RÉMY COINTREAU

REFERENCE DOCUMENT

AT 31 MARCH 2003

COB

The present reference document has been filed with the Commission des opérations de bourse on 17 June 2003, in accordance with regulation N° 98-01/n° 95-01. It can be used in a financial transaction in conjunction with a prospectus which carries the approval of the Commission des Opérations de Bourse.

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CHAPTER I

PERSONS RESPONSIBLE FOR THE REFERENCE DOCUMENT AND THE AUDIT OF THE FINANCIAL STATEMENTS

1.1 PERSON RESPONSIBLE FOR THE REFERENCE DOCUMENT

Dominique Hériard Dubreuil, Chairman of the Management Board of Rémy Cointreau.

1.2 CERTIFICATE OF PERSON RESPONSIBLE FOR THE REFERENCE DOCUMENT

"To my knowledge, the information in the present document conforms to reality. It comprises all information necessary for investors to base their judgement on the assets, operations, financial position, profits and prospects of the Rémy Cointreau group. There are no omissions likely to change this view."

Dominique Hériard Dubreuil

Chairman of the Management Board

1.3 STATUTORY AUDITORS AND AUDIT CERTIFICATE

1.3.1 Principal Statutory Auditors

Barbier Frinault & Autres, 41, rue Ybry - 92201 Neuilly, represented by Patrick Malvoisin, appointed on 26 March 1984 (then known as Guy Barbier & Autres until their reappointment in 1994), reappointed on 22 September 1988, 22 September 1994 and 24 August 2000 for a term of office expiring at the close of the Annual General Meting called to consider the financial statements of the year ended 31 March 2006.

Auditeurs et Conseils Associés S.A., member of Nexia International, 33, rue Daru 75008 Paris, represented by Jean-Marcel Denis, appointed on 26 September 1990, reappointed on 16 September 1996 and on 3 September 2002 for a term of office expiring at the close of the Annual General Meeting called to consider the financial statements of the year ended 31 March 2008.

1.3.2 Substitute Statutory Auditors

Mr Jean Autissier, c/o Barbier Frinault & Autres, 41, rue Ybry - 92201 Neuilly, appointed on 26 September 1990, reappointed on 22 September 1994 and 24 August 2000, for a term of office expiring at the close of the Annual General Meeting called to consider the financial statements of the year ended 31 March 2006.

Mrs Geneviève Dionis du Séjour c/o Auditeurs et Conseils Associés S.A., 33, rue Daru 75008 Paris, appointed on 26 September 1990 and reappointed on 16 September 1996, for a term of office expiring at the close of the Annual General Meeting called to consider the financial statements of the year ended 31 March 2008.

1.3.3 Certificate of the Statutory Auditors

BARBIER FRINAULT & AUTRES
ERNST & YOUNG
Statutory Auditors
Member of the Compagnie de Versailles
41, rue Ybry
92576 Neuilly-sur-Seine Cedex

AUDITEURS & CONSEILS ASSOCIES S.A.
Member of Nexia International
Statutory Auditors
Member of the Compagnie de Paris
33, rue Daru
75008 Paris

In our capacity as Statutory Auditors to Rémy Cointreau and in accordance with the provisions of COB regulation 98-01, we have audited, in accordance with professional standards in France, the information pertaining to the financial condition and historical financial data as presented in this reference document.

This reference document is the responsibility of the Chairman of the Management Board. Our responsibility is to express an opinion as to the fairness and accuracy of the information pertaining to the Company's financial condition and financial statements.

Our audit consisted, in accordance with professional standards in France, of assessing the fairness and accuracy of the information relating to the financial position and financial statements, as well as its consistency with respect to the financial statements.
In addition, we have read the other information contained in the reference document with the aim of identifying any material inconsistencies between this information and that pertaining to the financial condition and the financial statements, and reporting any manifestly erroneous statements that we may have identified, based on our general knowledge of the company that we have acquired in the performance of our duties. As regards the forecast data resulting from a structured elaboration process, this review has taken into account the assumptions used by the directors and their translation into figures.

The parent company and/or consolidated financial statements for the financial years ended 31 March 2001, 2002 and 2003, approved by the Chairman of the Management Board, have been audited by ourselves, according to the professional standards applicable in France, and have been certified without qualification or observation

On the basis of our audits, we have no particular observation to make as to the fairness and accuracy of the information pertaining to the financial condition and financial statements presented in this reference document.

Neuilly-sur-Seine & Paris, 16 June 2003

The Statutory Auditors

BARBIER FRINAULT & AUTRES
Ernst & Young
Patrick Malvoisin

AUDITEURS & CONSEILS ASSOCIES S.A.
Member of Nexia International
François Mahé

1.4 Investor relations

Bruno Mouclier,
financial director

Gérard Taubman,
legal counsel

Tel.: + 33 1 44 13 44 13

CHAPTER II

FEATURES OF THE TRANSACTION

Note : In the event of a transaction subject to the approval of the Commission des Opérations de Bourse, the relevant information for this chapter will be included in a separate transaction note.

CHAPTER III

GENERAL INFORMATION CONCERNING THE COMPANY AND ITS SHARE CAPITAL

3.1 GENERAL INFORMATION CONCERNING RÉMY COINTREAU

3.1.0 Corporate name, registered office and main administrative office

Corporate name: Rémy Cointreau S.A.

Registered office: Ancienne rue de la Champagne, rue Joseph Pataa, 16100 Cognac, France.

Main administrative office: 152 avenue des Champs-Elysées, 75008 Paris, France.

3.1.1 Legal form and governance

Société Anonyme (French limited liability company) with a Management Board and a Supervisory Board, governed by French law and, in particular, by Articles L.210-1 to L.210-9 of the Commercial Code and by its by-laws.

3.1.2 Applicable legislation

Rémy Cointreau S.A. (hereinafter “Rémy Cointreau” or “the Company”) is a company subject to French law.

3.1.3 Date established - Duration

The Company was established on 3 March 1975 and will terminate on 30 September 2073.

3.1.4 Objects

Rémy Cointreau’s objects pursuant to Article 2 of its bylaws are as follows:

- the creation, acquisition and operation of any commercial, industrial or other business;
- the direct or indirect participation of the Company, in any form whatsoever, in any company, association, enterprise or grouping of any form whose object is a commercial, industrial, agricultural, property, design, research or development activity, or the acquisition, management or operation of all goods or rights;
- the paid provision of qualified services in technical, commercial, administrative or financial fields, on behalf of any individual or company engaged in commercial, financial or industrial activities in France or other countries, and;
- in general, any commercial, financial, industrial, property or real estate operations which are directly or indirectly related, in whole or in part, to the aforementioned objects or to any similar or related object.

3.1.5 Register of companies and registration number

Rémy Cointreau is registered at the Registre du Commerce et des Sociétés de Cognac under the number B 302 178 892. APE Code 741 J.

3.1.6 Inspection of legal documents of the company

Legal documents may be inspected at the registered office whose address is provided above.

3.1.7 Financial year

Every financial year commences on 1 April and ends on 31 March of the following year.

3.1.8 Allocation of profits

Profit permitting, out of the Company's profits in each financial year, after setting aside a provision to establish the legal reserve, which must be at least equal to the minimum required, the General Meeting, on the proposal of the Management Board, may allocate any sum it deems appropriate either to be carried forward to the next financial year, allocated to one or more reserve funds for which it regulates the allocation or use, or distributed as dividends among the shareholders.

3.1.9 General Meetings

Shareholders' Meetings are called and held under the conditions stipulated by law.

These meetings are held either at the registered office or at another venue specified in the notice of the meeting.

Right of admission to meetings

Any shareholder may participate in these meetings either personally or by intermediary, by mail or by proxy addressed to the Company. Shareholders must show proof of their identity and ownership of their fully paid shares, at least three days prior to the General Meeting of shareholders.

Right of vote

Pursuant to the resolution approved at the General Meeting of 16 December 1991, share-voting rights are in proportion to the share of capital that they represent. At equivalent nominal value, each share entitles the holder to one vote.

However, a share entitles the holder to two votes, in relation to the share capital that it represents, in the following cases:

- any shareholder who has held fully paid shares in nominative form in the same name for at least four years;

- for each nominative share attributed to the shareholder, in the event of a capital increase by way of capitalisation of reserves, profits or premiums, on the basis of existing shares for which such shareholder already enjoys double voting rights.

This double-voting right ceases for all shares converted to bearer shares or whose ownership is transferred. However, the four-year timeframe set is not affected, or acquired rights maintained for any transfer by succession, liquidation of joint estate of spouses, or inter-vivos gifts, for the benefit of an inheriting spouse or parent.

Only shareholders who fulfil the following criteria may participate in Meetings, vote by letter or be represented:

- their nominative shares must be registered at least three days before any Meeting;

- for shares in bearer form, a certificate from an authorised intermediary must be produced within the same time limit, stating that the relevant shares will remain blocked in the account until the day after the Meeting.

Entry passes for Meetings will be sent to all shareholders and are available upon request from Société Générale, Service Assemblées Générales (General Meeting Services), 32 rue du Champ de Tir, Nantes 44000, France, or from the authorised banks, on presentation, for bearer shares, of a certificate stating that the shares are held as indicated above.

Declaration of crossing thresholds

Pursuant to the resolution adopted at the General Meeting of 16 December 1991, any shareholder (individual or company), acting either alone or in concert, who acquires in any manner, as set out in Article L233-7 and subsequent of the Commercial Code, a fraction equal to one per cent (1%) of the share capital or voting rights, or any multiple of this percentage, must notify the Company of the total number of shares held within fifteen days of crossing one of these thresholds. This also applies each time that the fraction of share capital or voting rights held becomes less than one of the thresholds stated above.

In the event of non-compliance with this provision, and upon the request of shareholders holding at least 1% of the share capital, the shares exceeding the fraction which should have been declared will be deprived of voting rights at all Meetings held until the expiration of the timeframe provided for by law.

The intermediary registered as the holder of the shares pursuant to paragraph 3 of Article L.228-1 of the Commercial Code is required, without prejudice to the obligations of the owners of the shares, to make the declarations so required by the first paragraph above for all of the shares of the company for which he/she is registered as the holder.

Identification of shareholders

The Company is legally entitled to request, in accordance with the legal terms and conditions, the identity of those shareholders holding shares, which immediately or subsequently give rise to voting rights.

In order to identify the holders of securities, the Company is entitled to request at any time, at its own expense, from the share registrars, the name or, if it is a company, the corporate name, nationality, year of birth or establishment, and address of holders of securities that have the right immediately or in the future to vote at the Company's meetings, as well as the number of securities held by each of them and, where applicable, the restrictions that may apply to those securities and more generally to make use of Article L.228-2 of the Commercial Code concerning identification of holders of securities that confer the right immediately or in the future to vote at the Company's meetings.

