Ivry-sur-Seine, 30 September 2015

SUBSTANTIAL IMPROVEMENT IN RESULTS IN H1 2015

- **EBITDA: +56% vs. H1 2014**
- **Attributable net profit: +€6.4 million vs. H1 2014**
- **Net cash position: €38.7 million, +€35.5 million vs. 30 June 2014**

DOUBLING OF EBITDA IN 2015: TARGET OF AROUND €10 MILLION

Marie Brizard Wine & Spirits (Euronext Paris: MBWS) today announces its audited results for the first half of the year to 30 June 2015.

SIMPLIFIED INCOME STATEMENT

€000	30 June 2015	30 June 2014 restated*
Net sales (excluding excise duty)	222,688	221,370
Gross margin *Gross margin %*	73,510 *33.0%*	70,978 *32.1%*
EBITDA excluding IFRIC 21 impact EBITDA	*2,552* 1,788	*1,898* 1,147
Operating profit / loss from continuing ops	-902	-711
Operating profit / loss	-2,199	-2,184
Attributable net profit / loss	-3,239	-9,646

** 2014 figures take into account restatements since 31 December 2014, notably on excise duty*

Consolidated results for the 1st half of 2015

- **Return to a growth momentum, with sales up +4.5% on a comparable basis**

As announced on 7 August, over the first half of 2015 the Group recorded sales of €222.7 million. On a comparable scope and restated for contracts abandoned in 2014, sales were up +4.5% compared with the first half of 2014.

- **Solid improvement in EBITDA, in line with BiG 2018: +56% vs. H1 2014**

The gross margin for the first half of 2015 was €73.5 million, an improvement of 3.6% compared with the first half of 2014, giving a gross margin as a percentage of sales of 33.0% (vs. 32.1% in H1 2014). This improvement was notably due to the purchasing-cost savings announced in the Group's strategic plan (BiG 2018), the effects of which should be amplified from the 2nd half of the year onward.
Marketing and promotional spending was down €1.6 million compared with the first half of 2014 because of a trade discount reallocation on some markets and a better allocation of promotional actions to take into account the stronger seasonal sales in the second half.

As expected, in the first half of 2015 the Group saw an increase in consultancy and advisory fees, mainly associated with the implementation of the BiG 2018 strategic plan. In 2014, such spending had mainly taken place over the second half of the year.

Personnel costs excluding retirement provisions were up by €1.2 million compared with the first half of 2014 and totalled €31.6 million. This increase was mainly a result of the hiring of personnel since June 2014, notably within the holding company, although this was partially offset by workforce adjustments carried out in Poland and France.

Since 1 January 2015, Marie Brizard Wine & Spirits has been applying the IFRIC 21 interpretation to its accounts, which sets the date certain taxes are written down in accounts as the date on which they are required to be paid. To make it possible to compare the 2014 and 2015 financial years, the financial statements for the first half of 2014 have been restated in accordance with IFRIC 21.
This interpretation led the Group to write down a €0.8 million expense in the first half of 2015 and the first half of 2014.

As a consequence, Marie Brizard Wine & Spirits recorded EBITDA of €1.8 million in the first half of 2015, an improvement of 56% compared with the same half of 2014. If IFRIC 21 had not been taken into account, in the first half of 2015 the Group would have recorded EBITDA of €2.6 million and would have almost broken even in terms of its operating profit from continuing operations.

- **A €6.4 million improvement in the attributable net loss vs. 30 June 2014**

In the first half of 2015, the Group wrote down non-recurring operating expenses of €3.1 million, essentially associated with the Group's financial restructuring for €1.3 million and reorganisations carried out in Bulgaria and the United States. The Group furthermore recorded €1.8 million in non-recurring operating income associated with the divestment of activities carried out over the period.

The first half of 2015 thus saw an operating loss of -€2.2 million, similar to the first half of 2014.

Taking into account a financial loss of approximately -€0.2 million and tax expense of €0.4 million, the Group recorded a €6.4 million improvement in its attributable net loss compared with the first half of 2014, with this loss totalling -€3.2 million.

- **Substantial €35.5 million improvement in the net cash position vs. 30 June 2014, to €38.7 million**

At 30 June 2015, equity capital totalled €196.5 million and the Group had cash and cash equivalents of €69.0 million and a net cash position of €38.7 million, a €35.5 million increase compared with 30 June 2014.
This substantial improvement was a result of:

- A €22 million improvement in operating working capital, i.e. a decrease of 16%, to €117 million at 30 June 2015 vs. €139 million at 30 June 2014.
- The repayment of a €31 million carry-back receivable in February 2015, which was partially offset by the payment of the second dividend of the continuation plan, paid in March 2015 and totalling €14 million.

