Paris, 20 September 2017

MBWS H1 2017 Results

- Net sales growth of +3.9% vs H1 2016
- EBITDA of – €1.9m due to A&P investment increase of €3m and to the impact of new routes-to-market in Poland and the United States
- Net income of €2.2m in H1 2017
- €6.8m operating cash flow improvement in H1 2017

Marie Brizard Wine and Spirits (Euronext: MBWS), today announced its consolidated results for the first half of the year, to 30 June 2017.* The accounts were approved by the company's Board of Directors on 19 September 2017. The audit of the consolidated accounts at 30 June 2017 has been carried out and the auditor's report is being finalized.

As reported on 27 July 2017, consolidated net sales grew +3.9% to €212.5m in the first half of the year. Consolidated EBITDA totalled -€1.9m in H1 2017, compared to €0.4m** in H1 2016. Consolidated net income in H1 2017 was €2.2m, versus -€13.6m in the first half of last year.

Jean-Noël Reynaud, CEO of MBWS, commented: "As anticipated, the EBITDA results for the first half of 2017 were negatively impacted by the reconfiguration of our routes-to market in Poland and the United States at year-end 2016. Additionally, our businesses have continued to face a number of ongoing challenges, such as significant pricing pressure in Poland, evolving dynamics in the vodka market in the United States, and the lackluster growth of spirits in France."

Mr. Reynaud continued, "Despite these short-term headwinds, we have continued to invest behind our brands to position them for growth, with advertising and promotion increasing by three million euros in the first half of 2017 to reach 9.4% of Branded Business sales, in keeping with our growth strategy. These investments, in addition to the market factors mentioned, have affected our short-term profitability, particularly in the first quarter of the year. Nevertheless, the market share gains made by William Peel, Sobieski, flavored Krupnik, and Fruits and Wine in their respective markets continue to encourage us in the pursuit of our growth strategy. We are also satisfied with the dynamic growth of Marie Brizard and Cognac Gautier that we are seeing across our geographies.

"We remain confident in the ability of our business model -- anchored in the growth of the mainstream segment of the wine and spirits markets – to drive long-term growth and value creation via the execution of MBWS' differentiated approach to the wine and spirits categories. Additionally, I would like to underscore the improvements we have made in our cash flow, Working Capital 1 improving by €33m in the first half of the year, and operating cash flow increasing by €6.8m in the same period," concluded Mr. Reynaud.

** All percentage growth rates in this document are expressed in organic terms and exclude foreign currency impact, unless stated otherwise.*
*** EBITDA restated from €0.5m*

H1 2017 Condensed Income Statement

In €m, except EPS	**H1 2016**	**H1 2017**
Net Sales (excluding excise tax)	**202.3***	**212.5**
Gross profit	**69.7***	**72.5**
Gross margin	**34.5%***	**34.1%**
EBITDA	**0.4***	**-1.9**
Current operating profit	**-1.7**	**-6.1**
Attributable net income	**-13.5**	**2.2**
Earnings per share	**- 0.50**	**0.08**

** H1 2016 net sales has been restated to reflect the cancellation of distribution contracts of Mateus and Ferreira in WEMEA, the reclassification of the Pulco contract in Spain to the Private Label category, and the sale of Augustowianka in Poland.*

Net sales, excluding excise tax, totalled €212.5m in the first semester of the year, an increase of 3.9% (on a restated basis) compared to H1 2016.

Gross profit in H1 2017 was €72.5m. Gross margin for the semester was 34.1%, an erosion of 0.4 percentage points compared to H1 2016, attributable to Other Businesses. The narrowing of the consolidated gross margin is due to the greater weight of Other Businesses in the consolidated net sales mix in H1 2017 (42.5%) as compared to the previous year (39.6%).

Total EBITDA for the period was -€1.9m, a decrease from €0.4m reported for the first half of 2016. This decrease is due to the €3m increase in advertising and promotion investment and to a cycling effect related to headcount growth at the corporate level, as new hires largely took place in H2 2016.