3.2 GENERAL INFORMATION ON THE SHARE CAPITAL

3.2.0 Change to the share capital and shareholders' rights

The share capital may be increased by a decision taken by an Extraordinary General Meeting. However, where a capital increase is carried out by incorporation of reserves, profits or share premium, the relevant Extraordinary General Meeting will set the quorum and majority required in an Annual General Meeting.

Capital increases are decided or authorised by an Extraordinary General Meeting which sets the terms for an issue of new shares and grants all powers to the Management Board to carry this out in a period that may not exceed five years.

The Extraordinary General Meeting may decide to reduce the share capital, particularly by way of repurchase of shares or reduction in their nominal value, or again, by reduction in the number of shares in accordance with legal requirements.

The share capital may also be written down in accordance with the law.

3.2.1 Share capital at 31 March 2003

• At 31 March 2003, the share capital was 71,327,905.60 euros divided into 44,579,941 shares of 1.60 euros each, all of one class, fully paid and carrying 70,787,910 voting rights.

Form of shares: fully paid shares are in nominative or bearer form, at the shareholder's choice.

Trading in the company's shares

On 6 November 2001 and in February/March 2003, the Company purchased on the stock market 506,552 and 145,588, respectively, of its own shares, pursuant to the last two share repurchase programmes. At 31 March 2003, the Company held 655,573 of its own shares.

The Combined General Meeting of Rémy Cointreau of 3 September 2002, in its thirteenth resolution, authorised the Management Board, for a period ending at the conclusion of the General Meeting called to consider the financial statements for the year ended 31 March 2003 and at the latest, within a period of eighteen months from 3 September 2002, to purchase shares in the Company, up to 10% of the current share capital on the day of the Meeting, which is 3,935,987 shares, with treasury shares deducted.

The maximum amount that the Company may pay on the basis of this number of shares is 255,839,155 euros.

The share repurchase programme is designed to achieve the following, in order of priority:

- to stabilise the price of the Company's shares on the Stock Market by trading systematically against the trend;
- to allocate the shares following the exercise of rights attached to marketable securities giving right by conversion, exchange, redemption, presentation of a warrant, or a combination of these, or in any other manner to allocate existing shares in the company.
- to grant options to employees and/or executives of the Company and the group, to purchase shares;
- to offer to employees to acquire shares directly, or by way of a company investment fund as prescribed by the law, particularly Article L 443-1 and subsequent of the Labour Code;
- to use the shares for acquisition by exchanging shares, or as consideration, or in any other manner likely to improve the terms of the transaction;
- to cancel the shares, subject to the adoption of the twentieth resolution, in order to increase the return on capital and earnings per share;
- to retain the shares or to dispose of or transfer them, where appropriate, as part of an active management of resources, taking account of funding requirements.

The purchase of these shares, as well as their sale or transfer, may be carried out at any time, including during the period of a public takeover bid, within the limits allowed by stock market regulations and by any means, on the market or over the counter, including block transactions and the use of derivative financial instruments, particularly options, so long as they do not significantly increase the volatility of the share price. Share capital acquired or transferred in blocks may account for all of the authorised share repurchase programme.

As part of these objectives, the repurchased shares may be cancelled in accordance with the twentieth resolution of the same Meeting up to 10% of the share capital per period of twenty-four months.

The maximum purchase price is 65 euros and the minimum sale price is 25 euros per share.

An information note in respect of this programme received the authorisation number 02-924 from the Commission des Opérations de Bourse on 31 July 2002.

3.2.2 Authorised capital

Authorisation to grant options to subscribe for or purchase shares

The authorisation was given by way of the fourteenth resolution of the Combined General Meeting of Rémy Cointreau on 21 September 2001 to the Management Board, for a period of thirty-eight months from 21 September 2001 to grant, on one or more occasion, to employees of the Company or companies or G.I.E covered by Article L.225-180 of the Commercial Code, or certain of them, as well as the management of the Company or companies or GIE covered by Article L 225-180 of the Commercial Code, options to subscribe for new shares in the Company, to be issued by way of an increase in capital, or options to purchase shares in the Company arising from a repurchase pursuant to the provisions prescribed in Articles L.225-208 or L.225-209 and subsequent of the Commercial Code. The total amount of options granted under the present authorisation may not give a right to a number of shares representing more than 3% of the share capital of the Company.

The subscription price or the share price shall be set by the Management Board the day the option is granted within the limits prescribed by law.

In any event, the issue price for options to subscribe must not, on the day the option is granted, be lower than 80% of the average share price of the 20 trading days preceding the issue date. In the event of the grant of options to purchase, the purchase price of the shares may not be lower than either 80% of the average share price of the 20 trading days preceding the date of grant, or 80% of the average purchase price of the shares held by the Company pursuant to Articles L 225-208 and/or L 225-209 of the Commercial Code.

This price may only be revised in accordance with circumstances provided by law at the time of financial transactions or share transactions. The Management Board will then, in accordance with regulations, make an adjustment to the number and price of the shares included in the options granted to take account of the effect of these transactions.

The options must be exercised within a period of ten years from the date they are granted.

Delegation to the Management Board to increase the share capital by incorporation of reserves, profits or premiums.

The Combined General Meeting of 3 September 2002, in its sixteenth resolution, authorised the Management Board, in accordance with the provisions of paragraphs II and III of Article L225-129 of the Commercial Code, for a duration of 26 months from 3 September 2002, to increase the share capital, on one or more occasion, at the times and in accordance with the methods that it shall determine, by incorporation into capital of reserves, profits, or premiums, followed by the creation and bonus issue of shares or the increase in the nominal value of existing shares, or a combination of these two methods.

Fractional rights are not negotiable and the corresponding shares will be sold, the amounts resulting from the sale being allocated to the holders of rights at the latest thirty days after the date of registration of the whole number of shares allocated.

The amount of the capital increase that may be carried out under this authorisation may not exceed the nominal amount of 70,000,000 euros, set independent of the maximum limit of increases resulting from the issue of marketable securities authorised by this same Meeting.

Delegation to the Management Board to issue various marketable securities, with or without shareholders' pre-emption rights

The Combined General Meeting of 3 September 2002, in its seventeenth resolution, delegated to the Management Board, in accordance with the provisions of paragraph 3 of Article L. 225-129 III of the Commercial Code, the powers required to proceed, on one or more occasions, in France and/or abroad and/or on the international market, with a maintained pre-emption right for shareholders, in euros, in foreign currencies or in any monetary unit established by reference to a number of currencies, to issue shares in the Company (together with, or not, warrants to subscribe to or acquire shares) as well as marketable securities of whatever nature, including independent warrants to subscribe for new shares issued free of charge or for consideration, but excluding preference shares or investment certificates, giving the right by conversion, exchange, repayment, presentation of a warrant, combination of these, or in any other way, to the granting immediately and/or subsequently, at any time or a set date, to a share in the capital of the Company and this, within the limit of a total nominal ceiling of a capital increase of 30,000,000 euros, in common with the seventeenth and eighteenth resolutions, and a total nominal ceiling of debt securities in common with all the debt securities whose issue is delegated to the Management Board by virtue of the same Annual and Extraordinary General Meeting, of 750,000,000 euros. These marketable securities may take all forms, including the forms covered by Articles L 225-150 to L 225-176 or Article L228-91 of the Commercial Code.

The Management Board may decide to substitute the treasury shares for shares to be issued under this resolution.

The issues decided by virtue of this delegation must be carried out within a time period of 26 months from 3 September 2002.

The same Meeting, in its eighteenth resolution, delegated to the Management Board the powers to issue various marketable securities as mentioned above, with suppression of pre-emption rights.

The Management Board may decide to substitute treasury shares for shares to be issued under this resolution.

Delegation to the Management Board to issue shares representing the share capital of the Company as a result of the issue, by controlled companies, of marketable securities giving, in time, access to the Company's share capital

The same Combined General Meeting of 3 September 2002, in its eighteenth resolution, in view of the issue of shares and marketable securities giving access to the capital of the company to which shall give right marketable securities that may be issued, by companies where Rémy Cointreau holds directly or indirectly more than half the share capital, subject to the approval of the Management Board of Rémy Cointreau, whether by conversion, exchange, repayment, presentation of a warrant or in any other manner, at any time or on a set date, delegates to the Management Board the necessary powers to proceed with the issue of capital securities in Rémy Cointreau to which these marketable securities give the right, and this up to a total nominal ceiling of a capital increase of 30,000,000 euros, in common with the seventeenth and eighteenth resolutions.

In this context, Rémy Cointreau shareholders do not have a pre-emption right to these marketable securities issued by these companies.

The issues decided by virtue of this delegation must be carried out within a time period of twenty- six months from 3 September 2002.

Authorisation to the Management Board to use the delegations to issue in the event of a public offer for the Company

The General Meeting of 3 September 2002, in its eighteenth resolution, delegated to the Management Board the powers necessary to proceed with the issue of shares or marketable securities, including independent subscription warrants, giving access, immediately or subsequently, to shares, as consideration for securities transferred as part of a public offer initiated by the Company for securities of another company trading on a regulated market covered by Article L 225-148 up to a total nominal ceiling of 30,000,000 euros, in common with the seventeenth and eighteenth resolutions, and suppressing, for the benefit of holders of these securities, the pre-emption right of shareholders to these shares and marketable securities.

The issues decided by virtue of this delegation must be carried out within a time period of twenty-six months from 3 September 2002.

3.2.3 Securities not representative of capital

Nil.

However, in 1991, Rémy Cointreau issued 400 Perpetual Subordinated Notes amounting to 2,000,000,000 French Francs (304,898,034.47 euros) in value, and in 1998 issued 3,000 senior high yield loan notes amounting to 150,000,000 euros in value, both of whose features are described in notes 2.8 and 2.10, respectively, to the parent company accounts of Rémy Cointreau at 31 March 2003 (see Chapter V of the present Reference Document, paragraph 5.3).

3.2.4 Other securities giving access to capital

Convertible loan note

On 21 March 1991, the Company issued a convertible loan note for FFr 993,300,000 (151,427,608.82 euros), representing 451,500 convertible bonds, for a period of 15 years and carrying interest at 7.5% per annum. These bonds may be converted at any time.

To date, 449,623 bonds have been converted and 1,877 bonds, representing 30,032 shares, remain to be converted.

