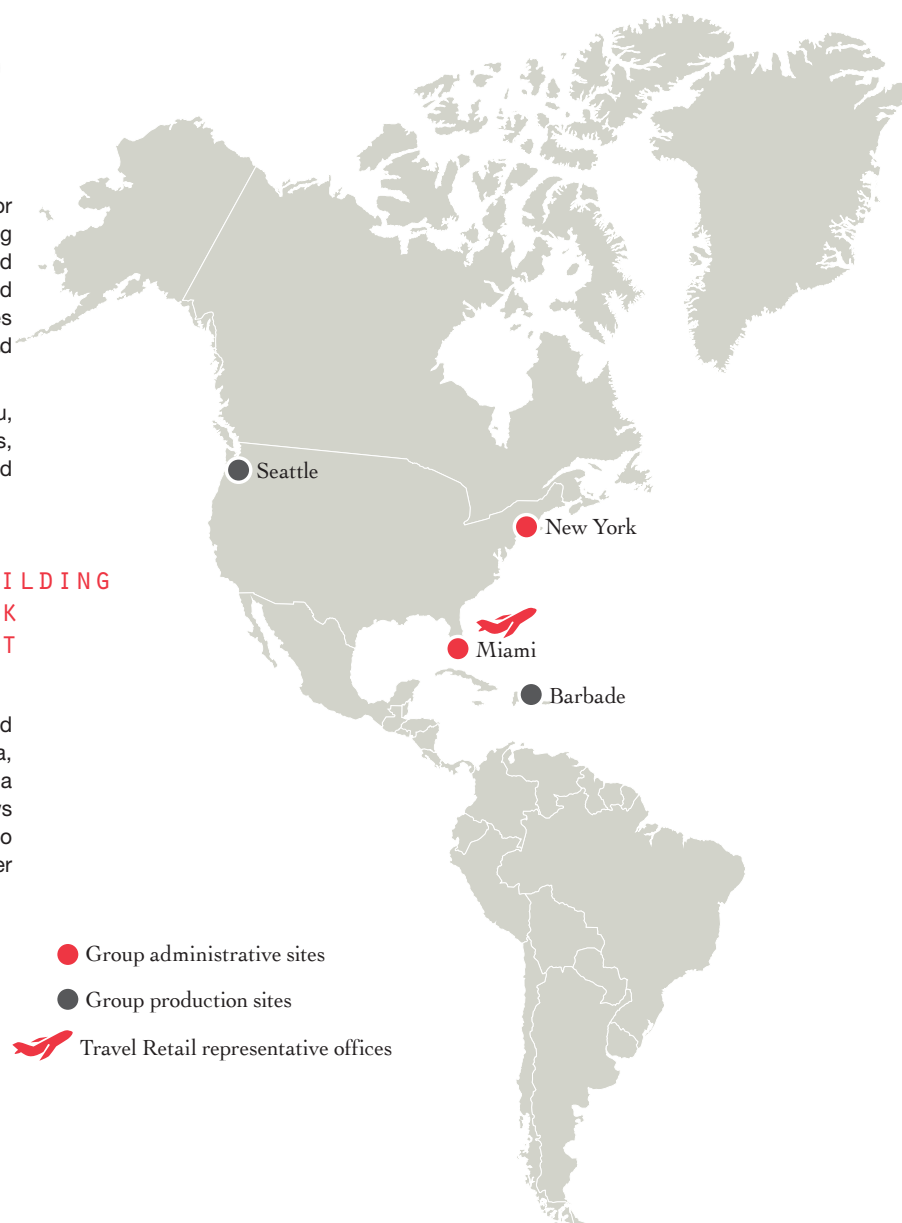
DISTRIBUTION AND ADMINISTRATION

The Group has premises and commercial or administrative offices in many countries, including the USA (primarily New York), China (Shanghai and Hong Kong), Singapore, Russia and the United Kingdom (London and Glasgow). The Group does not own any premises in these countries and therefore uses leasing contracts.

Moreover, the headquarters of Rémy Cointreau, which includes most of the Group's central services, is based in rented premises at 21 boulevard Haussmann, Paris.

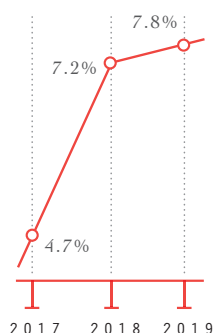
RÉMY COINTREAU BEGAN BUILDING ITS DISTRIBUTION NETWORK ACROSS ALL CONTINENTS AT THE END OF THE 1950s.

