



Ivry-sur-Seine, 10 November 2015

## SALES TO 30 SEPTEMBER 2015

**Solid performance in France in the 3<sup>rd</sup> quarter of 2015**

**Sound growth in Lithuania and Spain over the first 9 months**

**Temporary exogenous effects in Poland and the United States**

**Positive settlement in the dispute concerning the deductibility of the interest charges on the FRN debt, early exit from the business continuance plan for French subsidiary Marie Brizard & Roger International**

Marie Brizard Wine & Spirits (Euronext Paris: MBWS) today announces its unaudited consolidated sales to 30 September 2015.

**Net consolidated sales for the first 9 months of 2015: -0.8% on a comparable basis**

€m

9 months to 09/2014	Abandoned contract effect	Scope effect	9 months to 09/2014, restated	Organic growth	Currency effect	9 months to 09/2015
340.2	-4.5	-7.1	328.6	-5.1	2.5	326.0
<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="border: 1px solid black; padding: 5px;">- 0.8%</div> </div>						

On a comparable basis, restated for contracts that were abandoned in 2014 (essentially third-party vodka sales in Poland) and scope effects (Belarus, India and Galerie Alkoholi in Poland), the Group recorded a 0.8% decrease in net sales over the first 9 months of 2015 compared with the first 9 months of 2014, and a 10.5% decrease in the 3<sup>rd</sup> quarter of 2015 compared with the 3<sup>rd</sup> quarter of 2014.



## Detailed sales by country

### France: acceleration in growth in the 3<sup>rd</sup> quarter of 2015

As anticipated, in France Marie Brizard Wine & Spirits made up the ground lost at the start of the year and recorded a solid performance in the 3<sup>rd</sup> quarter of 2015, with net sales up 3.3% on the 3<sup>rd</sup> quarter of 2014. Subsequently, net sales for the first 9 months of 2015 totalled €144.8 million in France, up 0.2% compared with the same period of 2014.

Over the first 9 months of 2015, the wine activity improved by 2.3%, driven by the good performances recorded by Fruits and Wine, which benefitted from the effects of the summer advertising campaign. Fruits and Wine is the clear number 1 in its category, with market share of 29.2%<sup>1</sup> (+0.4 percentage points on the same period of 2014).

William Peel is continuing to grow in a market that has decreased by 1.7%. The brand, the scotch whisky leader in France, has a market share of 23.5%<sup>2</sup>, up 1.3 percentage points on the same period of 2014.

Furthermore, William Peel was, according to Nielsen<sup>3</sup>, one of the off-trade's Top 10 most-sold products (by revenue) in October 2015, taking all FMCG products into account. Indeed William Peel appears twice in this Top 10, with its 1 liter bottle in 7<sup>th</sup> place and its 70 cl bottle in 10<sup>th</sup> place.

Lastly, Sobieski, improving during the third quarter, has accelerated its development in line with the strategic plan before the advertising campaign scheduled for the final quarter of 2015 has even been launched.

	Change in volumes vs. 2014		Market share
	Market	MBWS	MBWS
William Peel	-1.7%	4.0%	23.5%
Sobieski	-1.0%	-4.2%	11.6%
Fruits and Wine	3.9%	5.4%	29.2%

Source: Nielsen YTD P09 2015 / IRI YTD P09 2015

### Poland: temporary impact associated with the change in the Krupnik bottle and further market share gains

Over the first 9 months of 2015, net sales were down 1.7% in Poland, restated for the impact of the end of third-party vodka sales in 2014 and the divestment of Galerie Alkohol. Excluding these adjustments, net sales in Poland over the first 9 months of the year came to €117.4 million, down 8.3% on the same period of 2014.

Excluding the scope effect, sales from the Group's core activities in Poland were up by 5.8% in the first 9 months of 2015.

<sup>1</sup> Source: IRI YTD P09 2015, BABV

<sup>2</sup> Source: Nielsen YTD P09 2015, Scotch Blend -12

<sup>3</sup> Source: Nielsen P10 15 in HMSM total self-service CPG



However, and in line with the BiG 2018 strategic plan, the Group has been implementing a reorganisation within the framework of the rationalisation of its wholesale activity in Poland. This reorganisation resulted in a 5.4% decrease in sales from non-strategic activities, and will have a positive effect on the profitability of these activities at end-December 2015.

