RÉMY COINTREAU

Paris, 26 November 2015

Financial year 2015/16
Half-Year Results
(April 2015 – September 2015)

Half-year performance in line with annual targets

The Group achieved consolidated sales of €500.7 million for the first six months to 30 September 2015, achieving reported growth of 6.1%, but down organically by 5.9%. This downtrend was mainly attributable to technical effects that affected shipments, in connection with the implementation of the Group's 2019/20 strategic plan.

The Group posted **current operating profit (COP) of €107.0 million, achieving reported growth of 4.7%**, driven by positive foreign exchange effects over the period. In organic terms, the decline of 7.3% in COP was primarily attributable to the impact of the technical drop in volumes and to the unfavourable mix over the half-year. However, the structural changes in advertising and promotion investments and the strict control of administrative expenses enabled to maintain the current operating margin virtually stable at 21.4%. **Excluding non-recurring items, the Group share of net profit achieved reported growth of 7.1% to €68.6 million,** and the net margin recorded growth of 10bps to 13.7%.

Key figures

(€ millions)	**6 months to 30 Sept. 2015**	6 months to 30 Sept. 2014	% Change	
	Reported	Reported	Reported	Organic
Net sales	**500.7**	471.8	6.1%	(5.9%)
Current operating profit	**107.0**	**102.1**	**4.7%**	**(7.3%)**
Current operating margin	**21.4%**	21.6%	-	-
Net profit (Group share)	**66.3**	62.7	5.7%	(9.8%)
Net margin (Group share)	**13.2%**	13.3%		
Net profit (excl. non-recurring items)	**68.6**	**64.0**	**7.1%**	**(8.0%)**
Net margin (excl. non-recurring items)	**13.7%**	**13.6%**	**-**	**-**
EPS (Group share)	**1.37**	1.30	5.4%	-
EPS (excl. non-recurring items)	**1.41**	1.33	6.8%	-
Net debt/EBITDA ratio	**2.53**	3.14	-	-

Current operating profit by division

(€ millions)	**6 months to 30 Sept. 2015**	6 months to 30 Sept. 2014	% Change	
	Reported	Reported	Reported	Organic
Rémy Martin	**85.9**	78.0	+10.1%	(5.8%)
% of sales	***27.4%***	*28.2%*		
Liqueurs & Spirits	**24.1**	25.9	(7.1%)	(4.8%)
% of sales	***18.5%***	*19.8%*		
Sub-total Group brands	**109.9**	**103.9**	**+5.8%**	**(5.5%)**
% of sales	***24.8%***	*25.5%*		
Partner Brands	**3.3**	3.8	(12.7%)	(26.4%)
% of sales	***5.8%***	*6.0%*		
Holding company costs	**(6.3)**	(5.6)	+12.8%	12.6%
Total	**107.0**	**102.1**	**+4.7%**	**(7.3%)**
% of sales	***21.4%***	***21.6%***		

All changes specified below are provided as organic data.

Rémy Martin

The sales of **Rémy Martin** (-3.1% to €313.1 million) are the result of the excellent performance recorded in the Americas (buoyed by the success of *1738 Accord Royal* in the US) and EMEA regions (driven by an expansion strategy in Africa and a healthy consumer momentum in Germany and the UK), on the one hand. And on the other hand, a decline in the Asia-Pacific region where the implementation of the strategic plan (improved product-mix and adaptation of the distribution network in China) and the caution of Chinese wholesalers weighed on shipments.

Current operating profit totalled €85.9 million, a decrease of 5.8%, and the current operating margin was 27.4%, versus 28.2% for the six months to the end of September 2014. The contained reduction in the margin reflected lower volumes and an unfavourable mix that were however partially offset by the streamlining of advertising and promotion investments in Asia-Pacific.

Liqueurs & Spirits

Net sales at €129.9 million (down 8.3% compared with the previous period) can be explained by a combination of both technical (high comparables for Cointreau in the US, the timing of Easter, changes in distributors in certain markets) and macro-economic (Russia, Greece) factors. **Cointreau**'s sales decline masked an excellent performance of the brand's end-demand in the US and a return to growth in Western Europe. **Metaxa** sales fell significantly over the half-year, impacted by the slowdown in consumption in both Greece and Russia and in Travel Retail purchasing by Russian customers. Conversely, **Islay Spirits (Bruichladdich/The Botanist)** continued to show double digit growth and **Mount Gay** posted a solid performance, buoyed by the success of its upscale brands (*Black Barrel* and *XO*) in its principal markets.

Current operating profit totalled €24.1 million, down 4.8% due to the fall in sales and particularly in volumes. Current operating margin was 18.5%, an organic increase of 80 basis points, on the back of productivity gains in raw materials and advertising and promotion investments.

Partner Brands

The decline (-12.6%) in net sales to €57.8 million was mainly due to the end of the distribution agreement of the champagne brands (Piper Heidsieck and Charles Heidsieck) in the US.

Current operating profit came to €3.3 million (down 26.4%) as against €3.8 million for the six months to the end of September 2014.

Consolidated results

Current operating profit amounted to €107.0 million, achieving reported growth of 4.7%, but was down organically by 7.3%.

