



Ivry-sur-Seine, 8 November 2016

## RETURN TO GROWTH IN Q3 2016: CONSOLIDATED NET SALES UP 1.9%

- Double-digit growth in the USA and in Poland core businesses
- France: spirits growth and sequential improvement in wine
- MBWS reiterates 2016 guidance and BiG 2018 strategic plan targets

Marie Brizard Wine and Spirits (Euronext Paris: MBWS) today announced its consolidated net sales through 30 September 2016. For the Q3 2016 period, consolidated net sales totaled €104.3m, a 1.9% increase (excluding currency impact) compared to the previous year. Core business sales totaled €83.6m in the third quarter, a 1.1% increase versus the previous year (excluding the currency impact).

Jean-Noël Reynaud, CEO of MBWS commented, *“The double-digit growth in the USA and in the core part of our business in Poland demonstrates our ability to achieve our growth and profitability targets in those markets. We are also very satisfied with the growing strength of our spirits brands in France, where William Peel and Sobieski in particular continue to gain market share. Other markets, such as Spain have also continued to deliver pillar brand growth, underscoring the potential of our brands in different geographies. We also expect cognac Gautier’s development to accelerate in tandem with the route-to-market reconfiguration in the US and Asia.”* Mr. Reynaud continued, *“In the third quarter, the non-core activities also returned to growth, underscoring the effectiveness of our now-concluded restructuring program. With the increasingly profitable growth across our core businesses, we expect to meet our 2016 full-year EBITDA guidance on the order of €20m, and we reiterate the targets of our BiG 2018 strategic plan.”*

### Q3 2016 Consolidated net sales by country

<i>in € mn</i>	2015	Organic growth	Currency impact	2016	Organic growth (excl. currency impact)	Organic growth (incl. currency impact)
France	47.9	-0.1	0.0	47.8	-0.3%	-0.3%
Poland Core	12.6	1.4	-0.5	13.5	10.8%	7.0%
Lithuania	5.7	-0.2	0.0	5.5	-2.8%	-2.8%
United States	4.3	0.5	0.0	4.8	11.3%	10.8%
Spain	3.4	0.2	0.0	3.6	5.5%	5.5%
Brazil	0.8	-0.3	0.2	0.6	-43.7%	-19.5%
Others	8.2	-0.4	0.0	7.8	-5.4%	-5.4%
<b>Total MBWS Core</b>	<b>83.0</b>	<b>1.0</b>	<b>-0.3</b>	<b>83.6</b>	<b>1.1%</b>	<b>0.8%</b>
MBWS Non-Core	20.4	0.9	-0.7	20.7	4.9%	1.2%
<b>Total MBWS</b>	<b>103.4</b>	<b>1.9</b>	<b>-1.0</b>	<b>104.3</b>	<b>1.9%</b>	<b>0.9%</b>



Overall growth was driven by Poland and the United States, with Spain also performing positively. This growth was offset primarily by temporary declines in Brazil and Lithuania.

France: Positive performance and market share gains posted by spirits; sequential improvement in wine segment versus Q2 2016

	Change in Volumes vs. 2015		Market Share MBWS
	Market	MBWS	
<u>France</u>			
William Peel	+1.3%	+5.1%	24.5%
Sobieski	+1.6%	+29.2%	14.7%
Fruits and Wine	-13.1%	-10.1%	29.6%

Source : Nielsen YTD P10 2016

During the third quarter, MBWS’ spirits business in France generated top-line growth, while the wine segment sales showed a progressive improvement versus Q2 2016. Overall, net sales were down -0.3%. MBWS’ pillar brands continued to outgrow their respective categories and to increase their market shares across the portfolio.

During the period, MBWS brands became the largest year-to-date contributors to value growth in the spirits sector (after becoming the largest contributors to volume growth in H1 2016) driven by Sobieski which provided the largest share of growth in the vodka category, gaining 3.1 points of market share year-to-date to 14.7%. William Peel also once again consolidated its leadership position in the scotch whisky category with a +0.9 point market share gain year-to-date, leading the brand to a historically high 24.5% share of the market.

Fruits and Wine continued to out-perform its competitors, and maintained its leadership position in the flavored wine category with a 29.6% market share.

Spain: Dynamic growth continues across the portfolio

During the third quarter of the year, Spain generated a top-line increase of 5.5%, driven by robust growth in the branded wine segment (Marqués del Puerto), followed by strong growth in William Peel and Sobieski. Marie Brizard should benefit fully in Q4 from the brand’s re-launch which will drive growth acceleration.



