

REMY COINTREAU ANNUAL REPORT 2012-2013



RÉMY COINTREAU



Cocktail Expert Case and the art of making cocktails,
a limited edition of VSOP Mature Cask Finish

+16.3%

1.193 billion sales

+18.1%

245.4 million current
operating profit

20.6%

operating profit margin

1,704

employees

Rémy Cointreau

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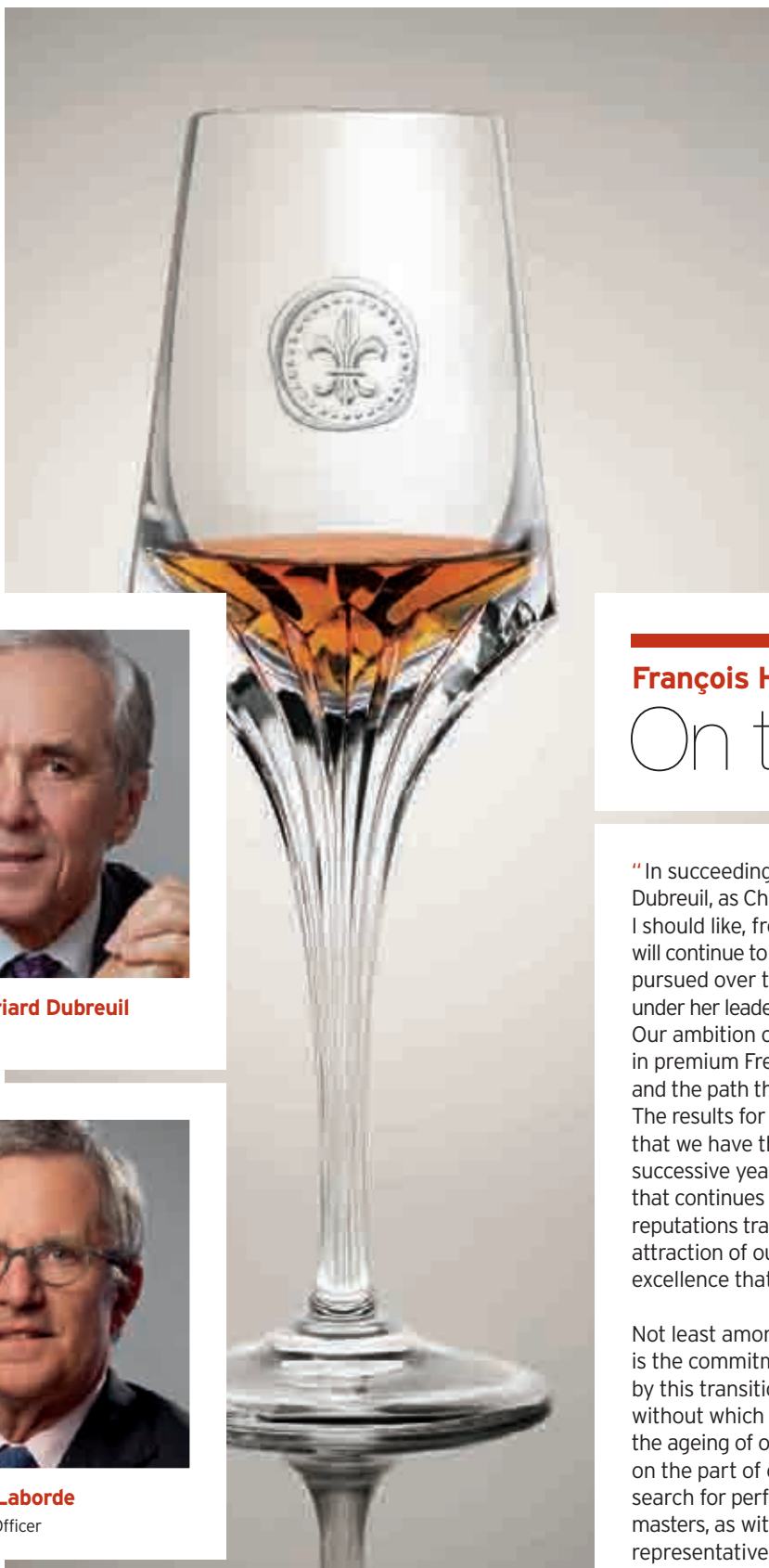
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— François Hériard Dubreuil
Chairman



— Jean-Marie Laborde
Chief Executive Officer

François Hériard Dubreuil

On track

“In succeeding my sister, Dominique Hériard Dubreuil, as Chairman of the Rémy Cointreau Group, I should like, from the outset, to confirm that we will continue to implement the strategy that we have pursued over the course of the last nine years under her leadership and that of Jean-Marie Laborde. Our ambition of establishing ourselves as a leader in premium French craftsmanship across the world and the path that we will take remain unchanged. The results for the financial year just ended confirm that we have the resources to achieve this: several successive years of exceptional growth, profitability that continues to increase, flagship brands whose reputations transcend all borders, and the magnetic attraction of our brands, which stems from the excellence that we cultivate.

Not least amongst all Rémy Cointreau's assets is the commitment of our family, as demonstrated by this transition. It ensures a long-term outlook, without which there can be no investment in the ageing of our eaux-de-vie, nor any commitment on the part of our employees to their ongoing search for perfection. As with the skill of our cellar masters, as with the fluency with which our representatives speak as artists about our brands throughout the four corners of the world, this family commitment has an intangible value. Unlike our other resources, it cannot be measured by the number of casks or cases shipped. And yet, it cements our presence in the terroirs from which our products are derived, and it ensures the longevity of our Company, whatever the economic uncertainties. It also affords us the privilege of sharing in a quiet confidence in the future, in the way of craftsmen passing down their skills from generation to generation. This is what we are and what we will continue to be.”

Jean-Marie Laborde

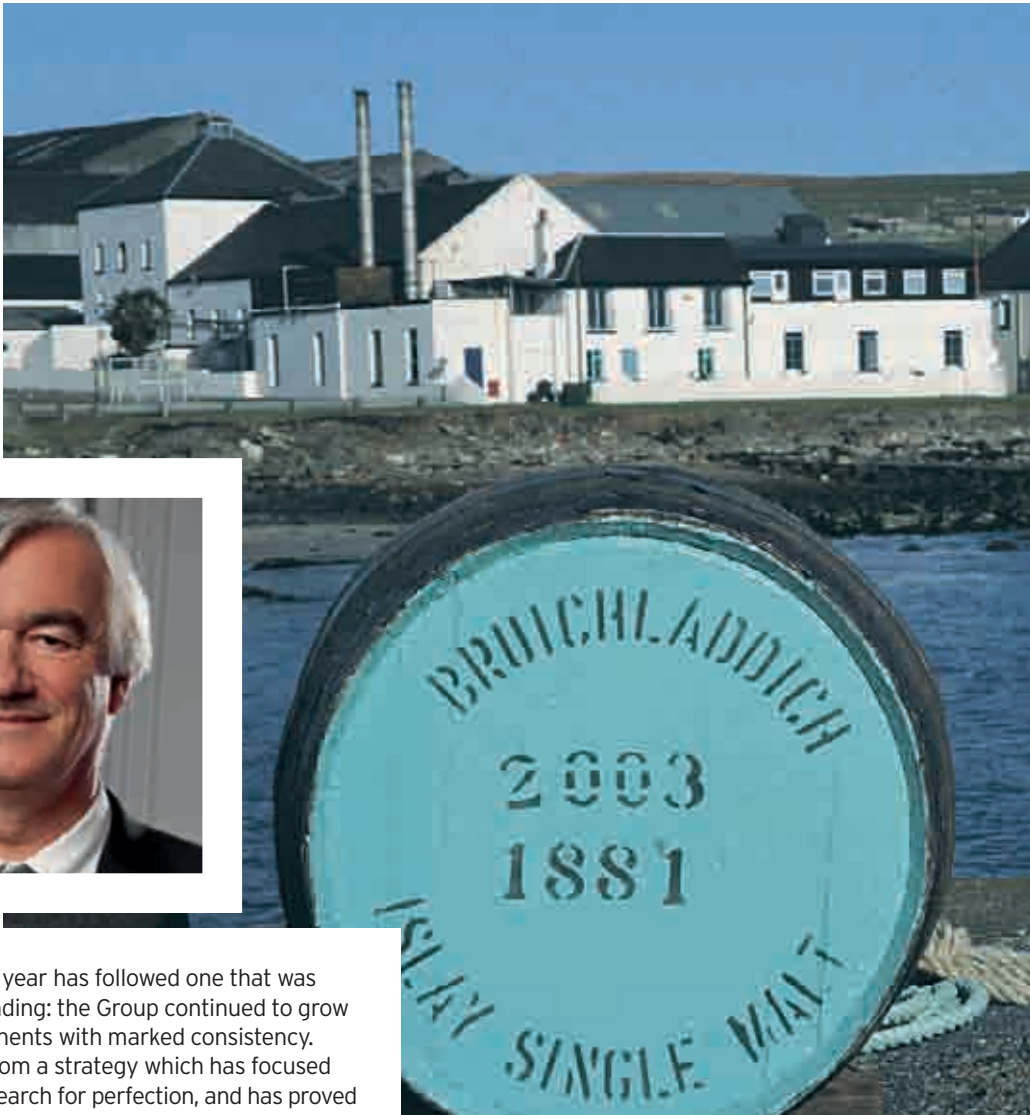
Extending our lead

“When a strategy proves its worth, why change it? Whilst the figures, once again this year, reflect the growth of all our brands, conditions are right for gathering momentum and extending our lead. A brief glance over the course we have followed and the progress made by the Rémy Cointreau Group over the last few years is testimony to this. In less than eight years, with the support of our shareholders, we have regained control of our distribution network. Today, we directly control over 87% of our sales. We have refocused our brand portfolio on a small number of iconic brands which convey a sense of sophistication, luxury and authenticity in the world's most promising markets: Asia, the Americas and Europe. All have contributed to an excellent performance this year. Unlike many of our competitors, we foresaw an upturn in the US, which remains the market of reference for ultra-premium spirits. It has, once again, become a major profit centre for all our brands. We are now able to show a well-balanced geographical distribution of our sales. We are continuing to invest in Japan, and to break into nascent Latin American economies as well as establishing ourselves in certain African countries. Whenever appropriate, we do not hesitate to rewrite the consumption etiquette, adapting to the specificities of each market, without ever compromising on excellence.