Convertible loan notes with the option of conversion and/or exchange for new/existing shares (OCEANES)

Pursuant to the authorisation conferred by the Combined General Meeting of 24 August 2000, the Board of Directors' meeting of 13 December 2000 elected to issue loan notes with an option of conversion and/or exchange into new and/or existing shares in the amount of 300 million euros, representing 6,896,551 loan notes. The term of the loan notes is 5 years and 61 days, bearing an annual interest rate of 3.50%, due on 1 April each year. Each loan note may be converted into or exchanged for one new or existing share, at any time, from 30 January 2001, until 7 working days preceding the redemption date. To date, 21 loan notes have been converted into new shares and 2 loan notes have been exchanged for existing shares, and there remains to be converted or exchanged 6,896,528 loan notes, which correspond to 6,896,528 shares in the event of their conversion.

Authorisation to issue securities giving access to capital

The Combined General Meeting of 16 September 1996 authorised the Board of Directors to grant, on one or more occasions during a period of five years, to employees or management of the Company and the companies or GIE covered by Article 208-4 of the law on commercial companies (Article L225-180 of the Commercial Code), options carrying the right to subscribe for new shares in the Company that may represent up to 1% of the share capital of Rémy Cointreau.

The Board of Directors' meetings of 4 December 1996 and 25 March 1998 granted all the corresponding options. The number of options available at 31 March 2003 was 163,010.

The Combined General Meeting of 26 August 1998 authorised the Board of Directors to grant, in accordance with the same terms and conditions as previously, options to subscribe for new shares in the Company, up to a maximum of 3% of the share capital of Rémy Cointreau.

The Board of Directors' meetings of 28 October 1998, 28 April and 7 December 1999, and 30 May 2000 allocated in full the corresponding options. The number of options available at 31 March 2003 was 742,001.

The Combined General Meeting of 24 August 2000 authorised the Board of Directors to grant, in accordance with the same conditions as previously discussed, options giving the right to subscribe to new shares in the Company, up to a maximum of 3% of the share capital of Rémy Cointreau. The Management Board meetings of 1 March 2001 and 8 March 2002 allocated in full the corresponding options, none of which had been exercised as at 31 March 2003.

The Combined General Meeting of 21 September 2001 authorised the Management Board to grant, within the same terms and conditions as previously, options giving right to subscribe to new shares in the Company up to a maximum of 3% of the share capital of Rémy Cointreau. The Management Board meeting of 8 March 2002 allocated 347,500 options, none of which had been exercised as at 31 March 2003.

Share subscription option plans in effect at 31 March 2003

	PLAN n° 4	PLAN n° 5	PLAN n° 6	PLAN n° 7	PLAN n° 8	PLAN n° 9	PLAN n° 10	PLAN n° 11
Date of Extraordinary General Meeting	16/09/1996	16/09/1996	26/08/1998	26/08/1998	26/08/1998	26/08/1998	24/08/2000	24/08/2000 & 21/09/2001
Date of Management Board/Board of Directors Meeting	04/12/1996	25/03/1998	28/10/1998	28/04/1999	07/12/1999	30/05/2000	01/03/2001	08/03/2002
Total number of options allocated	216,630	164,500	224,044	289,300	499,100	131,280	1,016,600	659,500
including number of options that may be subscribed to by members of corporate governance bodies (1)	64,607	100,000	72,466	119,576	127,900	61,960	200,000	275,000
number of members concerned	10	7	7	10	10	9	5	5
Total number of beneficiaries	84	20	75	66	85	28	150	43
Options valid from	04/12/1996	25/03/1998	28/10/1998	28/04/1999	07/12/1999	30/05/2000	01/03/2003	08/03/2006
Expiry date	03/12/2003	24/03/2005	27/10/2005	27/04/2009	06/12/2009	29/05/2010	28/02/2011	07/03/2012
Share subscription price (euro) (2)	16.69	13.55	13.55	12.20	16.36	18.85	27.10	25.00
Number of options lapsed	17,384	-	-	3,000	-	-	16,000	-
Number of options exercised and shares subscribed to at 31 March 2003	115,499	85,237	113,163	90,400	172,200	22,960	-	-

(1) Members of the Board of Directors and Management Committee at or before 19 December 2000 and members of the Management Board and Supervisory Board from this date.

(2) Share subscription prices prior to 1999 result from the translation of original French Franc denominated prices into Euros.

There do not exist any other securities giving access to the Company's share capital.

3.2.5 Movement in share capital

Dates	Description	Number of new shares issued	Share premium *(francs)*	Share premium *(euros)*	Share capital *(francs)*	Share capital *(euros)*	Capital - number of shares
21.03.1991	Capital increase contribution in kind	374, 582 shares FFr 100 each	Contribution: 377,403,520		127,758,200		1,277,582
16.12.1991	10 for 1 share split Bonus issue of 6 new shares for every 10 existing shares				204,413,120		20,441,312
	Contribution in kind resulting from the merger absorption of Rémy & Associés	9,182,533 FFr 10 each	Merger: 1,467,318,152		296,238,450		29,623,845
31.03.1994	Capital increase by conversion of bonds	94,400 shares FFr 10 each	Issue: 12,390,000		297,182,450		29,718,245
	and by exercise of share subscription options	10,868 shares FFr 10 each	Issue: 1,467,180		297,291,130		29,729,113
31.03.1995	Capital increase by conversion of bonds	1,019,200 shares FFr 10 each	Issue: 133,770,000		307,483,130		30,748,313
	and by exercise of share subscription options	5,743 shares FFr 10 each	Issue: 775,305		307,540,560		30,754,056
31.03.1996	Capital increase by conversion of bonds	6,080,368 shares FFr 10 each	Issue: 798,048,300		368,344,240		36,834,424
4.12.1996	Capital increase following the payment of dividends in shares	1,278,989 shares FFr 10 each	issue: 127,272 195.39		381,134,130		38,114,413
31.03.1998	Capital increase following the exercise of share subscription options	10,753 shares FFr 10 each	Issue: 1,070,031.03		381,241,660		38,124,166
31.03.2000	Capital increase following the exercise of share subscription options	58,064 shares FFr 10 each	Issue: 4,803,202.52		381,822,300		38,182,230

Dates	Description	Number of new shares issued	Share premium *(francs)*	Share premium *(euros)*	Share capital *(francs)*	Share capital *(euros)*	Capital - number of shares
30.05.2000	Capital increase following the conversion of share capital into euros by transfer from available reserves	0				61,091,568	38,182,230
30.06.2000	Capital increase following the exercise of share subscription options	198,332		2,518 696.16		61,408,899.20	38,380,562
13.10.2000	Capital increase following the exercise of share subscription options	78,659		1,082 396.96		61,534,753.60	38,459,221
	and by the payment of dividends in shares	867,048		26,540 339.28		62,922,030.40	39,326,269
19.12.2000	Capital increase contribution in kind	5,000,000		162,000,000		70,922,030.40	44,326,269
31.03.2001	Capital increase following the exercise of share subscription options	51,331		738,739.46		71,004,160.00	44,377,600
	Capital increase following the conversion of OCEANE securities	21		879.90		71,004,193.60	44,377,621
31.03.2002	Capital increase following the exercise of share subscription options	82,105		1,154,348.38		71,135,561.60	44,459,726
31.03.2003	Capital increase following the exercise of share subscription options	120,215		1,624,950.23		71,327,905.60	44,579,941

No significant movement occurred in the social capital following the increase by contribution in kind on 19 December 2000.

3.3 CURRENT ANALYSIS OF SHAREHOLDERS AND VOTING RIGHTS

3.3.1 Voting rights, number of shareholders, details of shareholders holding 1% or greater and the nature of their holding, shareholders' pacts, shares held by employees, treasury shares.

Share ownership analysis at 31 March 2003

SHAREHOLDERS	Situation at 31/03/2003			Situation at 31/03/2002			Situation at 31/03/2001		
	Number of new shares	% capital	% voting rights	Number of new shares	% capital	% voting rights	Number of new shares	% capital	% voting rights
ORPAR	19 831 197	44.48	56.03	19 831 197	44.60	56.00	21 143 866	47.65	62.88
RECOPART	6 100 000	13.68	17.23	6 100 000	13.72	17.22	6 270 339	14.13	9.62
BLEKOS HOLDING	0	0	0	0	0	0	5 000 000	11.27	7.67
REMY COINTREAU (treasury shares)	655 573	1.47	0.00	509 985	1.15	0.00	3 435	0.01	0.00
Public	17 993 171	40.36	26.74	18 018 544	40.53	26.78	11 959 981	26.95	19.83
Total	**44 579 941**	**100.00**	**100.00**	**44 459 726**	**100.00**	**100.00**	**44 377 621**	**100.00**	**100.00**

(1) There are shares with double voting rights (see Chapter III, Paragraph 3.1.9)

The employee savings plan represents less than 1% of the share capital of Rémy Cointreau.

It is the sole means by which Rémy Cointreau employees may hold shares in the Company.

The Group is not aware of the existence of any other shareholders holding more than 1% of the shares or voting rights.

There are no shareholders' pacts.

Supervisory Board members' shares and voting rights ownership at 31 March 2003

Shareholders	Shares	%	Shares with double voting rights	Voting rights	%
François Hériard Dubreuil	10	0.00	10	20	0.00
Marc Hériard Dubreuil	10	0.00	10	20	0.00
Pierre Cointreau	50	0.00	2	52	0.00
Brian Ivory	10	0.00	0	10	0.00
Jürgen Reimnitz	10	0.00	0	10	0.00
Patrick Duverger	523	0.00	0	523	0.00
Guy Le Bail	11	0.00	1	12	0.00
Alain Bodin	10	0.00	0	10	0.00
Gérard Epin	20	0.00	0	20	0.00
Xavier Bernat	100	0.00	0	100	0.00
Hakan Mogren	10	0.00	0	100	0.00
Total	**764**	**0.00**	**23**	**787**	**0.00**

The Company holds 659,325 treasury shares. The features of the share repurchase programme authorised by the General Meeting of 3 September 2002 are described in paragraph 3.2.1 of Chapter III of the present document.

The options (convertible bonds, OCEANEs and share subscription options) are described in paragraph 3.2.4 of Chapter III of this reference document. The maximum potential dilution is referred to in the notes to the consolidated financial statements (paragraph 9 of Chapter V of this document).

3.3.2 Changes in share capital during the last three years

During the 1999/00 financial year, the share capital increased by FFr 580,640 (€88,518) to FFr 381,822,300 (€58,208,434.39) as a result of the exercise of 58,064 share subscription options. Orpar held more than one-half of the share capital and voting rights. Récopart held more than 10% of the share capital and voting rights.

During the course of the 2000/01 financial year, the share capital increased by €12,795,759.21 resulting from its conversion into euros, the exercise of 328,322 share subscription options, the exercise of the option to pay dividends in shares, the contribution in kind of the shares of Koninklijke Erven Lucas Bols N.V. and the conversion of OCEANE securities. Orpar held more than one-third of the share capital and more than one-half of the voting rights. Récopart and Blekos Holding each held more than 10% of the share capital and more than 5% of the voting rights.

