

2016



RÉMY COINTREAU

A N N U A L R E P O R T
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RÉMY COINTREAU



FOREWORD

2015 / 2016. A new year for the Rémy Cointreau group. A new year, principally of success; occasional difficulties, generally arising from the state of the world rather than the group itself; continual innovations in terms of products as well as organization and communication; ambition, of course; and especially hope and confidence for the years to come.

But 2015 / 2016 is much more than just a new year : it marks the beginning of a new era. An era for the implementation of a new strategy to move its full portfolio of brands upmarket. The Rémy Cointreau group intends to uncompromisingly assert what has been its mission since it was founded: to offer exceptional spirits of unparalleled quality to clients of the five continents and to assume the position of world leader in the field.

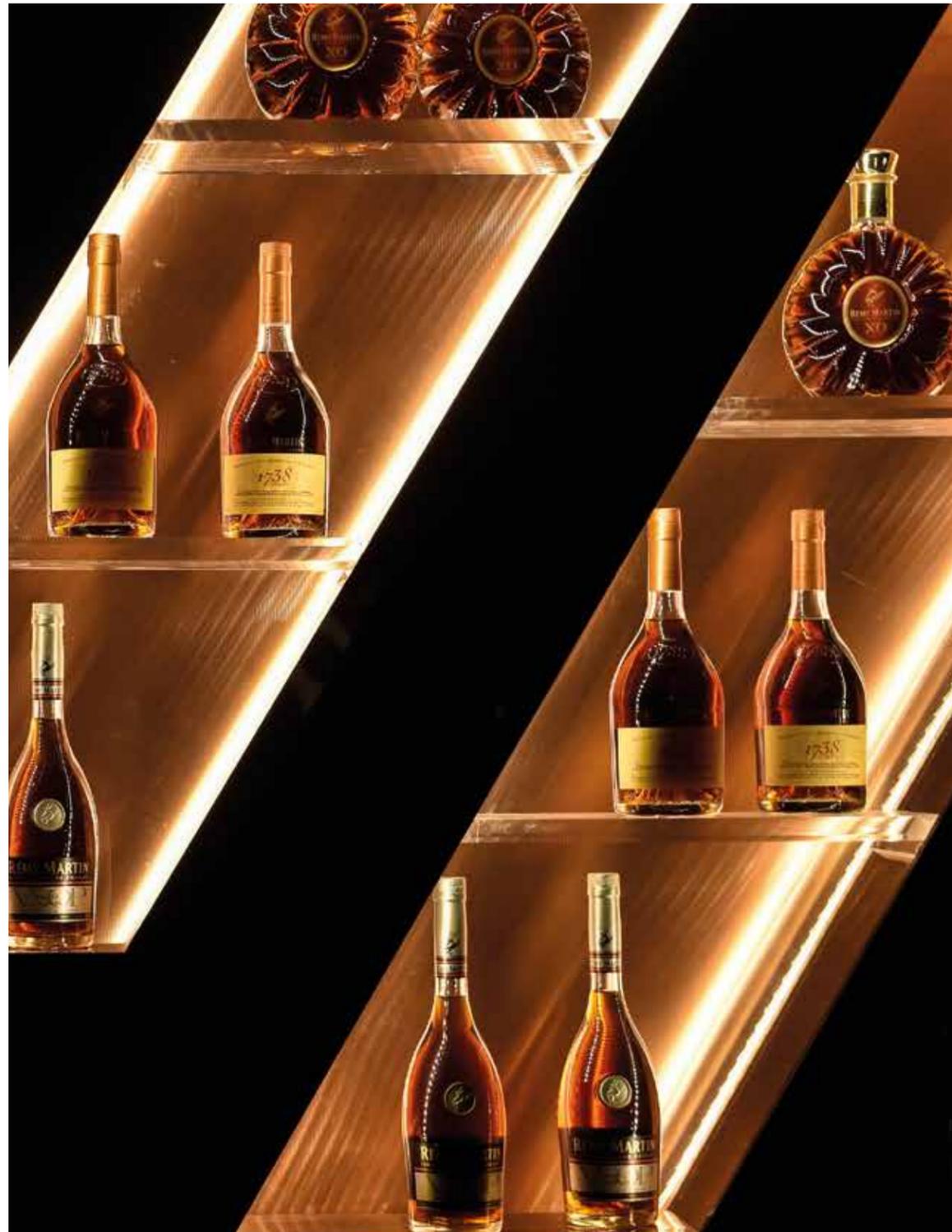
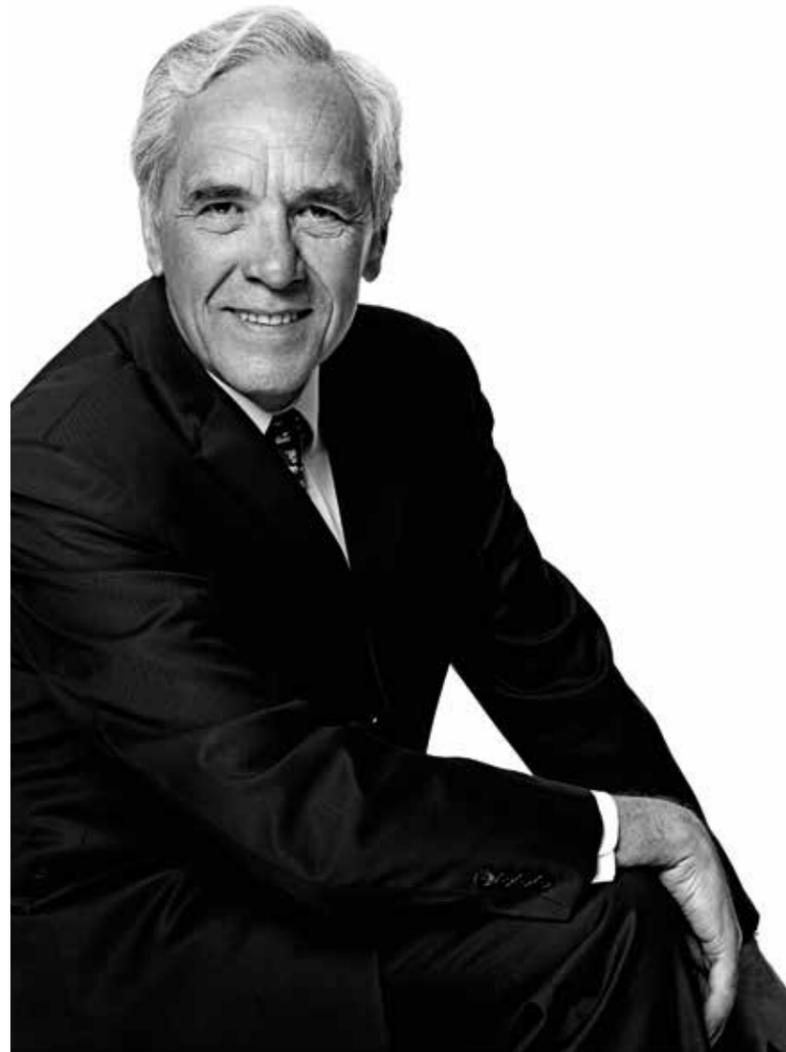


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FRANÇOIS HÉRIARD DUBREUIL

"Producing the exceptional requires precision by all, at every level..."

/

A WORD FROM THE CHAIRMAN

AUTHENTICITY
BOLDNESS
PASSION
INNOVATION
AMBITION

This year will have been a memorable one in many ways. Our markets and our group have gone through developments and even decisive revolutions at the highest level of our now clearly stated ambition : **to become the world leader of exceptional spirits.**

2015 / 2016 revealed itself to be the year that the largest quantity of cognac of all time was sold throughout the world: more than fourteen million cases in total, all brands and all markets combined. Rémy Martin cognacs contributed to this performance, and also achieved a historic world record.

For the Rémy Cointreau group, the most notable event was certainly the polar reversal of our world markets, from Asia to North America and Africa. The anticipation of a new decline in sales throughout China this year has incited us to invest more in the rest of the world. Therefore the remarkable performance of our brands in the United States, and the increased purchasing power of the middle classes who consume our products in African countries, have enabled us to strengthen and even develop our global turnover.

To conclude, 2015 / 2016 was the first year of the effective implementation of our group's new strategy. Henceforth we must manage our future: to establish our group as the world leader of exceptional spirits.

The determination to assert – loud and clear – our inclusion in the luxury sector, which perfectly corresponds with the deep-seated personality of all of our brands, gives us the opportunity to get directly back in touch with our clients. These keen, discerning connoisseurs completely identify with our clear, sincere brand message of utmost quality and authenticity.

The new Rémy Cointreau group motto sums up this branding in three words: "Terroir, people and time."

Each of our products is connected with a particular terroir. Men and women work this land to bring out its best. And this work only reaches its full value many years later. These men and women are the link between the end client and the terroir, and they represent the truth and dignity of our mission.

INTERVIEW WITH THE CHIEF EXECUTIVE OFFICER

We can already see that we are heading in the right direction.

But our professions require time...

_What is your assessment of the changes made this year?

This year was capital in terms of strategy. In an effort to be closer to the field and more in touch with the client who purchases and appreciates our products, we have simplified our organization and put the emphasis on marketing: communicating more and better. While it is early to announce any results, it is safe to say that the wheels are turning.

_How do these changes fit in with the strategy of moving the portfolio of brands upmarket?

Today we are voluntarily emphasizing the brands and products that are already positioned in the luxury sector, such as Rémy Martin Club in Asia, 1738 Accord Royal in North America and Octomore in Europe. And soon we will be offering new, exceptional products with special ages and blends...

And all these things take time.

_What distinction do you make within your portfolio between exceptional spirits and iconic brands?

Exceptional spirits are characterized by a retail price of more than 50 dollars, and the great majority of our brands offer corresponding products.

Cointreau is the only brand that is not positioned in this price range. However, it has much more to offer: the ultimate iconic brand, it is the reference on the triple sec market and is leader by a long shot.

_How do you imagine client relations of the future?

We favour direct communication with our clients, who are always seeking recommendations, guidance and a memorable experience. Louis XIII will even allow us to have direct, personal contact with each one of them. Travel Retail is also well-adapted to this approach. In Duty Free stores, where clients have the time to browse, the salespeople are on the front lines, and it is up to us to provide them with what they need. Our digital presence is also particularly important because it enables us to better know our clients and converse with them. From now on it is an absolute priority for us.

_Would you like to develop your distribution network?

This development goes without saying, and our brands are in step with the current trends.

In our on-trade network, the universal trend is to increase the number of specialized bars and cocktail bars. We are already in a very good position with brands such as Rémy Martin and Cointreau, and our luxury positioning perfectly corresponds with the expectations of these establishments which seek authenticity.

In our off-trade network, we emphasize selective distribution, reserving certain products to specialized cellars. And what might appear to be a decrease in volume is more than compensated for by the increase in turnover.

_Will your HR strategy also have a new image?

In the Rémy Cointreau group, men and women have always had the most important role. Because it has always been a family company and because our products result from the synergy among people, terroirs and expertise.