On every continent, we deliberately took the risk of positioning ourselves at the top end of the spectrum, running counter to the uncertainties of the economic climate by raising our prices, transforming our duty-free spaces and selecting our points of sale in the off-trade market. Everywhere, the results achieved have shown that this bold approach has been an effective driver of our success. Our gross margin has grown 10% over the last five years. Our sales of cognac have posted double-digit growth. We are now benefiting from brands with a worldwide reputation, from a remarkable increase in the value and number of cases sold, and from profits enabling us to strengthen our marketing efforts. Better still, we now have teams that are both convinced and convincing with regard to the perfection of our products. These are all assets which encourage us to further extend our lead. And it can be done. It could even be called an ambition. To help us achieve our aim of becoming number one in terms of profitability, we have strengthened the management team through the appointment of Frédéric Pflanz as Chief Executive Officer of Rémy Cointreau. In the same vein, we are proud to have acquired a new jewel in the crown - the single malt, Bruichladdich, aimed at the most discerning connoisseurs throughout the world. We are putting further energy into attracting new generations in Asia, captivated by our cognacs, well beyond the bars of Shanghai or Singapore. We are using our imagination to develop innovative cocktails based on our spirits brands. And we are determined to develop our training academies to better share the 300 years of history we have spent searching for perfection in our products and to combine that with the youthful energy with which our Group views the years ahead.”

Strategy

In tune with our values



"A remarkable year has followed one that was equally outstanding: the Group continued to grow across all continents with marked consistency. This resulted from a strategy which has focused on a constant search for perfection, and has proved its validity. This unceasing quest for excellence is particularly demanding when applied to innovations, which have increased over the course of the financial year. This year we also acquired Bruichladdich, a prestigious whisky, which we incorporated within our brand portfolio: it is recognised as a brand which has character and a great history, fully in keeping with the values that inspire us and drive us forwards."

Christian Liabastre

Executive Vice President Brands Strategy and Development

Left: Bruichladdich's distillery on the Isle of Islay in Scotland

Right: Louis XIII Rare Cask 42.6, a limited edition of 738 numbered bottles



"We seek nothing but perfection", is a bold motto. It may sound arrogant, but that would be a misconception. It expresses a genuine ambition that is shared by all our brands. It is the foundation on which their superiority is built in the eyes of their ambassadors, and justifies their price in the minds of consumers. It is at the heart of the strategy we systematically implement, even in our minor actions, in order to generate appeal, fascination and ultimately unconditional loyalty to benefit each brand. The results achieved this year demonstrate the validity of deliberately focusing on the upmarket segment, reassessing our product pricing and implementing an appropriate innovation policy. Our product portfolio expanded significantly during the year thanks to an encouraging start for *Centaure XO* cognac in China, the development of *Mount Gay Black Barrel*, which is destined to become the flagship of the Mount Gay Rum range, confirmation of *Cointreau Noir's* success, and the gradual roll out of *S'-Rémy Cream*, *Metaxa Twelve Stars* and *Rémy V*. All these new brand extensions are proof of the robustness of their respective parent brands. The finest illustration of our quest for excellence remains the introduction of the *Louis XIII Rare Cask 42.6* limited edition, 738 individually numbered bottles which are the product of an exceptional tierçon, with unique organoleptic properties, identified by our Cellar Master: it is a jewel that has been lovingly nurtured.

This craftsmanship, without which true luxury does not exist, sets us apart. It is therefore the responsibility of every

spokesperson and every communicator, pre and post the sales of our brands, to understand its significance and to appreciate it. With this in mind, numerous internal training programmes have been established, such as the *Art of Selling Academy*, the *Quality Academy* and the *Finance Academy*, as well as extending the *Brand Academy*, which has continued to expand throughout the world. Furthermore, a number of barmen, wine merchants and knowledgeable enthusiasts were invited to understand the contribution of the Grande and Petite Champagne soil, the procurement of orange peel, and the subtlety of the eaux-de-vie ageing process.

It therefore comes as no surprise to see the similarities that are immediately apparent between our values and those which underpin the authenticity of Bruichladdich, which was acquired in September 2012. Behind all these consonants, the brand, which should be pronounced Broo-kla-dee, hides the secrets of the only brand of single malt Scotch whisky which contains barley that is not imported, but which comes exclusively from Scotland - more specifically the Isle of Islay. The barley creates unique aromas, from distillation in stills dating from the Victorian era, and ageing in oak barrels, without adding caramel, or refrigerating during the filtering process. This legacy of expertise accumulated since 1881 forms the basis of our determination to expand into the ultra-premium whisky category. This investment in a brand that has in in-depth knowledge of terroir is perfectly in tune with our strategy. In itself, it is an entirely new ambition.



+21.5%

719.8 million sales

+25.2%

216.6 million current
operating profit

30.1%

operating profit margin

The House of Rémy Martin

The appeal
of perfection

A timeless fascination



"For the fourth consecutive year, the House of Rémy Martin has generated double-digit growth in sales and operating profit. This growth has been achieved across all the major geographic regions where the two global brands that represent it, Rémy Martin and Louis XIII, wield their charm. Equally noteworthy is the contribution made to this performance by the new products that were launched recently, which appeal to younger and more upmarket consumers, thus confirming their potential and their desirability. The constant search for perfection, demanded by the exceptional quality of our Petite and Grande Champagne eaux-de-vie, is an efficient and excellent growth driver for the House of Rémy Martin, on which we can depend and trust to meet future challenges."

Patrick Piana

Chief Executive Officer of the House of Rémy Martin



Left: XO Gold, a limited edition, exclusive to Global Travel Retail

Right: Jolin Tsai, the brand's new muse in Asia and a limited edition featuring her silhouette



Deploying winning charm

Legend has it that the Centaur possesses all the powers of seduction, blending boldness, virility, elegance, power and harmony. It has always been the emblem of Rémy Martin and continues to embody the authenticity of a luxury that exudes sophistication, and inspires generations of young consumers, both Asian and American. In South East Asia, the famous *Centaur* gave his name to a huge dance competition, the *Centaur Dance Showdown*, which kept six countries - India, Thailand, Malaysia, Vietnam, the Philippines and Singapore - on tenterhooks for more than five months. Online registrations, preview videos and dedicated microsites all mobilised diverse groups of young adults keen to showcase their talents, in the hope of reaching the final: a huge event held in Singapore. Almost simultaneously, a similar competition took place in Canton, this time called *RémyDance*. The highlight was a breathtaking show by Jolin Tsai, the most famous Mandarin language singer (the No. 1 Mando-Pop-Star) and the brand's muse in Asia. A *Rémy Martin VSOP Fine Champagne Cognac* limited edition featuring a particularly glamorous picture of her was launched to mark the occasion. A megabrand has extraordinary powers of attraction when it teams up with a megastar's vibrant energy.

In a different, but equally charismatic manner, Robin Thicke has been a particularly compelling brand ambassador in the US. The R & B singer and songwriter starred in a subtle, sensual and evocative TV advertisement. His seductive narrative takes place on the staircase of a dream penthouse. The scene reveals the penthouse to be the neck of a bottle of Rémy Martin. It ends with, "*Things are getting interesting*". Words that, in fact, fail to describe the exceptional growth of *Rémy Martin VSOP* in the American market this year. Its undisputed leadership there is illustrated by excellent double-digit growth in value terms.



VIP for Very Important People

Sold exclusively in the American market, *Rémy V*, leader of the new cocktail generation, is using its ground-breaking transparency in fashionable bars and nightclubs. Appearing in a carefully orchestrated manner two years ago in only two test cities in the US, the bottle is now very prominent in a growing number of states, challenging the dominance of other white spirits. It has also made an astonishingly successful impact on liquor store shelves. This year, tasting evenings were arranged to discover its subtlety, and a cocktail created with its ingredients based on the three powerful letters engraved on the shakers: V as in *Rémy V*, I as in *Ice* and P as in *Pineapple* to make up the word VIP. A name destined to become highly successful in the future.



The preserve of the elite

In the upmarket cognac category, the *Centaure* - again - celebrated the beginning of the year of the dragon in a magnificent manner. Launched a few months earlier, *Rémy Martin Centaure*, an Extra Old cognac in a flawless decanter, is increasingly appealing to the business world, keen to display their talents as connoisseurs. Anthony Wong, the famous Hong Kong actor, is its appointed ambassador, and his charming manner is perfectly in tune with the ambitions of this blend of honey and fruit aromas specifically aimed at China's most sophisticated people. Even more premium, *Centaure de Diamant*, a culmination of the maturing of hundreds of carefully selected eaux-de-vie, and initially reserved for the duty-free network, has, over the year, been gradually establishing itself as the preserve of the wealthy Chinese elite. Now also available in Russia, it is beginning to be regarded as the epitome of the House of Rémy Martin's expertise. The creation and the international development of *Rémy Martin Centaure de Diamant* once more illustrate the brand's infinite capacity for making headlines and renewing its appeal thanks to the constant reinterpretation of its exceptional Fine Champagne eaux-de-vie flavours.

At the Cannes Film Festival, cameras and journalists from across the world focus on the stars who go up the famous steps at this prestigious event. Rémy Martin's much coveted partnership saw the creation, for the fourth consecutive year, of an exclusive *Rémy Martin VSOP* embellishment: a gold and satin wrap evoking the movement of a dress fabric during the ascent of the steps. Duty-free shops in airports throughout the world were given these limited editions, on an exclusive basis, and they vanished rapidly, thus carrying their sophisticated magic to the four corners of the world.