Whilst Krupnik sales have been recording buoyant growth since the start of 2015, the Group had to urgently launch a new packaging of the Krupnik bottle during the 3<sup>rd</sup> quarter of 2015. This change followed an unconscionable request from the company granting the model of the Krupnik bottle under licence. That company demanded that the financial terms associated with this licensing contract be modified within a month. Not willing to accept these demands and not wanting to give in to what effectively amounts to blackmail, the Group developed a new model for the Krupnik bottle that only became available from mid-September. In these conditions, Polish sales in September were significantly affected but had returned to the sales levels recorded between January and August 2015 by October, which saw sales growth of 21% compared with October 2014. The Group intends to take every possible legal route to receive compensation for the losses incurred.

Krupnik has reaffirmed the solidity of its positioning and its status as a major player on the Polish vodka market, with a market share of 13.1%<sup>4</sup> (+1.7 percentage points vs. the same period of 2014). The effects of the bottle's new design, which has been particularly well-received by consumers, will be reflected in sales over the coming months. Furthermore, flavoured vodkas are continuing to perform well, and accounted for 17% of the brand's growth and 5.4% of its volumes.

Lastly, in the first half of 2015, scotch whisky imports into Poland jumped 60% compared with the 1<sup>st</sup> half of 2014, confirming the pertinence of the launch of William Peel. The volumes of William Peel sold in Poland since the start of the year are therefore promising, and the same is true of Fruits and Wine.

United States: destocking operations amongst distributors in the 3<sup>rd</sup> quarter and alignment of the Group's sales practices

Net sales for the first 9 months of 2015 totalled €13.4 million in the United States, down 3.9%. Restated for the positive currency effect, the decrease was 21%, or \$4 million, and was mainly due to destocking operations amongst distributors during the 3<sup>rd</sup> quarter that had an impact of around \$1 million on Group sales and to an alignment of the Group's sales practices on those of its peers. The Group thus increased its total discounts to distributors by \$1 million. These discounts negatively affected sales, but were more than offset by the decrease in marketing expenditure.

This decrease in sales thus has a positive impact on the Group's profitability in the United States. Despite these negative mechanical effects, Sobieski's performance on this market remains positive with, in the control states, sales growth three times greater than that of the imported vodka segment (+2.9% vs. 1%)<sup>5</sup>, confirming the increases in market share by volume and by value at national level over the quarter<sup>6</sup>.

<sup>4</sup> Source: Nielsen P09 2015, Vodka

<sup>5</sup> Source : Nabca depletions 31/10/2015, Q3 2015 vs. Q3 2014

<sup>6</sup> Source : Nielsen 13 weeks 10/10/2015, Q3 2015 vs. Q2 2015



#### Lithuania: continuous sales growth

Net sales at 30 September 2015 totalled €16.3 million in Lithuania, up 6.2% on the same period of 2014, driven by an excellent 3<sup>rd</sup> quarter during which activity grew by 8%, notably thanks to the recent launch of William Peel and Fruits and Wine.

#### Spain: further growth in the 3<sup>rd</sup> quarter of 2015

In Spain, net sales over the first 9 months of 2015 came to €9.1 million, an increase of +1.2% compared with the same period of last year and +1.5% in the 3<sup>rd</sup> quarter of 2015, driven by the excellent performance of Marie Brizard. Although it took place in November 2013, the effects of the end of the Pulco subcontracting contract at Marie Brizard Spain still impacted sales in 2014. On a comparable scope basis, net sales in Spain over the first 9 months of 2015 were up 3.5% on 2014.

#### Brazil: sales affected by the deterioration in the local macroeconomic environment

Net sales totalled €3.0 million at the end of September 2015, down 23.8% on the previous year. Restated for the currency effect, net sales were down 13.7%.

#### **Agreement with the DVNI in the dispute regarding the deductibility of the interest charges on the FRN debt**

In a letter dated 29 October 2015, the *Direction des Vérifications Nationales et Internationales* (French National and International Audit Office) confirmed the terms of an agreement ending the dispute between the Group and the tax authorities, regarding the deductibility of the interest charges on the FRN debt. As a result of this agreement, the Group should thus benefit from €20.4 million in tax relief corresponding to the amount in dispute.

In return, according to the terms of this agreement, the Group will initiate the early exit from the business continuance plan of its French subsidiary, Marie Brizard & Roger International.



## Outlook

Marie Brizard Wine & Spirits is reaffirming its objective of achieving 2015 EBITDA close to double that recorded in 2014, as well as the financial targets laid out in BiG 2018.

Lastly, on 23 November 2015 the Group will present to the market an update of its strategic plan and a restructuring schedule for its stock warrants.