Attributable net income increased to €2.2m in H1 2017, from -€13.5m a year ago. The net income increase is due most significantly to the sale of the historical headquarters of Marie Brizard in Fondaudège, Bordeaux, and lower net financial expense, a result of having reimbursed the entirety of the frozen debt in 2016.

H1 2017 EBITDA by Cluster

	H1 2016 Restated	Organic Growth	Currency impact	H1 2017	Organic growth (excl. Currency impact)	Organic growth (incl. Currency impact)
Branded Business						
Western Europe, Middle East & Africa	3.6	-0.6	0.0	3.0	-16.5%	-16.5%
Central and Eastern Europe	2.3	-0.1	0.0	2.2	-3.6%	-3.8%
Americas	0.8	0.3	0.0	1.1	31.2%	28.6%
Asia Pacific	-0.3	-0.4	0.0	-0.7	-117.6%	-117.6%
Sub-Total Branded Business	**6.4**	**-0.8**	**0.0**	**5.6**	**-12.4%**	**-12.8%**
Corporate expenses	-5.5	-0.6	0.0	-6.1	-10.3%	-10.3%
Total Branded Business	**0.8**	**-1.4**	**0.0**	**-0.6**	**NM**	**NM**
Other Businesses	-0.4	-0.9	0.0	-1.3	-223.9%	-234.4%
Disposed Assets	-0.1	0.0	0.0	-0.1	35.4%	33.9%
TOTAL MBWS	**0.4**	**-2.2**	**-0.1**	**-1.9**	**NM**	**NM**

** H1 2016 EBITDA restated to reflect the cancellation of the Mateus and Ferreira distribution contracts in WEMEA, the reclassification of Pulco in Spain to Private Label activity, and the sale of the Augustowianka water brand in Poland.*

For the first half of 2017, the Branded business generated net sales of €122.2m, a -1.0% decrease versus the previous year. Net sales growth of 2.8% and 34.5% in the CEE and Asia Pacific clusters respectively was offset by -12.1% and -1.9% sales decreases in the Americas and WEMEA clusters. Other businesses posted net sales growth of +11.3%.

The €3m increase in A&P expense led to an EBITDA decrease in most clusters. Consequently, the EBITDA reported by the Branded business in H1 2017 totalled -€0.6m, compared to the €0.8m reported in H1 2016. With the exception of the Americas region, which generated EBITDA growth of 31.2% to €1.1m in the first half of the year, all other clusters reported EBITDA decreases versus the year-ago period.

Other Businesses generated an EBITDA loss of -€1.3m in H1 2017, versus -€0.4m in the year-ago period.

<u>Western Europe, Middle East and Africa: Higher advertising expense and one-off profit-sharing charge</u>

H1 2017 net sales in the Western Europe, Middle East and Africa cluster (WEMEA) totalled €66.4m, a -1.9% decrease versus the previous year. EBITDA in the WEMEA region totalled €3.0m in H1 2017, a decrease of -16.5% compared to the first semester of 2016.

Most of the pillar brands delivered market share gains in the first half of the year. In France, MBWS' spirits brands confirmed their dynamism in a sluggish market: William Peel further consolidated its leadership of the scotch whisky market with share growth of +0.4 points. Sobieski also expanded its share of the market to reach a 15.7% share. Fruits and Wine continued to strengthen its leadership position in the flavored wine category, growing its market share by +0.5 pts to 30.2%. *(Sources: Nielsen YTD P06 2017; IRI P6 2017).*

H1 2017 EBITDA was constrained by a one-off charge of €0.5m related to employee profit-sharing in the sale of Marie Brizard's historical headquarters in Fondaudège, Bordeaux, and by increased advertising and promotion expense across the cluster.

<u>Central and Eastern Europe: EBITDA decrease, but improving product mix and cost optimization in Poland</u>

Top-line growth in the Central and Eastern Europe cluster (CEE) reached €43.0m in H1 2017, +2.8% versus the previous year. The CEE cluster generated H1 2017 EBITDA of €2.2m, a decrease of -3.6% versus year ago.