Left: *Rémy Martin Clubbing*, a promotional event in ageHa, Tokyo's largest nightclub

Right: *Rémy Martin Cocktail Competition* in Edinburgh, bringing together Scotland's best barmen



Quality and quantity

The growing opportunities open to Rémy Martin cognacs, coupled with the strong growth in sales in value terms over the last three years, a result of the successful strategy of moving upmarket and creating value, have led the Company to increase its production and storage capacity. The construction of a new cellar with a capacity of 40,000 hectolitres to age the eaux-de-vie has begun, together with the expansion of the processing unit: two large-scale investments that demonstrate the confidence of the House of Rémy Martin in taking advantage of opportunities. This outlook is shared by almost 1,200 winemakers from the Fine Champagne Alliance. Thanks to a solid partnership, they guarantee a sustainable increase in supply to a House that was created almost three centuries ago.

Left: London launch of the XO gift case in partnership with Thomas Lyte

Right: Louis XIII tasting session on a private jet in China



Louis XIII, the glory of rarity

Born out of an encounter between nature - remarkable yet unpredictable - and the talent of Cellar Master, Pierrette Trichet, *Louis XIII Rare Cask 42.6* was unveiled in Udaipur in India, a magical place that was specially selected to bring together 160 collectors and aficionados from all over the world. *Louis XIII Rare Cask 42.6* is the result of a unique blend of 1,200 eaux-de-vie, from a tierçon which was identified, monitored and kept in isolation for several years by the Cellar Master. It is characterised by a remarkable aromatic intensity, with scents of hazelnut, undergrowth and tobacco leaves. Engraved by Baccarat's master glassmakers, each of the 738 decanters is adorned with a rose gold ring and is offered for sale at €18,000. In turn, these unique decanters enhance the legend of *Rare Cask*, launched in 2009 in Guilin, China. Epitomising boldness and intuition, this concept was long-awaited, contributing to the brand's prestige which is always mindful of its point of sales. The bonds that link Louis XIII to exceptional locations throughout the world were reinforced in Cognac during the 2012 harvests. For the first time, a meeting was arranged there among the "Fortresses", the magnificent establishments that are Louis XIII's partners. For the most part they are legendary palaces, which add to the brand's credibility. The same spirit led to the development of the "Certified Retailers" network, particularly in the US, and to the continuing creation of the Louis XIII retail universe in the world's largest airports, to focus attention on its incredible rarity.



+10.8%

239.1 million sales

(14.1)*%

45.2 million current
operating profit

* down as a result of significant sales and marketing investment in all the division's brands.

18.9%

operating profit margin

Liqueurs and Spirits

The pursuit
of excellence
and a belief
in innovation

A bold approach and a move upmarket



“The continual progress of the Liqueurs and Spirits brands in their core markets demonstrates the validity of our forecast of an upturn: impressive recovery in the US, the search for new consumers and the vibrancy of our brands in emerging countries. Cointreau, in particular, has had an exceptional year driven, notably, by today’s widespread love affair with cocktails. St-Remy, Passoã and Izarra have also continued to grow. The pursuit of excellence indeed seems to be bearing fruit. 2012’s excellent figures reflect the pace at which a number of innovations were rolled out and events held throughout the world, thus driving a clearly successful move upmarket.”

— **Justin Weston**
Managing Director



Left: A Cointreau bottle limited edition created by the fashion designer Alexis Mabille

Right: The Daniel Bar in New York



Cointreau: always evolving

In 2012, Cointreau posted double-digit growth on the other side of the Atlantic driven by an upturn in the economy; mainly in the on-trade sector with legendary cocktails such as the *Sidecar*, the *Margarita* and the *Cosmopolitan*, which are loved by Americans. Optimism is back and investment, which never ceased, is bearing fruit, and thus the US remains Cointreau's flagship market.

In 2012, a new chapter began: that of *Cointreau Fizz*. Behind the simplicity of this evocative name lies a great ambition: encouraging people to assume the role of barman in their own home. No need for a shaker, just mix a quarter Cointreau, a quarter lime juice, and a cascade of sparkling water. With elegant simplicity, *Cointreau Fizz* can be tailored to everyone's taste. It is a mini revolution. Trialled on a small scale throughout the year, *Cointreau Fizz* has been so successful that the brand decided to officially launch it worldwide with the opening in Brussels of the *Cointreau Fizz Garden*, a pop-up cocktail garden. From Paris to Tokyo, via London, Moscow, Sydney and São Paulo, *Cointreau Fizz* sparkles beyond any borders, in the spirit of a genuine love affair with a cocktail that is rapidly gaining widespread popularity.

Always evolving, Cointreau has mastered the art of cultivating authenticity, elegance and cutting-edge spirit, as demonstrated by the two limited editions created by Alexis Mabille, Member of the *Chambre Syndicale de Haute Couture Française* (French Haute Couture trade association); a profusion of events applauded for their distinctness, with iconic Ambassador, Dita Von Teese, flying the Cointreau flag on five continents; new distribution channels for *Cointreau Cuisine*, the spray now available in French and Belgium delicatessens; an acclaimed display of the coveted *Cointreau Noir* in the centre of leading airports in the US; a Cointreau Academy whose training requests have escalated, etc.

In 2012, Cointreau also took immense satisfaction from well-deserved recognition. Acknowledged as a Living Heritage Company (*Entreprise du Patrimoine Vivant*), this highly coveted award reaffirms the Company's strength.

ST-Rémy: conquest through innovation

The world's leading brandy, ST-Rémy, continued its offensive across several continents, innovating successfully and moving upmarket. With an outstanding year behind it, Canada remains ST-Rémy's leading market, followed by Nigeria and Russia. But Russia should not be behind for long, given its enormous desire for the brandy category. In these three flagship markets, a powerful impetus has successfully increased the profile of *ST-Rémy XO*. Sales of this product have grown by more than 20% in volume terms. As a result, the brand had no hesitation in developing an even more premium product: *ST-Rémy Extra Old Réserve Privée* with a lavish black label recalling Paris by night. It is a highly sophisticated blend of dried fruits and spices matured in French oak barrels and developed by Cellar Master, Martine Pain. It was launched in highly promising circumstances at the *Ultimate Beverage Challenge*, a world renowned tasting session that took place in New York in March 2013. *ST-Rémy Réserve Privée* received the Award for the Brandy category from the Chairman of the Jury, in this case Paul Pacult.

ST-Rémy's reputation is the most compelling of the assets belonging to *ST-Rémy à la Crème*, a cream brandy with hazelnut and caramel aromas that first appeared on the Canadian market in 2011. Breaking all the rules, the white bottle, featuring a cow nestled in the heart of a lush green meadow, did not go unnoticed. The smoothness of this liqueur has proven irresistible. Connoisseurs have fallen for its charm! In a cocktail or simply poured over ice, *ST-Rémy à la Crème* has met with unanimous approval, becoming a fixture in every bar from Quebec to Vancouver. It has recently continued on its path, expanding into two other countries, Norway and Russia, where we will embrace the challenge of translating "smooth" into Cyrillic script.



An unbeatable partnership



"The past year has been a decisive one for Bruichladdich for three reasons: we have posted very substantial growth, our brand portfolio has been strengthened and, above all, in September 2012 we joined the Rémy Cointreau Group. I am extremely proud of our team: it is entirely due to them that we attracted the interest of such a Group. They have nurtured the values that are at the heart of our culture, and thus built up our credibility. When Rémy Cointreau first visited us and our distillery, it was clear from the outset that we possessed all the attributes they were seeking: an ultra-premium product, unquestionable authenticity and an unwavering determination to produce the most outstanding single malt possible. There are infinite opportunities now opening up to all our products, enabling us to win more and more customers thanks to increased resources, and to become the whisky with the highest value per case in the single malt category."

— **Simon Coughlin**
CEO Bruichladdich

Left: "Une nuit à Paris"
limited edition, exclusive
to Global Travel Retail

Right: The Laddie Ten,
10 year old, Bruichladdich's
benchmark in single malts,

The unstoppable rise of Mount Gay Rum



“The most venerable of all rums continues its move upmarket, with the ambition of becoming the No. 1 rum in value per case. Authenticity demanded that its labelling be redesigned to pay homage to Barbados, the mythical island where the brand proudly nurtures its roots. Further proof of this ambition came with the launch of *Black Barrel*, in the aged brown spirits segment, a rapidly growing category of upmarket aged spirits. Its depth of character and its smoky, peppery aromas have already captivated the US, so much so that it won the Gold Medal for Rums at the World Spirits Competition. By demonstrating just how precious it is, in the wake of the illustrious 1703, the extended Mount Gay Rum range is perfectly positioned to deepen its affinity with connoisseurs.”

— Raphael Grisoni
CEO Mount Gay Rum



Left: A new visual identity
for the Mount Gay
range of rums

Right: Metaxa receives
the award for export sales
performance in Greece

Passoã

To celebrate its 27th anniversary, Passoã decided to reconnect with its Brazilian roots. The vibrant events that will shortly be organised in the country of the passion fruit offer a wealth of opportunity to increase the *tempo* that has already been initiated by "Brazilian Nights" in France during Summer 2012. A new cocktail, "*Passoã Brazil*", prepares supporters for the forthcoming football matches and Olympic events, whilst the ready to serve "*Tropical Cocktail*" is experiencing astounding success.

Metaxa,
sunshine
generating
growth



"For the second consecutive year, the House of Metaxa has demonstrated its ability to recover, driven by the "New Ambition" strategy. *Metaxa 12 Stars* reaches beyond the brand's traditional markets, whilst the "*All Weather*" flask, launched in 2012, is becoming a must for fashionable people on the move. Since its creation, the *Académia Metaxa* has reached more than 15 million readers and enthusiasts. The *Metaxa Bay* event, held in 2011 on the banks of the Spree river, cast such a glow over Berlin that it was repeated in 2012; it even led to a winter counterpart in Austria, "*Metaxa on the Snow*". Younger generations captivated by the brand have contributed to its success in duty-free, where it posted double-digit growth - an achievement that can be added to the "*Exports Brand Award*" recognising Metaxa's vibrancy and its talent for innovation."