Today, the Group has a dozen directly owned subsidiaries (from the United States to China, including the United Kingdom, Belgium, Malaysia and Japan). This distribution network allows the Group to implement a price strategy and to be selective about its sales outlets in a manner consistent with its high-end positioning.



RC
RÉMY COINTREAU
Group
€1,216.5M
in net sales*

**Organic sales growth
for the Group**

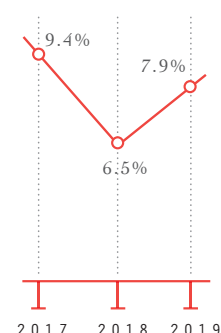


* Proforma (pre-IFRS 15, 16 and 9).

Americas

€474.4M
in net sales*
39%
of Group sales

**Organic sales growth
for the zone**



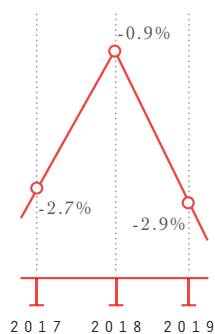


Europe, Middle-East & Africa

€329.3M
in net sales*

27%
of Group sales

Organic sales growth
for the zone

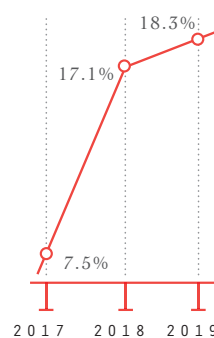


Asia Pacific

€412.8M
in net sales*

34%
of Group sales

Organic sales growth
for the zone



VALUE CREATION

THE GROUP'S DNA



TERROIRS

- Exceptional terroirs (Cognac, Islay, Samos, Barbados, etc.)
- Supply agreements that advocate sustainable agriculture
- **92%** of suppliers are SEDEX members



PEOPLE

- Preservation of ancestral know-how (cellar masters)
- Commitment to employee well-being
- Shared ethical responsibility



TIME

- Family-owned company since 1724
- Ageing of certain of our *eaux-de-vie* for more than 100 years
- Engaged governance to support the Group for the long term

EXCEPTIONAL SPIRITS
THAT TASTE LIKE
THEIR TERROIR...

High-end positioning
in high-growth segments

**A portfolio
of 12 exceptional
spirits**
(retail price > \$50)

SUSTAINABLE
VALUE
CREATION

**Stronger pricing power
behind our spirits**
(price/mix gains)

**Reinforcement
of brand
recognition and
attractiveness**

...AND CREATE VALUE

Above-market growth in sales
(+9.8% for the Group Brands
in 2018/2019)



**Significant
increase
in gross margin**
(up 1.2 points
in 2018/2019)

Sustained investment in:

- Brands (media, digital education)
- Distribution network:
 - Development of a direct distribution network (boutiques, e-commerce, Private Client Directors, etc.)
 - Growing contribution of the on-trade (bars, restaurants, clubs, etc.) and selective distribution (wine merchants)

SHARED WITH ITS STAKEHOLDERS



EMPLOYEES

- Average Group salary: score of **107** compared with international benchmark
- **26,615** hours of training



GOVERNMENT

- **€68m** paid in corporate income tax in 2018/2019 (tax rate: 29%)



CIVIL SOCIETY

- **€1m** (over a five-year period) invested by the Rémy Cointreau Foundation to promote and transfer exemplary skills and know-how



SHAREHOLDERS

- Steady increase in dividends over the past 20 years (2018/2019: ordinary dividend of **€1.65** and extraordinary dividend of **€1.00**)
- Stock market capitalisation up **€3 billion** over the last five years (at 31 March 2019)



LOCAL COMMUNITIES

- Strong commitment within the communities of Cognac (France), Angers (France), Islay (Scotland) and Barbados



SUPPLIERS

- Alliance Fine Champagne: **2.26%** shareholder of Rémy Cointreau
- Partner training provided by our agronomists (sustainable agriculture)

GROUP'S MAIN CHALLENGES AND RISKS






THE GROUP'S MAIN NON-FINANCIAL CHALLENGES

Terroirs, People and Time. The Rémy Cointreau Group's CSR ambition is built around the three key pillars of our signature:

- **protecting our terroir** through sustainable agriculture;
- **making a commitment to people** to protect their ancestral know-how, ensure their well-being within the Group and teach them about the ethics that are so vital for the Group's credibility. At the same time, pledging to protect all stakeholders, both internal and external, through a policy of responsible consumption;
- **recognising the value of time**, protecting the atmosphere (through our carbon footprint) and water supply as essential resources for our businesses.