The H1 2017 EBITDA decrease was concentrated in Poland in the first quarter of the year. Despite the EBITDA decrease, MBWS-Poland reported positive earnings dynamics with an improvement in product mix driven by the double-digit growth of Krupnik flavored vodka and lower cost of goods sold resulting from production cost optimization. These positive trends were offset primarily by higher trade support, advertising and promotion in response to very strong competitive pressure in the vodka market.

The results in Lithuania and Bulgaria partially offset the performance in Poland due to positive price mix and optimized cost of goods sold (fuelled by the new alcohol rectification facility in Lithuania which was finalized in mid-2016). The cluster's export markets also contributed to growth.

<u>Americas: EBITDA growth</u>

The Americas cluster reported H1 2017 net sales of €11.2m, a decrease of -12.1% as compared to the first half of the previous year, with the decline concentrated more heavily in the first quarter of this year.

In the United States, Sobieski out-performed the imported vodka segment in some states (those measured by NABCA), although it has not been immune to the impact of the strong competition in the vodka market. Sobieski weakness was partially offset by the dynamic growth of MBWS pillar brands Marie Brizard and Cognac Gautier. MBWS' pillar brand sales also continued to grow significantly in Canada.

The cluster generated EBITDA of €1.1m in H1 2017, an increase of 31.2% vs the previous year, attributable to cost optimization and payment at the Corporate level of a portion of the cluster's advertising and promotion expenses. The positive results in the United States also offset ongoing losses in Brazil, resulting from continuing macroeconomic volatility.

<u>Asia-Pacific: investing in growth</u>

The Asia-Pacific cluster reported net sales of €1.6m in H1 2017, representing 34.5% growth versus the previous year, and driven primarily by the ramp-up of William Peel distribution in China. Sales of Marie Brizard in Australia and Fruits & Wine in Japan also contributed to top-line growth during the period.

EBITDA in the Asia-Pacific cluster was -€0.7m during the period, compared to -€0.3m in H1 2016. This loss is a result of significant brand investment in China primarily, in keeping with MBWS' growth strategy for the Asia-Pacific cluster, as well as the ongoing strengthening of MBWS' Asian management teams.

Other Businesses

Other Businesses generated an EBITDA loss of -€1.3m in H1 2017, versus -€0.4m in the year-ago period, due primarily to the impact of the ongoing competitive pricing pressure in the vodka market in Poland over the first half of the year, which in turn had a significant impact on the results of Sobieski Trade.

Corporate Expenses

Corporate expenses grew by 10.3% in the period, as compared to H1 2016, and totalled €6.1m. This is due in part to an increase in advertising and promotion expense, a portion of which is recorded (in some cases, such as the United States business) at the corporate level. The higher expenses also reflect the ongoing strengthening of MBWS' management team in the second half of last year, and the impact of an IFRS 2 charge related to employee compensation.

These expenses were partially offset by lower consultant fees as the company continued to internalize a number of functions.

H1 2017 Balance Sheet and Cashflow

At 30 June 2017 the company had shareholders' equity of €233.8m, essentially flat as compared to 31 December 2016.

In €m

Cash position at 31 December 2016	Chge in WC 1	Chge in WC2	Taxes Paid	Capex	Change in bank loans	Share buybacks	Sold Assets	Non-controlling interest buybacks	Others	Cash position at 30 June 2017
49.9	33.0	-24.2	-1.2	-14.2	5.3	-1.5	13.5	-0.9	-2.0	**57.7**

MBWS' cash positon increased by €7.8.m in H1 2017, from €49.9m at 31 December 2016 to €57.7m at 30 June 2017.

The company's cash position has improved primarily due to an improvement in Working Capital 1 driven by more favorable payment terms to suppliers, particularly in France. The establishment of a Sales and Operations Planning system (a best practice within operations management) has also enabled improved inventory management, with inventory levels down slightly. Working Capital 2 was negatively affected by a decrease in tax payables in Lithuania and Poland.

Capex during the period increased by €14.2m and was used for the construction of a distillation facility in Lancut, Poland.

The sale of Marie Brizard's historical headquarters in Fondaudège, Bordeaux produced extraordinary income of €13.5m.

The company's financial debt was €59.6m at 30 June 2017, an increase compared to €52.0 at 31 December 2016. This is due primarily to bank debt of €62.5m, in place since May 2016, with €45m drawn down at 30 June 2017.