During the course of the 2001/02 financial year, the share capital increased by €131,368 to € 71,135,561.60 as a result of the exercise of 82,105 options. Orpar held more than one-third of the share capital and more than one-half of the voting rights. Récopart held more than 10% of the share capital and voting rights. The Blekos Holding Company disposed in full of its shareholding during the financial year.

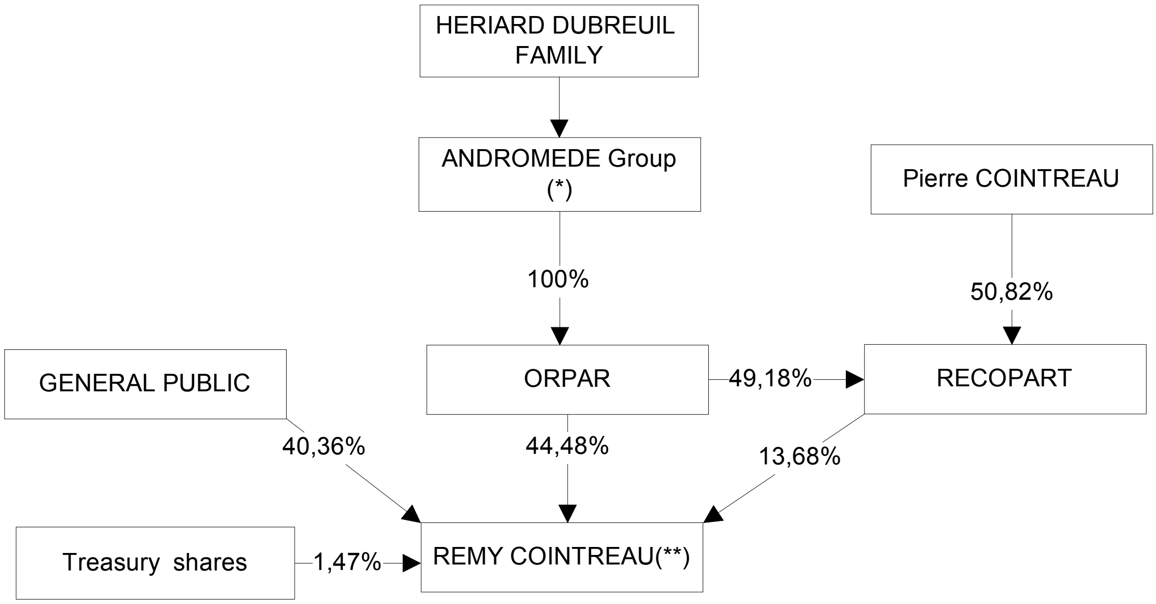
During the course of the 2002/03 financial year, the share capital increased by € 192,344 to € 71,327,905.60, as a result of the exercise of 120,215 options. Orpar held more than one-third of the share capital and more than one-half of the voting rights. Récopart held more than 10% of the share capital and voting rights.

3.3.3 Persons that control the company and details of their shareholding

Orpar is 99.79% owned by Andromède, which is controlled by the Hériard Dubreuil family.

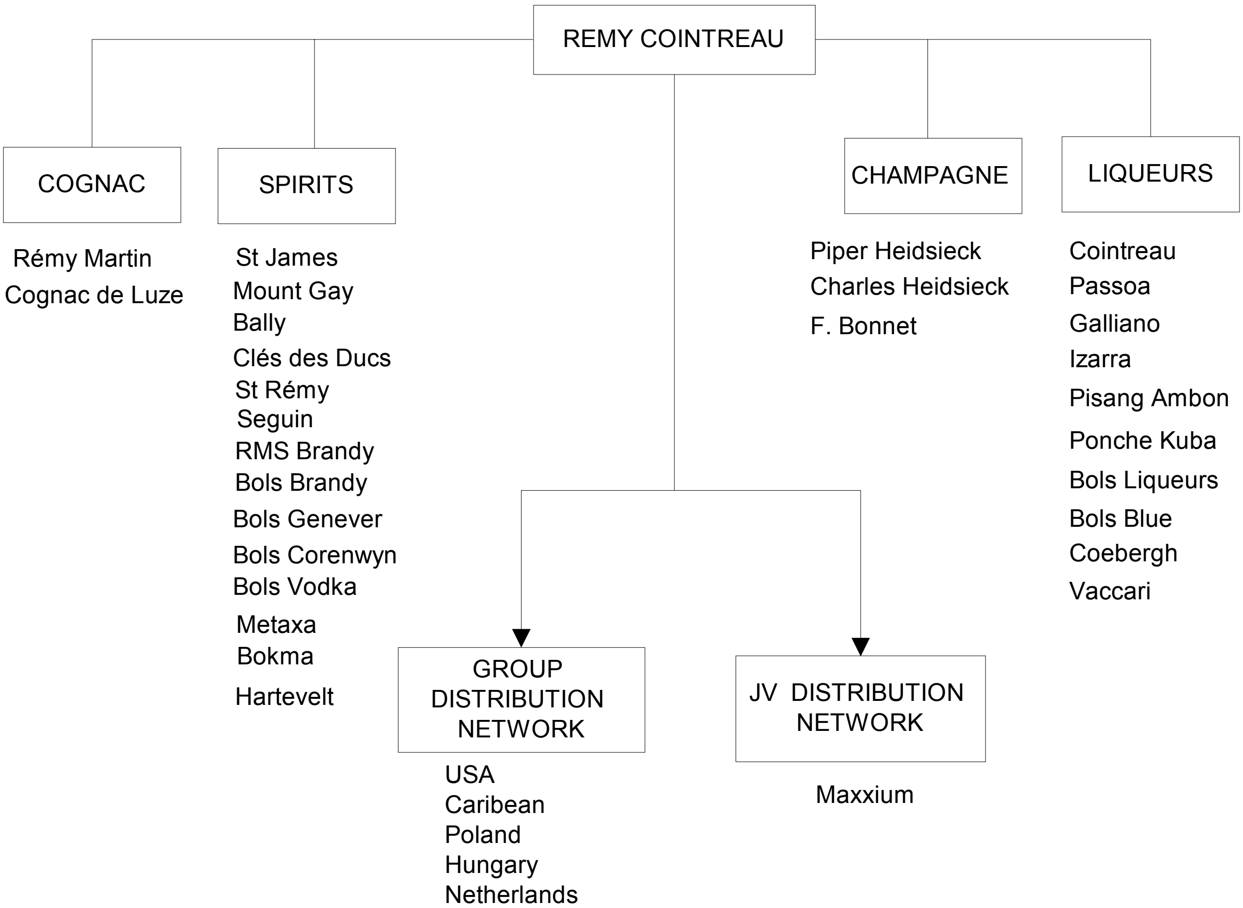
At 31 March 2003, Orpar held 19,831,197 shares in the Rémy Cointreau Company, giving it 39,662,394 voting rights.

Simplified Ownership Structure and Organisational Chart at 31 March 2003



(*)Rémy Cointreau is consolidated within the Andromède Group

(**)Only Rémy Cointreau shares are traded on the Stock Market



3.4 SHARE PRICE PERFORMANCE

Stock Market Listing

Rémy Cointreau shares are exclusively listed on the Euronext Paris SA Premier Marché.

Rémy Cointreau share performance over the last 18 months

(in Euros)	Trading Volume	Average Price (Euros)	High Price (Euros)	Low Price (Euros)	Trading value (euro millions)
December 2001	1,678,989	25.59	26.88	23.75	38.76
January 2002	2,035,855	26.58	27.98	24.87	54.12
February 2002	559,441	26.33	27.22	25.57	14.74
March 2002	2,010,980	27.84	29.70	25.30	56.82
April 2002	4,044,851	31.45	34.54	29.48	128.26
May 2002	1,784,522	33.26	35.00	31.50	58.50
June 2002	1,797,188	32.47	34.85	30.64	58.66
July 2002	2,225,582	30.35	32.98	25.20	66.40
August 2002	1,717,286	30.17	31.51	27.51	51.49
September 2002	1,476,620	29.14	30.39	26.05	42.71
October 2002	3,830,757	29.04	32.10	26.01	109.85
November 2002	901,132	30.03	31.50	28.49	27.14
December 2002	1,159,674	29.18	30.50	28.20	33.83
January 2003	1,006,098	29.69	31.40	27.80	29.72
February 2003	1,283,659	25.52	28.75	24.40	32.93
March 2003	1,402,678	24.53	26.25	22.50	34.27
April 2003	1,708,013	24.12	26.80	22.61	41.37
May 2003	1,567,363	24.85	26.20	23.00	38.46

At 31 March 2003, Rémy Cointreau’s market capitalisation amounted to € 1,085 million.

3.5 DIVIDENDS

Allocation of 2002/03 profit

The Management Board will propose, for approval by the General Meeting of shareholders of Rémy Cointreau on 8 September 2003, the following allocation of profit:

(in Euros)	
Profit for the year to 31 March 2003	101,521,308.88
Retained earnings – opening balance	48,352,158.02
Total distributable profit	**149, 873, 466.90**
Allocation to legal reserve	19, 234.40
Allocation of long-term capital gains to special reserve	8,337,105.00
Distribution of a dividend of € 1.00 per share, with a tax credit (*) of € 0.50 per share	44,579,941.00
Retained earnings – closing balance	96,937,186.50
Total	**149,873,466.90**

(*) Individual shareholders benefit from a tax credit equal to 50% of the net distributed amount. Corporate shareholders benefit from the same 50% tax credit unless they are ineligible for participation in the French parent company-subsidiaries tax group scheme, in which case their tax credit is reduced to 10% of the net distributed amount.

Dividends paid by Rémy Cointreau over the previous five financial years

(in euros)	**Financial year ending 31 March**				
	1998	**1999**	**2000**	**2001**	**2002**
• net dividend per share	-	-	€ 0.90	€ 0.90	€ 0.90
• tax credit per share	-	-	€ 0.45	€ 0.45	€ 0.45

Payment of dividends in shares

The General Meeting considering the financial statements for the year may grant every shareholder, for all or part of the dividend distributed, an option between payment of the dividend in cash or in shares.

This facility was used by the General Meeting of shareholders of Rémy Cointreau of 24 August 2000 in respect of the dividend distributed for the year 1999/2000.

Prescription

Dividends not claimed within five years from the date they were payable are prescribed and thus revert to the State.