Following a materiality assessment in 2016/2017, 10 key Sustainable Development Goals were selected (out of the 17 identified by the United Nations). Based on these SDGs, we have now identified the 10 major challenges facing the Group, the risks associated with these challenges and the indicators that will enable us to monitor their development in the future. In some cases, the Group has already committed itself by setting targets for improvement.

The targets cover SDGs 6, 8, 12, 13 and 15, which are used as CSR performance criteria to calculate the Executive Committee's variable remuneration.

SDGs		CHALLENGES	RISKS ASSOCIATED WITH THE CHALLENGE	RISK INDICATORS (QUANTIFIED TARGETS/ PROGRESS PLAN)	CHALLENGES LINKED TO THE REMUNERATION OF AN EXECUTIVE COMMITTEE MEMBER
	Clean water and sanitation	Water management	Availability of water/ water quality	Water consumption	Operations Director
	Decent work and economic growth	Employee well-being	absenteeism, turnover, workplace accidents, occupational health, work-related alcohol consumption	Turnover and absenteeism	Human Resources Director
	Responsible consumption and production	Circular economy and reduction of raw material consumption	Company's reputation among customers	EPI (Environmental Performance Index) of packaging	CEO Liqueurs & Spirits
	Climate action	Contribution to the global effort (2°C limit) and sustainability of the business	Changes in regulatory and fiscal framework (carbon tax)	CO ₂ emissions: significant emissions, by brand, focus on transport/reduction of CO ₂ emissions	CEOs of the Americas, EMEA and Asia Pacific regions
	Life on land	Sustainable agriculture: adapting the terroir and protecting biodiversity	Sustainable production of our agricultural raw materials	Percentage of sustainably managed land	CEO House of Rémy Martin and CEO Whisky Business Unit

The remaining members of the Executive Committee are also linked to these targets, with their variable "CSR" component corresponding to the average of the achievements of the Executive Committee members directly concerned.

— THE GROUP'S MAIN STRATEGIC AND FINANCIAL RISKS

The Group has set up a system to anticipate and manage its risks. This system is constantly updated to take into account any regulatory, legislative, economic, societal, geopolitical and competition changes.

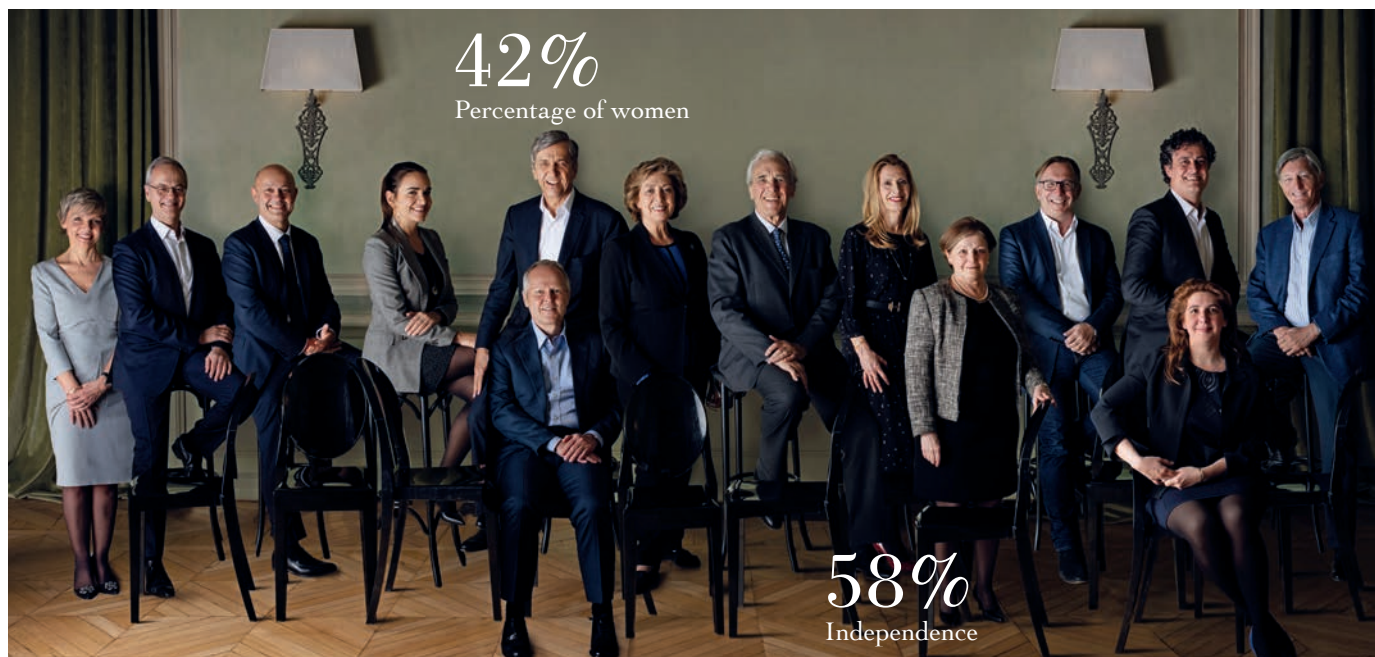
The main risk factors to which the Group is exposed given its business model are presented in this table (more details can be found in section 2 of this document).