This year, the group strategically chose to create a Talent department in charge of guiding the group's employees to reach their professional potential as well as promoting internal mobility and international transfers. In my view, this is an essential approach, and I am greatly invested in it personally.

_In a few words, what are the strategic objectives for Rémy Cointreau in the next five years?

Most importantly, to continue to develop our major markets such as North America, China and part of Europe. But also to activate our vectors of growth in Asia – outside China –, Latin America, Africa and Russia.

To do so, we must take a new approach to communication, and the digital approach is an excellent way to accomplish that. Moreover, we must emphasize our on-trade network by asserting our uniqueness and by reinforcing our proximity with mixologists. It is up to us to do the necessary!

INTERVIEW



INTERVIEW

INTERVIEW

VALÉRIE CHAPOULAUD-FLOQUET

THE EXECUTIVE COMMITTEE



Valérie Chapoulaud-Floquet is at the head of the group's executive management, and she is supported by a team of executive managers. Each member of this executive committee has distinct responsibilities. The committee directs group's strategy and operations.

PRESENTATION OF THE MEMBERS OF THE EXECUTIVE COMMITTEE

<p>VALÉRIE CHAPOULAUD FLOQUET</p> <p>CHIEF EXECUTIVE OFFICER</p>	<p>LUCA MAROTTA</p> <p>CHIEF FINANCIAL OFFICER</p>	<p>MARC - HENRI BERNARD</p> <p>SENIOR VICE PRESIDENT, HUMAN RESOURCES</p>
<p>PATRICK MARCHAND</p> <p>SENIOR VICE PRESIDENT, OPERATIONS</p>	<p>VALÉRIE ALEXANDRE</p> <p>SENIOR VICE PRESIDENT, STRATEGIC PLANNING</p>	<p>ERIC VALLAT</p> <p>CEO RÉMY MARTIN, LOUIS XIII AND MOUNT GAY</p>
<p>PANOS SARANTOPOULOS</p> <p>CEO LIQUEURS & SPIRITS</p>	<p>SIMON COUGHLIN</p> <p>CEO BRUICHLADDICH AND THE BOTANIST</p>	<p>PHILIPPE FARNIER</p> <p>SENIOR VICE PRESIDENT AMERICAS ZONE</p>
<p>DAVID ENNES</p> <p>SENIOR VICE PRESIDENT ASIA ZONE</p>	<p>SPYRIDON GHIKAS</p> <p>SENIOR VICE PRESIDENT EMEA ZONE</p>	<p>PETER SANT</p> <p>SENIOR VICE PRESIDENT GLOBAL TRAVEL RETAIL</p>





TERROIR,
PEOPLE
AND TIME

What is it that links our Houses so closely together?

A love of our terroirs and the mastery of time that have always been at the heart of our expertise. It is up to each and every one of us to bring this link to life, connecting land, people and time.

THERE IS A LINK
BETWEEN . . .

_ T E R R O I R

... The ancient Grande Champagne vineyards of Cognac, the delicious sugar cane of our Oxford Plantation in Barbados, the sun-ripened vines of Samos in Greece, the blood oranges from Corsica, and the golden barley and botanicals of Islay in Scotland. In these legendary places, we choose the very best that nature has to give.

As it is put so aptly in Bruichladdich:
We believe terroir matters.

_ S O U L

... Baptiste Loiseau – cellar master at Maison Rémy Martin, Allen Smith – master distiller at Mount Gay, Adam Hannett – master distiller at Bruichladdich, Bernadette Langlais – master distiller at Cointreau, Martine Pain – cellar master at St-Rémy and Costas Raptis, our Metaxa Master. They are the creative souls of our brands.

They cultivate a unique and mysterious expertise that is passed from generation to generation. This expertise and creative enthusiasm is what drives every employee at all our brands.

In every aspect of our business on every continent we are proud to be ambassadors for this unique state of mind.

As the Maison Rémy Martin puts it so aptly:
It takes a century and four generations of cellar masters to create a carafe of Louis XIII.

_ T I M E

... All our Houses. They have been defying time since they first came into being... Mount Gay in 1703, Rémy Martin in 1724, Cointreau in 1849, Bruichladdich in 1881 and Metaxa in 1888.

Yesterday, today and tomorrow, we strive to respectfully nourish the eternal youth of our Houses. There is a true link between the cellars at Grollet in Cognac, the cellars at St Lucy in Barbados, those at Bruichladdich on Islay and at Kifissia in Greece. We allow time to take its time. 5 years, 10 years, 50 years, 100 years...

Time passes peacefully in our cellars. We are in no hurry. We are proud of taking our time.

As it is put so aptly in Mount Gay :
It's ready when it's ready, never before...

_ E X C E P T I O N

... Louis XIII, Rémy Martin XO, Mount Gay XO, Octomore, Cointreau, The Botanist, Metaxa Angel's Treasure, St Rémy Réserve Privée. These are exceptional products for exceptional moments.

Their incomparable characteristics awaken our senses. They are the result of a rigorous selection of ingredients from the best terroirs transformed by time and the expertise of inspired men and women.

“Rémy Cointreau :
terroir, people
and time.”



OUR STRATEGIC
VISION

The medium-term strategy of the Rémy Cointreau group is clear:

To become the world leader of exceptional spirits.

_To assert the singular position of each of our brands.

_To accelerate the brands which are vectors of growth.

_To develop a special emotional relationship with our clients.

_To optimize the distribution network to correspond with the development of the brand portfolio.

_To reinforce the group's agility and reactivity.

_To put CSR at the heart of the group strategy.

Each brand has a distinct mission as part of the group's portfolio and must adapt its business model to this particular objective, in terms of products, distribution and communication.

While each one has specific levers for growth, they all share a determination to reinforce the emotional connection with their clients. This requires: developing a direct, personalized link through an increase in media and digital investments; raising client awareness through private events coordinated by our brand ambassadors; and building customer loyalty by developing specific programmes and our CRM.

A S S E R T

A C C E L E R A T E

O P T I M I S E

C O M M U N I C A T E

R E I N F O R C E



2015 / 2016

THE HIGHLIGHTS OF 2015 / 2016

This was a year of change. The strategic developments determined by the board of directors are now in effect. From now on, the group is putting all its efforts into asserting its luxury position to its clients: those who purchase, consume and know the products and brands, and who build their reputation and ensure their long-term development.

THERE HAVE BEEN A NUMBER OF RESULTS :

getting behind our great brands to take control of our communication, developing our digital presence, adapting our distribution network, incorporating new talents from the world of luxury or great wines – and not just spirits – into the group's management, and so on.

TO NAME JUST ONE . . .

In strategic terms, if we had to choose just one of the year's highlights, in a nutshell it would be: Louis XIII. An unparalleled, unrivalled brand, its prestige knows no bounds, and it epitomizes the perfection of the Rémy Cointreau group's determination to become world leader of exceptional spirits.

But considering the long-term future of the entire group, if we had to choose just one highlight, it would be the importance attached to the men and women involved, their aspirations and their personalities in all their complexity: the people within the company and those for whom our products are intended, our clients.

KEY FIGURES

Rémy Cointreau had a good year in 2015 / 2016, with a reported growth in turnover by 8.9% thanks to a solid progression of the Americas and Europe, Middle East & Africa zones.

The current operating profit thus improved by 14.4% (an increase of 6.1% in organic growth) and the current operating margin rose to 17.0% of the turnover, an increase of 80 basis points. These results confirm the pertinence of this economic model in terms of creating value and generating the group's cash flow, resulting in a significant reduction in the debt-to-equity ratio.



1050.7M€

Net sales



178.4M€

Current operating profit



17.0%

Current operating margin



102.4M€

Group share net profit



110.4M€

Net profit excluding of non-recurring items



2.27€

Net earnings per share (excluding non-recurring items)



458.2M€

Net debt



2.29

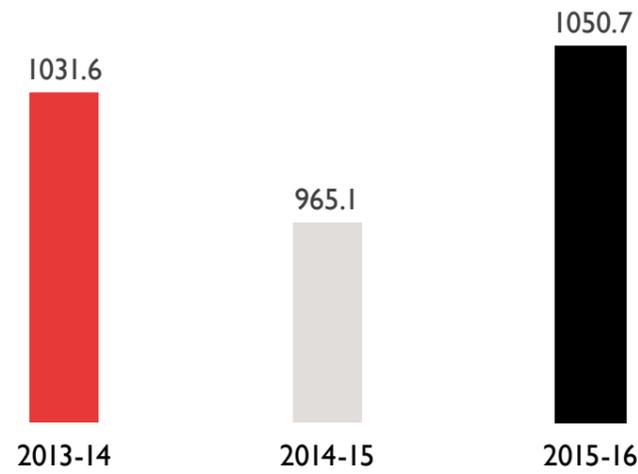
Net debt / EBITDA ratio



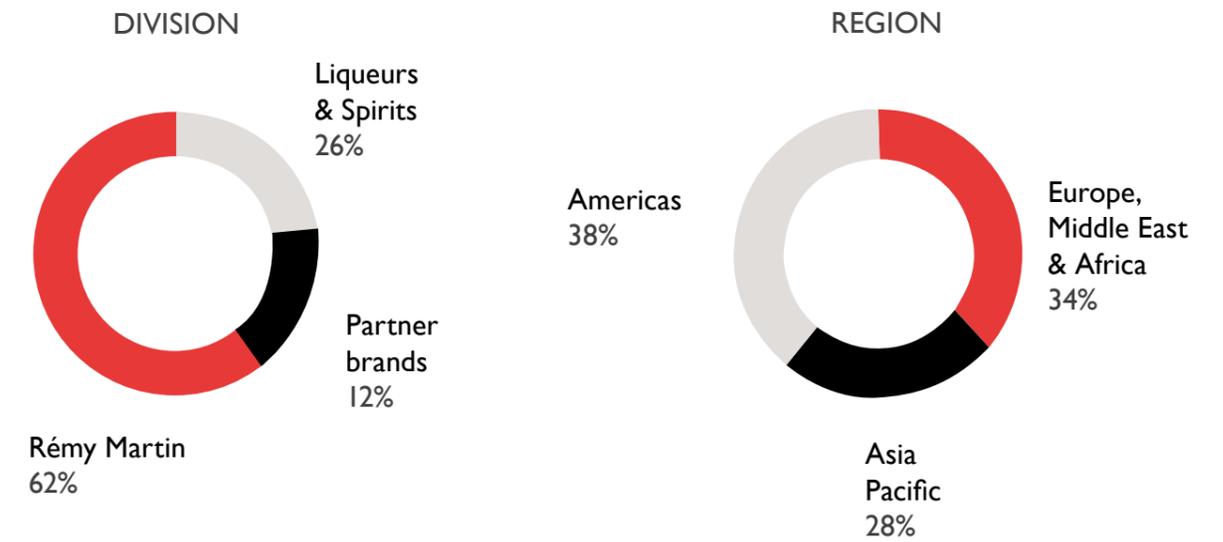
1.60€

Dividend

EVOLUTION OF SALES (IN M€)