Panos Sarantopoulos
CEO of the House of Metaxa

Distribution

Combining a bold approach with sophistication



"Thanks to the commitment displayed across all our markets, the 2012/13 financial year was extremely satisfying. All the brands completed successful moves upmarket, in some cases quite spectacularly, and the new product launches made excellent progress. Another source of satisfaction was the sales growth which was very well balanced geographically. The impetus generated by Asia intensified. The US recovered and gathered momentum, whilst Russia and Africa were confirmed as particularly encouraging new sources of growth. Once again, we have seen that investment in raising consumer awareness, in making our products the centre of attraction, and in championing the excellence of our expertise, are all powerful value-enhancing factors."

– Damien Lafaurie

Executive Vice President Global Markets

Right: "Strike a pose" partnership
in China with Jolin Tsai



Unforgettable moments

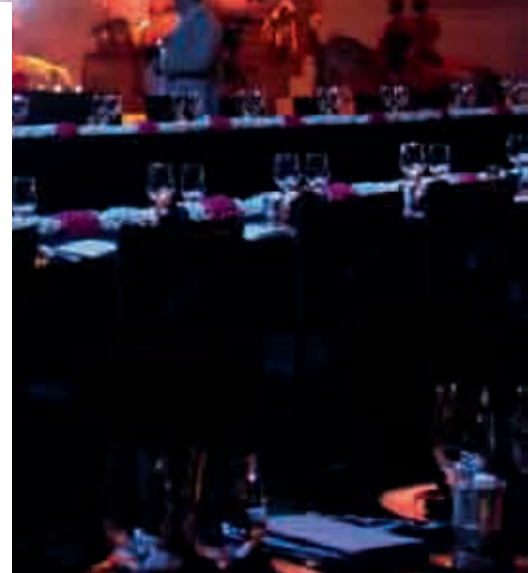
From east to west, several common factors explain the diversity of country performances. First and foremost is the investment made in celebrating the unique character of our brands: recreating evocative images in airport duty-free areas, and tasting sessions in pop-up boutiques, as well as prestigious bars or unusual settings: a disused bank in Brussels, an old townhouse in Manhattan, a Greek national park, etc. Equally, we invest strategically, notably in the effort to find new customers, well beyond the brands' natural customer base: from Bangkok to Manila, from Singapore to Ho Chi Minh City, an entire younger generation were captivated by the Centaur Dance shows, orchestrated by Rémy Martin. It is a luxury and contemporary brand that does not hesitate to rewrite the rules to ensure its timelessness remains relevant today. And we have highly enthusiastic teams ready to do their utmost to set the stage for Bruichladdich.



An illustration of renewed confidence is the manner in which North American consumers have returned to bars. And we had forecast this sales recovery. Rémy Martin took the opportunity to appear once again on television, thanks to an advertisement that was extravagant in both its appeal and its special effects. The brand also made full use of social networking sites to support, for example, the "ring leaders" scheme, to elect the most popular local opinion leaders. It is also committed to developing its presence within Asian and Hispanic communities where *Rémy Martin 1738* is particularly appreciated. Following its successful launch in the largest American cities, *Rémy Martin V* has now taken its place among the choices of the most demanding clear spirit enthusiasts.

For its part, Cointreau has returned to buoyant growth, emphasising its central role in any truly great cocktail. In Canada, the partnership with our distributor has been restructured, enabling Rémy Martin, Cointreau and S^T-Rémy to strengthen their presence there, particularly in the Western provinces. Lastly, Rémy Martin's robust growth in Mexico, together with the success of the Cointreau campaigns on social networking sites throughout Latin America, is evidence of this region's promising potential.

In Asia, the taste for luxury shows no signs of abating, even though it is now more discreet. The Chinese love of cognac, embodied by Rémy-Martin at "*The Art of Cognac*" tasting sessions, is becoming even more passionate and discerning. Sales growth of almost 20% in value terms, and an *XO Rémy Martin Centaure* launch that met the most optimistic of expectations, winning over the most fashionable bars, reflected the growth of our market share. China's Middle Kingdom remains a country where the growth curve is evolving unlike any other country.



Analysis of sales
by region

39.9%

in Asia-Pacific

33.0%

in the Americas

27.1%

in Europe/Middle-East and Africa



Alongside this dynamism, the remaining Asian countries all posted strong growth for Rémy Martin and Cointreau, driven by close partnerships with local celebrities. All our brands have recaptured their strong momentum in Japan - an outcome that we had been awaiting patiently: 2012 was the first year in which the Group was able to fully utilise its own sales force there. It has wasted no time in being innovative, using unusual venues and inventing unrivalled cocktails, with great success. The Land of the Rising Sun has joined the group of markets experiencing strong growth.

As expected, European countries reported uncertain and mixed developments. In spite of a decline in purchasing power coupled with sharp rises in excise duty, the distribution network has succeeded in retaining its market share, and even increasing it, notably in the Czech Republic, Slovakia and Poland. However, Russia has confirmed its taste for upmarket drinks. All the Group's brands have delivered enviable performances there, something that should be further improved in the future thanks to the strengthened partnership with Roust.

Left: Launch of
Louis XIII Rare Cask 42.6
in Udaipur, India

Right: Metaxa at Antalya
Airport in Turkey

Corporate and Environmental Responsibility

Rémy Cointreau: a responsible Company by nature



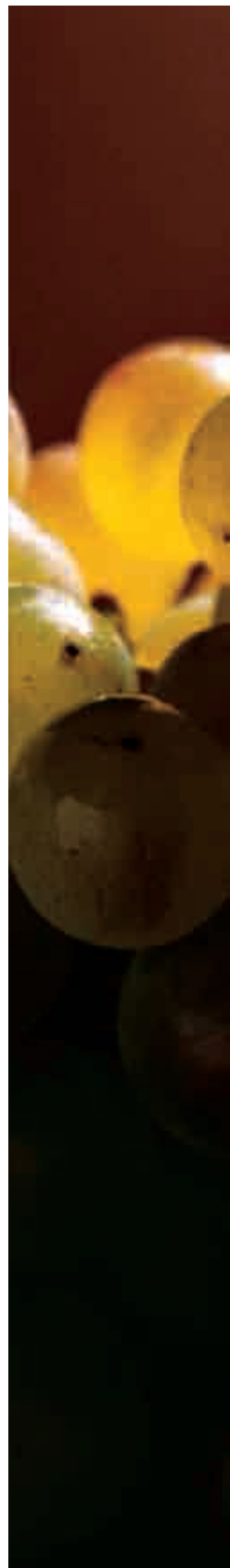
“ Acting responsibly comes as second nature to a company that has strong ties with its local regions. Rémy Cointreau approaches all its activities from the perspective of corporate and environmental responsibility.

Rémy Cointreau is increasing its efforts to anticipate regulatory requirements and ensure that as many of its stakeholders as possible follow its lead. The CER policy is now aligned with the chapters of the recent ISO 26000 standard. The scope of CER reporting has been extended to the Group's companies affected by the “*Grenelle de l'Environnement*” decrees. The Group's other commitments, such as its membership of the Global Compact, are still very much in force and are reflected in the actions undertaken on a daily basis.

Our responsibility also lies in our ability to share its requirements with suppliers and to enhance employee awareness. More generally, the Group is committed to supporting biodiversity. The CER and its requirements help to support the development of our brands by reinforcing our search for perfection.”

— **Patrick Marchand**

Operations Senior Vice-President





Meeting the challenges of the 2015 CER plan

“ The year has been a rich learning experience. The standards of our CER strategy have exceeded our expectations whilst meeting the expectations of civil society.

CER reporting includes Rémy Cointreau's employee-related environmental and societal information, pursuant to the requirements of Decree No. 2012-557 of Article 225 of the 'Grenelle II' law of 12 July 2010. This reporting has been verified by an independent expert.

Twenty-one companies within Rémy Cointreau's scope of consolidation, including production sites and distribution subsidiaries, now report their social and environmental information.

This development means we need to put in place new reporting tools and establish progress plans to improve existing results.

Another environmental aspect of Grenelle relates to Carbon Assessment. A plan to reduce CO₂ emissions has therefore been included in our CER policy.

CER affects every Rémy Cointreau employee. The Group's CER charter, whose commitments are also aligned with the ISO 26000 standard, is published in French and English. It is distributed to all employees and is a guide in helping Rémy Cointreau's corporate culture to become more responsible. The Company's internal CER communication has been revised to encourage circulating information. The financial year also saw the deployment of the business ethics code, which functions as the Group's standard for professional ethics.

Rémy Cointreau continues to draw on standards that guarantee its commitment in the face of new challenges regarding sustainable development. Thus, the Group regularly renews the certifications acquired on the Cognac and Angers sites, which guarantee standards relating to quality, food safety and respect for consumers and their health.

The CER 2015 plan reviews the implementation of an EMS (Environmental Management System) on the Barbados site, which may lead to ISO 14000 certification.”

— **Christian Lafage**
Sustainable Development Director

Employee-related information

Human Resources policy

During the 2012/13 financial year, the Rémy Cointreau Group once again focused its Human Resources policy on its founding values, which governs both its objectives and its action plans, in particular:

The professional development of Group employees of both genders which contributes to a collective team performance; diversity, which is a strategic challenge and a vital asset in promoting the international effectiveness of its organisations; and a Human Resources policy which has set out to consolidate a sense of belonging within the Group in order to create a community which shares a common vision, enhanced by common values. In France, Rémy Cointreau, loyal to its historic choices, has continued a social policy that encourages collective agreement in all areas of negotiation.