SUBJECT	RISKS	DESCRIPTION	MEASURES TAKEN
Strategic risks	Principal contracts and customers	Capacity to manage a risk of strong dependence on a supplier or customer	This risk is covered, as regards suppliers, by a diversification of the procurement sources and, as regards customers, a diversification of the distribution networks
	Changing tastes and consumer preferences	Change in consumer trends, for reasons such as taste, health and prices, which have a negative impact on the Group's sales	Rémy Cointreau is seeking to diversify its brand portfolio and develop its product range in order to limit its exposure to a particular brand and price range
Brand and product-related risks	Reputational risk	Reputational risk is any event that could negatively impact on the image and reputation of the Group or its brands in any or all of its markets	To address these risks and their consequences, the Group has expanded its digital marketing teams and set up an effective media monitoring strategy, enabling it to respond quickly and effectively to potential rumours
Financial, legal and IT risks	IT and digital risks	IT risks consist of data loss (both commercial and financial), the inability to operate effectively due to a technical fault, system intrusion or hacking and attacks against the digital platforms of the Rémy Cointreau Group	To guard against these risks, a data protection and backup plan and business continuity plan have been implemented in each company, allowing the Group to continue operating in all circumstances
	Non-compliance risks and unethical conduct	The Group's business is international and therefore subject to many laws and regulations. These include various regulations regarding anti-corruption, data protection as well as principles set out in the Global Compact	In order to guarantee compliance, the Group has implemented relevant action plans to fight against corruption and protect data. A whistleblowing line has been set up, as well as ethics training modules, which have been followed by 84% of employees

GOVERNANCE THAT ENSURES CONTINUITY AND TRANSMISSION

THE BOARD OF DIRECTORS

The Rémy Cointreau Group is administered by a Board of Directors which, since September 2004, has adopted a governance structure that separates the roles of Chairman of the Board of Directors and Chief Executive Officer. The profiles of the Board members reflect the values of family succession, a clear expertise in the world of luxury goods as well as a deep understanding of international markets.



From left to right, back row: Florence Rollet, Emmanuel de Geuser, Olivier Jolivet, Laure Hériard Dubreuil, Marc Hériard Dubreuil, Dominique Hériard Dubreuil, François Hériard Dubreuil, Gisèle Durand, Bruno Pavlovsky, Elie Hériard Dubreuil (non-voting member), Jacques-Étienne de T'Serclaes. Front row: Yves Guillemot, Guyline Saucier, Marie-Amélie Jacquet (non-voting member).

	Board of Directors	Audit-Finance	Nomination and Remuneration	CSR
Number of members	12	4	4	3
Number of meetings in 2018/2019	8	3	6	3
Attendance rate	93%	100%	85%	89%
Marc Hériard Dubreuil	●			
Dominique Hériard Dubreuil	●		●	●
François Hériard Dubreuil	●	●		
Laure Hériard Dubreuil	●			
Florence Rollet*	●			●
Yves Guillemot*	●		●	
Bruno Pavlovsky*	●		●	
Olivier Jolivet*	●			●
Jacques-Étienne de T'Serclaes*	●	●		
Guyline Saucier*	●	●		
Emmanuel de Geuser*	●	●		
Gisèle Durand	●		●	
Marie-Amélie Jacquet (non-voting member)	●			
Elie Hériard Dubreuil (non-voting member)	●			

* Independent Board member

● Board/Committee Chairman



EXECUTIVE COMMITTEE WITH AN INTERNATIONAL DIMENSION

Valérie Chapoulaud-Floquet, Chief Executive Officer, has gathered a team of directors that includes eight different nationalities from a range of backgrounds: Spirits, cosmetics, fashion and accessories, and the art of entertaining.