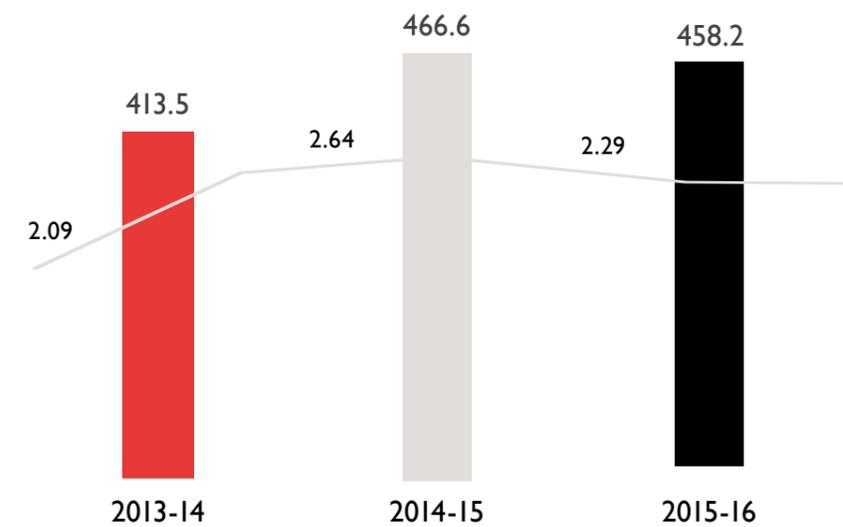
2015 / 2016 SALES BREAKDOWN BY DIVISION AND BY REGION



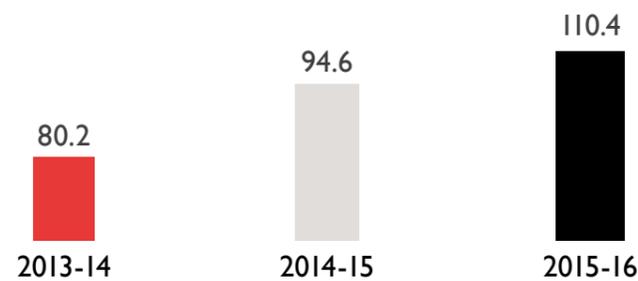
EVOLUTION OF THE CURRENT OPERATING MARGIN (IN %)



NET DEBT (IN M€) AND NET DEBT / EBITDA RATIO



NET PROFIT (EXCLUDING OF NON-RECURRING ITEMS) IN M€





/

THE YEAR OF THE BRANDS

The strategy of moving the portfolio of brands upmarket is having a virtuous effect not only on the image of each brand, **but also on their results.**

_ EXCEPTION AS A RULE

This year will have been a decisive one for the groups' brands in that each one will have to integrate the group's new strategic determination as its own.

Each brand has clarified its business model accordingly and has significantly reviewed its communication and market activation investments.

The guideline, which is perfectly homogeneous throughout the entire group, is as simple as it is exacting: to lay claim to a luxury position that is justified by the exceptional quality of each product in its category.

The first results have not taken long to appear. The single malt Bruichladdich and the gin The Botanist, for which the mix works perfectly, show very significant growth. Likewise, Cointreau is enjoying a very positive dynamic in the U.S., while 1738 Accord Royal in North America and Rémy Martin Club in Asia both show a two-digit increase.

While Metaxa is levelling off on the historic Greek and Russian markets because of the current geopolitical difficulties, Mount Gay is successfully pursuing its luxury realignment, with the rollout of Black Barrel on all its markets.

Today these developments provide every reason to have confidence in the group's approach and a great deal of certainty of its future success.

THE HOUSE OF RÉMY MARTIN

As the parent company of the group's two cognac brands, the House of Rémy Martin manages all their mutualised resources.

This year, it can be particularly proud of the solid results of its brands, Rémy Martin and Louis XIII, which enable it to resume its growth after two difficult years.

The record growth achieved by the high-end products of the Rémy Martin portfolio in North America, and its development in Africa, make it possible to take a positive approach to the difficulties still faced in 2015 / 2016 on the Chinese market.

Moreover, the accelerated value strategy that the group has established this year is already revealing its high potential. As the only house of cognac that has definitively renounced VS to only offer VSOP at the entry level, the House of Rémy Martin is leading the way to the excellence launched by Rémy Cointreau, with its emblematic brand in the front lines: Louis XIII. It has invested in the ultimate cognac this year more than ever before, strengthening the ties that unite this prestigious house with the spirit of exception established by the generations that guided its destiny in the past.

+ 14.7%

After two years of downturn, cognac sales are improving thanks to good results in the United States and Africa.

+ 19.0%

The Current Operating Profit of the division shows strong progress borne by the profitable growth of the superior qualities

21.6%

The Current Operating Margin has improved by 80 basis points, despite the significant increase of media investments





— RÉMY MARTIN

For the Rémy Martin brand, the year 2015 / 2016 marked the beginning of a new era: one that will allow it to perfectly align its position and its communication with its intrinsic values.

Today, Rémy Martin is the only major brand of which the cognacs are exclusively produced with cognac eaux-de-vie from Grande and Petite Champagne. With its aromatic richness and remarkable taste persistence, they are the result of an authentic approach initiated by the founders and which is still applied today.

In 2015 / 2016, the Rémy Martin value strategy opened a new, decisive chapter in its story. While the quality of the products and the pursuit of excellence remain fundamental, they are now enriched by new concepts which add an emotional dimension to the respect that the products inspire. Beyond the intrinsic quality of the cognacs, Rémy Martin is increasingly working on brand attractiveness and the service that is provided to the clients.

That is why, this year, a new, inspiring, universal brand platform was launched. The platform expresses the values and state of mind of Rémy Martin which resonates with the Millennial generation, of which each individual does not define himself or herself by a single activity but rather by a variety of interests.

The image of its emblem, the Centaur, a talent leader – which in turn reflects the brand's multi-talented founders –, the new communication campaign “One Life / Live Them” invites each individual to live up to his or her potential through the diversity of his or her talents and passions. As a matter of fact, this was the founding mission of the brand itself: to bring out the best of the terroir through the talent of people in the fullness of time.

Considerable human and financial resources were invested in supporting this international, multi-channel campaign, of which the brand ambassadors are Jeremy Renner in North America and Huang Xiaoming in China.

While the objective is to reinforce the brand's appeal in a durable way, the results were quick to appear, as shown by the undeniable success of 1738 Accord Royal in the United States (up 50% in 2015/16)!

/ THE CENTAUR

Hooves planted on the ground and head in the stars, the Centaur has been indissociable from the brand since Paul-Émile Rémy Martin chose it as an emblem in 1870. This talent leader marvellously embodies the “One Life / Live Them” campaign and the “slash” concept of this generation, of which each individual defines himself or herself by the variety of his or her activities.

_ LOUIS XIII

The cognac whose ageing process defies the passage of time. A brand that perfectly embodies the new Rémy Cointreau signature, "Terroir, people and time."

The terroirs are the limestone soils of Grande Champagne, of which the eaux-de-vie offer an exceptional ageing potential... The people are the wine-growers, distillers and of course the master blenders who select and blend our most extraordinary eaux-de-vie, which they leave to age for periods that exceed their own lifespans. The time is the century. What other product today, in our high-speed world, can still accord itself a full century of patience and work to finally offer up the best of itself for our enjoyment? Louis XIII is the result of a blend of eaux-de-vie aged for up to a century, and of which the youngest are at least forty years old. These eaux-de-vie themselves age in centuries-old tierçons carved from oak trees, which in turn are also several hundred years old.

The unique Louis XIII is a luxury brand in the best sense of the term. Its reputation goes beyond the world of spirits to reflect the full meaning of exactingness, patience and a constant pursuit of perfection. It is therefore natural that the brand is a figurehead for the value strategy established by Rémy Cointreau.

The year 2015 / 2016 will also have marked a true turning point for Louis XIII. The business model was redesigned around a single obsession: to put the client at the heart of our activities.

For Louis XIII, this is more than just a strategic intention: it is a day-to-day reality. Louis XIII intends on knowing each and every one of its clients and to cultivate a very special relationship with them, offering them an extraordinary experience.

This priority is taking on the form of a new sales organisation which enables a personal relationship with each client. It is also manifested by the brand's determination to develop itself outside of China, its principal market, to conquer other worlds. So even

though the Chinese market is showing signs of recovery this year, Louis XIII performed exceedingly well outside of this country, which is a promising sign for the international rollout already underway.

Likewise, the communication has also been emphasized in order to highlight the brand's values, beginning with its unique relation to time. In order to optimize the return on investment, the priority was to create a communication event that will be beneficial in the long-term and that is likely to generate a number of organic press opportunities, bringing full meaning to the time frame of this brand, of which the measuring unit is the century.

Thus the "100 Years – The Movie You Will Never See" campaign was conceived. At the heart of the campaign is a film specially made by John Malkovich and Robert Rodriguez. It will premiere in Cognac on November 18... 2115. In the meantime, the one and only reel of film will be locked into a safe which will automatically open on the projected date and time. Louis XIII will thus have been the first brand in the world to invite all of Hollywood to the Grand Non-Premiere of a film... Not coming soon! Their descendants, who will inherit the one-of-a-kind invitation, will be able to discover the film... In a century's time.

LOUIS XIII

It was a daring move that not just any brand could do. Louis XIII could do it, and Louis XIII did.

#notcomingsoon





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LIQUEURS AND SPIRITS

The Liqueurs & Spirits division includes nine brands with distinctive personalities and positions: the liqueur Cointreau, the Greek spirit Metaxa, the rum Mount Gay, the French brandy St-Rémy, the single malts Bruichladdich, Port Charlotte and Octomore, the gin The Botanist, and the liqueur Passõa.

The upmarket acceleration strategy became a reality for all in 2015 / 2016: Cointreau launched the offensive with Cointreau Blood Orange and Metaxa rolled out Angels' Treasure, a new luxury product, in Travel Retail. Mount Gay Black Barrel continues to assert itself as one of the leaders of the high-end rum segments in the new markets, and Octomore expanded its range with the launch of the limited edition Virgin Oak.

Along with these initiatives, the various business models were clarified, and media and digital investments were significantly reinforced, which explains the slight drop in operational profits of the division this year.

/

+4.1%

Liqueurs & Spirits posted another year of growth, led by favourable currency effects.

/

-7.1%

The Current Operating Profit declined this year as a result of the notable increase in communication investments.

/

17.6%

The Current Operating Margin remains at a high level.

_ COINTREAU

The Cointreau house began with the work of a man named Édouard Cointreau, the historical creator of this liqueur which still bears his family name. His creation is still prepared with the same exquisite care and the same subtle harmony of sweet and bitter orange peels recognized throughout the world.

Its founder also designed the brand's iconic square bottle: one so well-balanced that it stands sturdily on its four bottom edges, symbolizing both the fine taste and the full-bodied flavours of Cointreau's character.

The brand has always remained true to the personality that its creator attributed to it: a subtle, powerfully authentic cocktail of elegance and forward thinking.

Authenticity: the original creation of Cointreau which enables it to be the world's ultimate orange liqueur today.

Elegance: the subtlety of its flavours and also the Parisian spirit of Louisa Cointreau, the muse who inspired the creator.

