



Ivry-sur-Seine, 7 February 2017

Q4 2016 NET SALES IMPACTED BY THE RECONFIGURATION OF ROUTES-TO-MARKET

- Branded Business net sales grew +0.7% for the full year
- Mainstream business model drove market share gains
- 2016 EBITDA on the order of €17m
- Reconfirmation of BiG 2018 objectives

Marie Brizard Wine and Spirits (Euronext: MBWS), today announced its unaudited consolidated net sales for Q4 and FY 2016.

Net sales totalled €431.3m for the full-year 2016, and €122.0m for the Q4 2016 period, representing decreases of -1.8% and -0.4% respectively compared to the previous year.¹ Including the currency impact, top-line decreased -3.3% for the full year 2016, and -1.4% for Q4 2016.

Net Sales for the branded business increased 0.7% in FY 2016 to €265.1m, driven by growth in the Central and Eastern Europe cluster, and offset by a -5.3% revenue decrease in Other Businesses (Sobieski Trade and Private Label).

Jean-Noël Reynaud, CEO of MBWS commented, *"The reconfiguration of our distribution networks, which took place in December of last year, had a negative impact on MBWS' net sales toward the end of Q4 2016 as a number of Polish wholesalers decided to reduce their stocks before our new distribution contracts became effective on January 1st, 2017. This short-term negative impact does not call into question our growth strategy, nor does it affect the reconfiguration of our routes-to-market, the underlying structure for our long-term growth."* Mr. Reynaud continued, *"Consequently, the full-year 2016 sales results do not reflect the significant market share gains made by our pillar brands, particularly in France and Poland."*² In France, William Peel is now the top-selling spirits brand in large retail chains in terms of volume sales, as measured by Nielsen against all spirits categories for the November 2016 – January 2017 period. These positive performance indicators confirm the strength of our mainstream business model and the growth opportunities presented by MBWS' positioning at the heart of the wine and spirits industry. The top-line decrease in Q4 will have an impact on our 2016 EBITDA target, which is now estimated to be on the order of €17m, representing strong growth compared to 2015," concluded Mr. Reynaud.

¹ All sales growth rates in this press release are expressed in organic, like-for-like terms, and exclude the impact of foreign exchange unless otherwise stated.

² All references to market share refer to measures made by Nielsen for P13 2016 in the case of France, and P12 2016 in the case of Poland, unless otherwise stated.



Full-year 2016 Net sales by cluster

in € mn

	2015	Organic growth	Currency impact	2016	Organic growth (excl. currency impact)	Organic growth (incl. currency impact)
<u>Branded Business</u>						
Western Europe & MEA	140.9	-1.3	0.0	139.6	-0.9%	-0.9%
France	116.5	-2.6	0.0	113.9	-2.2%	-2.2%
Rest of WEMEA	24.4	1.3	0.0	25.7	5.1%	5.2%
Central & Eastern Europe	93.2	3.1	-2.8	93.5	3.3%	0.3%
Poland	65.7	1.1	-2.8	64.0	1.7%	-2.5%
Rest of CEE	27.5	2.0	0.0	29.5	7.2%	7.2%
Americas	28.9	-0.5	-0.1	28.3	-1.7%	-2.2%
Asia Pacific	3.1	0.6	0.0	3.7	20.5%	20.5%
Sub-Total Branded Business	266.1	1.9	-2.9	265.1	0.7%	-0.4%
<u>Other Businesses</u>						
Sobieski Trade	94.4	-2.7	-3.8	87.9	-2.9%	-6.9%
Private Label	84.7	-6.8	0.0	77.9	-8.1%	-8.1%
Sub-Total Other Businesses	179.1	-9.5	-3.8	165.8	-5.3%	-7.5%
Sold Assets	0.7	-0.3	0.0	0.4	-41.2%	-43.6%
TOTAL MBWS	445.9*	-7.9	-6.7	431.3	-1.8%	-3.3%

