8 December 2005

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2005

Highlights

- Turnover: organic growth of 4%
- Operating profit on ordinary activities: organic growth of 19.6%
- Net profit: more than doubled

Rémy Cointreau recorded good results for the first half of its 2005/06 financial year. The Group continued to refocus on its premium brands, which led to a modest decline in volumes, a moderate growth in overall sales and a significant improvement in profitability.

Price increases, the refocusing of marketing investment and the control of costs were factors that contributed to this improvement.

The consolidated financial statements were prepared in accordance with IFRS.

Key figures

(€ millions)	30.09.05	30.09.04	% Movement Gross	Organic
IFRS	(*)	(*)		(**)
▪ Turnover	397.8	386.9	+ 2.8	+ 4.0
▪ Operating profit on ordinary activities	64.4	60.3	+ 6.8	+19.6
▪ Operating profit	64.4	50.7	+27.0	
▪ Financial charges	(32.5)	(26.4)		
▪ Net profit from continuing operations	24.0	17.3	38.7	
▪ Profit from discontinued operations	15.1	2.8		
▪ Net profit	42.9	18.7	+130.0	

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(*) After reclassification of Poland's results in discontinued operations

(**) Organic growth is determined after restating the effect of currency movements and any change in the Group's structure.

Divisional operating profit on ordinary activities:

IFRS (€ millions)	**30.09.05**	**30.09.04**	**% Organic Growth**
Cognac	31.8	34.7	11.4
Liqueurs & Spirits	29.2	24.6	20.9
Champagne	1.7	0.0	-
Partners Brands	1.7	1.0	81.1
Operating profit on ordinary activities	**64.4**	**60.3**	**+19.6**

Cognac – The Group has chosen to focus on the Rémy Martin Fine Champagne Cognacs in order to improve profitability and to continue its development in the premium spirits segment. Operating profit grew by 11.4% to €31.8 million.

Liqueurs & Spirits – All products benefited from price increases as well as a favourable country mix and control of operating costs. Sales levels in the second quarter were good, particularly for Cointreau in the US. The division reported organic growth of 20.9% in operating profit.

Champagne – The continuing restructuring through the reduction in the level of secondary brands in favour of Piper-Heidsieck and Charles Heidsieck, led to growth in operating profit in line with the stated strategy of improved profitability.

Partner Brands – With the benefit of distributing new brands in the US, the division reported strong sales growth in the six months under review. Operating profit on ordinary activities, after allocation of distribution and central costs, was €1.7 million.

Consolidated results

Turnover grew by 2.8% (4% on a like-for-like basis) to €397.8 million. Sales of Polish vodkas, which were sold in August 2005, were reclassified as "discontinued operations". The key brands (Rémy Martin, Cointreau and Piper-Heidsieck) in the US and the domestic Asian markets were the principal growth drivers for the Group.

Operating profit on ordinary activities was €64.4 million, an increase of €4.1 million after the inclusion of an unfavourable euro/dollar exchange rate effect of (€8.1) million. Organic growth was 19.6%. **Operating profit on the ordinary activities margin** grew from 15.6% last year to 16.2%; at constant exchange rates, it increased to 17.9%.

Operating profit rose by €13.7 million compared with the previous year, which included a non-recurring charge of (€9.6) million in respect of reorganisation plans for the Dutch operations.

Financial charges increased by €6.1 million to (€32.5) million. This was mainly due to a €3.7 million charge, relating to the IFRS treatment of hedging instruments during a period of dollar appreciation and to the cost of refinancing the syndicated credit renegotiated under better terms in June (a charge in the half year amounting to €4.4 million).

Net profit from continuing operations was €24.0 million after tax, a 38.7% increase compared with the previous year. This reflected the cessation of the Maxxium goodwill amortisation and a decline in the tax rate.

Profit from discontinued operations of €15.1 million included the profit of the Polish operations until the end of August as well as the net gain on their disposal.

Net profit after non-recurring items (Polish operations) was € 42.9 million.

Net financial debt was €808.4 million. This improved by €54.5 million in the half year, and included €22.9 million in respect of the first application of IAS 32 and 39 at 1 April 2005, which related principally to the treatment of the Océane (convertible bonds) issued in 2001 and the bonds issued in 2003 and 2005.

Outlook

Rémy Cointreau confirms its objective of double-digit organic growth in operating profit on ordinary activities for the 2005/06 financial year.

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For further information, please contact:

Hervé Dumesny – Analysts	Tel: 00 33 1 44 13 45 50
Joëlle Jézéquel – Press	Tel: 00 33 1 44 13 45 15
Caroline Sturdy	Tel: 07775 568 500