CHAPTER IV

GENERAL INFORMATION ON THE OPERATIONS OF RÉMY COINTREAU

4.1 PRESENTATION OF RÉMY COINTREAU AND ITS GROUP

4.1.0 General summary, history and strategy of Rémy Cointreau

4.1.0.1 General summary

The Rémy Cointreau group (hereafter "the Group") is one of the principal operators in the world market for wines and spirits with a portfolio of well-known brands that include Rémy Martin cognac, the orange liqueur Cointreau, the St James and Mount Gay rums, the Piper-Heidsieck and Charles Heidsieck champagnes, Bols liqueurs and vodka, and Metaxa brandy.

The group is:

- leader with Rémy Martin in the market for higher quality cognacs and number 2 in total volume with a 16.7% market share (source: Bureau national interprofessionnel du Cognac (BNIC);
- one of the leading players in the champagne business with Piper-Heidsieck and Charles Heidsieck;
- one of the leading producers and distributors of liqueurs in Europe with Cointreau and Passoa (source: Nielsen);
- a leading operator in the spirits market (Vodka in Poland, Brandy, agricultural Rum).

The group achieved turnover in the 2002/03 year of 1,000 million euros, with an operating margin of 21.4%, and profit on ordinary activities of 103 million euros, an increase of 2.3%.

Rémy Cointreau is quoted on the Premier Marché of the Euronext Paris Stock Exchange and is a component of the SBF 120 index. Around 40% of the shares comprise the free float, and the ultimate control of Rémy Cointreau is held by the Hériard Dubreuil family.

Rémy Cointreau SA is rated "BB" with stable prospects by Standard & Poors, and "Ba2" with favourable prospects by Moody's

4.1.0.2 History

The Group, whose origins date from 1724, results from the merger in March 1990 of the holding companies of the Hériard Dubreuil and Cointreau families that controlled E. Rémy Martin & Cie S.A. and Cointreau & Cie S.A. respectively. In October 2000, the acquisition of the Dutch company Erwen Lucas Bols added to the scale and geographic spread of the group.

The table below summarises the key dates and events in the history of Rémy Cointreau: Key dates in the history of Rémy Cointreau	
1724	Establishment of the house of Cognac Rémy Martin
1849	Creation of Cointreau & Cie by the Cointreau brothers
1924	Acquisition of E. Rémy Martin & Cie S.A. by André Renaud
1965	Death of André Renaud and succession by his son-in-law, André Hériard Dubreuil
1975	Acquisition by the Rémy Martin group of a controlling interest in Krug Champagnes
1985	Acquisition by the Rémy Martin group of the Charles Heidsieck champagnes
1988	Acquisition by the Rémy Martin group of the Piper-Heidsieck champagnes
1989	Acquisition by the Rémy Martin group of the Galliano and Mount Gay brands
1990	Transfer by Pavis of Rémy Martin shares to Cointreau & Cie S.A.
1991	Merger/absorption of Rémy & Associés by Pavis who then took the corporate name of Rémy Cointreau
1998	Dominique Hériard Dubreuil is appointed Chairman of Rémy Cointreau
1999	Disposal of Krug and the wine company GVG Establishment of Maxxium, the distribution joint venture
2000	Acquisition of Erven Lucas Bols

For a description of the simplified structure of the shareholders of Rémy Cointreau, see the simplified chart at 31 March 2003 in paragraph 3.3.3 of the present reference document.

4.1.0.3 Strategy

Within the wine and spirits industry that is changing, Rémy Cointreau has a strategy that aims to strengthen the growth of its brands whose quality and rarity clearly identify the group in a sector where the consumers are becoming increasingly sophisticated.

This strategy is based on:

- additional resources for the marketing programmes with a high level of expenditure of over 18% of turnover;
- an innovative and targeted “product” policy designed to anticipate changes in consumption fashions;
- commercial actions related to the market using our excellent knowledge of the distribution channels;
- an aggressive and selective policy of partnerships and alliances using a model implemented in August 1999 with the establishment of the distribution joint venture Maxxium B.V, that is designed to reduce selling costs and to offer a complete portfolio of well-known and complementary brands to the market.

4.1.1 Description of principal operations of Rémy Cointreau

4.1.1.1 Organisation by segment and sector

Rémy Cointreau has four operating divisions covering four product families (cognac, champagne and wine, liqueurs and spirits), and two distribution networks:

- its own network, primarily serving the US, Caribbean, Poland, Hungary and the Netherlands (local brands not distributed by Maxxium),
- the Maxxium joint venture network.

Economic situation

In an environment that remains fragile due to international political tensions, and with indices showing a slowdown in global trade and growth, 2002/03 was marked by the following major factors:

- recovery in the champagne business,
- difficulties in the vodka market in Poland,
- implementation of a new distribution organisation for cognac in China.

New consumption patterns have emerged everywhere in the world, due particularly to the efforts of those active in the market in order to change consumption habits: the spirits segment is stimulated by the fashion for cocktails in the US; in Europe, more traditional consumers are changing to “long drinks”; in Asia, the demand is becoming increasingly qualitative. In societies now more structured into “tribes” than social classes, markets are becoming more complex to enter. They comprise multiple niches, each with their own aspirations, a certain age and different purchasing power. The new challenge for brands is to respond to these changes, while retaining their status as a “must-have” in a very competitive market.

The group’s offering has been designed and improved over the last three years, to capitalise permanently on these trends.

Seasonality of business

The group’s sales are split 48% in the first half of the financial year (1 April-30 September) and 52% in the second half (1 October – 31 March).

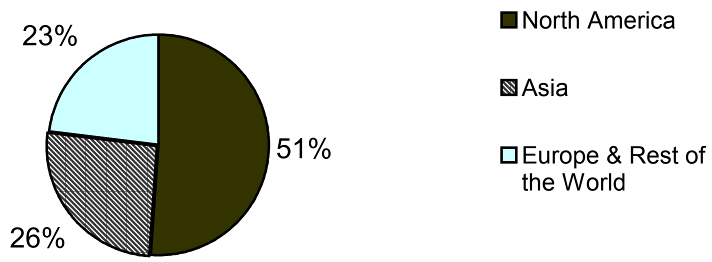
4.1.1.2 Review by sector (market, Rémy Cointreau's performance)

(a) Cognac

The Cognac division is the most important to the group in terms of turnover (36% of the total) and contribution to operating profit (before central costs and distribution expenses) in 2002/03.

The group's Cognac activities are for the most part contained within CLS Rémy Cointreau. which produces and sells its range under the name of Rémy Martin and De Luze.

Turnover of Cognac division 2002/03:
359 million euros
Geographic analysis (%)



Source: Rémy Cointreau

Description of "appellation d'origine contrôlée" cognac

Cognac is a brandy (eau-de-vie distilled from grape) with "appellation d'origine contrôlée" from the Cognac region of France. The "Appellation" is based on geographic vineyards, and the two most prestigious are "Grande Champagne" and "Petite Champagne".

The "Fine Champagne" designates a cognac that has come exclusively from Grande Champagne (minimum of 50%) and Petite Champagne.

There are a number of quality levels classified according to legal standards in respect of the average age of the eaux-de-vie:

- VS ("Very Superior"), with a minimum average age of 2.5 years,
- VSOP: ("Very Superior Old Pale"), with a minimum average age of 4.5 years,
- QSS: ("Qualité Supérieure Supérieure"), with a minimum average age of 6.5 years,
- QS ("Qualité Supérieure"), covers all the VSOP and QSS labels.

The group produces and sells, mainly under the Rémy Martin brand, aged cognacs of superior quality (QS), which represented 89% of its sales for 2002/03.

The major geographic markets are Europe, North America (principally the US) and the Asia-Pacific region (China and Japan in particular).

During the last four years, Rémy Cointreau has enlarged its range and speeded up its policy of innovation by the introduction of new products with the aim of:

- strengthening its offer in the VS segment with the introduction of Rémy Martin VS Grand Cru (a 3-star petite champagne cognac) in the US and certain key European markets.
- diversifying the offering in the QS segment, in which it already has a large share of the market (1738, Trek, Altitude, Sealine and XO Excellence),
- penetrating new markets with the launch of Rémy Silver, a cognac and vodka mixer (Taiwan and China) and the launch of Rémy Red, a liqueur based on cognac, in the US and Japan,

The industry and Rémy Cointreau's performance

After the stabilisation of the world cognac market in 2001, global volumes increased by 5.4% in 2002 to 9.3 million cases.

In the US, the year 2002 experienced volume growth, in contrast to the difficult 2001 year, which was impacted by the events of September 11.

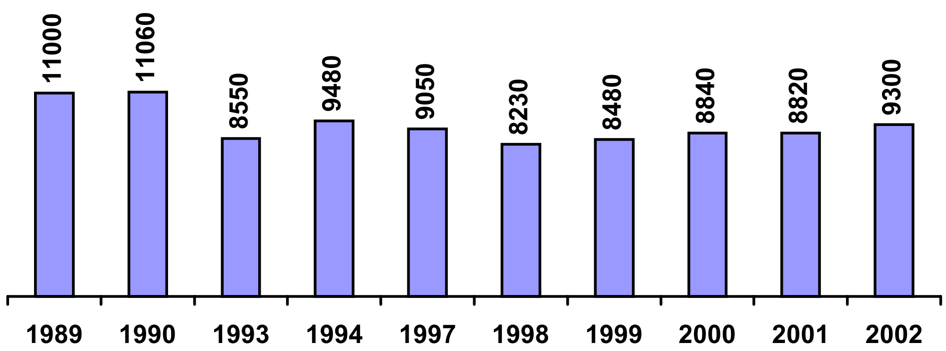
In parallel, the recovery in air traffic in 2002 favoured the growth of duty-free business volumes that, although they increased over 2001 levels, did not attain the levels experienced in 2000.

Asia continued to grow in volume terms in certain markets such as Vietnam and South Korea, while China and Taiwan recovered. However, cognac volumes continued to fall in Japan. In addition, the duty free business continued to decline.

There was modest growth in volumes in Europe during 2002.

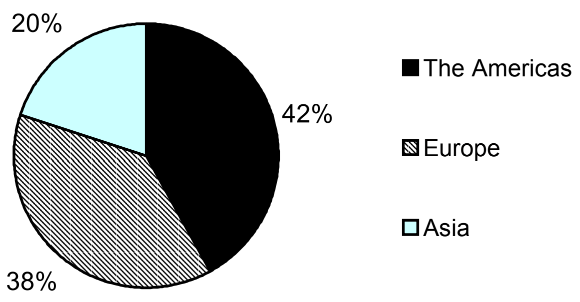
Cognac industry performance

Total cognac sales (in thousands of cases)



Source : BNIC

Geographic analysis of cognac consumption in 2002:



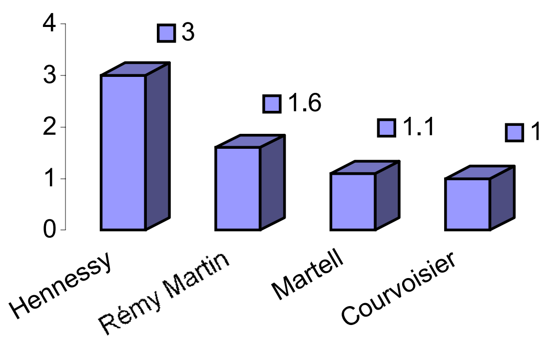
Source: BNIC

In 2002, Rémy Martin confirmed its second-place position in terms of volume for cognac and strengthened its first place position in the higher quality segment with a 32% market share (source: BNIC-March 2003).