Q4 2016 Net Sales by cluster

in € mn

	2015	Organic growth	Currency impact	2016	Organic growth (excl. currency impact)	Organic growth (incl. currency impact)
<u>Branded Business</u>						
Western Europe & MEA	38.4	-2.2	0.0	36.2	-5.8%	-5.8%
France	30.7	-2.2	0.0	28.5	-6.9%	-6.9%
Rest of WEMEA	7.7	0.0	0.0	7.7	-1.2%	-1.2%
Central & Eastern Europe	33.1	-0.7	-0.8	31.6	-2.3%	-4.6%
Poland	25.0	-1.4	-0.8	22.8	-5.5%	-8.5%
Rest of CEE	8.1	0.7	0.0	8.8	7.7%	7.7%
Americas	10.5	-0.5	0.3	10.3	-4.5%	-2.4%
Asia Pacific	1.2	0.5	0.0	1.7	44.8%	44.8%
Sub-Total Branded Business	83.2	-2.9	-0.5	79.8	-3.5%	-4.2%
<u>Other Businesses</u>						
Sobieski Trade	21.3	4.6	-0.7	25.2	21.7%	18.2%
Private Label	19.0	-2.0	0.0	17.0	-10.9%	-10.9%
Sub-Total Other Businesses	40.3	2.6	-0.7	42.2	6.4%	4.5%
Sold Assets	0.1	-0.1	0.0	0.0	-100.0%	-100.0%
TOTAL MBWS	123.6*	-0.4	-1.2	122.0	-0.4%	-1.4%

* Net sales for FY 2015 and Q4 2015 have been restated to reflect:

- 1) **Cancelled contracts** for a total negative impact of €-2.0m for the full year, and €-1.3m in Q4, as follows: WEMEA €-0.6m for the full year and €-0.3m in Q4, resulting from the cancellation of the Mateus and Ferreira distribution contracts; and Americas €-1.5m for the full year and €-0.9m in Q4 as a consequence of the cancellation of the Kerrygold distribution contract in the US;
- 2) **Full-year perimeter effect:** €-3.1m due to the sale of Galerie Alkohol in Poland during 2015.



Branded Business FY 2016 net sales grew 0.7% driven by Central and Eastern Europe cluster

Net sales generated by the Branded Business grew 0.7% (excluding foreign exchange effects) to €265.1m, driven by the Central and Eastern Europe cluster.

In Q4 2016, the Branded Business generated sales of €79.8m, a contraction of -3.5% versus the previous year. The pillar brands delivered volume growth of 2.3% during the period.

Volume and Net Sales Growth – By Pillar Brand

	Q4 2016		Full Year 2016	
	Volume Growth	Net Sales Growth	Volume Growth	Net Sales Growth
William Peel	-0.1%	0.2%	2.9%	1.3%
Sobieski	-17.3%	-22.2%	-7.6%	-10.4%
Krupnik	14.1%	5.2%	7.0%	8.2%
Cognac Gautier	48.0%	95.6%	10.5%	37.7%
Marie Brizard	-6.6%	4.4%	-1.9%	5.1%
Fruits and Wine	11.5%	20.9%	-10.4%	-9.8%
Total Pillar Brands	2.3%	-0.9%	1.0%	0.6%
Other Brands		-11.8%		1.1%
Total Branded Business		-3.5%		0.7%

Western Europe, Middle East and Africa

The WEMEA cluster reported FY 2016 sales of €139.6m, a decrease of -0.9% versus the previous year. In Q4 2016 net sales in WEMEA decreased -5.8% versus the year ago period.

France, which accounted for 82% of WEMEA revenue in 2016, reported full year net sales of €113.9m, a decrease of -2.2%, and a Q4 net sales decrease of -6.9%. Softer sales during the year were due primarily to year-end de-stocking that affected William Peel, and the unfavorable weather in Q2 and Q3 2016 that had a negative impact on Fruits and Wine (with the brand's downward trend reversing in Q4).