Analysis of activity by geographical region

€m	France & international cluster	Poland	USA	Lithuania	Brazil
Sales ex. excise duty	113.4	84.3	9.1	10.6	2.2
EBITDA	5.8	-0.1	-0.3	1.1	0.7

- In the first half of 2015, EBITDA recorded in France and the international cluster (Spain, Scandinavian countries and Marie Brizard & Roger International export sales to countries where the Group has no subsidiaries) decreased as a result of the implementation of management fees at the end of 2014. Excluding this effect, the EBITDA margin in France was up +1.0 percentage point.
- In Poland, the EBITDA margin improved by 0.7 points compared with 30 June 2014. The selling prices of the Group's products not only followed the excise duty trend but were also the subject of an average additional increase of 2% across the traditional network in April 2015. Marie Brizard Wine & Spirits successfully launched flavoured Krupnik vodkas in Poland, the price of which is higher than standard Krupnik. These flavoured versions contributed 15% to the growth in volumes recorded at the end of June and accounted for 5% of the brand's total volumes. The improvement in EBITDA was also due to the rationalisation of the organisation, to the focus on proprietary brands and to good control over costs, essentially on wholesale activities. These were merged from the second half of 2014 with a view to their divestment.
- In the United States, EBITDA improved by €3.0 million as a result of promotional activities being pushed back to the second half of the year to take into account the seasonality of sales and of the redefining of the transfer price policy.
- In Lithuania, over the first half of 2015 EBITDA improved by 26.1% vs. 30 June 2014, driven by an aggressive sales and marketing strategy on both the Lithuanian market and the export market.
- Lastly, the Brazilian subsidiary is continuing to record excellent performances, with an EBITDA margin of 31.0% at 30 June 2015.

Outlook for the second half of 2015

The wine and spirits industry is structurally seasonal, with second-half sales outstripping first-half sales.
As foreseen in its BiG 2018 strategic plan, in 2015 Marie Brizard Wine & Spirits launched a number of initiatives aimed at boosting its sales and optimising its cost structure:

- <u>In terms of rationalisation:</u>
    - Divestment of Galerie Alkoholi in May 2015
    - Preparation of the process to sell off other non-strategic assets

- <u>In terms of optimisation:</u>
    - Renegotiation of sourcing contracts
    - Implementation of sales excellence tools
    - Reorganisation of distribution networks

- Reduction in inventory levels and simplification of the product portfolio
- Launch of work on the vodka distillation project in Lithuania

- In terms of growth:
    - Internationalisation of the Group's flagship products (William Peel in Poland and in Lithuania, Fruits and Wine in Poland and Canada…)
    - Launch of new brands (Shotka in Spain)

These various strategic initiatives still only had a limited impact over the first half of 2015, but should truly prove their worth over the second half and in coming years.
Marie Brizard Wine & Spirits' objective is to achieve 2015 EBITDA close to double that recorded in 2014, which was €5.2 million. It is also reaffirming the financial targets laid out in BiG 2018.

Jean-Noël Reynaud, CEO of Marie Brizard Wine & Spirits, comments: "*The first half of 2015 saw the start of our strategic plan. The three key areas of BiG 2018 (rationalisation, optimisation and growth) are all progressing in line with our expectations, and the improvement in our results will be visible from the second half of 2015. Our growth is outstripping that of our peers and our brands perfectly resonate with our markets. EBITDA improved over the first half of 2015, but this is only the start and we are determined to accelerate this trend. We knew that the Group had substantial potential. The recent changes in our shareholding structure to include wine and spirits industry experts open up new opportunities to develop our sales and optimise our costs. We will reveal these in a "BiG 2.0" publication in December. Lastly, work associated with the restructuring of our equity warrants is currently taking place and should be completed in the coming months.*"

Next press release: sales for the 3rd quarter of 2015: 10 November 2015

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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INCOME STATEMENT

Amounts in €000 unless otherwise stated	**30 June 2015** **6 months**	**30 June 2014** **6 months** ***restated***
Revenues	**348,020**	**329,129**
Excise duty	(125,332)	(107,759)
Revenue excluding excise duty	**222,688**	**221,370**
Purchases consumed	(149,178)	(150,392)
External charges	(34,671)	(33,396)
Personnel costs	(31,755)	(30,312)
Taxes and levies	(4,846)	(5,287)
Depreciation charges	(3,085)	(3,609)
Other operating income	5,774	6,902
Other operating expenses	(5,829)	(5,988)
Operating profit / (loss) from continuing operations	**(902)**	**(711)**
Other non-recurring income	1,757	1,893
Other non-recurring expenses	(3,054)	(3,366)
Operating profit / (loss)	**(2,199)**	**(2,184)**
Income from cash and cash equivalents	76	126
Gross cost of borrowing	(735)	(791)
Net cost of borrowing	**(659)**	**(665)**
Other financial income	6,362	6,200
Other financial expenses	(5,888)	(12,655)
Net financial items	**(185)**	**(7,120)**
Pre-tax profit / (loss)	**(2,384)**	**(9,304)**
Income tax (charge) / income	(383)	(115)
Share of income from associates		
Net profit / (loss) on continuing operations	**(2,767)**	**(9,417)**
Net profit / (loss) from discontinued activities after tax		
Net profit / (loss)	**(2,767)**	**(9,417)**