Forward thinking: Édouard Cointreau's visionary spirit. Besides bringing out the best of the fruit and creating this liqueur, he became known for making one of the world's very first commercials, directed by the Lumière brothers.

For Cointreau, the 2015 / 2016 year was an opportunity to express – both with its product offer and through its communication – how far the brand has come while remaining true to its personality and values.

In terms of products, the major event was the successful Travel Retail launch of its latest creation, Cointreau Blood Orange. For this launch, the House was awarded a Gold Travel Retail Award. Even more high-end than Cointreau in terms of price positioning, this original liqueur is prepared with Corsican blood orange peel. Further proof, if any were needed, that Cointreau has earned its place at the heart of the group's upmarket strategy.

In terms of communication, the year heralded the launch of the philanthropic programme Cointreau Creative Crew, designed to invite individuals to realize their full potential by exploring their creativity.

Led by its talented ambassador, Lætitia Casta, the programme has generated no fewer than one million views for each of the webisodes posted on YouTube. It combines the brand's spirit of innovation, boldness and forward thinking and features creative initiatives by personalities all over the world.



COINTREAU BLOOD ORANGE
The bold face of Cointreau





_ M E T A X A

Like all the brands of the Rémy Cointreau group, METAXA took root in the depths of a one-of-a-kind terroir: the Greek islands of the Aegean Sea, and in particular that of Samos. The unique blend of eaux-de-vie and Greek island muscat wines, with a touch of mountain herb and rose petal extract, is a precious amber spirit known throughout the world.

METAXA, which has proudly carried its creator's name since 1888, is characterized as much by the richness of its aromatic structure as by its silky texture.

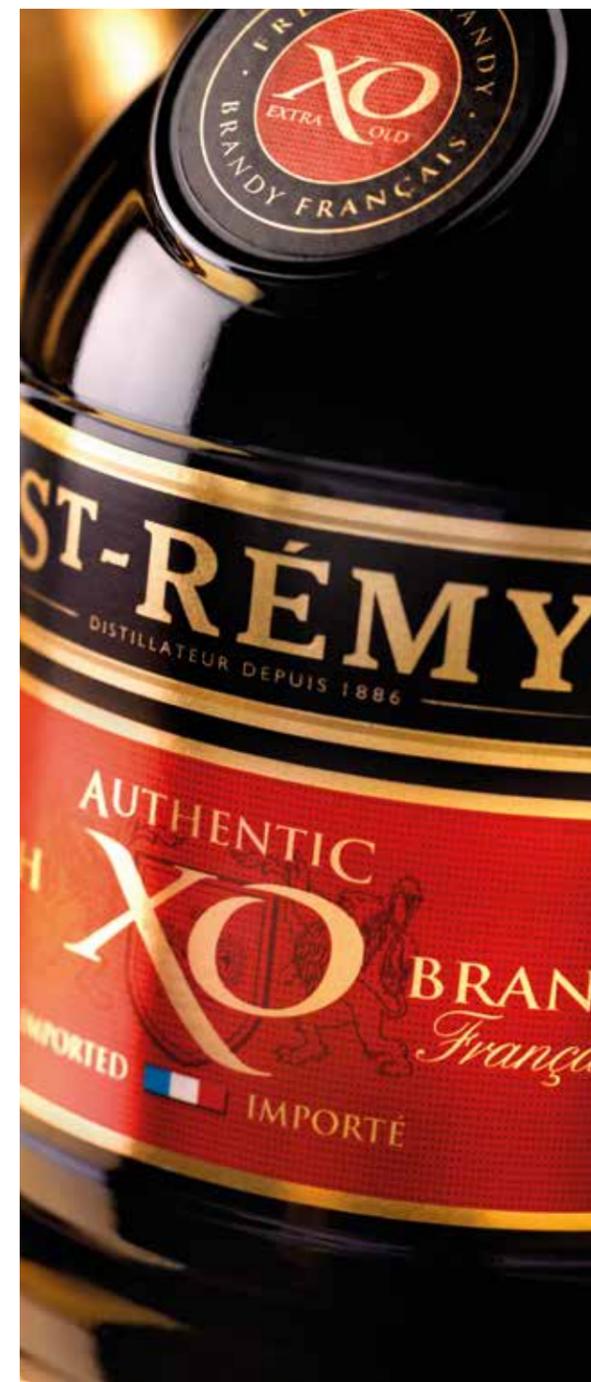
But beneath this warm, tempting appearance, the brand conceals an uncommon strength and spirit of resistance. Throughout time, crises and even wars, METAXA has remained true to the original inspiration of its creator, and to its character, roots and clients, keeping its authenticity intact.

This has proven to be a judicious strategy if there ever was one, because not only the brand's clients have never been disappointed, but METAXA has managed to create a territory for expression all its own which today enables it to fully participate in the value strategy of the Rémy Cointreau group.

Thus, this year, a new creation by the Metaxa Master Blender, Constantinos Raptis, has joined the brand's range of products: METAXA Angels' Treasure. This ambrosia is an exceptional nectar arising from the unique climatic conditions of Greece. Indeed, in the darkness of the Greece-based Metaxa cellars, the humidity is low and temperatures remain moderate throughout the year. These unique characteristics have an effect on evaporation. The proverbial angels' share is therefore greater in Greece, leaving behind a heavenly treasure of flavours concentrated through time.

At \$150 the bottle, available exclusively in Travel Retail to begin with, METAXA Angels' Treasure is a new weapon in the front lines of the Rémy Cointreau group's quest to become world leader of exceptional spirits.

Likewise, but on a whole different segment, the successful launch of Metaxa Honey Shot is helping develop the brand's renown among a younger target, in a spontaneous, festive consumption register. The launch was supported by a digital communication campaign that perfectly corresponds with the habits and expectations of this specific, high-potential target, demonstrating the brand's ability to innovate, recruit new consumers and rejuvenate itself!

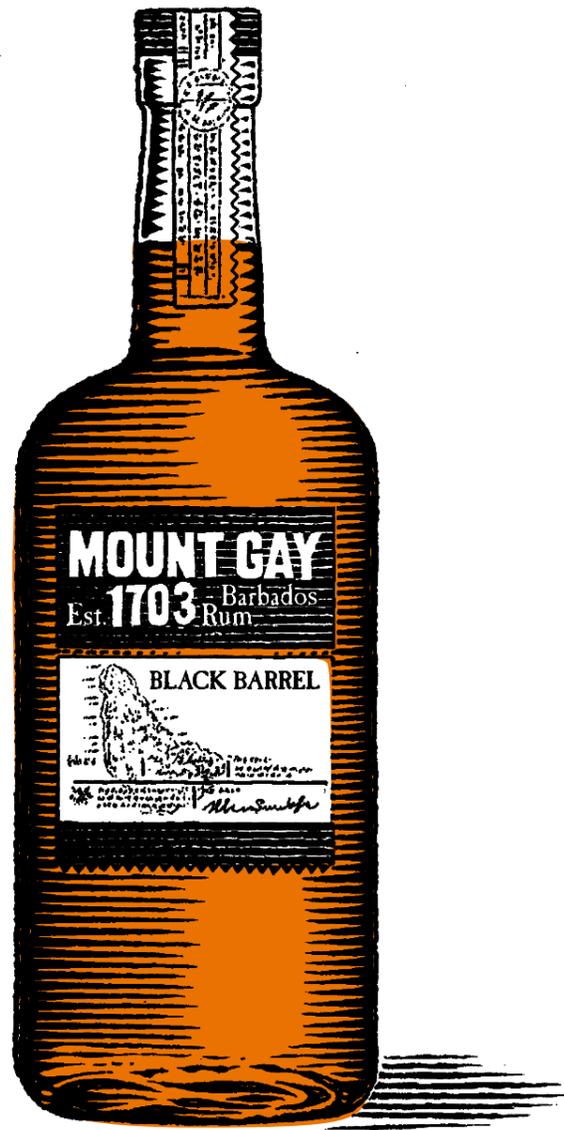


_ S T - R É M Y

The world's leading French brandy, St-Rémy is recognized for its authenticity and refinement, characteristics which arise from the exactingness that it shares with all the brands and products of the Rémy Cointreau group.

In 2015 / 2016, St-Rémy reinforced its position as leader with the conquest of new markets, notably in the Far East in Taiwan, but also in the Middle East, in Qatar and the United Arab Emirates. Moreover, St-Rémy is actively pursuing its upmarket strategy, and it has registered a record year in the sales of XO, a quality at the heart of its strategy.

This expansion is particularly promising for the years to come, and it is consolidating the brand's strong international positions, principally in Canada, Scandinavia and Central Europe, but also in Nigeria and Vietnam. The brand has also increased its visibility in Travel Retail with a better layout position.



_ MOUNT GAY

With a history that goes back to the very origins of rum itself – 1703 – and the island of Barbados where true molasses rum was first invented, Mount Gay has never ceased to assert its role as part of the Rémy Cointreau group and to carry its values forward on a market that certainly still has great opportunities in store for this brand, which has more than its fair share of legitimacy in terms of quality and authenticity.

The results speak for themselves, with an admirable progress in sales this year thanks to its principal markets. The first among these are the United States, Canada and the Caribbean; but the brand's new frontiers include New Zealand, France and England, where Mount Gay Black Barrel is already the leader of the high-end segment.

Through its actions in the last four years, the brand has centred its communication efforts on the on-trade and on the high-end segment with the Black Barrel brand. This translated into remarkable results.

From now on, Mount Gay intends on addressing the end client as a matter of priority by developing a new communication approach based on a mix of public relations, social networks, digital communication and events coordination. Its objective is to bring out the brand's personality and human authenticity through its ambassadors, personalities of influence who represent the brands.

These initiatives will make it possible to initiate a sincere, educational exchange with rum connoisseurs as well as aficionados of brown liquors, cognacs and old malts who might not yet suspect that they will soon become aficionados of Mount Gay Black Barrel!





— BRUICHLADDICH / PORT CHARLOTTE / OCTOMORE / THE BOTANIST

All the brands of the Bruichladdich House share the same fundamental values, as they are all the creations of the “Progressive Hebridean distillers”, as they are proud to call themselves. Founded in 1881, the distillery was taken over at the beginning of the last century by a visionary team who was particularly attentive to the origin of the various ingredients entering into the composition of its exceptional single malts.

These same principles led to the 2010 creation of the gin The Botanist, the result of the determination to create a spirit as surprising as possible, and with an unparalleled origin, authenticity and honesty.

Of course, Bruichladdich, Port Charlotte, Octomore and The Botanist cannot compete with the big players on this sector in terms of volume or revenue. But they are not playing in the same ballpark – or should we say terroir. For one thing, these brands are only at the beginning of their lifespan, and for another thing, they are all positioned on the luxury and

excellence sector. Each vintage is “hand-crafted” in the exacting pursuit of ultimate quality, in such a way as to meet the expectations of an ever-increasing number of professionals and connoisseurs seeking spirits of noble lineage. These undeniable advantages point to exceptional growth in the future for the products of the Bruichladdich House.