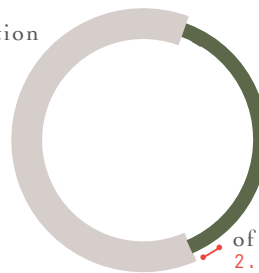
From left to right, back row: David Ennes (CEO Asia-Pacific and Global Travel Retail); Spyridon Ghikas (CEO EMEA); Simon Coughlin (CEO Whisky Business Unit); Ian McLernon (CEO Americas); Marc-Henri Bernard (Human Resources Director); Luca Marotta (CFO); Philippe Farnier (CEO House of Rémy Martin).

Front row: Valérie Chapoulaud Floquet (CEO), Jean-Denis Voin (CEO Liqueurs & Spirits); Valérie Alexandre (Senior Vice President Strategic Planning); Patrick Marchand (Operations Director).



Composition of remuneration of senior management (excluding LTIP)

Fixed remuneration
64.1%



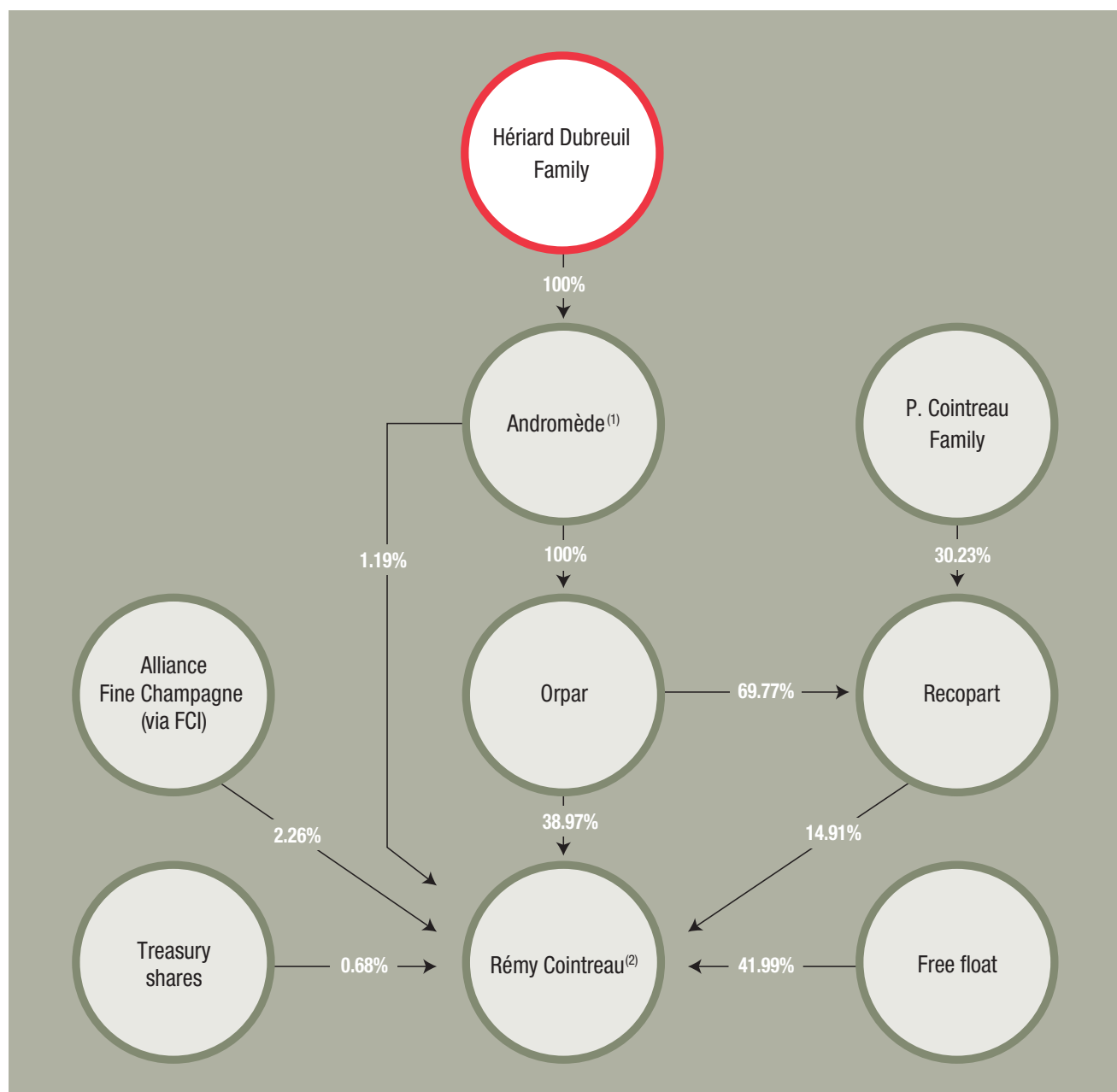
Variable remuneration
35.9%

of which CSR bonus
2.8%

SHARE OWNERSHIP STRUCTURE

At 31 March 2019

(% equity interest)