The Group implements an international Human Resources policy that targets excellence. The pursuit of perfection depends both on our ability to construct a policy that relates to the Group as a whole, as well as one that works for each employee. Wherever they are based and regardless of their position, our ambition is to promote the professional development and personal fulfilment of employees, particularly through ongoing training. The Group's growth momentum offers opportunities to foster the talent of tomorrow and use more inclusive forms of learning, whilst remaining mindful of maintaining positive and productive working environments.

Encouraging employee development

Rémy Cointreau has continued to use its development tools - now on an international basis - to encourage the development of its employees' skills. Performance evaluation processes, succession planning and training policies put a strong emphasis on the implementation of collective or individual action plans aimed at supporting the career aspirations of the Group's men and women, fostering the development of their skills and contributing to a team performance. In particular, a process to identify key positions, which is shared by the Executive Committee, ensures that the Group can draw on the skills necessary for its development and/or guide Human Resources decisions in order to guarantee the Company's ability to operate over the long term.

Fostering the Group's multicultural identity and promoting diversity

Rémy Cointreau is an international group with 60% of its workforce located outside France. The Group believes that its multicultural dimension represents a significant asset in its international development. Training is clearly focused on sharing experiences in all the countries where the Group operates. International mobility, both on a professional and geographic level, contributes to spreading the Group's values extensively throughout its organisation. Moreover, the Group's commitment to diversity is also demonstrated by its willingness to favour establishing teams that include men and women of different ages, and with different training backgrounds and professional experience.

Strengthening a sense of belonging

Enriched by this diversity, the Rémy Cointreau Group also seeks to foster a feeling of belonging to a community driven by a shared vision, united around shared values and working towards achieving shared objectives. In addition to this, Rémy Cointreau offers ambitious international training programmes aimed at sharing the principles, policies and practices that it implements for its brands in every country with its marketing, sales and financial teams.





Maintaining an ambitious social dialogue

The 2012/13 financial year was marked, once again, by the signing of collective agreements that underlined a willingness, shared by trade unions and employee representatives, to encourage dialogue and consultation. In France, the salary policy was defined in a unanimously approved collective agreement signed in March. The agreement on the employment of older people was renewed and a new agreement on health benefits was implemented, harmonising health service providers and improving services on the Cognac and Angers sites. Moreover, an amendment to the agreement on the organisation of working hours on the Cognac site resulted in a better response to commercial demand whilst taking into account employees' personal arrangements. Finally, the profit-sharing agreements relating to French employees were renewed during the year.

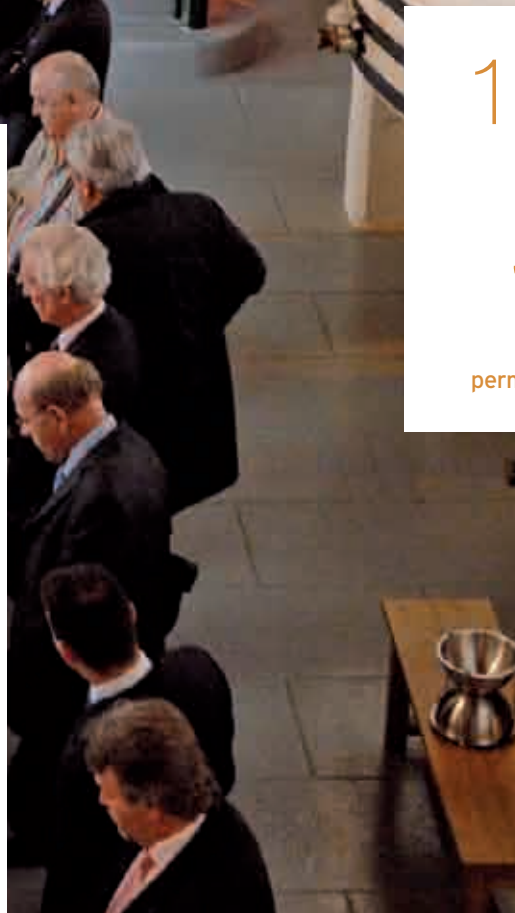
Changes in the workforce

The Group's workforce

At 31 March 2013, the Group's total workforce was 1,704 employees, an increase of 144 employees compared with March 2012, 65 of whom were taken on following the acquisition of Bruichladdich distillery in Scotland. Excluding this acquisition, the workforce increased by 79 employees (+5%), the same as in the previous year. This growth mainly related to Rémy Martin and the sales operations in China and Russia. In France, the Americas and Asia, the Group recruited 200 employees, 107 (53%) of whom were employed on permanent contracts. Out of these 200 new employees, 29% were recruited for the sales teams, 20% in production roles and 16% in marketing. At the same time, and in the same reporting structure, there were 142 departures, of which 36% were resignations, 25% were mutually agreed and 20% were as a result of fixed-term contracts coming to an end. Redundancies on personal grounds accounted for only 4% of departures.

1,704
employees

53%
of employees
recruited on a
permanent contract





43%

of our employees
are women

43%

of our employees are
managers

85%

of sales
representatives work
outside France

Workforce by geographic region

The breakdown of employees by geographic region was stable overall at 31 March 2013 compared with the previous financial year. Europe (excluding France) and Africa are the regions that experienced the strongest growth due to both the integration of the Bruichladdich workforce and the establishment of an African entity in South Africa.

Workforces in the Asia region, mainly comprising sales-related staff, have grown steadily for the last three years, so that this region now accounts for a quarter of the total workforce. In France, the workforce increased by 38 employees, 30 of whom joined the Rémy Martin division, mainly in production-related roles. The workforce in the Americas region remained stable.

Workforce by division

The distribution business still accounted for more than half of the Group's workforce (57%). As in previous years, the organic growth of the workforce in 2012/13 continued, mainly in operational roles within the distribution subsidiaries (sales and marketing), enabling the Group's distribution network to be fully operational across all its key markets, whilst strengthening its skills in China and the US.

For the first time in five years, the production workforce grew substantially (from 37% to 39%), mainly as a result of the Bruichladdich distillery acquisition.

Workforce by function, occupation and gender

The sales function comprises almost one-third (30%) of the Group's employees reflecting the importance of distribution in the Group's operations. In addition to the sales function, the network's development went hand in hand at a local level with the consolidation of the marketing and finance functions needed to implement brand strategies and operational management. At 31 March 2013, the size of the production function had increased slightly to 21%, following the integration of the Bruichladdich whiskies.



Environmental information

The breakdown of the workforce by gender remained stable; men accounted for 57% of the workforce and women 43%. Analysed by occupation, men tend to make up the majority of personnel in ageing, maintenance and sales, whereas there are more women in marketing, customer services and packaging. Analysed by country, the workforce in the Asia region is more than 60% male.

Breakdown by professional category

The Group's production operations comprise the majority of its operators and technicians, more than two-thirds of whom are located in France, with the remainder in Scotland (Bruichladdich) and Barbados (Mount Gay).

Conversely, 85% of employees in the sales function are based outside France, mainly in Asia (43%), the US (30%) and Europe (12%).

Average age and length of service

The average age of Rémy Cointreau's workforce is 41 years old, although in France it is higher in distribution subsidiaries at 44 years old. There is little age difference in terms of gender. By occupation, the average age of 38 years old in sales, marketing and finance is lower than that of the Group's other functions. The average length of service of the Group's workforce is 9.9 years, with little difference between men and women or managers and non-managers.

Work-linked training contracts in France

The Rémy Cointreau Group continued its proactive work-linked training policy, with the renewal of all work-linked training contracts where necessary and additional recruitment for new positions. These contracts accounted for almost 4% of the workforce in France at the end of March 2013.

A training approach that targets excellence

The number of training hours provided to Group employees totalled 21,536, distributed as follows: 8,246 for women and 13,290 for men.

Winemaking

A certification policy to recognise efforts and guide practices

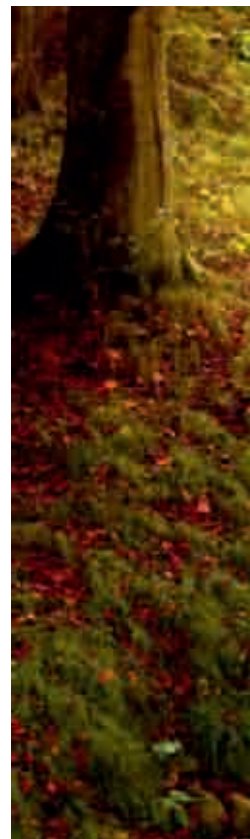
All the measures taken by the Group aim to position it as a leader in economically-competitive winemaking, without compromising on quality and whilst protecting the environment. This year, the Rémy Martin estates were integrated into the CER reporting scope. Again this year, the number of employees trained in ethical practices increased substantially, with 56 days training in winemaking practices (GRI indicator LA10). The training focused mainly on certificates of competency in the use of pesticides.

"Since 2012, the Rémy Martin estates have been among the first in France to obtain Level 3 "high environmental value farming" (AHVE) certification, which includes protecting biodiversity and the significance of fertilisers and pesticides in relation to sales. Moreover, the estates renewed their PEFC certification, which ensures the sustainable management of the Group's poplar groves and alluvial forests", explains Denis Fougère, Director of Rémy Martin Estates.

Practising environmentally-friendly winemaking

Rémy Cointreau is a member of the Ecophyto network, a French national initiative that originated from the Grenelle de l'Environnement Forum and seeks to reduce the use of pesticides. The Group is heavily involved in this initiative and this year hosted a regional network meeting at which winegrowing professionals discussed the chemical vine treatments used during the growing season, as part of an improvement initiative. Meanwhile, Rémy Cointreau confirmed its desire to support diverse tests: soil and leaf analyses allowing the adaptation of fertiliser applications. Only organic fertilisers will be used on approximately ten hectares.

All pesticides used are harmless to neighbouring wildlife and the application of pesticides was 16% below approved doses. Natural grass cover increased slightly, covering 32% of surfaces.