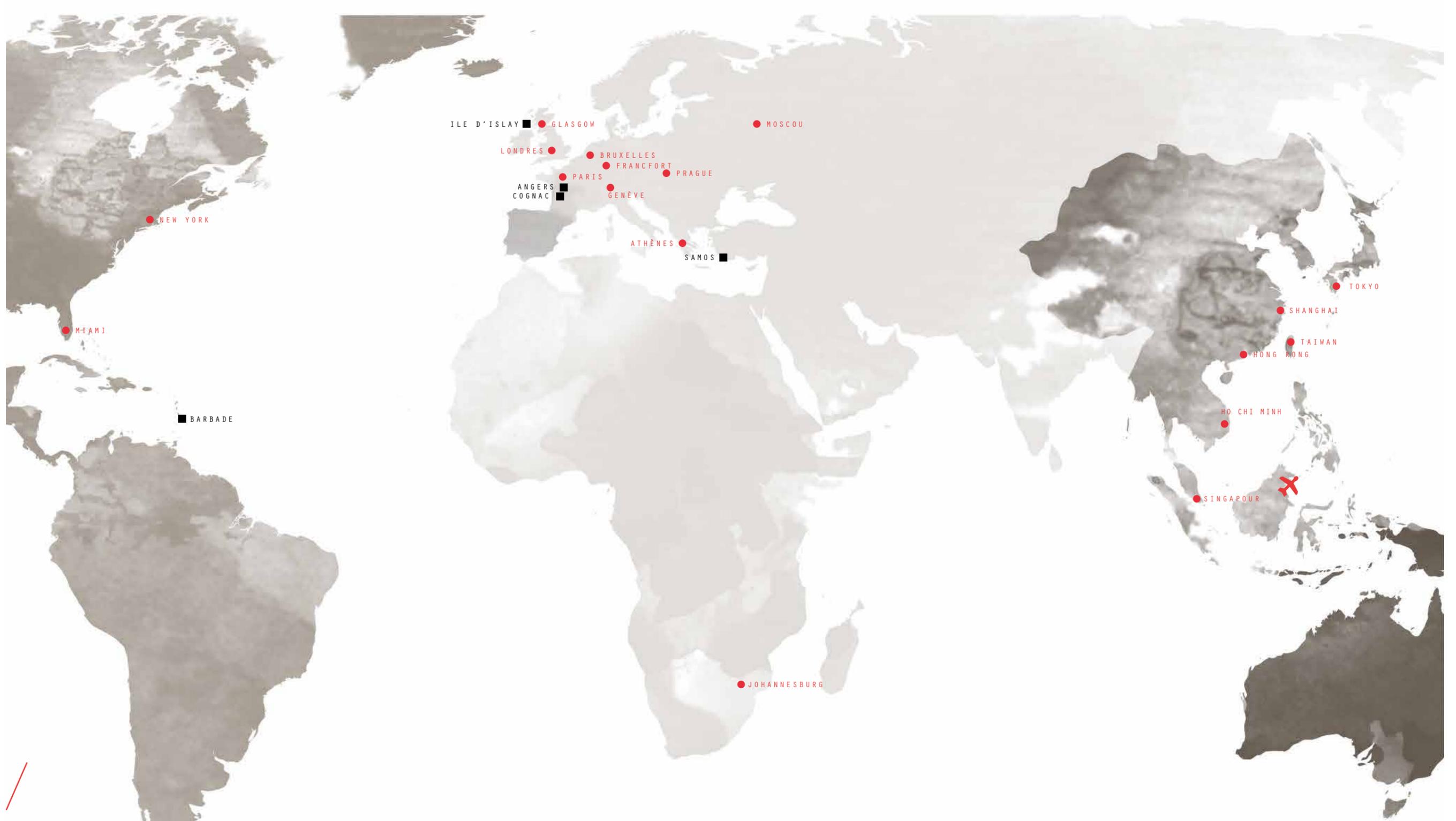
Beyond the qualities of its products, it is also – and especially – the spirit of the house that perfectly reflects the group’s values. For sixteen years, the twenty-four members of the team have also all been guided by the same light, motivated by the same unshakeable determination to defend their expertise, production methods and marketing approach, refusing any compromise. Not only does this passion for excellence perfectly correspond with the group’s current strategic approach, but it also contributed to the group’s profitability this year, and it will certainly do so even more next year.



Like the other great Houses of the group, Bruichladdich is known for its ability to combine respect for tradition with innovation. That is why it stood out this year with the launch of several new products. In Travel Retail, it brought out a 2007 vintage Port Charlotte aged in cognac barrels as well as a new Laddie Eight; on the national markets, it rolled out a prestigious limited edition of Octomore 7.4 aged in oak barrels.

Ever more innovative, the House is also asserting a strong presence in digital media with the organisation of launches and tastings shown in real time on Twitter and the creation of an interactive page on its website. This page now enables Internet visitors to know the history and pedigree of each bottle produced, an approach that is totally revolutionary in the small world of Single Malts.

Moreover, the communication devoted to informing clients will be the key to success for the House brands in the years to come. It spends the greatest portion to its advertising and promotional investments in this pursuit. The brands’ ambassadors and sales representatives are in charge of making the distillery’s brands known. And when the discovery of its history is combined with that of its production sites, it is rare that clients do not allow themselves to be converted to Bruichladdich’s own values.



DISTRIBUTION NETWORK

- EMEA zone: 34%
- AMERICAN zone: 38%
- ASIAN zone: 28%

- The group's administrative sites
- The group's production sites
- ✈ Travel Retail representation offices



THE MARKETS

_ THE AMERICAS

In an American spirits market that registered a growth in volume of approximately 2% over the 2015 / 2016 year, the cognac segment benefited from the brown liquor consumption dynamic with a progression of more than 10% this year. Moreover, the upmarket trend is continuing, and the super-premium and ultra-premium segments are the ones that are most strongly developing.

In such a context, Rémy Cointreau's focus on exceptional spirits has enabled the group to take the best possible advantage of the current trends. The total sales of the group's cognac portfolio (which begins at the VSOP level), showed a two-digit growth in 2015 / 2016, particularly thanks to the success of two of its brands, 1738 Accord Royal and Louis XIII. And these results are certainly closely linked to the success of the "One Life/Live Them" and "100 Years – The Movie You Will Never See" communication campaigns!

The Cointreau and Mount Gay brands also had an excellent year in the United States. The consumption of Cointreau has progressed in volume and in value, in on-trade as well as off-trade, thanks to the success of the Cointreau Rickey cocktail and the activation of our "La Soirée" programme. Mount Gay's upmarket strategy, which has been underway for a few years now, continued with greater distribution of Mount Gay Black Barrel, the brand's high-end offering.

And for their second year of presence in the United States, Islay Spirits also showed excellent results. With the advantages of their unique positions and renowned quality, the Bruichladdich and The Botanist brands are making the most of the increasing interest in mixology.

The diversity of the group's prestigious brand portfolio and the effectiveness of its supportive operations make it possible to face the years to come with confidence on the American market.

_ ASIA

Asia is intrinsically a complex market, and it is better to approach it in terms of population and consumption rather than geography.

In Asia we distinguish three different worlds.

_The first is that of the HNWI (High Net Worth Individuals) who have strong purchasing power and are the VIP clients of Louis XIII. They have strongly contributed to the brand's success and development.

_The second world is that of mixologists. These cocktail artists spell success for the specialized bars that are spreading throughout Asia, and in Rémy Cointreau they find a varied product offer that meets with their expectations.

_The third world is that of cognacs, which are highly appreciated by the Chinese of the southern regions and the members of Chinese ethnic groups from further south.

The year 2015 / 2016 was thus principally marked by the first signs of recovery of the Chinese demand, which had been flagging for the past three years. While "public" consumption has disappeared, "private" clients are becoming more abundant as they become more affluent. This explains why the Rémy Martin Club has so greatly progressed this year: the upper middle class is growing by approximately 20 million people per year.

The groups' new international organisation is closer to the field and more flexible, which also makes it possible to remain as reactive as possible to the slightest ripple in the market.

The Rémy Cointreau group ranks third on the Asian market, and today its position as challenger is very encouraging for the future. Since this autumn, the group has been distinguishing itself by ranking first in terms of media investments in China, revealing its determination to assert, loud and clear, its exceptional position in this region of the world, where the population certainly does not hide its attraction to luxury products.

“A
great
potential
for development”



THE MARKETS

_ E M E A

Despite the heterogeneity of the vast region covering Europe, the Middle East and Africa, some general characteristics and trends do emerge, and many of them are encouraging for the future. Among these, the main one is very certainly the constant growth of the portion occupied by the high-end or luxury segments, for which the group enjoys a great potential for development.

Western Europe showed minor growth in 2015 / 2016, principally carried by the United Kingdom and Germany, but also to a lesser extent by Italy and Spain, where the off-trade consumption has recovered. However, the terrorist attacks in France had a very negative impact on tourism and the attendance of luxury clientele.

In Central and Eastern Europe, the luxury market is developing to the detriment of the mid-range market, which perfectly corresponds with the group's new strategic orientations. In Russia, all the brands are still suffering from the geopolitical situation, even if the very wealthy fringe of the population remains very promising for the most prestigious products.

Likewise, the situation in the Middle East is still a problem, but there are real opportunities appearing in the Gulf States – in Dubai and the United Arab Emirates – for an international community with a high demand for luxury products.

In this tumultuous economic context, Africa presents an important growth potential, and the investments made in the last few years are proving effective, since the group's sales nearly tripled during the 2015 / 2016 year. India, which is now included as part of the vast EMEA region, offers immense perspectives for Louis XIII. The brand has a communication strategy and a finely targeted sales approach that particularly addresses high-net-worth individuals, who are increasingly numerous in this area of the world.

_ T R A V E L R E T A I L

The Travel Retail market includes airport shops and border shops, principally in North America and in China, as well as airline and cruise companies. In Europe, where Duty Free is no longer effective for flights between countries of the European Union, the stores are showcases which are proving to be excellent laboratories where innovations may be tested.

Generally, the year 2015 / 2016 was difficult because of the conjunction of two worldwide phenomena: the high exchange rate of the American dollar which strongly penalizes purchases originating in Europe, and also the reduction in the number of wealthy travellers coming out of China and Russia because of various geopolitical issues, and currencies volatility.

Moreover, the terrorist attacks in Europe, Turkey and Egypt have affected their behaviour, and they spend less time in Duty Free zones.

All these events have led to a downturn in sales over the year for all the group's brands. While cognacs have suffered, Cointreau, on the other hand, performed well, thanks to the successful launch of the new Cointreau Blood Orange. And Islay Spirits, Bruichladdich and the Botanist, also had very good results this year.

However, beyond the economic difficulties that are strongly penalizing this super-sensitive sector, the group's upmarket strategy is a clear fit with Travel Retail, a sector with a concentration of clients having strong purchasing power, and one that allows a high-quality individual contact with each client.



RÉMY COINTREAU AND DIGITAL MEDIA

In a group like Rémy Cointreau, where tradition and time are at the heart of the activity, continuous innovation and the immediacy of the digital world might appear secondary.

However, 2015 / 2016 revealed that the teams had a true ambition in this field, and that the company itself could demonstrate a remarkable agility enabling it to become part of this new culture.