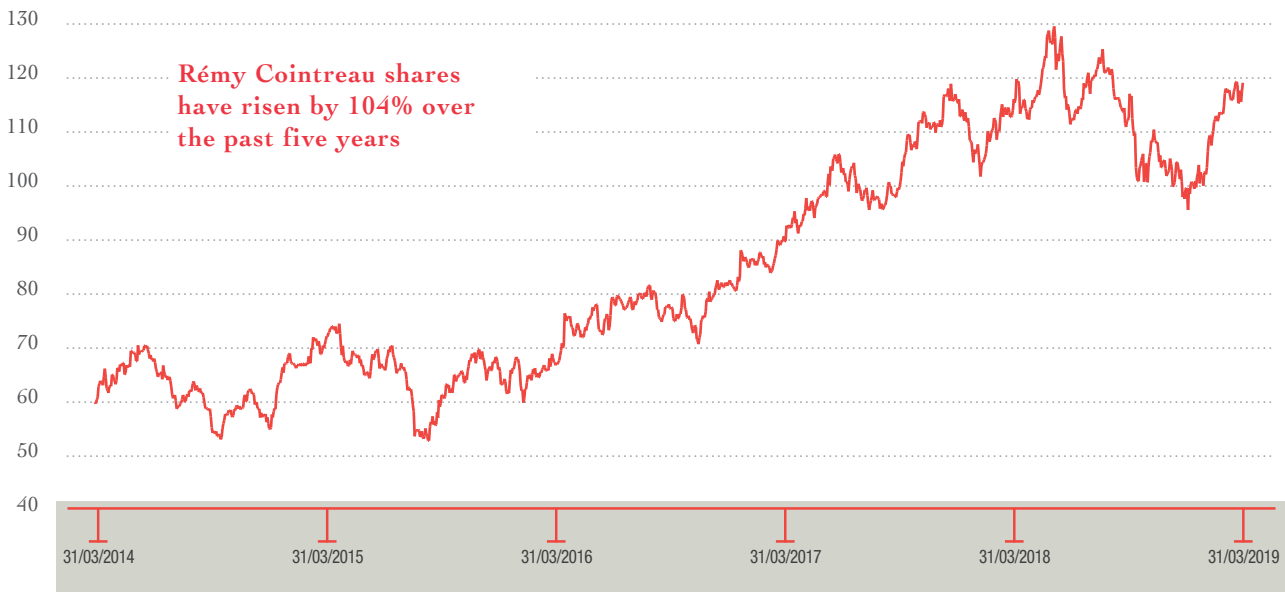
(1) Rémy Cointreau is consolidated within the Andromède Group.

(2) Only Rémy Cointreau shares are traded on the stock market.