The Rémy Martin estates eliminated the use of herbicides on the entire vineyard. Finally, four soil and eleven leaf analyses allowed the use of controlled fertiliser applications (550 kg/ha) to maintain regular maintenance of the vineyard. Natural predators are used on all the vineyards.

Promoting our partners' sound winemaking practices

One of Rémy Martin's key objectives is to have AFC's winemakers and distillers follow its lead by obtaining AHVE certifications. Laura Mornet, Agricultural Engineer at Rémy Martin, commented on this initiative: *"Members of the co-operative's Board of Directors conducted a self-assessment pilot scheme. The results of this initiative were very positive, as a number of winemakers should obtain the certification."* In addition, Rémy Cointreau has launched a joint environmental project with the AFC.

Finally, this year's annual *Centaures de la Distillation* trophy, which rewards the best distillers, recognised the exceptional quality of the eaux-de-vie produced by 32 distillers. Fourteen distillers were awarded the distinction of *Centaure d'or de la Distillation* ('Golden Centaur of Distilling').

Environment

The Group set aside €3.4 million to improve quality, safety and the environment (*GRI indicator EN30*) on its production sites in France and Barbados. Training increased by 33% in these three areas, with a total of 3,348 training hours. 530 people were trained (*GRI indicator LA10*).

Energy and natural resources

Reducing energy consumption is a priority for the Group, as explained by Fabrice Lavoute, Health, Safety and Environmental Manager at Cognac: *"A large-scale, long-term project relating to the lighting and heat insulation of the Group's sites is underway. Heat reduction instructions are maintained on the sites and centralised management of the air conditioning systems is being installed."*

Raising staff awareness is ongoing in order to encourage greater care in respect of energy use. This energy-saving initiative encompasses the use of the Group's IT equipment (*Green IT* protocol).

Total water consumption increased by 9% to 65,256 m³, due to the inclusion of the Rémy Martin estates in the reporting scope (*GRI indicator EN8*).

Paper consumption fell by 9% from 3.1 to 2.8 million sheets (*GRI indicator EN1*) this year, mainly as a result of initiatives to encourage staff to save office paper.

Solid Waste

Rémy Cointreau continues to take steps to reduce the amount of solid waste on its sites with a policy of educating staff about waste sorting and recycling. *"Since September 2012, the OIW (Ordinary Industrial Waste) from the Angers site has been used and recycled by a combined energy unit (urban heating)"*, explains Nathalie Traineau, Health, Safety and Environmental Manager at Angers.

In a similar vein in 2012, Rémy Cointreau established a partnership with Ateliers du Bocage in the Poitou Charentes region to recycle or reuse all used mobile phones and related equipment.

Total waste (*GRI indicator EN22*) increased by 11.4% during the year, from 1,956 tonnes to 2,179 tonnes. The sorting and recycling rates remained stable overall, at 92% and 91% respectively.

Liquid Waste

Discharged liquid waste increased by 21%, from 19,284 m³ to 23,314 m³ (*GRI indicator EN21*) including the Rémy Martin estates. After the waste was treated by external treatment plants and returned to the natural environment, pollution amounted to 0.6 tonnes of BOD and 2.3 tonnes of COD.

Greenhouse gas emissions

Despite the increase in production, various measures have enabled the Group to limit its greenhouse gas emissions. Over the last few years, the use of videoconferencing and the introduction of electric vehicles on the Angers and Cognac sites have helped to reduce CO₂ emissions.



The greenhouse gas emissions from the Cognac and Angers sites were 2,304 t. of CO₂ eq., a slight reduction.

Three main initiatives made it possible to reduce carbon emissions by 1,221 t. of CO₂ eq., in particular eco-design initiatives, increased use of videoconferencing and the acquisition of electric vehicles.

Eco-design

In respect of developing new packaging and new products, Rémy Cointreau strives to assess their environmental impact upstream through an eco-design process. Since 2010, each new package has thus been assessed using a tool that takes into account the weight of the package, the CSU (consumer sales unit), the volume of each product and the route taken by the product.

"This year, the development of a new ST-Rémy bottle in Canada generated a saving of 266 tonnes of glass. The optimisation of transport and all the initiatives undertaken in respect of this product have helped cut greenhouse gas emissions by half", explains Isabelle Dussous, Research and Development Manager at Angers.

Biodiversity

In order to preserve biodiversity, Rémy Cointreau implements numerous steps in all its activities. After the Senonches forest in the Eure-et-Loir region was replanted, which included planting more than 115,000 oaks, Rémy Cointreau renewed its partnership with the *Office National des Forêts* (French National Forestry Office) to reforest the François 1er park in Cognac. *"We support the planting of more than 300 trees and the installation of information boards explaining the importance of maintaining biodiversity",* explains Alice Hoffmann, Rémy Martin Brand Manager.

In the same vein, the Group confirmed its commitments regarding the experimental plantation of alluvial forests and the protection of bees through the provision of fallow land. Five hives were installed in the Charente region. The Group will also incorporate the protection of wild bees by, for example, installing bee 'hotels', in the replanting projects carried out in partnership with the ONF.



Societal information

Citizenship: relations with stakeholders

Rémy Cointreau is a conspicuous presence in local economies, working alongside associations, schools and universities, and bodies dedicated to economic development, providing its expertise in various key areas and promoting the advantages of a CER policy. For example, Rémy Cointreau participated in the Annual Congress of French Chambers of Commerce and Industry held in Angers. Its commitment is also reflected in its support for regional associations that work to promote sustainable development.

Keen to promote a positive culture of corporate responsibility in training courses, the Group participated, for example, in the *La Rochelle Conférence des Grandes Écoles*.

As a member of the network of sustainable development correspondents of the Colbert Committee, which promotes the values of French luxury, the Group has contributed to the pooling of best practices in respect of CER.

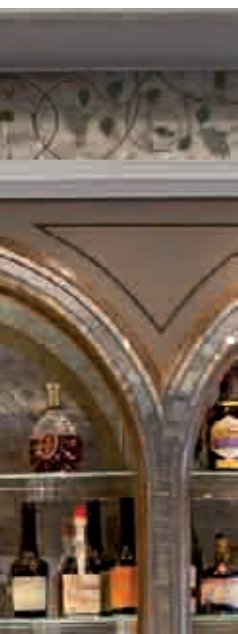
Rémy Cointreau continues to actively support local associations committed to social progress. Working alongside the *Fondation de la Deuxième Chance* (Second Chance Foundation) for the last ten years, the Group has helped disadvantaged people formulate a viable career plan. Richard Menier, representative of Rémy Cointreau's *Fondation de la Deuxième Chance*, explains: *"In addition to financial support, they benefit from mentoring to help them collate the relevant documents and build their plan. Rémy Cointreau supported 16 such plans in the Charente region."*

Suppliers: sharing the demand for responsibility

Keen to ensure that its suppliers operate responsibly, Rémy Cointreau has implemented a reporting and audit system.

In respect of packaging material suppliers, the Group has retained the CER assessment and the audit actions undertaken for the past several years.

The CER questionnaire they are given is based on the commitments in the Global Compact. *"It allows numerous criteria to be checked, such as food safety, the implementation of an environmental certification policy and the application of social policies. Overall,*



virtually all Rémy Cointreau's suppliers have been chosen and assessed on their social responsibility commitments and actions. The audits carried out by SGS or the Group's teams supplement the CER assessment", explains Jean-Claude Ferreira, Vice President, Supply Chain and Purchasing.

Non-production suppliers are now included in the scope of the CER assessment. The questionnaire they are given is identical to the questionnaire sent to suppliers of packaging items.

These processes enable the Group to foster a culture of responsibility that is particularly important to it, as overall the selected suppliers represent 88% of all Rémy Cointreau's suppliers in terms of net sales, of which 89% have undergone a CER assessment.

Honest practices

The Group's ethics in its environmental, social and commercial practices are fundamental in building trusting relationships with stakeholders.

In order to guarantee the transparency of its practices, Rémy Cointreau draws on a set of reference documents:

- Global Compact Charter: as a member of the Global Compact for a number of years, Rémy Cointreau intends to maintain this commitment, which guarantees its responsible actions and compliance of its policy on international ethical standards, in the long-term.
- Corporate and Environmental Responsibility Charter: reviewed this year and aligned with the ISO 26000 standard, this forms the basis of the Group's CER policy.
- Code of Business Ethics: linking the rules of conduct specific to Rémy Cointreau and its CER commitments with the guiding principles of the Global Compact and the OCDE, it guides the commercial, social and environmental practices of all employees.
- Responsible Communication Charters of Rémy Cointreau and the Union des Annonceurs: these charters ensure the self-assessment of communication campaigns and compliance with principles promoting moderate alcohol consumption.
- Guide to responsible consumption in the professional environment: updated this year, it will be distributed to French employees in 2013.

Consumers

Promoting responsible consumption

In 2004, the Group established a Committee for Responsible Communication, which examines prospective communication campaigns and expresses an opinion whilst focusing particular attention on respecting cultural differences. *"The committee evaluated over 10 campaigns this year. In 2011, the Group also pledged to comply with the charter of responsible communication of the UDA (Union des Annonceurs)",* recalls Alain Rouchaud, Vice President, External Relations.

Rémy Cointreau manufactures high-quality products that are intended to be consumed in moderation. The risk of excessive alcohol consumption is a major concern. The Alcohol and Society monitoring unit, created several years ago, enables the Group to remain close to societal trends. It continues to support research on alcoholism via IREB, the industry-based institute for scientific research on beverages chaired by the Group's CER Director, providing support for its first congress on alcoholism, held by the IREB in March 2013.

Maintaining high-quality relationships with its customers

Rémy Cointreau keeps a very close eye on the demands of its customers, responding to them as quickly and fully as possible, through constant monitoring, particularly of social networks. This year, a review of the Marketing Services sector resulted in the development of a policy that dovetails particularly well with consumer expectations. Similarly, principles governing the respect of private data have been adopted. Furthermore, to meet consumer expectations in respect of environmental information about its products, Rémy Cointreau is involved with reviews on this subject in inter-professional working groups. Internal tools to assess the environmental impact of its products have already been developed to meet the needs of both distribution networks and consumers.