	Change in Volumes vs. 2015		Market Share	
	Market	MBWS	MBWS	Change
<u>France</u>				
William Peel	+0.9%	+4.7%	24.3%	+0.9 pts
Sobieski	+1.6%	+24.5%	14.6%	+2.7pts
Fruits and Wine	-11.9%	-9.6%	29.1%	+0.7 pts

Source : Nielsen YTD P13 2016



This top-line result contrasts sharply with market share data for the Group's pillar brands. William Peel consolidated its leadership position in the scotch whisky market with 4.7% volume growth and a 24.3% market share. For the November 2016 – January 2017 period, William Peel became the largest selling brand among all spirits brands sold by large retailers in France, as measured by volume.

Sobieski posted volume growth of 24.5% for the year, and a market share of 14.6% representing a +2.7 point gain.

Despite a weather-related decrease in sales, Fruits and Wine gained +0.7 market share points during the year for a share of 29.1%. Fruits and Wine out-performed its category during the year, with a volume decrease of -9.6% compared to a volume decline of -11.9% for the flavored wine category.

Driven by the positive performances delivered by its brands, in 2016 MBWS became the French market's largest contributor to spirits sector volume growth (+4.1%, compared to +0.2% for total market) and second largest contributor to the sector's value growth (+4.0%, versus 1.2% for total market).

Central and Eastern Europe

The Central and Eastern Europe (CEE) cluster reported FY 2016 net sales of €93.5m, a 3.3% increase versus year-ago. For Q4 2016, the CEE cluster reported net sales of €31.6m, a -2.3% decrease.

Poland, accounting for 68% of CEE cluster sales, reported full-year net sales of €64.0m, an increase of 1.7% versus the previous year, and €22.8m for Q4 2016, a -5.5% decrease versus Q4 2015. The sales slowdown in Poland during Q4 resulted directly from the new route-to-market configuration and the fact that many small wholesalers that have been excluded from MBWS' list of distributors did not re-order MBWS products in December, with the consequent negative impact on shipments. This impact is expected to continue into the first weeks of the new year, with a consequent impact on Q1 2017 net sales in Poland.

Nevertheless, the dynamic sell-out of MBWS brands in Poland continued. Krupnik flavored vodka grew volume sales by 42.7% and ended the year with a 4.6% market share. Krupnik's total brand market share was 13.0% at year-end, reflecting +5.6% volume growth, a +0.3 point increase in share of market YTD. William Peel's growth in Poland also accelerated during the year, with volumes increasing by 280%.

	Change in Volumes vs. 2015		Market Share	
	Market	MBWS	MBWS	Chge
POLAND				
Krupnik Clear	+2.7%	+4.0%	15.7%	+0.2 pts
Krupnik Flavored	+5.8%	+42.7%	4.6%	+1.2 pts
Krupnik Total Brand	+3.2%	+5.6%	13.0%	+0.3 pts

Source : Nielsen YTD P12 2016



Americas

Net sales in the Americas cluster totalled €28.3m in FY 2016, a decrease of -1.7% versus year ago (excluding the impact from the suspension of the Kerrygold distribution contract).

Sales in Q4 2016 totalled €10.3m, a -4.5% decrease compared to the year ago period. The results in the Americas cluster were impacted significantly by the new contract with Southern Glazer's Wine and Spirits, which covers 30 states, and Empire Merchants in New York. These new distribution agreements led to a destocking effect among the distributors whose contracts were suspended at the end of the year. Over the course of 2016, destocking – primarily of Sobieski -- reached a level of -13%, largely accounted for by slower activity in Q4 and focused on the state of New York. This does not reflect Sobieski's out-performance of the vodka category in major retail chains in Q4 2016 as the brand grew +3.3% versus +2.7% for the overall vodka category.