Rémy Martin maintained its market share, with 16.7% of the global market for cognac (Source: BNIC-March 2003); marketing initiatives and targeted campaigns, as well as the continuing successful launch of VS Grand Cru ensured 5% volume growth, excluding cognac-based products, in line with industry performance.

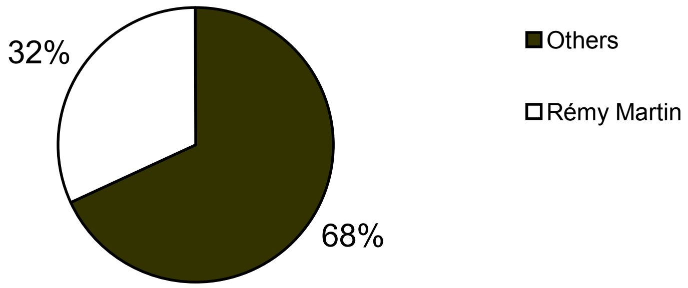
Brand sales fell slightly compared to the previous year, due to unfavourable exchange rates. On a constant exchange rate basis, growth in cognac sales was 3%.

Cognac sales in 2002 per brand in millions of cases



Source: Canadian "Company Watch" (Estimated at December 2002)

QS sales in 2002 by brand



Source: BNIC

Rémy Martin has operated internationally for a number of years, and today its international operations enable it to balance its revenue streams among the US, Europe and Asia.

The Rémy Martin brand continued to show growth in the domestic US market, with a 4% increase in VSOP volume in 2002/03 compared to the previous year, and a 22% increase for VS Grand Cru.

At the same time as this good performance in the American market, sales also increased in Asia, in difficult and very competitive markets such as China and Taiwan. In China, the brand now benefits from a new distribution organisation, through a wholesalers' network, enabling it to improve its market coverage and to better monitor the marketing actions undertaken. Duty free sales also increased, particularly in Asia.

In Europe, volume sales of the brand fell modestly, mainly due to the German and Austrian markets.

The development of "VS Grand Cru" in the US and Europe was a major initiative designed to position the Rémy Martin brand in a qualitative category, that represents over 50% of the total cognac market. This was done with a "product" offering that matched the brand's position. This initiative led to 15% volume growth in 2002/03 for this product segment.

The fall in sales of cognac-based products was due in part to a drop in wholesalers' inventories, in preparation for new brand initiatives in this segment in 2003/04.

Sales of Rémy Martin cognac in volume (in thousands of cases)

	2002/2003	2001/2002	%	2000/01
VS	190	165	15.0%	157
QS	1,377	1,333	3.4%	1,389
Products based on Cognac	132	159	(17.3%)	154
TOTAL	**1,698**	**1,657**	**2.5%**	**1,700**

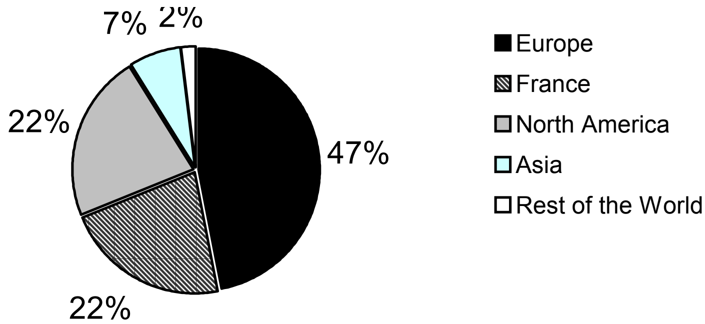
Source: Rémy Cointreau

(b) Champagne and Wines

The Champagne and Wines division represents 13% of group turnover and 6% of operating profit before central and distribution expenses for the year 2002/03.

The division operates through a number of subsidiaries, the majority of which are based in Reims in the heart of the Champagne district in France.

Turnover of the Champagne and Wines division for 2002/2003:
130 million euros
Geographic analysis (in %)



Source: Rémy Cointreau

(i) Champagne

The group is one of the principal producers of champagne in terms of volume, with 9.1 million bottles sold on average during the last 3 years.

The group's leading brand in volume and market share is Piper-Heidsieck. Piper-Heidsieck is a leading brand in France, Germany, Belgium and the United Kingdom in the higher market segment of "Grandes Marques". Charles Heidsieck, positioned in the "Wines" top of the range segment, is distributed through specialist channels, mainly in France, Italy and the United Kingdom.

Description of the "appellation d'origine contrôlée" champagne

Champagne is a sparkling wine carrying the "appellation d'origine contrôlé" (AOC), and is produced according to strict criteria, the main ones being:

- grapes must come from specified vineyards (32,000 hectares with 95% used) in the Champagne district in France;
- the yield of the vines is limited and an annual amount is set to preserve quality;
- only three grape varieties are permitted: Pinot noir, Pinot Meunier and Chardonnay;
- a minimum ageing of fifteen months in the bottle is required for non-vintage champagnes and 3 years for vintage champagnes.

Due to these production constraints, champagne can be considered to be a rare product, even de luxe.

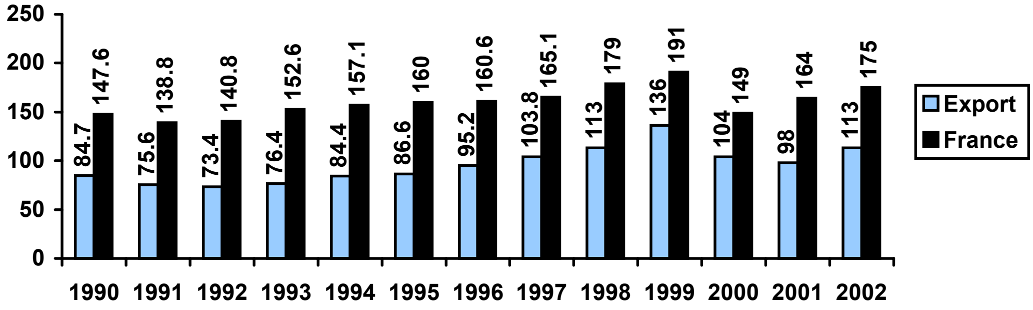
However, in order to meet the rising demand, the champagne producers decided to enlarge the size of the vineyards covered by the AOC by 300 hectares per year between 2000 and 2005.

Despite this policy of expansion, and considering climatic conditions, it is probable that the total production of champagne cannot exceed 330 million bottles per year.

The price of grapes was deregulated in 1990; however, a general agreement is made within the industry every four years to moderate the inflationary tendencies arising from the limit on production volume.

Industry and Rémy Cointreau performance

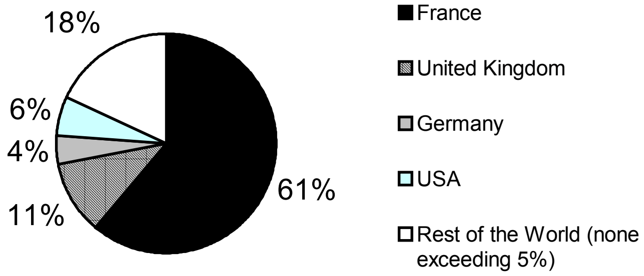
Total shipments of champagne (in thousands of bottles)



Source: CIVC

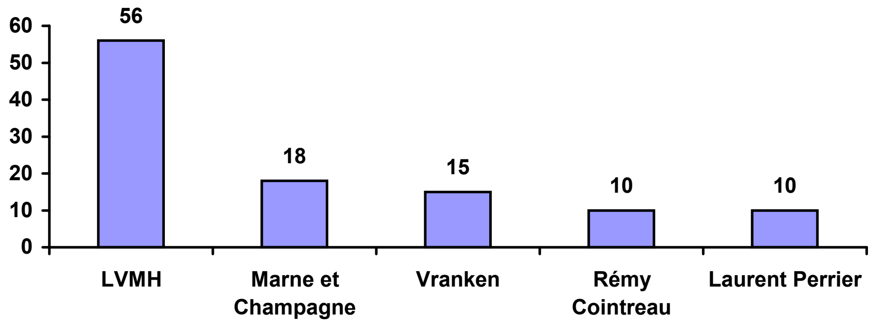
After five years of average annual growth of 5% and 12% in 1999, due to the millennium effect, champagne sales fell by close to 22% in 2000, as a result of excess stocks in the distribution channel. The recovery in activity, noted at the end of 2001, continued strongly in 2002 with 9.5% growth, including 6.7% in France and 15.3% in exports.

Geographic analysis of champagne sales in 2002



Source: CIVC

Principal producers of champagne (in millions of bottles in 2002) (calendar year)



Source: Banque de France

Rémy Cointreau is one of the leading players with a 3.5% market share. The Group benefited from an exceptional year in 1999 and noted the declining trend for champagne in 2000 and 2001 due to the absorption of the stocks in the distribution channel. In 2002, the Group recorded 28.4% growth, thus achieving the good activity levels experienced prior to the millennium.

Piper-Heidsieck and Charles Heidsieck together represent 80% of the Champagne division turnover. The division intends to develop its two very complementary brands, as well as maximise their operating profit.

Since 1999, Piper-Heidsieck appeared as one of the most dynamic brands in the sector. A drink for celebrating and fashionable, the rejuvenated brand has successfully left the traditional environs of champagne: a red label, with the prestige vintage "Piper-Heidsieck packaged by Jean-Paul Gaultier", or presented as “Baby Piper”: another way to drink champagne.

The “Rosé Sauvage” vintage, launched successfully in November 2002, is a further step in the strategy to increase the brand’s range, and adds to the Brand’s other prestige products.

With a growing market share in Europe, Piper-Heidsieck has considerable scope to develop in the world markets. Better quality, less codified, the current fashion in consumption offers a promising future for the brand’s ambitions.

A prestige wine reserved for connoisseurs, Charles Heidsieck is the first Brut Reserve to display on the bottle the year it was laid down. Whereas the legislation imposes a minimum ageing of fifteen months, the position taken by Charles Heidsieck is to offer wines held for over three years.