SHARE PERFORMANCE AND DIVIDENDS

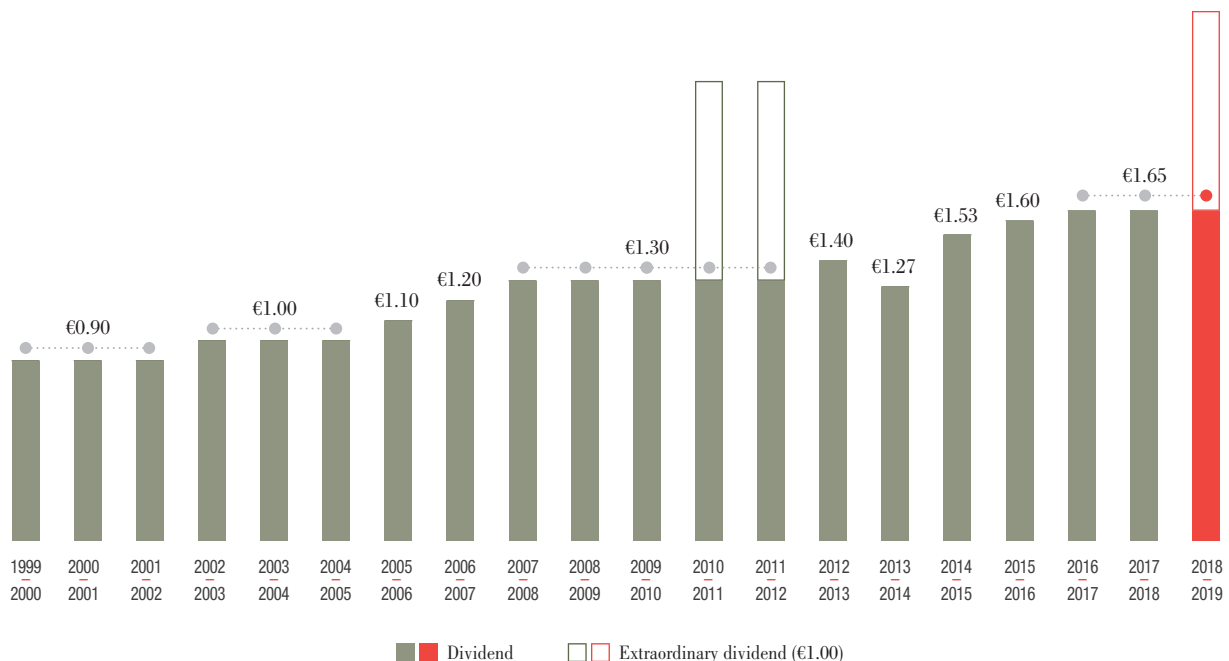
THE GROUP'S STRATEGY HAS BOOSTED THE SHARE PRICE OVER THE PAST FIVE YEARS.

Rémy Cointreau shares have risen by 104% over the past five years, reflected in an increase of nearly €3 billion in the market capitalisation. This value creation confirms the relevance of the strategy put in place by the Executive Committee and implemented by the Group's employees.



REGULAR DIVIDEND POLICY

Over the past 20 years, the Group has paid an annual dividend which has increased in stages. In addition, it paid an extraordinary dividend of €1.00 per share in respect of 2010/2011, 2011/2012 and will also pay such a dividend in 2018/2019 (subject to the approval of the Ordinary Shareholders' Meeting on 24 July 2019).



KEY FIGURES 2018 / 2019

Data in € millions, for the period¹ April to 31 March

	2019	2019 PROFORMA*	2018
Net sales	1,125.9	1,216.5	1,127.0
Current operating profit/(loss)	264.1	263.6	236.8
Current operating margin	23.5%	21.7%	21.0%
profit (loss) for the period	159.2	157.1	148.2
Net profit/(loss) excluding non-recurring items	169.9	167.8	151.3
Capital expenditure and administrative investments	44.9	44.6	33.6
Equity – Group share	1,425.1	1,450.1	1,407.1
Net financial debt	343.3	313.0	282.8
Ratio of net debt/EBITDA	1.19	1.08	1.48
Dividends paid during the financial year (per share in €):	2.65**	2.65**	1.65
Earnings per share (basic, in €):			
On net profit excluding non-recurring items – attributable to the owners of the parent	3.39	3.35	3.04
On net profit – Group share	3.18	3.14	2.98

Net sales by division

	2019	2019 PROFORMA*	2018
House of Rémy Martin	774.4	851.9	760.0
Liqueurs & Spirits	264.4	276.6	266.8
Sub-total Group brands	1,038.8	1,128.6	1,026.8
Partner Brands	87.2	87.9	100.2
TOTAL	1,125.9	1,216.5	1,127.0

Current operating profit/(loss) by division

	2019	2019 PROFORMA*	2018
House of Rémy Martin	235.6	236.6	204.4
Liqueurs & Spirits	38.8	38.8	42.8
Sub-total Group brands	274.4	274.4	247.2
Partner Brands	4.9	4.9	5.3
Holding	(15.2)	(15.8)	(15.7)
TOTAL	264.1	263.6	236.8

Net sales by geographic area

	2019	2019 PROFORMA*	2018
Europe, Middle-East, Africa	311.9	329.3	342.3
Americas	467.8	474.4	435.8
Asia Pacific	346.3	412.8	348.9
TOTAL	1,125.9	1,216.5	1,127.0

Net sales by currency

	% TOTAL	2019	2019 PROFORMA*	2018
Euro	16%	174.1	182.0	200.0
US dollar, HK dollar, Chinese yuan, Barbadian dollar	65%	735.3	799.4	709.5
Other currencies	19%	216.6	235.1	217.4
TOTAL		1,125.9	1,216.5	1,127.0

