RÉMY COINTREAU

25 November 2008

INTERIM RESULTS FOR THE SIX MONTHS ENDED
30 SEPTEMBER 2008

Highlights

- **Strong net profit growth: up 26.7%**
- **Current operating profit: up 4.2% (organic)**

Rémy Cointreau's current operating profit grew organically by 4.2% to €62.5 million on turnover of €365.2 million for the first half of the year. This growth is all the more remarkable in light of the good 12.7% growth reported in the first half of 2007.

Net profit - Group share increased by 26.7%.

This first half of the year was marked by improved profitability in Champagne, the satisfactory growth of top-of-the-range cognacs, as well as strong sales growth in emerging markets, such as China and Russia. Developments in more mature markets, such as the UK and Germany, remained satisfactory. However, the US was static in the second quarter. The Group continued to implement a deliberate policy of price increases in all markets.

Key figures

(€ millions)	**30.09.08**	**30.09.07**	**% Change Published**	**Organic***
▪ Turnover	**365.2**	374.4	(2.5)	+ 4.6
▪ Current operating profit	**62.5**	65.6	(4.7)	+ 4.2
▪ As % of turnover	***17.1***	*17.5*	-	*17.4*
▪ Other operating income and expenses	**19.4**	(0.1)		
▪ Operating profit	**81.9**	65.5		
▪ Financial charges	**(16.3)**	(25.5)		
▪ Net profit (Group share)	**48.3**	38.1		
▪ Net debt	**437.1**	548.2		

**The organic performance excludes the effects of currency movements.*

During the first half of the year, Rémy Cointreau's stake in Maxxium, which was previously equity accounted, was reclassified as "assets held for disposal". There were no other significant changes in Group structure.

On 2 September 2008, the Group signed an agreement on the terms and conditions of its exit from Maxxium BV. The compensation relating to cancelling the distribution agreement was set at €224 million and the repurchase value of the shares held by the Group at €60.4 million. The main accounting impacts of this agreement, representing a €37 million provision reversal and a €16.0 million provision for securities' writedowns, were recognised under "other operating income and expenses".

Current operating profit

(€ millions)	30.09.08	30.09.07	% Change Published	% Change Organic
Cognac	41.8	40.4	+ 3.5	+16.6
Liqueurs & Spirits	21.4	26.0	(17.7)	(16.9)
Champagne	2.8	0.7	+300	+414
Sub-total Group brands	66.0	67.1	(1.6)	+ 7.7
Partner brands	(3.5)	(1.6)	-	-
Current operating profit	**62.5**	65.5	(4.6)	+ 4.2

Cognac – Rémy Martin benefited fully from the dynamism of its upmarket and top-of-the-range qualities. Organic sales growth was 10.9%. Superior qualities achieved the best increases in China and throughout South East Asia, both in terms of volume and value, thereby confirming the potential of the Rémy Martin brand in this region of the world. The trend remained very strong in Russia as well as in Global Travel Retail.

Current operating profit grew organically by 16.6% to €41.8 million, with increased marketing investment.

Liqueurs & Spirits – The whole division posted stable turnover. Current operating profit as a percentage of turnover was 21.2% compared with 25.5% last year and reflected the relatively smaller size in sales of Cointreau, a high margin brand, in a more sombre North American market. Metaxa in Europe and Mount Gay Rum in the US both recorded double-digit growth.

Champagne – The sound performance of champagne over both quarters generated an organic growth in turnover of 6.5%. Piper-Heidsieck and Charles Heidsieck recorded satisfactory growth in Japan, Australia and in several major European markets such as the UK and Germany. The quadrupling of current operating profit primarily resulted from an improved pricing and product mix. Marketing investment declined slightly compared with the high level in the first half of 2007.

Partner brands – As expected, the relative size of this distribution business declined – particularly in the US – due to the cessation of two distribution contracts (Russian vodka and Californian wines).

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Consolidated results

Turnover was €365.2 million, representing organic growth of 4.6%. Group brands, which represented 90% of the total, grew by 6.7%.

Current operating profit was €62.5 million, representing organic growth of 4.2%. It corresponded to 17.1% of turnover and, organically, was virtually stable at 17.4% compared with the 17.5% achieved in the same period last year.

Operating profit grew strongly to €81.9 million after taking into account net income of €19.4 million relating to the exit from Maxxium BV.

Financial charges were €16.3 million, a significant improvement. The decline of 36.1% was due to a lower average debt and the recognition of non-recurring items the previous year.

Profit from continuing operations after tax was €48.3 million after taking into account a 17.9% income tax charge (an effective taxation rate of 27.3%). This was an increase of 30.5% compared with the same period the previous year.

Net profit - Group share was €48.3 million representing €1.04 per share, an increase of 25.3% (€0.21 per share).

Net financial debt was €437.1 million, a decline of 20.3% in the year (corresponding to €111.1 million).

The Group's confirmed financial resources were €812.4 million at 30 September 2008. They included a syndicated credit of €500 million (€466 million maturing in June 2012), the terms and conditions of which include compliance with a net debt to EBITDA covenant. This ratio must remain below 3.50 from 1 October 2008 to maturity in 2012. At 30 September 2008 it was 2.37.

Outlook

On 30 March 2008, Rémy Cointreau will exit the Maxxium distribution Joint Venture. The Group is fully in line with the business plan it initiated to build the new network across 38 countries – a new network, better adapted to the premium positioning of its brands and its on-trade objectives. Over 80% of sales will be directly controlled (subsidiaries, 50/50 Joint Ventures or representative offices), with the balance of the markets subject to bilateral agreements with domestic distributors. As at today, these partnerships have been finalised in all key markets.

For the financial year ending 31 March 2009, the level activity at the year end as well as the Chinese New Year will remain key. In view of the temporary cost overruns generated by the establishment of its distribution network, Rémy Cointreau does not anticipate, at this stage, organic growth in its current operating profit.

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The half year financial statements will be available on the website at the end of the morning www.remy-cointreau.com

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