Charles Heidsieck benefits from an international recognition that is manifested each year, particularly at the “International Wine Challenge”. In 2002, the Charles Heidsieck champagne "Blanc des Millénaires 1990”, and the champagne Brut Reserve “Laid down” in 1995 won a gold medal in the sparkling wines category. In 2000 and 2001, the Charles Heidsieck Blanc de Blanc 1982 obtained the supreme award: the trophy.

The Charles Heidsieck concept, as a rare and limited wine, has been very successful in markets with a strong wine culture, in Italy, the UK and France.

(ii) Wines

In October 2002, Rémy Cointreau sold its Australian vineyard, which had contributed € 4 million in turnover in 2001/02.

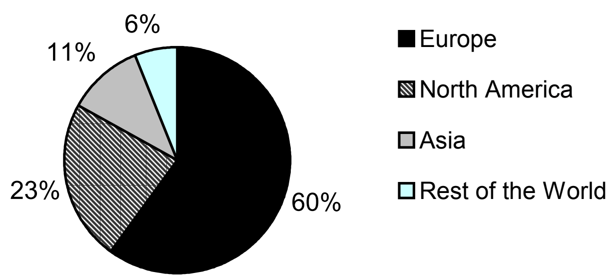
For 2002/03, the "Wines" component of the business comprised the brands René Junot (still wines) and piper Sonoma (sparkling wines), sold in the US.

(c) Liqueurs

The Liqueurs division of Rémy Cointreau represents 17.5% of group turnover and 16.8% of operating profit before central and distribution expenses for 2002/03.

The Liqueurs operations of the group are carried out by production subsidiaries based in France, with the principal site in Angers, and the Netherlands (Bols). The key brands in the portfolio are Cointreau and Passoa, which represent 51.7% and 13.8% respectively of divisional turnover for 2002/03.

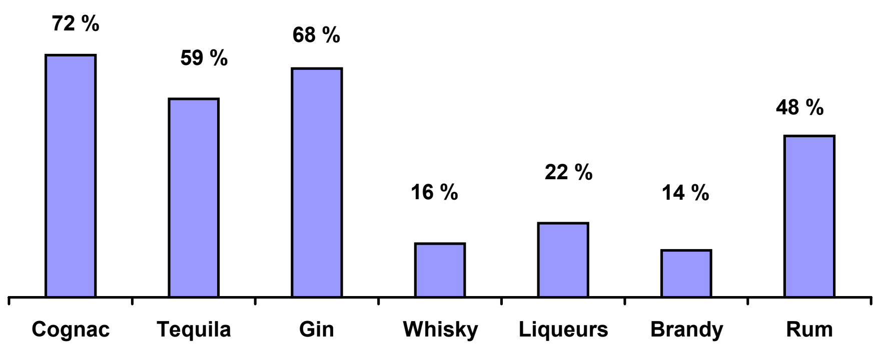
Liqueur division turnover for 2002/2003:
175 million euros
Geographic analysis (in %)



Source: Rémy Cointreau

Industry and Rémy Cointreau performance

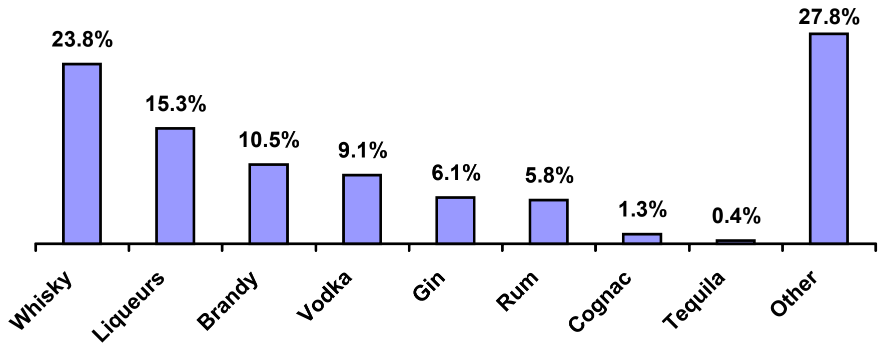
International Spirits Category: Share of the five leading brands in each category



Source: IWSR (International Wine & Spirit Record) 2001

As with all the other major categories of spirits (whisky, rum, brandy), the liqueur market remains very fragmented since the five leading brands only represent 22% of the category total, even though this is the second category in terms of volume in Europe (mass market distribution) behind whisky, as shown by the Nielsen statistics.

International spirits category

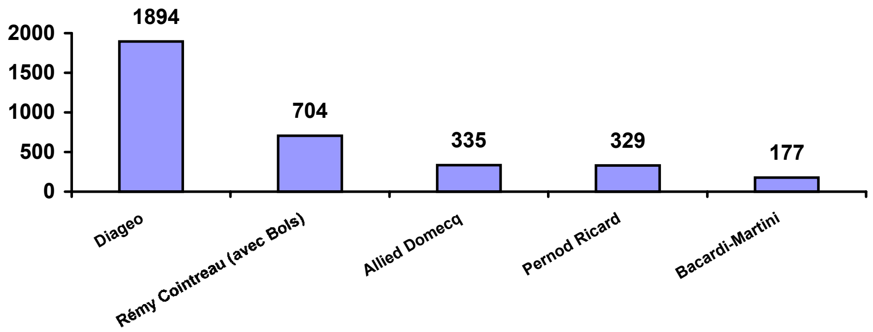


Source: Euromonitor- Western Europe off –trade (2002)

In addition, the liqueur sector is characterised by a great number of “aromas” and “recipes” which demand a very targeted marketing approach.

However, the liqueurs market is one of the five fastest growing categories in Europe and responds to consumers’ expectations in terms of taste and alcohol levels and offers great flexibility in terms of product innovation.

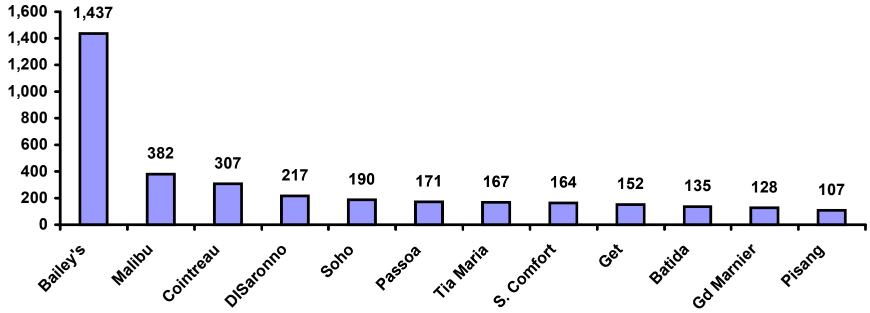
The four leading competitors in the European mass market distribution liqueur market (in thousands of 9 litre cases)



Source: Nielsen Europe Food vol. MAT AS 02

Rémy Cointreau is number 2 in the European market and is in a position to seize opportunities within the sector with its portfolio of liqueurs and two leading brands that are placed among the first 10 in Europe in mass market distribution by Nielsen.

The 14 leading liqueur brands, mass market distribution in Europe (in thousands of 9 litre cases)



Source: Nielsen Europe Food vol. MAT DJ03

During the year 2002/03, Rémy Cointreau improved its position and saw its turnover in liqueurs grow by 1.7%, led by Cointreau, Passoa and the Bols liqueurs. The increase was 5.8% on a constant exchange rate basis.

The **Cointreau** brand, the Group's leading liqueur brand with sales of 1,240,000 cases in 2002/03, continued to grow again this year. Sales grew by 2% in volume and over 5% in value, after correction of the foreign exchange impact. Marketing and commercial actions taken in 2002/03, enabled it to grow in a number of the principal European markets: France, Scandinavia, the Netherlands and the United Kingdom.

In the US, the specific marketing campaign on the theme "Be Cointreauversial" continued to increase sales of the Cointreau brand (11% increase in sales to consumers (depletions)).

The expand its range and attract new consumers, in 2002 the brand launched a new product based on citrus fruit and lime: Cointreau "C". To date, Cointreau "C" has been successfully introduced to three markets: Belgium, Italy and recently, France.

Passoa, a liqueur based on passion fruit, confirmed its international scale in 2002, with sales of 674,000 cases, which was 45% higher than the previous year. This spectacular growth was mainly due to the launch of Passoa Diablo, a pre-mix sold in the Netherlands and Belgium. The liqueur itself confirmed its success in its segment of young liqueurs, with strong growth in certain markets, particularly France.

The **Bols** brand has had a presence for over 400 years in liqueurs. This makes Bols the oldest distiller in Europe.

The ***Bols Blue*** *and* ***Bols liqueurs*** brands are sold in 100 countries and the principal markets are the US, UK, Germany, Japan and Canada. The Bols liqueurs are used in quality cocktails and sell over one million cases per year, with some produced under licence in the US.

Pisang Ambon was the first liqueur for young people and was created in 1948 from exotic Indonesian fruit and banana flavour. Its features enable it to be included perfectly within the Young liqueurs of Rémy Cointreau. Its key markets are the Netherlands, Belgium and France, where the brand registered 9.4% growth this year.

Coebergh is the number 1 liqueur in the Netherlands with annual sales of 200,000 cases. The brand benefited from a marketing relaunch two years ago.

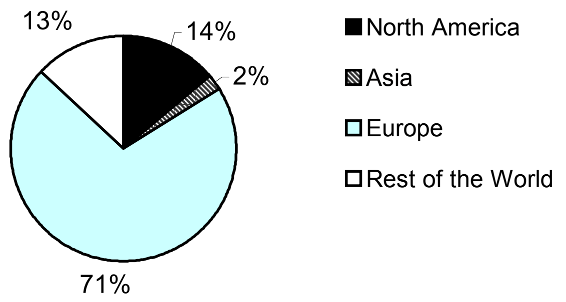
The **Ponche Kuba** brand sells 74,000 cases. This liqueur, based on milk, rum and brandy is mainly consumed in the Caribbean, particularly the Dominican Republic.
The demand for this kind of product remains very localised, in a very competitive market. Also, the objective is to extend the consumption in the US and Latin America.

(d) Spirits

The Spirits division of Rémy Cointreau represented 20% of group turnover and 21% of consolidated operating profit before central and distribution expenses for 2002/03.

The Spirits division is represented by Mount Gay and Saint James rums, Seguin and St. Remy brandies, Clés des Ducs armagnac, Metaxa brandy, Bols, Soplica and Niagara vodkas, as well as the ranges of genevers (Bols, Bokma and Hartevelt).

Turnover of the Spirits division for 2002/03:
201 million euros
Geographic analysis (in %)



Source: Rémy Cointreau

Industry and Rémy Cointreau performance

The group operates in the area of high volume spirits, in competition with local producers and international players: rum, brandy and vodka have been growing strongly for a number of years: this is why the group strategy is to use its marketing efforts in some targeted markets and in some niches that have great potential.