Outlook

For the second half of 2017, MBWS expects ongoing pricing pressure in the vodka markets in Poland and the United States, with a potential short-term negative impact on the company's margin. In the longer term, the trend toward lower priced spirits provides further evidence of the pertinence of MBWS' mainstream business model, and encourages the company in the execution of its strategic plan for growth to 2020.

Financial Agenda

MBWS will report its Q3 2017 net sales on 7th November 2017.

About Marie Brizard Wine & Spirits (MBWS)
Marie Brizard Wine & Spirits produces and sells a range of wine and spirits primarily in Europe and the United States. MBWS has distinguished itself for its know-how, the range of its brands, and a long tradition and history of innovation. From the inception of Maison Marie Brizard in Bordeaux, France in the year 1755, to the launch of Fruits and Wine in 2010, Marie Brizard Wine & Spirits has successfully developed and adapted its brands to make them contemporary while respecting their origins. MBWS is committed to providing value by offering its customers bold, trustworthy, flavorful and experiential brands. The company currently has a broad portfolio of leading brands in their respective market segments, most notably William Peel scotch whisky, Sobieski vodka, Krupnik vodda, Fruits and Wine flavored wine, Marie Brizard liqueurs and Cognac Gautier. Marie Brizard Wine & Spirits is listed on the regulated market of Euronext Paris, Compartment B (ISIN code FR0000060873, ticker MBWS) and is included in the EnterNext© PEA-PME 150 index, among others.

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Appendix 1: H1 2017 Consolidated Income Statement

(in thousands of euros)	30.06.2017 (6 months)	30.06.2016 (6 months)
Net Sales	**212,495**	**205,012**
Cost of Goods Sold	(139,995)	(132,571)
External expenses	(35,908)	(34,788)
Salary expenses	(34,370)	(32,366)
Taxes and duties	(4,141)	(4,664)
Depreciation and Amortization	(4,095)	(3,175)
Other operating income	4,348	4,262
Other operating expenses	(4,391)	(3,407)
Recurring operating profit	**(6,058)**	**(1,697)**
Extraordinary income	12,850	8,227
Extraordinary expenses	(1,012)	(4,704)
Operating profit	**5,780**	**1,826**
Interest income	65	124
Interest expense	(3,594)	(957)
Net cost of debt	**(3,529)**	**(833)**
Other interest income	5,283	1,382
Other interest expense	(5,067)	(17,679)
Net interest expense	**(3,313)**	**(17,130)**
Pre-tax income	**2,467**	**(15,304)**
Income tax/credit	(254)	1,662
Income from ongoing operations	**2,213**	**(13,642)**
Attributable net income	2,160	(13,529)
Earnings per share	**0.08**	**-0.50**

Appendix 2: H1 2017 Consolidated Balance Sheet

(in thousands of euros)	30.06.2017	31.12.2016	*(in thousands of euros)*	30.06.2017	31.12.2016
Long-term assets			**Total shareholders' equity**	**236,072**	**238,525**
Goodwill	28,581	28,408	Employee benefits	5,676	5,470
Intangible assets	111,194	110,065	Long-term provisions	1,317	1,385
Property, plant and equipment	71,414	61,868	Long-term loans	5,133	4,082
Financial assets	4,749	4,602	Deferred tax liabilities	14,323	15,493
Long-term derivative instruments	253	633	Other long-term liabilities	2,387	2,391
Deferred taxes	5,535	6,087	Long-term derivative instruments	1,156	587
Total long-term assets	**221,727**	**211,662**	**Total long-term liabilities**	**29,993**	**29,408**
			Short-term provisions	3,504	3,913
Current assets	72,858	75,931	Short-term portion of long-term debt	47,795	45,418
Trade receivables	75,715	103,140	Short-term debt	6,682	2,535
Tax receivables	1,177	699	Supplier and other payables	73,449	70,993
Other short-term assets	31,506	28,881	Tax liabilities	920	806
Short-term derivative instruments	579	356	Other short-term liabilities	63,523	82,110
Cash and cash equivalents	57,657	49,928	Short-term derivative instruments	861	650
Total current assets	**239,492**	**258,936**	**Total current liabilities**	**196,735**	**206,425**
Assets held for disposal	1,557	3,760	Liabilities held for disposal		
TOTAL ASSETS	**462,775**	**474,359**	**TOTAL LIABILITIES**	**462,755**	**474,359**

