RÉMY COINTREAU

Paris, 17 June 2015

2014/15 consolidated annual results
(April 2014 – March 2015)

Full-year performance in line with targets
Current operating profit: +13.5%(**)

Rémy Cointreau's sales for the financial year ended 31 March 2015 totalled €965.1 million, representing organic growth of 0.6% compared with the previous year. This modest growth reflects continued strength in the US and positive trends in Europe, while ongoing destocking efforts during the first half of the year held back Asia's performance.

Current operating profit amounted to €156.0 million, representing organic growth of 13.5% (+3.9% in published terms). This solid performance is in line with organic growth targets set by the Group in June 2014. Operating profitability grew 160bps to 16.2% (+190bps in organic terms), the result of a proactive pricing policy, optimised marketing investments and a reduction in administrative expenses.

Consolidated net profit grew 48.5% to €92.6 million.
Net profit, excluding non-recurring items, was €94.6 million, an increase of 18.0%.

Key figures

(€ millions)	**at 31 March 2015**	at 31 March 2014		% Change	
	Published	Published	**Pro forma** *	Published	Organic **
Sales	**965.1**	1,031.6	**928.8**	(6.4%)	+0.6%
Current operating profit	**156.0**	150.2	**136.6**	**+3.9%**	**+13.5%**
Current operating margin	**16.2%**	14.6%	**14.7%**	-	-
Net profit – Group share	**92.6**	62.4	**54.2**	+48.5%	+72.2%
Net margin - Group share	**9.6%**	6.0%	**5.8%**	-	-
Net profit excluding non-recurring items	**94.6**	80.2	**72.0**	**+18.0%**	**+32.3%**
Net margin excluding non-recurring items	**9.8%**	7.8%	**7.8%**	-	-
EPS - Group share	**1.91**	1.27	**1.10**	+50.4%	-
EPS excluding non-recurring items	**1.95**	1.63	**1.46**	+19.6%	-
Net debt/EBITDA ratio	**2.64**	2.09	**-**	-	-

(*) Pro forma 2013/14: excluding the contribution of the Edrington distribution contract in the US (expired 31 March 2014)
(**) Organic growth is calculated based on 2013/14 pro forma accounts and at constant exchange rates

Current operating profit by division

The 2014/15 published data is to be compared against the 2013/14 pro forma data (same scope)

(€ millions)	at 31 March 2015	at 31 March 2014		% Change	
	Published	Published	**Pro forma**(*)	Published	Organic(**)
Rémy Martin	**117.4**	125.4	**117.4**	(6.4%)	(2.1%)
as % of sales	***20.8%***	*22.8%*	***21.3%***		
Liqueurs & Spirits	**50.2**	37.1	**34.7**	+35.4%	+51.9%
as % of sales	***19.3%***	*15.6%*	***14.6%***		
Sub-total Group brands	**167.7**	162.6	**152.1**	**+3.1%**	**+10.2%**
as % of sales	***20.3%***	*20.6%*	***19.3%***		
Partner brands	**8.8**	8.7	**5.5**	+1.5%	+41.2%
as % of sales	***6.3%***	*3.6%*	***3.9%***		
Holding company costs	**(20.5)**	(21.0)	**(21.0)**	(2.6%)	(2.8%)
Total	**156.0**	**150.2**	**136.6**	**+3.9%**	**+13.5%**
as % of sales	***16.2%***	***14.6%***	***14.7%***		

All growth data specified below are presented in ***organic terms,*** *calculated based on 2013/14 pro forma accounts and at constant exchange rates.*

Rémy Martin

Sales saw a decline of 1.9% in 2014/15, associated with the ongoing destocking efforts in Asia during the first half of the year. Conversely, another year of high growth was recorded in the US (supported by the strong performance of *1738 Accord Royal*), which is now the leading global market for **Rémy Martin**. Africa, Japan and Central Europe all recorded double-digit growth for the period.

The division continued to pursue its strategy of moving upmarket, with the withdrawal from the *Very Special* (low-end) category in the US, the launch of the *Cellar Master Range* in Travel Retail, and the limited edition **Louis XIII** *Black Pearl Anniversary*, released to mark 140 years of the brand.

Current operating profit totalled €117.4 million, a modest decline of 2.1% over the financial year. Destocking efforts in the Greater China region during the first half of the year and the increase in cost prices (eaux-de-vie) were offset in part by improved targeting of marketing investments and positive price effects. The operating margin was 20.8%, compared with 21.3% the previous year (pro forma).