Thus Rémy Martin Club launched the first "connected" bottle this year on the Chinese market. The bottle is equipped with an intelligent chip that makes it possible to authenticate the bottle to prevent fraud and to communicate with the clients by transmitting information about the conditions of the bottle (on the shelf, before opening, after opening, and so on).

Likewise, the Rémy Martin website was entirely redesigned to contribute to the brand's modernisation and firmly establish its high-end position. Designed like a succession of "slashes" linked by a strong editorial line, the site offers an original browsing concept that is particularly well adapted to mobile phones.

A special micro-site reflecting the One Life / Live Them communication platform makes it possible for the group to establish a personal connection with the Internet visitor, inviting him or her to share his or her own talents online in the spirit of the advertising campaign.

Cointreau also put a great deal of resources into digital media this year, with the online release of its "Dream, Dare, Create" campaign, featuring the brand ambassador Læticia Casta and other renowned personalities such as Eva Longoria, and paying tribute to the creative boldness of Louisa Cointreau. This campaign, with a feminine target, has been viewed more than 15 million times on YouTube; and most importantly, it contributed to increasing intentions to purchase by 35%.

Digital technology is a true meeting place where the brand may encounter its client, making it possible to implement a very high-performance CRM strategy. On the new Cointreau site, for example, visitor activity is continually analysed. Tomorrow this analysis will allow the brand to roll out sales offers at the best possible time in order to guide targeted clients progressively toward consumption. It will then be possible to optimize the business impact of the group's digital activity on a grand scale.

The perspectives offered by digital media continue to develop: mobile geolocation for ultra-targeted offers, the creation of experiences intended to reveal the boldness and creativity of consumers, and so on. In this participative dynamic, the Cointreau brand launched a scholarship of £20,000 in the United Kingdom to fulfil the dream selected as most creative among those submitted by its consumers.

There is no limit but that of the imagination!

PEOPLE AND TALENT

_ TALENT MANAGEMENT

This year was marked by the acceleration of the group's Talent Development strategy. The mission of this department is twofold: to supervise and harmonise all the group's strategic recruitments from the Executive Committee to the key positions, and also to "coordinate the Talent community" internally.

Rémy Cointreau himself made a point to meet each and every one of his Talents, regardless of their status or profession. It is essential to consider the person as a whole and to engage an honest discussion on his or her motivations, ambitions and potential for development. The group hopes to be able to guide each employee so that he or she may reach his or her professional potential, with respect for the challenges that each person faces and his or her personal environment. This lays the foundations for a sincere, authentic relationship in the image of the group's own philosophy so that each party may optimally benefit from the collaboration.

This approach is innovative, since it flies in the face of convention and offers a true opportunity to address the subject of personal evolution in the professional setting. And the results speak for themselves! For each position to be filled, priority is given to internal mobility. Most recruitments are now carried out directly, without the intermediary of an exterior agency, which favours the attention brought to the values and human qualities of the new arrivals. From China to the United States, dozens of recruitments and internal moves have been made since this department was created.

The Talent Development Department exists to create a lifeline among people, the company and the environment. This is shown by the "Reveal your inner talents" initiative modelled after Rémy Martin's "One Life / Live Them" communication campaign. The programme offers the Group's employees the opportunity to share their personal interests.

One year after its creation, this new department is abounding in projects and encounters, even offering entire teams the opportunity to "take a breather" for informal meeting days with other companies in a variety of sectors. These encounters are always very enriching for everyone involved, illustrating the group's determination to go one step further in the pursuit of individual development by offering each and every employee a clear view of the full scope of possibilities.

_ RECRUITING AND TRAINING

At Rémy Cointreau, the company's foremost capital is people, and this is exemplified every day in terms of recruiting, training, work organisation and internal communication.

For exterior recruitments, emphasis is placed on the diversity of applicants' professional experiences in order to enrich the group's expertise. This past year's recruiting confirmed this approach: most of the newcomers have had careers in the luxury sector, in keeping with the upmarket strategy that has recently been implemented.

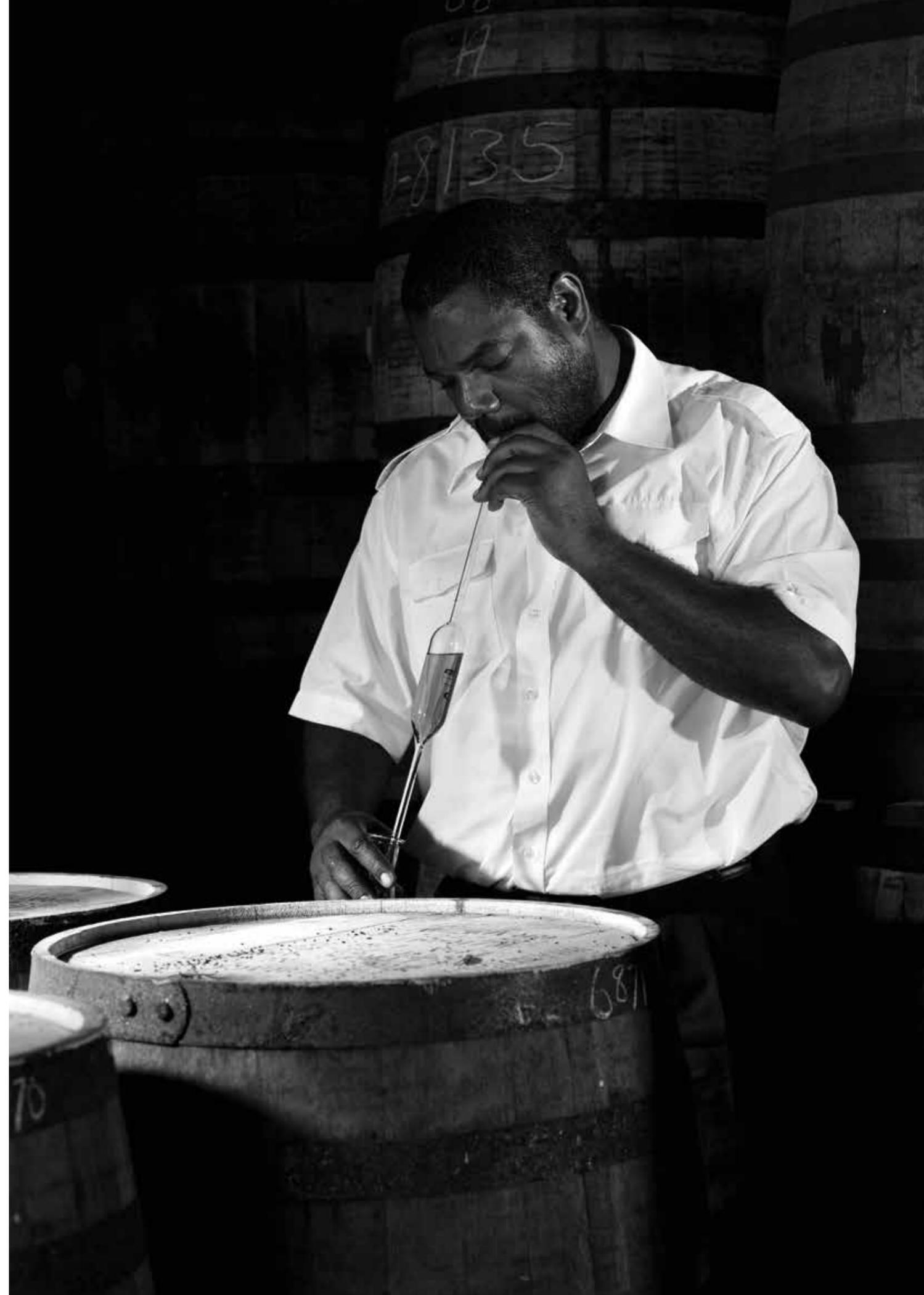
But attentiveness is especially at the heart of the group's concerns in terms of human resource management. This year, a satisfaction survey was held on an international level, and the results and action plans were presented in each of the corporate sites. Training is one of the employees' expectations.

Internal training sessions specially created for the group's professions were therefore implemented. These include Brand Academy, to familiarise employees with the various brands; Art of Selling Academy for sales representatives; Finance Academy for employees with no formal financial training; Quality Academy, which addresses the products and their presentation; and Digital Academy and Management Academy will soon be available, too.

The respondents also expressed the desire for a more fluid work organisation, with the reorganisation of several of its offices in open spaces, and the introduction of teleworking.

In a general way, the Rémy Cointreau group has understood that everyone's success depends on each person's satisfaction. Communication and discussion occupy a central role as shown by one example among many: the recent introduction of an innovation platform on the company intranet, where each employee may propose ideas in any field. Other employees may, in turn, support the idea, or even add a work time slot or budget proposal to help the idea materialise.

A group that trusts its employees to improve their performance and their well-being at work: this is also where one should seek the reasons of its success as much as the quality of its products.





CORPORATE SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

_ A RENEWED AMBITION

It has been nearly fifteen years that Corporate Social and Environmental Responsibility is at the very heart of Rémy Cointreau's development strategy. This commitment is gaining momentum this year as the group's signature, "Terroir, people and time", emphasises the three indissociable components of its founding values.

Terroirs are at the centre of the sustainable development objectives. The group has brought special attention to this aspect for many years, in an effort to preserve the authenticity of its roots, not only alongside its wine-growing partners in the Cognac area, but also on the islands of Barbados, Islay and Samos.

However, as precious as these terroirs may be, they require the well-advised attention of men and women in order to best express themselves, and in order for all their aspects to be continually reinterpreted with enthusiasm. This depends on expertise, of course, but also of people skills, internally and with our partners. The dual social and societal responsibility remains the very foundation of any company deserving of the name.

Lastly – if such can be said of Rémy Cointreau, since it never seems to end –, time provides its irreplaceable contribution by determining everyone's behaviour. The mastery of long periods of time, which acts as a showcase for our blends and their ageing; but also the necessity of quick turnaround times which must provide the company with the flexibility necessary for its international performance in a dynamic, competitive setting.

_ A PLANNED COMMITMENT

The 2016 / 2017 year will be the opportunity for Rémy Cointreau to initiate its 2020 CSR Plan, a new direction that notably reflects the ambitions imposed by its increased activity as a distiller (with Bruichladdich and Mount Gay).

Three of its characteristic initiatives may be emphasized :

The group's Board of Directors decided to incorporate a CSR Commission into its structure in order to supervise the many initiatives undertaken by the Brands and regions.

It also approved the principle of creating a Fondation Rémy Cointreau during the 2016 / 2017 year. This foundation will support public interest projects on local and international levels with themes that fully reflect the company values.

As early as 2017 / 2018, CSR objectives will be taken into account when calculating the wages of executive managers in order to encourage them to uphold good practices, both internally and when dealing with exterior partners. The first year of the plan (2016 / 2017) will make it possible to precisely determine the most appropriate indicators for each one and the level of ambition that might be set for them.

For Rémy Cointreau, envisaging the consequences of its activities throughout the production cycle is a priority, from the origin of the products to their consumption and beyond. This priority is at the very heart of our brands' and Houses' commitment to quality, and so it is important for our group to promote reasonable consumption and to foster the education of its employees and clients.