Appendix 3: H1 2017 Consolidated Cashflow Statement

(in thousands of euros)	30.06.2017	30.06.2016
Total consolidated net profit	**2,213**	**(13,642)**
Amortization and provisions	1,500	(1,379)
Revaluation gains/losses (fair value)	77	33
Impact of discounting		14,615
Difference between fair value and cash obtained on transfer of treasury shares	(140)	34
Gains/losses on disposals and dilution	(8,154)	(4,929)
Operating cash flow after net cost of debt and tax	**(4,505)**	**(5,269)**
Income tax charge (credit)	254	(1,662)
Net cost of debt	3,529	833
Operating cash flow before net cost of debt and tax	**(721)**	**(6,098)**
Change in working capital 1 (inventories, trade receivables and payables)	32 955	9,953
Change in working capital 2 (other items)	(24,185)	(77,839)
Taxes paid	(1,216)	(3,917)
Cash flow from operating activities	**6,832**	**(77,902)**
Purchase of property, plant and equipment and intangible assets	(14,028)	(6,470)
Increase in loans and advances granted	(313)	(2,997))
Decrease in loans and advances granted	147	257
Disposal of property, plant and equipment and intangible assets	13,548	3,430
Impact of change in consolidation scope	(925)	(792)
Cash flow from investing activities	**(1,571)**	**(6,572)**
Capital increase	34	35,192
Share buybacks	(1,500)	(3,282)
New loans	1,551	43,801
Loan repayment	(349)	(1,379)
Net interest paid	(1,332)	(693)
Net change in short-term debt	4,149	572
Cash flow from financing activities	**2,552**	**74,211**
Impact from changes in foreign exchange rates	(84)	(239)
Change in cash and cash equivalents	**7,729**	**(10,501)**

Appendix 4: H1 2017 Net Sales by Cluster

H1 2017 Net Sales by Cluster

	H1 2016 Restated	Organic Growth	Currency impact	H1 2017	Organic growth (excl. Currency impact)	Organic growth (incl. Currency impact)
WEMEA	67.7	-1.3	0.0	66.4	-1.9%	-1.9%
France	*56.3*	*-0.9*	*0.0*	*55.4*	*-1.7%*	*-1.7%*
Rest of WEMEA	*11.4*	*-0.4*	*0.0*	*11.0*	*-3.2%*	*-3.2%*
CEE	41.2	1.2	0.6	43.0	2.8%	4.4%
Poland	*27.6*	*-0.8*	*0.6*	*27.5*	*-2.8%*	*-0.5%*
Rest of CEE	*13.5*	*1.9*	*0.0*	*15.5*	*14.3%*	*14.3%*
Americas	12.1	-1.5	0.6	11.2	-12.1%	-7.4%
Asia Pacific	1.2	0.4	0.0	1.6	34.5%	34.5%
Sub-Total Branded Business	**122.2**	**-1.2**	**1.2**	**122.2**	**-1.0%**	**0.0%**
Other Businesses:						
Sobieski Trade	*41.1*	*6.9*	*1.1*	*49.2*	*16.9%*	*19.6%*
Private Label	*39.0*	*2.1*	*0.0*	*41.1*	*5.4%*	*5.4%*
Sub-Total Other Businesses	**80.1**	**9.1**	**1.1**	**90.3**	**11.3%**	**12.7%**
TOTAL MBWS	**202.3**	**7.9**	**2.3**	**212.5**	**3.9%**	**5.0%**

** H1 2016 net sales restated to reflect the cancellation of the Mateus and Ferreira contracts in WEMEA, the reclassification of Pulco in Spain to Private Label activity ,the sale of the Augustowianka water brand in Poland (Sobieski Trade), and the cancellation of the Kerrygold contract in the US.*