Current operating profit enjoyed positive foreign exchange effects over the half-year in the amount of €12.3 million: The average €/USD conversion rate over the period was 1.11, as against 1.35 in the six months to 30 September 2014. In addition, under its hedging policy, the Group recorded an average collection rate of 1.24, compared with 1.34 in the six months to 30 September 2014.

Operating profit totalled €106.9 million after taking into account non-material and non-recurring operating expenses (€0.1 million) over the half-year.

Net financial expense totalled €15.1 million, down €0.3 million, mainly due to the reduction in gross financial debt over the period.

The tax charge was €25.7 million, representing an effective rate of 28.0%, which was virtually stable compared with the September 2014 rate (28.2%).

The Group share of net profit therefore posted a rise of 5.7% on a reported basis and came to €66.3 million.

Excluding non-recurring items, the Group share of net profit showed reported growth of 7.1% to €68.6 million and the net margin achieved growth of 10bps to 13.7%.

Excluding non-recurring items, net earnings per share totalled €1.41 (+6.8% on a reported basis).

Net debt stood at €455.1 million, a decrease of €11.5 million from March 2015. This reduction was due to an increase in EBITDA in the half-year and optimised management of working capital requirements (particularly inventories and trade receivables).

The net debt to EBITDA ratio showed an improvement at 2.53 at the end of September 2015 (as against 2.64 at the end of March 2015 and 3.14 at the end of September 2014) despite the usual unfavourable seasonality over the first half of the year.

Recent financial events

On 29 July 2015, the Shareholders' Meeting approved the payment of an ordinary dividend of €1.53 per share for the 2014/15 financial year, with an option for the payment of the entire dividend in shares. The share-based payment was made on 24 September and the balance (in cash) was paid in October 2015.

On 27 October 2015, the Rémy Cointreau Group announced the sale of Izarra - Distillerie de la Côte Basque to Spirited Brands. Rémy Cointreau and Spirited Brands have also reached an agreement that allows Rémy Cointreau to continue producing and bottling the Izarra liqueur.

2015/16 outlook

At the end of this first half-year — in line with Group forecasts — **Rémy Cointreau confirms its objective** of delivering positive growth in current operating profit for the 2015/16 financial year, at constant exchange rates and scope.

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

APPENDICES

Divisional analysis of sales and current operating profit

(€ millions)	6 months to 30 Sept. 2015		6 months to 30 Sept. 2014	% Change	
	Reported	At constant exchange rates	Reported	Reported	Organic
	A	B	C	A/C-1	B/C-1
Net sales					
Rémy Martin	313.1	268.2	276.8	13.1%	(3.1%)
Liqueurs & Spirits	129.9	119.9	130.9	(0.8%)	(8.3%)
Sub-total Group brands	442.9	388.2	407.7	8.6%	(4.8%)
Partner Brands	57.8	56.0	64.1	(9.8%)	(12.6%)
Total	**500.7**	**444.2**	**471.8**	**6.1%**	**(5.9%)**
Operating profit					
Rémy Martin	85.9	73.5	78.0	10.1%	(5.8%)
% of sales	*27.4%*	*27.4%*	*28.2%*		
Liqueurs & Spirits	24.1	24.7	25.9	(7.1%)	(4.8%)
% of sales	*18.5%*	*20.6%*	*19.8%*		
Sub-total Group brands	109.9	98.2	103.9	5.8%	(5.5%)
% of sales	*24.8%*	*25.3%*	*25.5%*		
Partner Brands	3.3	2.9	3.8	(12.7%)	(26.4%)
% of sales	*5.8%*	*5.0%*	*6.0%*		
Holding company costs	(6.3)	(6.3)	(5.6)	12.8%	12.6%
Total	**107.0**	**94.7**	**102.1**	**4.7%**	**(7.3%)**
% of sales	*21.4%*	*21.3%*	*21.6%*		

Summary income statement

(€ millions)	6 months to 30 Sept. 2015		6 months to 30 Sept. 2014	% Change	
	Reported	At constant exchange rates	Reported	Reported	Organic
	A	B	C	A/C-1	B/C-1
Net sales	500.7	444.2	471.8	6.1%	(5.9%)
Gross margin	317.3	283.1	301.0	5.4%	(5.9%)
Current operating profit	**107.0**	**94.7**	**102.1**	**4.7%**	**(7.3%)**
Current operating margin	21.4%	21.3%	21.6%		
Other operating expenses	(0.1)	(0.1)	-		
Operating profit	106.9	94.6	102.1		
Net financial income/(expense)	(15.1)	(16.2)	(15.4)		
Income tax	(25.7)	(22.0)	(24.5)		
Income tax rate	28.0%	28.0%	28.2%		
Share of profit of associates	0.3	0.3	0.5		
Minority interests	(0.1)	(0.1)	-		
Net profit (Group share)	66.3	56.6	62.7	5.7%	(9.8%)
Net margin (Group share)	13.2%	12.7%	13.3%		
Net profit excluding non-recurring items	**68.6**	**58.8**	**64.0**	**7.1%**	**(8.0%)**
Net margin excluding non-recurring items	**13.7%**	**13.2%**	**13.6%**	**-**	**-**
EPS (Group share)	1.37	-	1.30	5.4%	-
EPS (excluding non-recurring items)	**1.41**	**-**	**1.33**	**6.8%**	**-**