More than ever, Rémy Cointreau is placing CSR at the centre of its strategic ambition, since it clearly participates in enhancing the value of our brands while reasserting the exceptional nature of these spirits.



_ WINE - GROWING

Since 1966, the Rémy Cointreau House has sourced the great majority of its grapes from a specialized cooperative structure, Alliance Fine Champagne. It also has its own vineyards where it holds its own experiments. All these initiatives are intended to develop the competitiveness of its wine-growing activities with respect to quality.

This year, the Rémy Martin Estates obtained a three-year renewal of their AHVE (high environmental value agriculture) certification and maintained their PEFC certification, for the sustainable management of the woodlands on their property.

They are also at the leading edge of research in terms of reducing the use of fertilizers and other phytosanitary products, and in particular insecticides, in cooperation with the Charente Chamber of Agriculture.

Moreover, Rémy Martin encourages its wine-growing and distiller partners to obtain AHVE certifications by offering training sessions on the subject. The Rémysphère newsletter also provides them with information on the House's latest advances and actions in the field, thus contributing to further reinforcing its trustworthy partnerships, the first guarantee of the quality of its eaux-de-vie.

_ ENVIRONMENT

In 2015 / 2016, the Rémy Cointreau group devoted more than two and a half million euros to improving quality, security and the environment. All the employees were involved through training sessions (2.700 hours this year) and with the guidance of the designated Environment correspondents of the various sites.

The control and reduction of energy reduction is one of the foremost objectives of the group's CSR approach. Energetic audits and progress plans have been undertaken in Angers and Cognac in order to go beyond the regulatory standards in terms of heating, insulation, lighting, and so on.

Likewise, studies carried out locally resulted in agreements for the purchase of renewable energies, which will bring the portion of "green" electricity consumed to 21%.

In a general way, the consumption of energy per produced unit has been reduced, with the exception of the Barbados site (due to the addition of new distillation activities). On the Cognac sites, the development of distillation and the expansion of the vineyards has resulted in an increase in water consumption.

The same goes for the pollution levels of effluents, greenhouse gas emissions and waste generation: when increases are recorded, they are always the result of additional activities or developments of the existing activities on the sites. Moreover, every effort is made to limit the environmental impact of our activities as much as possible and to raise awareness on good practices with respect to the principles of preserving the terroirs and their populations and wildlife.

_ GOOD CITIZENSHIP AMONG SUPPLIERS

Social issues have always been a priority for Rémy Cointreau. One of the essential components of the 2020 CSR plan is to guide our suppliers in the various territories accommodating the group toward sustainable development and to support their initiatives to foster their populations in a spirit of reciprocity.

The group also supports associations and private or public organisations involved in environmental protection and education on CSR themes. It also participates in local not-for-profit operations throughout the world to improve living conditions and support social progress, and helps promote culture through its sponsorship commitments.

Aware of its role as leader in its fields of activity, Rémy Martin asks its suppliers to align their practices with its CSR approach. This year the group became a member of SEDEX (Supplier Ethical Data Exchange), an international organisation with the objective of encouraging ethical and responsible corporate practices throughout their supply chains while reducing risks. It increasingly enjoys trustworthy relationships with its suppliers and employees according to the best possible standards of responsibility and accountability, demonstrated by its compliance with a number of ethic charters and codes.

Due to the very nature of the products offered by the Rémy Cointreau group, it is fully invested in promoting responsible consumption by its clients. This is concretely exemplified by its participation in various representative organisations in France and throughout the world, internal and external initiatives in favour of reasonable consumption, and an attentive control of its advertising messages and its brands' promotional operations.

CSR

PROGRESSIVE APPROACH, RESPONSIBLE STAKEHOLDER, RESOURCE PRESERVATION, BIODIVERSITY

— THEMES — 2015/2016 OBJECTIVES — 2015/2016 RESULTS — 2016/2017 OBJECTIVES

CSR MANAGEMENT

CSR reporting (objective: international expansion)
International expansion of CSR reporting (total integration of Bruichladdich and Mount Gay sites)

To create an international network of CSR correspondents
To create a CSR Committee at the Board of Directors level

WORK CONDITIONS

To reduce the discrepancy in wages between men and women with equivalent positions, skills and experience levels (objective: to reduce the male/female disparity)
To follow up on absenteeism (objective: to reduce absenteeism to below 4 %)
"Work safety" action plans (objective: to reduce the number of work-related accidents and occupational illnesses)
To give special attention to the integration of handicapped persons into the staff (objective: to comply with regulations)
To conceive, develop and implement training programmes (objective: professional career development)
To make work stations more ergonomic

Compliance and implementation of procedures guaranteeing the non-discrimination between men and women with equivalent positions, skills and experience levels throughout all the group's entities
Objectives attained in terms of absenteeism (3.55 %) within the perimeter followed up on with reporting
Compliance with action plans to reduce the frequency rate and seriousness of work-related accidents within the perimeter followed up on with reporting
Implementation of specific actions to integrate handicapped persons (actions carried out in France to promote the indirect employment of handicapped persons – protected workshops)
Implementation of "Training" action plans
Execution of specific modifications to improve the ergonomomy of certain work stations

To reduce the discrepancy in wages between men and women with equivalent positions, skills and experience levels (objective: to reduce the male/female disparity)
To follow up on absenteeism (objective: to reduce absenteeism to below 4 %)
"Work safety" action plans (objective: to reduce the number of work-related accidents and occupational illnesses)
To give special attention to the integration of handicapped persons into the staff (objective: to comply with regulations)
To conceive, develop and implement training programmes (objective: professional career development)
To make work stations more ergonomic

WINE - GROWING

To reduce the use of phytosanitary products (objective: 16 %)
To raise the environmental awareness of wine-growers (objective: AHVE-certified wine-growers)

Reduction in the use of phytosanitary products (down 9 %)
Environmental awareness raised among wine-growers (51 wine-growers received AHVE I training)

To reduce the use of phytosanitary products (based on the Phytosanitary Treatment Frequency Indicator calculation)
To raise the environmental awareness of wine-growers (objective: AHVE-certified wine-growers)

ENVIRONMENT

Energies, water and paper (objective: to optimise consumption)
Renewable energies (21 %)
CO₂ emissions (objective: Results for scopes 1 & 2 of greenhouse gas emissions)
Waste (objective: to reach 90 % sorting and recovery rates)
Effluents (extension of the measures to the Barbados site)
Biodiversity (objective: "Bees / Forests" preservation operations)

Energies, water and paper (pursuit of consumption optimisation)
Renewable energies (21 % of consumption in the France-based sites)
CO₂ emissions (extensions of the scope 1 & 2 results to the sites of Barbados and Islay Island)
Waste (sorting rate: 94 % / recovery rate: 91 %)
Effluents of the Islay island and Barbados sites (BOD: 439 tons / COD: 1.743 tons)
Biodiversity (pursuit of "Bees / Forests" preservation operations)

Energies, water and paper (objective: to optimise consumption)
Renewable energies (more than 21 %)
CO₂ emissions (objective: Results for scopes 1, 2, & 3 of greenhouse gas emissions for the France-based sites)
Waste (objective: to reach 90 % sorting and recovery rates)
Effluents (objective: to reduce the pollution of effluents for BOD and COD levels so that they are lower than those of 2015 / 2016)

FAIR PRACTICES

CSR, Responsible Communication and Consumption charters, internal ethics code (objective: to comply with charters and codes / accountability for practices)

CSR, Responsible Communication and Consumption charters, internal ethics code (compliance with charters and codes / accountability for practices)

CSR, Responsible Communication and Consumption charters, Internal ethics code (objective: to comply with charters and codes / accountability for practices)

GOOD CITIZENSHIP

Discussions on good CSR practices in the fields of teaching and business (objective: to participate in the sustainable development of territories / international expansion)

Participation in the sustainable development of territories sharing good CSR practices in the fields of teaching and business

Discussions on good CSR practices in the fields of teaching and business (objective: to participate in the sustainable development of territories / international expansion)

SUPPLIERS

Sustainable, responsible purchasing (objective: CSR evaluation of suppliers by an external third party)

Sustainable, responsible purchasing: CSR evaluation of suppliers based on Sedex information / Sedex membership by Rémy Cointreau / rate of suppliers evaluated: 70 %

Sustainable, responsible purchasing (objective: CSR evaluation of suppliers by Sedex / an increase in the rate of suppliers evaluated to more than 70 %)

CONSUMERS

Follow-up and approval of communication campaigns (objective: to comply with the internal charter / to increase the rate of campaigns verified to more than 95 %)

Implementation and approval of communication campaigns (compliance with the internal charter / rate of campaigns verified and approved: 100 %)

Implementation and approval of communication campaigns (objective: to comply with the internal charter / to increase the rate of campaigns verified to more than 95 %)

BOARD OF DIRECTORS

31 MARCH 2016

Chairman
François Hériard Dubreuil

Directors
Dominique Hériard Dubreuil
Marc Hériard Dubreuil
Laure Hériard Dubreuil
Florence Rollet*
Yves Guillemot*
Bruno Pavlovsky*
Olivier Jolivet*
Jacques Étienne de T'Serclaes*
Guylaine Dyèvre*
Emmanuel de Geuser*

*independent director

COMMITTEES

Audit-Finance
Chairman: Jacques-Étienne de T'Serclaes*

Nomination - Remuneration
Chairman: Yves Guillemot*

STATUTORY AUDITORS

Ernst & Young & Autres
Represented by Pierre Bidart

Auditeurs & Conseils Associés
Represented by François Mahé



YVES GUILLEMOT

BRUNO PAVLOVSKY

JACQUES ÉTIENNE DE T'SERCLAES

OLIVIER JOLIVET

MARC HÉRIARD DUBREUIL

EMMANUEL DE GEUSER

DOMINIQUE HÉRIARD DUBREUIL

GUYLAINE DYÈVRE

FRANÇOIS HÉRIARD DUBREUIL

FLORENCE ROLLET

LAURE HÉRIARD DUBREUIL



FINANCE

_ OBJECTIVES MET

2015 / 2016 was the first year of implementation of the group's new strategic vision. This resulted into a gradual refocus on the high-end products and more targeted innovation, while communications investments and the distribution network have been adapted to the portfolio upgrade strategy.

Despite the magnitude of these changes, the Rémy Cointreau group still managed to deliver a solid growth in sales, achieved its financial objectives and improved its balance sheet structure.

The group's sales showed a slight organic growth of 0.3% (at constant currency and scope) over the year, led by its own brands, up 1.7% in organic terms. Including currency benefits, the group's reported sales grew 8.9% in 2015 / 2016.

Cognac has regained positive momentum in 2015 / 2016, driven by the Americas, Africa, South-East Asia and Japan, and within the Liqueurs & Spirits division, gin, rum and whiskies performed strongly.

The objective set for the year — to deliver positive organic growth in Current Operating Profit — has therefore been achieved by 6.1% and the Current Operating Margin came in at 17.0%, up 90 basis points in organic terms. This gain reflects the success of the exceptional spirits within the portfolio and the optimization of the overheads, allowing for a targeted increase in communications investments.