Non-financial data

	2019	2018
Percentage of AFC cooperative members' land using an environmental approach:		
High environmental value farming (AHVE) certification level 1	94.0%	64.3%
High environmental value farming (AHVE) certification level 3	42.0%	23.0%
Number of hours training	26,615	24,243
Percentage of women managers	44%	43%
Average age of Group employees	40 years	41 years
Absenteeism rate (hours of absence per hours worked)	2.0%	2.3%
Responsible purchasing: percentage of suppliers having joined SEDEX	93%	89.0%
Ethifinance rating	3 rd out of 230	4 th out of 230

* Proforma : pre-IFRS 15, 16 and 9.

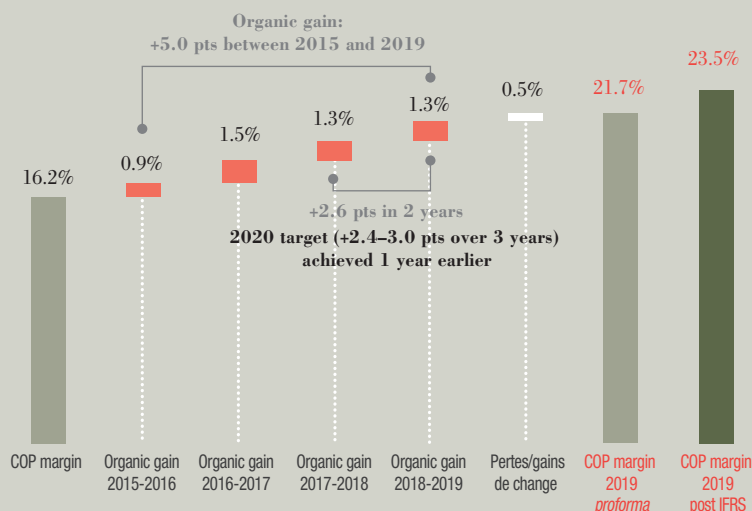
** Of which an extraordinary dividend of €1.00.

FINANCIAL TARGETS

2018/2019 WAS A RECORD YEAR FOR ALL THE GROUP'S FINANCIAL INDICATORS.

This is due to the strong acceleration in organic sales growth over the past three years, combined with a sharp increase in profitability as a result of the Group's strategy to move upmarket. Current operating margin stood at 21.7% in 2018/2019, a cumulative organic increase of 5.0 percentage points (at constant currency and scope) since the 2014/2015 financial year (new senior management team). Over the last two years, cumulative organic growth in the current operating margin was 2.6 points, thereby hitting the 2019/2020 target (+2.4-3.0 points over three years) one year early.

Change in the Group's current operating margin



NEW MEDIUM-TERM PROSPECTS

In an uncertain economic and geopolitical context, the Rémy Cointreau Group reiterates its ambition to become the world leader in exceptional spirits. In the medium term, this will result in 60 to 65% of its turnover being generated by exceptional spirits (retail sales price over USD50).

In addition, after a strong increase in profitability in recent years, the Group remains ambitious regarding the potential of its Current Operating Margin in the medium term, as it will continue to benefit from its value strategy, while continuing to invest significantly

behind its brands and distribution network. Rémy Cointreau's objective is to build an increasingly sustainable, resilient and profitable business model.

In the short term, Rémy Cointreau anticipates that 2019/20 will unfold within the framework of the Group's medium-term objectives. It will also include the termination of distribution contracts for partner brands (in the Czech Republic, Slovakia and the United States), which are estimated to have an impact of €56 million on sales and €5 million on Current Operating Profits.

NON-FINANCIAL TARGETS TO 2020

INDICATORS	SCOPE	VALUES 2016/2017	VALUES 2017/2018	VALUES 2018/2019	TARGETS 2019/2020
Decent work and economic growth/Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all Responsible purchasing: percentage of suppliers having joined SEDEX	World	83%	89%	92%	100%
Take action to combat climate change and its impacts Potential reduction of direct and indirect energy consumption in order to reduce CO ₂ emissions.	France	0 MWh	-423 MWh	-441 MWh	-900 MWh
Sustainable land management/Protect, restore and promote sustainable use of land ecosystems/ Sustainably manage forests/Preserve biodiversity Sustainable viticulture: AFC cooperative surface areas committed to an environmental approach (AHVE 1 or the Sustainable Viticulture standards)	France	37%	64%	94%	100%



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The French version of this document is available
on request or on the website remv-cointreau.com