Liqueurs & Spirits

The strategy of moving upmarket and internationalising the brands translated into strong sales growth (+7.2%) for the period. **Cointreau** benefited from sustained growth in the United States, driven by the *on-trade* channel. The situation in Russia affected **Metaxa** performance during the second half of the year, however the brand experienced double-digit growth in Germany and Central Europe, largely due to the success of *Metaxa 12 Stars*. **Mount Gay** recorded solid performance over the financial year, due largely to the success of *Black Barrel* in its principal markets. Sales of **Bruichladdich** almost doubled, thanks to the growing contribution of its single malt Scotch whisky brands and *The Botanist* gin within the Rémy Cointreau network.

(*) Pro forma 2013/14: excluding the contribution of the Edrington distribution contract in the US (expired 31 March 2014)
(**) Organic growth is calculated based on 2013/14 pro forma accounts and at constant exchange rates

Current operating profit totalled €50.2 million, an upturn of 51.9%, driven by strong sales, a favourable mix effect (brands and markets), and reduced investments in non-strategic promotional campaigns. The current operating margin was 19.3%, compared with 14.6% at end-March 2014 (pro forma).

Partner Brands

The strong growth experienced by the spirits distributed by the Group on the one hand, and the fall in champagne sales on the other, explain the quasi-stable turnover of the Partner Brands division (-0.6%) over the period.

In published terms, the revenue decline is attributed to the expiry of the Edrington distribution contract in the US, which contributed €102.8 million in 2013/14.

Current operating profit totalled €8.8 million, an increase of 41.2%, due to an upturn in the gross margin of the business, supported by a favourable mix effect.

Consolidated results

Current operating profit amounted to €156.0 million, representing organic growth of 13.5%. The reported increase (+3.9%) also reflects the end of the Edrington distribution contract in the US (an impact of €13.6 million at full cost) and an exchange rate tailwind of €1.0 million. The latter is the result of translation and transaction effects (hedging policy).

Operating profit reached €156.5 million, after taking into account a non-recurring operating income of €0.5 million.

Net financial expenses amounted to €29.7 million, an increase of €3.5 million over the year, primarily associated with movements in foreign exchange hedging instruments. Charges linked to gross financial debt were virtually stable over the period.

The income tax charge amounted to €33.5 million, representing an effective tax rate of 26.4%, significantly lower than the rate in March 2014 (38.5%), which was adversely affected by an unfavourable geographical mix and the technical reversal of deferred tax assets.

The Group share of net profit was €92.6 million, an increase of 72.2% (+48.5% in published terms) and the net margin showed organic growth of 420bps to 9.6% (+360bps in published terms). It should be noted that the 2013/14 net profit was impacted by non-recurring charges of €17.8 million. Net earnings per share totalled €1.91 (+50.4% in published terms).

Excluding non-recurring items (-€2.0 million), the Group share of net profit amounted to €94.6 million, representing growth of 32.3% (+18.0% in published terms) and the net earnings per share reached €1.95 (+19.6% in published terms).

Net debt totalled €466.6 million at 31 March 2015, an increase of €53.1 million over the financial year. This increase reflects the Group's desire to maintain its strategic investments at a high level.

(*) Pro forma 2013/14: excluding the contribution of the Edrington distribution contract in the US (expired 31 March 2014)
(**) Organic growth is calculated based on 2013/14 pro forma accounts and at constant exchange rates

The net debt/EBITDA ratio rose to 2.64 at the end of March 2015 (2.09 at the end of March 2014), but remains at a modest level.

The Return On Capital Employed (ROCE) reached 15.6% at 31 March 2015, an organic increase of 80bps. In published terms, the 150bps decline in the ratio can be explained by the adverse effect of currency swings on the capital employed and by the expiry of the Edrington contract in the US.

A dividend of €1.53 per share shall be put to a shareholders' vote at the Shareholders' Meeting on 29 July 2015. Payment will be with an option in cash or in shares for the entire dividend distributed.

Outlook 2015/16

Confident in its acceleration strategy of moving upmarket, the Rémy Cointreau Group anticipates growth in its current operating profit, at constant exchange rates and scope, over the course of the 2015/16 financial year.