The solid cash generation was also a key highlight of the year, thanks to effective management of the working capital requirement. This translated into a healthy reduction in the net debt and debt ratios.

_ AND POSITIVE OUTLOOK

The group's performance in 2015 / 2016 offers a positive outlook on the five-year strategy, whose dual objective is: 1) to generate between 60% and 65% of the group's turnover with spirits whose retail value is above 50 dollars (compared with 45% in 2014 / 2015) and 2) to lift the group's Current Operating Margin between 200 and 400 basis points (at constant currency and consolidation scope) by 2019 / 2020.

The results have not taken long to appear: this year, the contribution of exceptional spirits to group sales reached 49%, thanks to the performance of Rémy Martin Club in Asia and I738 Accord Royal in the US, as well as the strength of the progressive brands, such as the single malt Octomore and the rum Mount Gay XO.

In addition, the organic improvement of the Current Operating Margin in 2015 / 2016 (+90 basis points) is greatly encouraging for the years to come.

All these positive results fully justify the pursuit and acceleration of the repositioning efforts that were undertaken this year.

_ EVOLUTION OF THE RÉMY COINTREAU STOCK (IN EUROS OVER FIVE YEARS)



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

_AS OF 31 MARS, IN €M	_ 2016	_ 2015
Brands and other intangible assets	487.6	490.6
Property, plant and equipment	223.2	215.6
Investments in associates	40.6	45.6
Other financial assets	94.7	95.5
Deferred tax assets	28.9	41.7
NON-CURRENT ASSETS	875.0	889.0
Inventories	1 107.9	1 109.1
Trade and other receivables	232.8	248.7
Income tax receivables	7.8	16.9
Derivative financial instruments	10.6	0.8
Cash and cash equivalents	46.9	74.1
Assets held for sale	0.5	—
CURRENT ASSETS	1 406.5	1 449.6
TOTAL ASSETS	2 281.5	2 338.6
Share capital	78.0	77.9
Share premium	695.3	693.9
Treasury shares	(8.7)	(9.6)
Consolidated reserves and profit for the year	319.8	271.9
Translation reserve	27.5	40.2
EQUITY - ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY	1 111.9	1 074.3
Non-controlling interests	1.4	1.4
EQUITY	1 113.3	1 075.7
Long-term financial debt	172.0	344.1
Provision for employee benefits	30.7	31.7
Long-term provisions for liabilities and charges	5.6	10.2
Deferred tax liabilities	101.0	89.1
NON-CURRENTS LIABILITIES	309.3	475.1
Short-term financial debt and accrued interest	333.1	196.6
Trade and other payables	499.1	532.5
Income tax payables	9.8	9.4
Short-term provisions for liabilities and charges	13.3	19.5
Derivative financial instruments	1.2	29.8
Liabilities held for sale	2.4	—
CURRENTS LIABILITIES	858.9	787.8
TOTAL EQUITY AND LIABILITIES	2 281.5	2 338.6

CONSOLIDATED INCOME STATEMENT

_AS OF 31 MARS, IN €M	_ 2016	_ 2015
Turnover	1 050.7	965.1
Cost of sales	(384.9)	(347.0)
GROSS MARGIN	665.8	618.1
Distribution costs	(406.7)	(374.2)
Administrative expenses	(81.6)	(89.4)
Other income from operations	0.9	1.5
CURRENT OPERATING PROFIT	178.4	156.0
Other operating income/(expense)	0.3	0.5
OPERATING PROFIT	178.7	156.5
Finance costst	(24.0)	(24.0)
Other financial income	(3.3)	(5.7)
FINANCIAL RESULT	(27.3)	(29.7)
PROFIT BEFORE TAX	151.4	126.8
Income tax	(44.1)	(33.5)
Share in profit of associates	(4.8)	(0.7)
PROFIT FROM CONTINUING OPERATIONS	102.5	92.6
Net profits / (loss) from discontinued operations	—	—
NET PROFIT FOR THE YEAR	102.5	92.6
ATTRIBUTABLE TO:		
non-controlling interests	0.1	—
owners of the parent company	102.4	92.6
NET EARNINGS PER SHARE - FROM CONTINUING OPERATIONS €		
basic	2.11	1.91
diluted	2.11	1.91
NET EARNINGS PER SHARE		
attributable to owners of the parent company	2.11	1.91
dilué	2.10	1.91
NUMBER OF SHARES USED FOR THE CALCULATION		
basic	48 579 832	48 432 694
diluted	48 682 638	48 479 943

COMMENTS AND OUTLOOK

Rémy Cointreau generated sales of €1,050.7 million in the year ended 31 March 2016, up 8.9% relative to the previous year. In organic terms, growth was positive: +1.7% for Group brands and +0.3% overall.

The EMEA (Europe, Middle East and Africa) region delivered a strong performance in the year led by the Group's expansion strategy in Africa, while the Americas region benefited from remarkable growth in the Group's brands amid a favourable environment for dark spirits, particularly in the United States. Asia-Pacific countries saw significant growth in the second half of the year.

Current operating profit totalled €178.4 million, up 6.1% on an organic basis. The reported growth (+14.4%) benefited from a €12.9 million positive foreign exchange effect driven by both conversion and transaction effects (hedging policy).

Operating profit came in at €178.7 million after taking into account net non-recurring income of €0.3 million.

Net financial expenses totalled €27.3 million, down €2.4 million in the year thanks to a reduction in charges linked to gross financial debt and a foreign exchange gain.

The **income tax expense** amounted to €44.1 million, giving an effective tax rate of 29.1%, higher than the March 2015 rate (26.4%), which was helped by a favourable geographical mix and positive technical factors.

The Group's share of profits from associates was a €4.8 million loss, mainly reflecting an adjustment to the value of the investment in Dynasty Fine Wines Ltd. At 31 March 2016, Dynasty had yet to publish its 2012, 2013, 2014 and 2015 financial statements. During the year, Rémy Cointreau had its investment re-appraised and subsequently recognised a €3.7 million impairment loss.

Net profit attributable to the Group was €102.4 million, up 10.6%.

Excluding non-recurring items (-€8.0 million), net profit attributable to the Group came in at €110.4 million, up 16.7%, and the net margin rose 70 basis points to 10.5%. Net earnings per share (excluding non-recurring items) came in at €2.27 (up 16.4%).

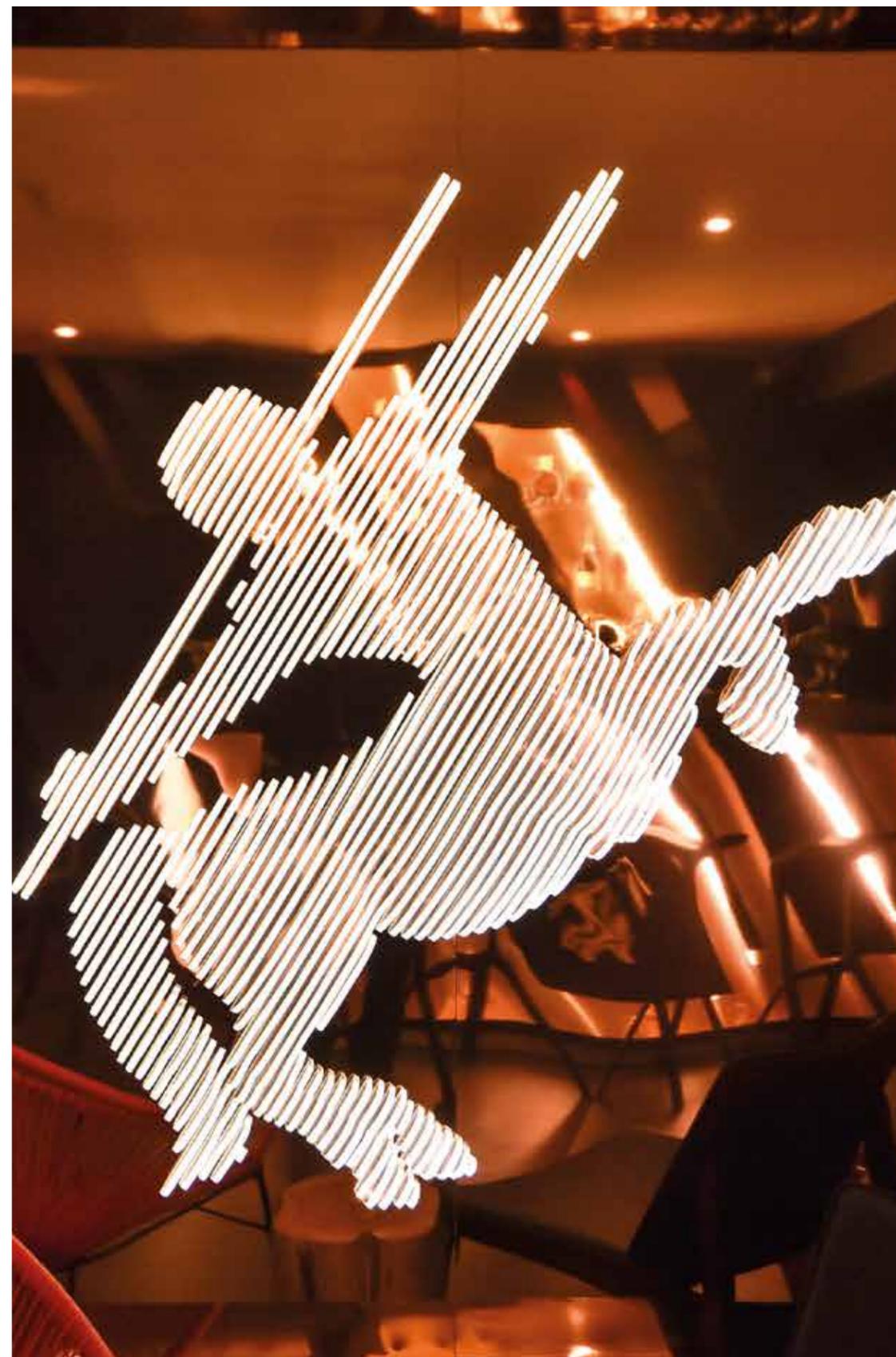
Net debt totalled €458.2 million at 31 March 2016, down €8.4 million in the year thanks to effective management of the working capital requirement (excluding strategic purchases of eaux-de-vie).

As a result, the **net debt to EBITDA ratio** improved significantly to 2.29x at end March 2016, compared with 2.64x at end March 2015.

The **return on capital employed (RoCE)** was 17.3% for the year ended 31 March 2016, up 170 bps in the year.

A **dividend of €1.60 per share** (up 4.6%) will be put to the vote at the annual general meeting, to be held on 26 July 2016. Payment will be combined with a cash or share option for the full amount of the dividend payable.

Confident in its acceleration strategy of moving upmarket, the Rémy Cointreau group expects to deliver growth in current operating profit, assuming constant exchange rates and consolidation scope, in financial year 2016 / 2017.





The french version of this document is available on request or via the www.remy-cointreau.com website. All the regulatory information required by the AMF is available on the Company's website www.remy-cointreau.com.

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