Asia Pacific

The Asia Pacific cluster delivered sales growth of 20.5% to €3.7m for the full year 2016, and 44.8% to €1.7m in Q4 2016. The second half of the year marked a clear acceleration in the region's top-line growth, with H2 2016 sales growing 26.3% compared to a 10.1% net sales growth rate in H1 2016. These sales were driven primarily by Cognac Gautier. The Asian markets providing the most dynamic growth for MBWS brands are mainland China and Australia.

Other Businesses

MBWS' Other Businesses, comprised of Sobieski Trade and Private Label activities, reported FY 2016 sales of €165.8m, a -5.3% decrease versus the previous year.

The full-year results mask the improvement of Sobieski Trade in particular, whose revenue grew by 21.7% in Q4 2016 to €25.2m. The Private Label business revenue decreased -10.9% in Q4, unfavorably impacted by poor weather in Q2 and Q3, and by the cancellation of a bottling contract in the year's last quarter.

Outlook

The Group expects to deliver FY 2016 EBITDA on the order of €17m.

The BiG 3.0 strategic plan objectives to year-end 2018 remain unchanged.

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. MBWS currently has a broad portfolio of leading brands in their respective market segments, most notably William Peel scotch whisky, Krupnik vodka, Sobieski vodka, Fruits and 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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Appendix 1: 2016 Quarterly results by cluster (new reporting structure)

Q1 2016 Net Sales by cluster

<i>in € mn</i>	2015	Organic growth	Currency impact	2016	Organic growth (excl. currency impact)	Organic growth (incl. currency impact)
<u>Branded Business</u>						
Western Europe & MEA	29.2	-0.9	0.0	28.3	-3.1%	-3.1%
France	24.6	-0.7	0.0	23.9	-3.1%	-3.1%
Rest of WEMEA	4.6	-0.2	0.0	4.4	-3.3%	-3.3%
Central & Eastern Europe	19.4	-1.7	-0.5	17.2	-8.9%	11.3%
Poland	13.4	-1.9	-0.5	11.0	-14.1%	-17.5%
Rest of CEE	6.0	0.2	0.0	6.2	2.6%	2.6%
Americas	4.8	0.3	-0.1	5.0	5.8%	2.8%
Asia Pacific	0.5	0.1	0.0	0.6	28.3%	28.3%
Sub-Total Branded Business	53.9	-2.2	-0.6	51.1	-4.1%	-5.2%
<u>Other Businesses</u>						
Sobieski Trade	22.3	-3.9	-0.7	17.7	-17.6%	-20.9%
Private Label	16.7	-0.5	0.0	16.2	-2.8%	-2.8%
Sub-Total Other Businesses	39.0	-4.4	-0.7	33.9	-11.3%	-13.1%
Sold Assets	0.2	0.0	0.0	0.2	-0.3%	-4.2%
TOTAL MBWS	93.1	-6.6	-1.3	85.2	-7.1%	-8.6%

Q2 2016 Net Sales by cluster

<i>in € mn</i>	2015	Organic growth	Currency impact	2016	Organic growth (excl. currency impact)	Organic growth (incl. currency impact)
<u>Branded Business</u>						
Western Europe & MEA	38.2	2.7	0.0	40.9	7.0%	7.0%
France	32.1	1.7	0.0	33.8	5.4%	5.4%
Rest of WEMEA	6.1	1.0	0.0	7.1	15.5%	15.6%
Central & Eastern Europe	21.5	3.5	-1.0	24.0	16.5%	11.5%
Poland	14.7	3.0	-1.0	16.7	20.5%	13.2%
Rest of CEE	6.8	0.5	0.0	7.3	7.8%	7.8%
Americas	7.7	-0.1	-0.5	7.1	-0.3%	-5.4%
Asia Pacific	0.6	0.0	0.0	0.6	-3.4%	-3.4%
Sub-Total Branded Business	68.0	6.1	-1.5	72.6	9.1%	6.9%
<u>Other Businesses</u>						
Sobieski Trade	30.6	-4.6	-1.6	24.4	-14.8%	-20.1%
Private Label	27.4	-4.8	0.0	22.6	-17.7%	-17.7%
Sub-Total Other Businesses	58.0	-9.4	-1.6	47.0	-16.2%	-19.0%
Sold Assets	0.2	0.0	0.0	0.2	-16.4%	-22.0%
TOTAL MBWS	126.2	-3.3	-3.1	119.8	-2.6%	-5.0%