The site visits offered by the Group also reflect its quest for excellence, as Pascale Rousseau, Coeur de Cognac Club Development Manager, explains: *"Rémy Martin's oenotourism offer in Cognac puts an emphasis on developing warm relationships with visitors, while offering tours featuring expertise related to spirits, their heritage and their history. On 30 January 2013, the quality of "Rendez Vous Rémy Martin" won the national oenotourism award in the "development of a cellar or viticulture site" category.* The Group also obtained the French government's *"Patrimoine Vivant"* (Living Heritage Company) label, established to reward businesses who promote craftsmanship and the French tradition of excellence.

Environmental indicators

For the year ended 31 March	2011	2012	2013
Total energy consumption (MWh)	15,884	15,315	20,097
Direct energy consumption (gas, heating oil, MWh) (GRI indicator: EN3)	7,912	7,384	11,057
Indirect energy consumption (electricity, MWh) (GRI indicator: EN4)	7,973	7,931	9,041
Water consumption (m ³) (GRI indicator: EN8)	53,605	59,940	65,256
Paper consumption (millions of sheets) (GRI indicator: EN1)	3.08	3.12	2.85
Quantity of waste (tonnes) (GRI indicator: EN22)	1,965	1,956	2,179
Waste sorting rate (%)	94	93	92
Waste recycling rate (%)	94	93	91
Volume of effluents (m ³) (GRI indicator: EN21)	17,986	19,284	23,314
DBO effluents (in tonnes after treatment) (GRI indicator: EN21)	-	-	0.56
DCO effluents (in tonnes after treatment) (GRI indicator: EN21)	-	-	2.30
GHG emissions (Scope 1 - tCO ₂ e)	-	1,691	1,795
GHG emissions (Scope 1 - tCO ₂ e)	-	674	509
GHG emissions (Scope 1 and 2 - tCO ₂ e) (GRI indicator EN16)	-	2,365	2,304

All indicators increased slightly during the 2012/13 financial year compared with the previous year. This change was primarily due to the extension of the Group's CER programme and strong business growth during 2012/13.

The employee-related, environmental and societal information is comprehensively detailed in the 2012/13 Reference Document.

2015 CER plan

Topic	Actions 2013	Actions 2014	Actions 2015
 CER governance	<ul style="list-style-type: none"> • CER reporting (objective: international extension) • Code of Ethics (objective: international scope) • 2015 CER plan (objective: international extension) 	<ul style="list-style-type: none"> • CER reporting (objective: international extension) • Environmental management (objective: Barbados site) 	<ul style="list-style-type: none"> • CER reporting (objective: international extension) • Environmental management (objective: Islay site) • Level 3 Certification AHVE (objective: Rémy Martin estates) • ISO 26000 (objective: evaluation of Group scope/ ISO 26000 compliance rate > 90%)
 Working conditions	<ul style="list-style-type: none"> • Reducing the pay gap between men and women in similar positions, with similar skills and levels of experience (objective: reduce gap between men and women) • "Safety at Work " action plans (objective: reduce workplace accidents and occupational illnesses) • Particular focus on the inclusion of disabled people within the workforce (objective: comply with regulations) 	<ul style="list-style-type: none"> • Reducing the pay gap between men and women working in the same positions and with the same skills and level of experience (objective: reduction in male/female disparity) • "Safety in the Workplace" action plans (objective: reduce workplace accidents and occupational illnesses) • Particular focus on integrating disabled employees within the workforce (objective: compliance with regulations) 	<ul style="list-style-type: none"> • Reducing the pay gap between men and women working in the same positions and with the same skills and level of experience (objective: reduction in male/female disparity) • "Safety in the Workplace" action plans (objective: reduce workplace accidents and occupational illnesses) • Particular focus on integrating disabled employees within the workforce (objective: compliance with regulations)
 Winemaking	<ul style="list-style-type: none"> • Reduce the use of pesticides (objective: soil protection/rate of reduction > 15%) • Raise environmental awareness among winemakers (objective: briefings) 	<ul style="list-style-type: none"> • Reduce the use of pesticides • Raise environmental awareness among winemakers (objective: creation of an environment reference framework) 	<ul style="list-style-type: none"> • Reduce the use of pesticides • Raise environmental awareness among winemakers (objective: AHVE certification)
 Environment	<ul style="list-style-type: none"> • Renewable energy (objective: feasibility studies) • Biodiversity (objective: "Bees/ Forests" conservation) 	<ul style="list-style-type: none"> • Renewable energy (objective: feasibility studies) • Biodiversity (objective: "Bees/ Forests" preservation initiatives) 	<ul style="list-style-type: none"> • Renewable energy (objective: rate of green energy used 10%) • Biodiversity (objective: "Bees/ Forests" preservation initiatives)
 Fair trade practices	<ul style="list-style-type: none"> • CER charter, communication and responsible consumption charters, internal code of business ethics (objective: comply with charters and codes/transparent practices) 	<ul style="list-style-type: none"> • CER charter, communication and responsible consumption charters, internal code of business ethics (objective: comply with charters and codes/transparent practices) 	<ul style="list-style-type: none"> • CER charter, communication and responsible consumption charters, internal code of business ethics (objective: comply with charters and codes/transparent practices)
 Citizenship	<ul style="list-style-type: none"> • Exchange of best CER practices in the fields of education and business (objective: be a player in sustainable regional development) 	<ul style="list-style-type: none"> • Exchange of best CER practices in the fields of education and business (objective: be a player in sustainable regional development) 	<ul style="list-style-type: none"> • Exchange of best CER practices in the fields of education and business (objective: be a player in sustainable regional development)
 Suppliers	<ul style="list-style-type: none"> • Sustainable, responsible purchasing (objective: CER assessment of suppliers/rate of selected suppliers: > 90%/supplier assessment rate > 90%) 	<ul style="list-style-type: none"> • Sustainable, responsible purchasing (objective: CER assessment of suppliers/rate of selected suppliers: > 92%/rate of assessed suppliers: > 92%) 	<ul style="list-style-type: none"> • Sustainable, responsible purchasing (objective: CER assessment of suppliers/rate of selected suppliers: > 95%/rate of assessed suppliers: > 95%)
 Consumers	<ul style="list-style-type: none"> • Monitor and validate campaigns (objective: comply with the internal charter/campaign verification rate > 90%) 	<ul style="list-style-type: none"> • Monitor and validate campaigns (objective: comply with the internal charter/campaign verification rate > 95%) • ISO 22000 certification (objective: 75% of production sites) 	<ul style="list-style-type: none"> • Monitor and validate campaigns (objective: comply with the internal charter/campaign verification rate > 95%) • ISO 22000 certification (objective: all production sites)

Corporate governance

Board of Directors and Management



Above: Changes in the
colour palette of cognac
eaux-de-vie as it ages

Board of Directors *

Mr. François Hériard Dubreuil
Chairman

Mrs. Dominique Hériard Dubreuil
Mr. Marc Hériard Dubreuil
Sir Brian Ivory
Mr. Jean Burelle**
Mr. Jacques Etienne de T'Serclaes**
Mr. Gabriel Hawawini**
Mr. Timothy Jones
Mr. Patrick Thomas**
Mr. Didier Alix**
Mrs. Caroline Bois
Mrs. Laure Hériard Dubreuil

* At 31 March 2013.

** Independent Director .

Executive Committee *

Mr. Jean-Marie Laborde
Chief Executive Officer

Mr. Frédéric Pflanz
Chief Executive Officer
and Chief Financial Officer

Mr. Jean-François Boueil
Human Resources Director

Mr. Damien Lafaurie
Executive Vice President Global Markets

Mr. Christian Liabastre
Executive Vice President
Brands Strategy and Development

Mr. Patrick Marchand
Operations Senior Vice President

Statutory Auditors

Ernst & Young & Autres
Represented by Mr. Pierre Bidart

Auditeurs & Conseils Associés
Represented by Mr. Olivier Juramie

Committees

Audit and Finance Committee
Chaired by Mr. Jacques-Etienne de T'Serclaes

Nomination and Remuneration Committee
Chaired by Sir Brian Ivory

**Development and Marketing
Strategy Committee**
Chaired by Mrs. Dominique Hériard Dubreuil

Finance

Continuity
on all fronts

"More remarkable than the performances recorded this year is their consistency from one year to the next. During the financial year, the Group continued to improve its gross margin and its profitability. The cash flow generated enabled us to increase investment to support all our brands, and helped us to improve our distribution as well as finance the strategic acquisition of Bruichladdich, an ultra-premium whisky from the Isle of Islay in Scotland. All this was achieved without impacting on the net debt/EBITDA bank ratio. The principles that influence our strategy have, once again, proved their validity. They guarantee growth that remains extremely robust and geographically balanced."

_ Frédéric Pflanz

Chief Executive Officer and Chief Financial Officer

Left: Working meeting
at the Tax Free World
Exhibition in Cannes

Right: Grande Champagne
Louis XIII cognac eaux-de-vie



The global reach of the Rémy Cointreau Group's products is due, amongst other factors, to a funding policy guided by the long term, and greater control of subsidiaries in key countries. Continually improving our profitability and gross margin necessitates close proximity to the markets to determine the most promising investments: whether by strengthening the distribution network across all the countries where the Group is already present, or by creating subsidiaries in "new" countries. Thanks to this policy, 87% of our sales are today achieved by our own distribution network. This momentum continued across all continents without exception. The Group has even succeeded in maintaining its position in Europe, which has been adversely affected by successive financial crises.

in 15 months of the Group's Standard and Poor's rating to BB+, whilst it has retained the Moody's Baa1 rating. Lastly, the Group's long-term financial resources of €600 million were secured under competitive conditions.