BALANCE SHEET

Amounts in €000	30 June 2015	31 December 2014 *restated*
ASSETS		
Goodwill	30,039	29,932
Intangible assets	111,119	110,900
Property, plant & equipment	43,148	42,922
Investments	1,931	1,624
Investments in associates		
Deferred tax assets	2,998	3,220
Non-current assets	**189,235**	**188,597**
Inventory & work-in-progress	80,831	70,095
Trade receivables	95,100	98,982
Tax receivables	1,695	33,164
Other current assets	27,024	21,373
Cash & cash equivalents	68,995	77,184
Current assets	**273,645**	**300,797**
Assets held for sale	**2,198**	**5,877**
Total assets	**465,078**	**495,272**

Amounts in €000	30 June 2015	31 December 2014 *restated*
LIABILITIES		
Share capital	52,974	52,973
Premiums	416,362	416,359
Consolidated reserves	(261,444)	(243,844)
Translation reserves	(19,389)	(17,545)
Consolidated net income / (loss)	(3,239)	(19,125)
Equity capital, Group share	**185,264**	**188,817**
Minority interests	11,261	10,696
Total equity capital	**196,525**	**199,514**
Employee benefits	6,260	6,071
Other non-current provisions	6,048	7,473
Long-term debt due in > 1 year	1,497	2,202
Deferred tax liabilities	37,859	38,768
Other non-current liabilities	53,131	64,227
Non-current liabilities	**104,794**	**118,740**
Current provisions	3,790	3,972
Long-term debt due in < 1 year	1,075	1,112
Short-term debt	27,686	32,321
Suppliers and related payables	58,636	56,985
Tax liabilities	1,417	55
Other current liabilities	71,155	77,813
Current liabilities	**163,758**	**172,258**
Liabilities held for sale		**4,760**
Total liabilities	**465,078**	**495,272**

CASH FLOW STATEMENT

Amounts in €000	30 June 2015 6 months	30 June 2014 6 months *restated*
Total consolidated net profit / (loss)	**(2,767)**	**(9,417)**
Net profit / (loss) on continuing operations	**(2,767)**	**(9,417)**
Depreciation, amortisation and provisions	1,634	6,576
Fair value revaluation gains / (losses)	295	
Discount rate impacts	2,970	2,548
Difference between the fair value / cash obtained on the transfer of treasury shares	66	
Gains/(losses) on disposals and dilution	286	6
Dividend income		(21)
Operating cash flow after net cost of borrowings and tax	**2,485**	**(308)**
Income tax charge (credit)	383	115
Cost of net financial debt	668	667
Operating cash flow before net cost of borrowings and tax	**3,536**	**473**
Change in working capital 1 (inventories-receivables-payables)	(5,203)	31,242
Change in working capital 2 (other)	(27,396)	(49,104)
Tax paid	28,543	(2,800)
Cash flow from operating activities	**(520)**	**(20,189)**
Purchase of property, plant and equipment and intangible assets	(2,931)	(2,392)
Increase in loans and advances granted	(331)	(130)
Decrease in loans and advances granted	35	4,305
Disposal of property, plant & equipment and intangible assets	596	270
Impact of changes in scope	179	3,478
Cash flow from investment activities	**(2,452)**	**5,531**
Capital increase	7	7
Purchase of treasury shares		(489)
Borrowings received	226	1,077
Borrowings reimbursed	(1,249)	(924)
Net interest paid	(654)	(824)
Net change in short-term debt	(4,821)	4,406
Cash flow from financing activities	**(6,491)**	**3,252**
Impact of exchange rate fluctuations	741	155
Cash flow from operations sold off and proceeds of such sales	231	
Change in cash and cash equivalents	**(8,490)**	**(11,252)**
Opening cash and cash equivalents	77,184	36,470
Cash reclassifications	300	10
Closing cash and cash equivalents	68,995	25,228
Change in cash and cash equivalents	**(8,490)**	**(11,252)**