Q3 2016 Net Sales by cluster

<i>in € mn</i>	2015	Organic growth	Currency impact	2016	Organic growth (excl. currency impact)	Organic growth (incl. currency impact)
<u>Branded Business</u>						
Western Europe & MEA	35.1	-0.9	0.0	34.2	-2.4%	-2.4%
France	29.1	-1.4	0.0	27.7	-4.8%	-4.8%
Rest of WEMEA	6.0	0.5	0.0	6.5	9.1%	9.2%
Central & Eastern Europe	19.2	2.0	-0.5	20.7	10.6%	8.1%
Poland	12.6	1.4	-0.5	13.5	10.8%	7.0%
Rest of CEE	6.6	0.6	0.0	7.2	10.2%	10.2%
Americas	5.9	-0.2	0.2	5.9	-4.4%	-1.5%
Asia Pacific	0.8	0.0	0.0	0.8	0.6%	0.6%
Sub-Total Branded Business	61.0	0.9	-0.3	61.6	1.5%	1.0%
<u>Other Businesses</u>						
Sobieski Trade	20.2	1.2	-0.7	20.6	5.6%	2.0%
Private Label	21.6	0.5	0.0	22.1	2.5%	2.5%
Sub-Total Other Businesses	41.8	1.7	-0.8	42.7	4.0%	2.2%
Sold Assets	0.1	-0.1	0.0	0.0	-76.4%	-76.6%
TOTAL MBWS	103.0	2.4	-1.1	104.3	2.4%	1.4%

Q4 2016 Net Sales by cluster

<i>in € mn</i>	2015	Organic growth	Currency impact	2016	Organic growth (excl. currency impact)	Organic growth (incl. currency impact)
<u>Branded Business</u>						
Western Europe & MEA	38.4	-2.2	0.0	36.2	-5.8%	-5.8%
France	30.7	-2.2	0.0	28.5	-6.9%	-6.9%
Rest of WEMEA	7.7	0.0	0.0	7.7	-1.2%	-1.2%
Central & Eastern Europe	33.1	-0.7	-0.8	31.6	-2.3%	-4.6%
Poland	25.0	-1.4	-0.8	22.8	-5.5%	-8.5%
Rest of CEE	8.1	0.7	0.0	8.8	7.7%	7.7%
Americas	10.5	-0.5	0.3	10.3	-4.5%	-2.4%
Asia Pacific	1.2	0.5	0.0	1.7	44.8%	44.8%
Sub-Total Branded Business	83.2	-2.9	-0.5	79.8	-3.5%	-4.2%
<u>Other Businesses</u>						
Sobieski Trade	21.3	4.6	-0.7	25.2	21.7%	18.2%
Private Label	19.0	-2.0	0.0	17.0	-10.9%	-10.9%
Sub-Total Other Businesses	40.3	2.6	-0.7	42.2	6.4%	4.5%
Sold Assets	0.1	-0.1	0.0	0.0	-100.0%	-100.0%
TOTAL MBWS	123.6*	-0.4	-1.2	122.0	-0.4%	-1.4%

* Net sales for Q4 2015 have been restated to reflect **cancelled contracts** for a total negative impact of €-1.3m as follows: WEMEA €-0.3m in Q4, resulting from the cancellation of the Mateus and Ferreira distribution contracts; and Americas €-0.9m in Q4 as a consequence of the cancellation of the Kerrygold distribution contract in the US;