Notwithstanding these grounds for satisfaction, the Rémy Cointreau Group is acutely aware of the vigilance required by the profusion of business opportunities outside the euro zone. It is for this reason that, in order to guarantee security and protection, it ensures coverage of its hedging requirements through a rolling hedge strategy. With the same cautious approach, it has completely updated its risk mapping in relation to the risks affecting inventories, market conditions, attempted fraud, as well as apprehension concerning additional taxation and counterfeiting threats. Internal audit methods have simultaneously been updated during the financial year, enabling improved risk control and strict cost control.

Based on its results and their overall trend, the Group was able to make acquisitions for the first time in 12 years in order to diversify its brand portfolio in the most buoyant segment of single malt whiskies, and to increase its stock of eaux-de-vie through the acquisition of the aged stock of a historic cognac house. All this was achieved whilst maintaining its cash flow, thanks to its profitability. Furthermore, the Group still has the scope to take advantage of other potential opportunities. These are all examples of the confidence and ambition with which Rémy Cointreau is approaching the future.

Rémy Cointreau's share price performance from 1 June 2011 to 1 June 2013



The numbers starkly illustrate the remarkable performance and strength of the Group's business model: a 16% increase in sales, an operating profit of 20.6%, which has consistently improved over the last five years, a Rémy Martin profit

that has doubled in seven years and a net debt/EBITDA ratio which remains below 1. In addition to all these indicators there have been two separate upgrades

Consolidated statement of financial position

(As of 31 March, in € millions)

	2013	2012	2011
Brands and other intangible assets	480.2	443.2	447.1
Property, plant and equipment	173.1	146.4	141.0
Investments in associates	52.8	68.4	64.9
Other financial assets	89.9	86.9	10.9
Deferred tax assets	47.2	44.0	30.3
Non-current assets	843.2	788.9	694.2
Inventories	945.9	792.6	699.2
Trade and other receivables	255.5	207.9	213.6
Income tax receivables	0.8	3.9	1.6
Derivative financial instruments	6.3	5.6	16.4
Cash and cash equivalents	186.8	190.1	80.6
Assets held for sale	28.8	0.2	485.3
Current assets	1,424.1	1,200.3	1,496.7
Total assets	2,267.3	1,989.2	2,190.9
Share capital	81.4	79.4	79.1
Share premium	828.6	738.2	735.7
Treasury shares	(97.4)	(95.8)	(0.6)
Consolidated reserves and profit for the year	270.7	244.4	256.4
Translation reserve	10.3	8.6	(7.7)
Equity - attributable to owners of the parent company	1,093.6	974.8	1,062.9
Non-controlling interests	1.2	1.2	0.9
Equity	1,094.8	976.0	1,063.8
Long-term financial debt	389.2	340.0	377.7
Provision for employee benefits	25.2	21.8	20.5
Long-term provisions for liabilities and charges	5.8	6.9	6.5
Deferred tax liabilities	99.0	98.4	121.8
Non-current liabilities	519.2	467.1	526.5
Short-term financial debt and accrued interest	63.1	38.7	31.8
Trade and other payables	542.9	467.5	406.6
Income tax payables	25.3	13.0	39.2
Short-term provisions for liabilities and charges	3.6	1.5	9.5
Derivative financial instruments	18.4	25.4	4.5
Liabilities held for sale	-	-	109.0
Current liabilities	653.3	546.1	600.6
Total equity and liabilities	2,267.3	1,989.2	2,190.99

Consolidated income statement

(As of 31 March, in € millions)

	2013	2012	2011
Turnover	1,193.3	1,026.1	907.8
Cost of sales	(456.4)	(396.1)	(389.5)
Gross margin	736.9	630.0	518.3
Distribution costs	(403.3)	(344.8)	(284.4)
Administrative expenses	(89.8)	(79.0)	(72.8)
Other income from operations	1.6	1.5	5.9
Current operating profit	245.4	207.7	167.0
Other operating income/(expense)	(7.5)	(3.0)	(46.5)
Operating profit	237.9	204.7	120.5
Finance costs	(22.1)	(26.9)	(27.3)
Other financial income/(expense)	2.1	(8.4)	(2.4)
Financial result	(20.0)	(35.3)	(29.7)
Profit before tax	217.9	169.4	90.8
Income tax	(72.0)	(47.3)	(21.7)
Share in profit of associates	(15.5)	(0.4)	4.3
Profit from continuing operations	130.4	121.7	73.4
Net profit/(loss) from discontinued operations	-	(10.6)	(2.8)
Net profit for the year	130.4	111.1	70.6
attributable to :			
– non-controlling interests	-	0.3	0.1
– owners of the parent company	130.4	110.8	70.5
Net earnings per share – from continuing operations (€)			
– basic	2.67	2.47	1.50
– diluted	2.66	2.46	1.49
Net earnings per share – attributable to owners of the parent company (€)			
– basic	2.67	2.25	1.44
– diluted	2.66	2.24	1.43
Number of shares used for the calculation			
– basic	48,880,252	49,324,332	48,991,452
– diluted	49,010,681	49,473,230	49,248,856

Comments and Outlook

Rémy Cointreau's sales for the financial year ended 31 March 2013 increased by 16.3% to €1,193.3 million. Current operating profit was €245.4 million, a rise of 18.1%, which was a very strong performance given that it was achieved on the back of double-digit growth the previous year. The current operating margin rose to 20.6% despite a further increase in marketing investment.

These results reflect the sales momentum of the Group's brands in all regions of the world with double-digit growth in Asia and the US. Europe, despite a mixed economic environment, also contributed to this performance.

Net profit rose by 17.7% to €130.4 million.

The Group's net financial debt was €265.5 million even though two acquisitions were completed during the year, and the net debt to EBITDA ratio remained below 1.

The 2012/13 financial year was marked by:

- a strong increase in current operating profit;
- double-digit growth in Rémy Martin sales, which went hand-in-hand with strong profitability;
- sustained, strong growth in Asia;
- a remarkable performance in the US;
- the strategic acquisition of Bruichladdich, a single malt Scotch whisky;
- a sound financial position: the Group has €600 million available in long-term funding

Sales of €1,193.3 million represented an increase of 16.3% (up 8.8% organically, with 10.3% organic growth for Group brands).

Current operating profit rose by 18.1% to €245.4 million (+12.3% organically), with an increase of 20.6% in operating margin compared with the previous year. This performance was achieved thanks to a further significant improvement in gross profit, accompanied by increased advertising and marketing investment to support the brands.

Operating profit was €237.9 million, after deducting a €7.5 million charge that primarily included expenses related to the two acquisitions.

Net financial expenses amounted to €20 million, a significant decline of €15.3 million which was primarily due to movements in the value of interest rate and foreign exchange hedging instruments.

The income tax charge of €72 million reflected an effective tax rate of 33.1%, higher than the rate of 27.9% applicable in the previous year.

The share in the loss of associates primarily originated from Dynasty. The Chinese group, Dynasty Fine Wines Ltd, in which Rémy Cointreau holds a 27% stake, issued a profit warning in February 2013 flagging a loss for the 2012 financial year after several years of declining results. Since Dynasty's annual financial statements were still pending publication at Rémy Cointreau's balance sheet date, the Group carried out an impairment test on the value of its equity investment, on the basis of which an impairment charge of €15.9 million was recognised.

The Group's share of net profit, excluding non-recurring items, was €151.5 million, an increase of 22.3% compared with the previous year.

The Group's share of net profit rose by €20 million to €130.4 million, an increase of 17.7% after the Dynasty provision.

Net financial debt was €265.5 million, an increase of €76.9 million after taking into account the €167.4 million impact of the two acquisitions completed during the year. The net debt to EBITDA ratio was 0.99. At 31 March 2013, Rémy Cointreau had confirmed financial resources of €600 million.

Shareholders' equity was €1,094.8 million with a stronger balance sheet.

Following implementation of the share buyback programme in December 2011 and May 2012, the Group holds 1.4 million treasury shares, accounting for 2.8% of its share capital and valued at €96.1 million.

During the 2012/13 financial year, the Euro/US Dollar rate was very close to that of the previous year, at USD 1.35/€1 versus USD 1.34/€1. Foreign exchange movements had a positive effect of €12 million on net profit.

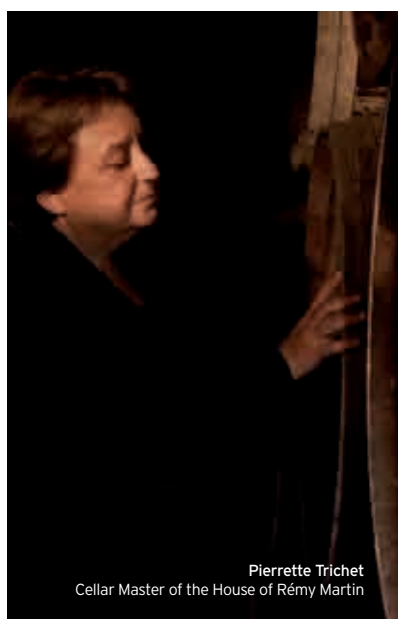
On 10 June 2013, Rémy Cointreau announced that it had signed an agreement with the Nordic group, Altia, in respect of the transfer of the Larsen cognacs, including the brand, industrial and commercial assets and inventories, to enable the entity to operate as a going concern.

A cash dividend of €1.40 will be put to a shareholders' vote at the Annual General Meeting to be held on 24 September 2013.

Outlook

In a worldwide economic environment which lacks visibility, particularly in Europe, but nevertheless remains favourable for the premium spirits industry, Rémy Cointreau remains true to its long-term high value strategy.

The Group will continue to rely on its very high quality brands, its innovation policy, the dynamism of its distribution network and its strict cost control, and remains confident in its capacity to continue to generate profitable growth over the medium to long term.



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The French version of this document is available on request or via the remy-cointreau.com website www.remy-cointreau.com
All the regulatory information required by the AMF is available on the Company's website www.remy-cointreau.fr

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