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The regulatory information related to this press release is available at www.remy-cointreau.com

(*) Pro forma 2013/14: excluding the contribution of the Edrington distribution contract in the US (expired 31 March 2014)
(**) Organic growth is calculated based on 2013/14 pro forma accounts and at constant exchange rates

Notes

Pro forma information and organic growth calculation

In the interests of clarity, and due to the expiry of the distribution contract for the Edrington Group brands in the United States on 31 March 2014, a pro forma statement of the 2013/14 accounts is presented: this activity (consolidated within the Partner Brands division) generated a turnover of €102.8 million and an operating profit of €3.2 million in 2013/14. The pro forma basis of the 2013/14 current operating profit also included the reallocation of €10.4 million distribution costs (previously absorbed by this activity) to the Rémy Martin (€8.0 million) and Liqueurs & Spirits (€2.4 million) divisions.

APPENDICES

Net sales and current operating profit by division

(€ millions)	at 31 March 2015		at 31 March 2014		% Change	
	Published	At a constant currency basis	Published	Pro forma(*)	Published	Organic(**)
	A	B	C	D	A/C-1	B/D-1
Net sales						
Rémy Martin	564.8	540.9	551.2	551.2	2.5%	(1.9%)
Liqueurs & Spirits	259.9	254.5	237.3	237.3	9.5%	7.2%
Sub-total Group brands	824.7	795.4	788.6	788.6	4.6%	0.9%
Partner Brands	140.4	139.4	243.1	140.2	(42.2%)	(0.6%)
Total	**965.1**	**934.8**	**1,031.6**	**928.8**	**(6.4%)**	**0.6%**
Current operating profit						
Rémy Martin	117.4	114.9	125.4	117.4	(6.4%)	(2.1%)
as % of sales	*20.8%*	*21.2%*	*22.8%*	*21.3%*		
Liqueurs & Spirits	50.2	52.8	37.1	34.7	35.4%	51.9%
as % of sales	*19.3%*	*20.7%*	*15.6%*	*14.6%*		
Sub-total Group brands	167.7	167.7	162.6	152.1	3.1%	10.2%
as % of sales	*20.3%*	*21.1%*	*20.6%*	*19.3%*		
Partner brands	8.8	7.7	8.7	5.5	1.5%	41.2%
as % of sales	*6.3%*	*5.5%*	*3.6%*	*3.9%*		
Holding company costs	(20.5)	(20.5)	(21.0)	(21.0)	(2.6%)	(2.8%)
Total	**156.0**	**154.9**	**150.2**	**136.6**	**3.9%**	**13.5%**
as % of sales	*16.2%*	*16.6%*	*14.6%*	*14.7%*		

(*) Pro forma 2013/14: excluding the contribution of the Edrington distribution contract in the US (expired 31 March 2014)
(**) Organic growth is calculated based on 2013/14 pro forma accounts and at constant exchange rates

Summary income statement

(€ millions)	at 31 March 2015		at 31 March 2014		% Change	
	Published	At a constant currency basis	Published	Pro forma *	Published	Organic **
	A	B	C	D	A/C-1	B/D-1
Sales	965.1	934.8	1,031.6	928.8	(6.4%)	0.6%
Gross margin	618.1	604.4	618.2	600.4	0.0%	0.7%
Gross margin/Sales	64.0%	64.7%	59.9%	64.6%		
Current operating profit	**156.0**	**154.9**	**150.2**	**136.6**	**3.9%**	**13.5%**
Current operating profit/Sales	16.2%	16.6%	14.6%	14.7%		
Other operating income/(expense)	0.5	0.5	(4.9)	(4.9)		
Operating profit	156.5	155.5	145.3	131.7		
Financial result	(29.7)	(27.7)	(26.2)	(26.2)		
Income tax	(33.5)	(33.7)	(45.8)	(40.4)		
Tax rate	26.4%	26.4%	38.5%	38.3%		
Share in profits of associates	(0.7)	(0.7)	(10.9)	(10.9)		
Minority interests	-	-	-	-		
Net profit – Group share	92.6	93.3	62.4	54.2	48.5%	72.2%
Net profit/Sales	9.6%	10.0%	6.0%	5.8%		
Net profit excluding non-recurring items	**94.6**	**95.3**	**80.2**	**72.0**	**18.0%**	**32.3%**
Net profit (excluding non-recurring items)/Sales	**9.8%**	**10.2%**	**7.8%**	**7.8%**	**-**	**-**
EPS - Group share	1.91	1.93	1.27	1.10	50.4%	-
EPS excluding non-recurring items	1.95	1.97	1.63	1.46	19.6%	-

(*) Pro forma 2013/14: excluding contribution of the Edrington distribution contract in the US (expired 31 March 2014)
(**) Organic growth is calculated based on 2013/14 pro forma accounts and at constant exchange rates