Jean-Noël Reynaud, CEO of Marie Brizard Wine & Spirits, comments: *"The 3<sup>rd</sup> quarter was one of contrasts. In France, the situation significantly improved even though we have barely begun our advertising investments. In Poland and the United States, our activity was penalised by exogenous factors that had a significant impact. We have opted to weigh on the short term in order to benefit the long term. In Poland, where we were the victims of an unacceptable blackmail attempt, we refused to accept these irregular practices and have taken our destiny in hand, and we accept full responsibility for this decision and the impact it has had. This alters neither our ambitions nor our business plan."*

## About Marie Brizard Wine & Spirits

Marie Brizard Wine & Spirits is a wine and spirits group operating in Europe and the United States. Marie Brizard Wine & Spirits stands out through its know-how, its assortment of brands with a long tradition and a spirit firmly focused on innovation. From the founding of Maison Marie Brizard in 1755 to the launch of Fruits and Wine in 2010, the Marie Brizard Wine & Spirits group has shown an ability to develop its brands in a modern way whilst respecting their origins.

Marie Brizard Wine & Spirits is committed to providing value by offering its clients trustworthy and audacious brands packed with flavours and experiences. Today, the Group has a consistent portfolio of brands that are leaders on their respective segments, and notably William Peel, Sobieski, Fruits and Wine and Marie Brizard.



Marie Brizard Wine & Spirits is listed on Compartment B of Euronext Paris (FR0000060873 - MBWS) and is included in the EnterNext© PEA-PME 150 index.

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## APPENDICES

### Net consolidated sales by quarter

Consolidated net sales (millions of euros). Unaudited data	2014	2015	Change	Change %
1 <sup>st</sup> quarter	95.6	95.6	0.0	0.0%
2 <sup>nd</sup> quarter	125.8	127.1	1.3	1.1%
3 <sup>rd</sup> quarter	118.8	103.3	-15.5	-13.1%
<b>Cumulative sales excl. excise duty</b>	<b>340.2</b>	<b>326.0</b>	<b>-14.2</b>	<b>-4.2%</b>

### Geographical split in net consolidated sales

€ millions	Q1 2015	Q2 2015	Q3 2015	9M 2015
France	39.6	57.3	47.9	144.8
Poland	38.1	46.3	33.0	117.4
Lithuania	5.2	5.4	5.7	16.3
USA	3.3	5.8	4.3	13.4
Spain	2.2	3.5	3.4	9.1
Brazil	0.9	1.3	0.8	3.0
Others	6.3	7.5	8.2	22.0
<b>Total</b>	<b>95.6</b>	<b>127.1</b>	<b>103.3</b>	<b>326.0</b>



Geographical split in net consolidated sales

9 months	2014	Abandoned contract effect	Scope effect	2014 restated	Organic growth	Currency effect	2015
France	144.5	0.0	0.0	144.5	0.3	0.0	144.8
Poland	128.0	-4.3	-4.3	119.4	-2.6	0.6	117.4
Lithuania	15.4	0.0	0.0	15.4	0.9	0.0	16.3
USA	14.0	0.0	0.0	14.0	-2.9	2.3	13.4
Spain	9.0	-0.2	0.0	8.8	0.3	0.0	9.1
Brazil	3.9	0.0	0.0	3.9	-0.5	-0.4	3.0
Others	25.4	0.0	-2.8	22.6	-0.6	0.0	22.0
<b>Total 9 months</b>	<b>340.2</b>	<b>-4.5</b>	<b>-7.1</b>	<b>328.6</b>	<b>-5.1</b>	<b>2.5</b>	<b>326.0</b>

Q3	2014	Abandoned contract effect	Scope effect	2014 restated	Organic growth	Currency effect	2015
France	46.4	0.0	0.0	46.4	1.5	0.0	47.9
Poland	47.3	-0.8	-2.6	43.9	-11.1	0.2	33.0
Lithuania	5.3	0.0	0.0	5.3	0.4	0.0	5.7
USA	6.2	0.0	0.0	6.2	-2.6	0.7	4.3
Spain	3.3	0.0	0.0	3.3	0.1	0.0	3.4
Brazil	1.5	0.0	0.0	1.5	-0.5	-0.2	0.8
Others	8.8	0.0	0.0	8.8	-0.6	0.0	8.2
<b>Total Q3</b>	<b>118.8</b>	<b>-0.8</b>	<b>-2.6</b>	<b>115.4</b>	<b>-12.8</b>	<b>0.7</b>	<b>103.3</b>