Poland: Core business growth driven by Krupnik flavored vodka

	Change in Volumes vs. 2015		Market Share
	Market	MBWS	MBWS
<b>POLAND</b>			
Krupnik Clear	+1.9%	+1.0%	15.7%
Krupnik Flavored	+5.0%	+43.8%	4.5%
Krupnik Total Brand	+3.3%	+4.7%	13.1%

Source : Nielsen YTD P09 2016

The core business in Poland reported top-line growth of 10.8% on an organic basis, driven by Krupnik flavored vodka, which has gained 1.15 points of market share year-to date. Krupnik flavored vodka now accounts for 7.7% of the brand's volume (up from 4.8% in Q3 2015). William Peel net sales also grew dynamically during the period.

Lithuania: decrease in Q3 sales led by a more complicated competitive landscape

Lithuania reported a sales contraction of 2.8% in Q3 2016. This result reflects pressure on the Lithuanian vodka market, a consequence of additional governmental restrictions on the purchase of alcohol. A growing public sector threat to control retail distribution further complicates the competitive landscape. Encouragingly, William Peel, Marie Brizard, Cognac Gautier and some of the local brands saw robust growth, demonstrating their resilience in a more difficult environment.

Bulgaria: Strong growth of pillar brands

The Bulgarian business delivered strong growth of 57.2% in Q3, driven by substantial gains in William Peel, Fruits and Wine, Marie Brizard and Sobieski. The export markets also performed well.

USA: Return to growth, driven by route-to-market reorganization

Third quarter 2016 sales in the US market returned to the growth trajectory of Q1 2016. The Group delivered Q3 2016 top-line growth of 11.3% driven by all pillar brands, following the reorganization of its route-to-market.

Brazil: Phasing of price increase and promotional activity drove Q3 sales down

MBWS reported a sharp decrease in sales of -43.7% in Brazil in local currency (-19.5% including the currency impact), following double-digit sales' growth in Q2 2016. The decline was driven by pricing taken in early July, and by the phasing of holiday-related promotional activity to begin in October. The volume decrease is expected to be re-couped during the fourth quarter.

Non-core activities

The non-core business (comprised mainly of wholesale activities in Poland) reported top-line growth of 4.9%, providing evidence of the finalization of the restructuring of these activities. The positive performance was driven by efficiency gains and operating improvements under the optimization program carried out over the past two years, and should lead the non-core activities to generate break-even EBITDA in 2016.



## Sales for the Q3 YTD 2016 Period

During the first nine months of 2016, MBWS' core business reported net sales of €246.3m, a slight decrease of -0.3% versus the previous year on an organic basis, and -1.2% including the currency impact. The growth of the spirits business year-to-date has been slightly offset by a weather-related decline in the less profitable wine segment in France.

Consolidated net sales totaled €309.3m, a decrease of -2.5% on an organic basis, and -4.2% including the currency impact. The decline in non-core activities, which are also less profitable than the core business, is a result of the restructuring that has taken place, and is in-line with the BiG strategy.

### Q3 YTD 2016 Consolidated net sales by country

<i>in € mn</i>	2015	Organic growth	Currency impact	2016	Organic growth (excl. currency impact)	Organic growth (incl. currency impact)
France	144.8	-4.1	0.0	140.8	-2.8%	-2.8%
Poland Core	40.7	2.5	-2.0	41.2	6.1%	1.2%
Lithuania	16.3	0.2	0.0	16.5	1.1%	1.1%
United States	13.4	0.6	0.0	14.0	4.2%	4.1%
Spain	9.1	0.4	0.0	9.5	4.5%	4.5%
Brazil	3.0	0.1	-0.4	2.8	4.7%	-7.1%
Others	22.0	-0.4	0.0	21.6	-1.9%	-1.9%
<b>Total MBWS Core</b>	<b>249.4</b>	<b>-0.7</b>	<b>-2.4</b>	<b>246.3</b>	<b>-0.3%</b>	<b>-1.2%</b>
MBWS Non-Core	73.6*	-7.5	-3.1	63.0	-10.2%	-14.4%
<b>Total MBWS</b>	<b>323.0</b>	<b>-8.2</b>	<b>-5.4</b>	<b>309.3</b>	<b>-2.5%</b>	<b>-4.2%</b>

\* MBWS non-core sales for the Q3 YTD 2016 period was restated from €76.7m to reflect perimeter effects.

## Outlook

Marie Brizard Wine & Spirits reiterates its guidance of FY2016 EBITDA on the order of €20m (excluding the impact of IFRS Standard #2), as well as the objectives of its BiG strategic plan: FY2018 top-line of €450m to €500m and an EBITDA margin of 15%.

MBWS will publish its Q4 2016 sales on February 7, 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, Fruits & Wine flavored wine and Marie Brizard liqueurs. 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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