This strategy has been implemented in particular in the US and the Caribbean for Mount Gay, in France, Martinique and Africa for St James, in Scandinavia and North America for the St Rémy brandy and in Eastern Europe (Poland and Hungary) for vodka. Products based on genever remain with a regional dominance and are mainly sold in the Netherlands. The Metaxa brand is primarily distributed in Greece, Germany and Central Europe.

To prepare these products, the group has brought together its expertise within each category, to add value with its specific know-how in terms of assembly and ageing. This qualitative requirement, which is expressed in the production of rum, brandy and vodka, makes the group brands the benchmarks in their respective markets.

The group sold more than 7,500,000 cases of spirits in 2002/03, to achieve turnover of 201 million euros. The drop in turnover during the year was mainly due to the difficulties in the vodka market in Poland.

Rums

The St James, Bally and Mount Gay rums had 11.8% volume growth and 11.3% value growth, at constant exchange rates.

In France, Saint James experienced almost 23% growth in one year in its market share, which is now 6.0% (source Nielsen: end February 2003).

The Group also produces Bally, an old rum appreciated by connoisseurs.

These agricultural rums carry the “appellation contrôlée” and are made in Martinique by distilling the juice extracted from sugar cane. The other rums, made in the Antilles (UK) are produced from molasses.

Mount Gay Rum, made in Barbados, celebrated its 300th birthday last February, making it one of the oldest spirits brands in the world.

The demand and the consumption of Mount Gay Rum grew once again, with a total volume of 407,000 cases, mainly in the two principal markets for the brand: US and Barbados, which represent 49% and 25% of total sales, respectively. Consumption of Mount Gay has increased in the United Kingdom (up 45% from last year), which is a strategic development area for the brand.

Brandy

The Saint Rémy brandy is one of the rare international brands that made its presence felt in a market dominated by local production and brands. The Saint Rémy brand had sales volumes of more than 750,000 cases, an increase of 17% compared to the previous year. This good performance is supported by the commercial dynamism of the markets in Canada and the US, and especially Mexico, where 145,000 cases were shipped in 2002/03, a 74% increase.

The XO quality brandy launched under the Saint Rémy brand was very successful in 2002/03, with 23,000 cases sold, a 167% increase.

Vodka

As concerns vodka, the leading brand in the portfolio is **Bols Vodka**. The brand is the dominant vodka in Poland with a 9.7% market share and a 39% market share in the high-end segment (source AC Nielsen – April 2002). Sales of Bols vodka were around 1,900,000 cases (April 2002-March 2003), significantly surpassing Smirnoff (2.8% market share and 11.3% in the high-end segment) in one of the leading vodka markets in the world. The brand has considerable scope for growth and expansion plans are already in place to ensure success in Poland and other markets in Eastern Europe. The international growth trend in clear spirits signals an acceleration of the brand’s development in other markets in the future.

The vodka **Soplica**, launched in January 2000, is number 2 in the vodka market. In three years, its market share has reached 3.6% and 7.9% in the dominant segment (Source AC Nielsen – April 2003). Sales of Soplica exceeded 800,000 cases (April 2002-March 2003).

During the year, the brand offer has been expanded with the launch of an aromatised vodka, thus enabling development in a new market segment.

The Group's vodka portfolio also includes **Niagara** vodka, introduced to the market in December 2001. Sales were 280,000 cases (April 2002-March 2003), with a 1.5% market share in April 2003.

The cumulative market share of the Group's vodkas was 15% in April 2003 (source AC Nielsen), making the group the 3rd leading Polish producer.

Genevers

Bols Genevers and Botina are still mainly sold in the Netherlands and Belgium. This traditional category of genever is now in its maturity phase. The Bols offering is leader in its sector, through its key brand in this category, Jonge Bols. The brand Bols Corenwyn remains a select item in the Netherlands, with a comfortable market share of 75% in the niche category of "korenwijn". This brand remains thus a key investment target in the Netherlands, with a very differentiated positioning among consumers.

Metaxa

Created in 1888 by Spyros Metaxa, Metaxa is a Greek drink recognised nationally and whose reputation has grown throughout Central Europe where it embodies the soul of the Mediterranean.

With a specific distillation process and being completely different from brandy or cognac, Metaxa has become more than a brand and represents a separate category.

Metaxa is sold in over 50 countries across the world. The principal markets are Greece, Germany, Central Europe and Eastern Europe. This year Metaxa sold in excess of one million cases, a 2.5% increase over last year.

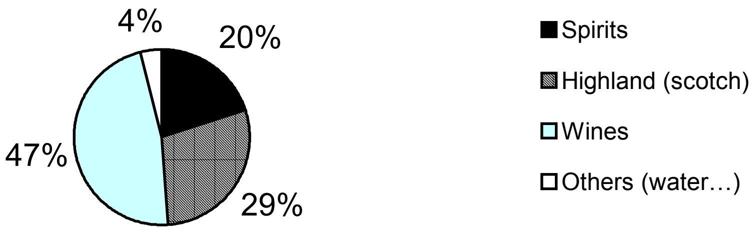
(e) Third party products

The third party brands distributed by Rémy Amérique and subsidiaries of Rémy Cointreau (excluding Maxxium) represent 13.5% of consolidated turnover and close to 7% of consolidated operating profit before central and distribution expenses for 2002/03.

This business consists of distributing third party brands, mainly in the US with the distribution of the Antinori wines and the scotch whiskies, The Famous Grouse and The Macallan, in the German duty free market and the Netherlands (imported wines).

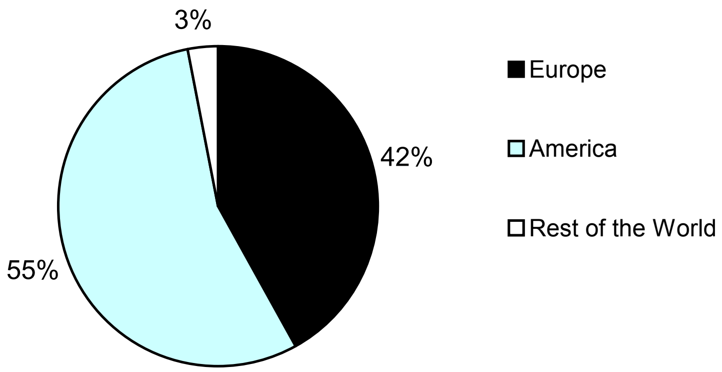
Third party products contribute to strengthening the Rémy Cointreau portfolio and reducing the distribution costs in the markets concerned.

Geographic analysis of sales of third party products for 2002/03



Source: Rémy Cointreau

Geographic analysis of sales of third party products for 2002/2003



Source: Rémy Cointreau

4.1.1.3 Distribution

The distribution structure comprises the Maxxium joint venture and subsidiaries either owned 100% or in a joint venture with local partners.

- Maxxium was established in August 1999 with two other partners, Highland Distillers and Jim Beam Brands. This was expanded in May 2001 with the arrival of Vin & Sprit, the owner of the Absolut vodka. Rémy Cointreau currently owns 25% of Maxxium.

  Maxxium, with its large and diversified portfolio of wines and spirits, is in a position to offer a quality sales and marketing service to local customers and distributors.

  Based in Amsterdam, Maxxium employs 1,750 people in 35 countries in Europe, Asia, Canada and South America. Its executive management came mainly from the shareholders.

  Currently, Maxxium is one of the three leading distribution groups in Canada, UK, France, Greece, Benelux, Sweden, China, Australia and New Zealand (source: Rémy Cointreau). This network has an extended commercial presence covering over seventy markets worldwide.

- The network directly controlled by Rémy Cointreau covers mainly the following countries:
  - United States

- Caribbean
- Poland (joint venture) and Hungary
- The Netherlands (regional brands and wines not distributed by Maxxium)

Thus, with its two networks, Rémy Cointreau has strengthened the development potential of its international brands and minimised its costs.

Through these different distribution channels, Rémy Cointreau ensures the promotion of its products through different points of sale, such as hypermarkets, specialist outlets, cafés, hotels, bars and restaurants, and duty free shops.

The Group's end users are thus the Maximuum subsidiaries, specialist wholesalers and distributors in the US, Poland, and other markets where Rémy Cointreau has its own distribution subsidiaries. Distribution to end consumers is mainly through integrated chains or specialist wholesalers.

4.1.2 Summary of sales volume

The Bols operations acquired during the 2000/2001 financial year have been allocated between the different divisions from the date of initial consolidation, that is, 6 months in 2001 and 12 months in 2002 and 2003.

	March 2003	March 2002	March 2001	Actual. vs last year
Thousands of 8.4 l standard cases				
Cognac	1,799	1,721	1,763	4.5%
Liqueurs	3,358	3,226	2,703	4.1%
Spirits	7,663	8,082	5,155	(5.2%)
Champagne & Wines	1,101	1,058	1,225	4.1%
Third party products	2,312	2,446	1,787	(5.5%)
Group Total	**16,233**	**16,533**	**12,633**	**(1.8%)**

4.1.3 Summary of turnover and operating profit

Divisional sales and operating profits were as follows:

By sector

	2003	2002	2001	% change
	€ million	**€ million**	**€ million**	**2003/2002**
Turnover				
Cognac	359	380	375	(5%)

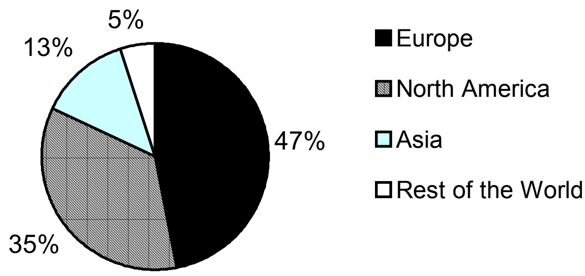
	2003	2002	2001	% change
	€ million	€ million	€ million	2003/2002
Liqueurs	175	172	143	2%
Spirits	201	216	144	(7%)
Champagne & Wines	130	112	141	16%
Third party brands	135	140	123	(4%)
Total	**1,000**	**1,020**	**926**	**(2%)**
Operating profit				
Cognac	149.3	145.6	133.0	3%
Liqueurs	50.4	47.3	32.9	7%
Spirits	61.5	70.1	38.7	(12 %)
Champagne & Wines	17.2	5.7	12.1	X3
Third party brands	20.9	22.0	21.8	(5%)
Total	**299.3**	**290.7**	**238.5**	**3 %**
Distribution costs, central expenses and unallocated costs	(85.5)	(81.6)	(54.2)	5%
Total	**213.8**	**209.1**	**184.3**	**2%**

By geographic area

Consolidated sales are analysed as follows:

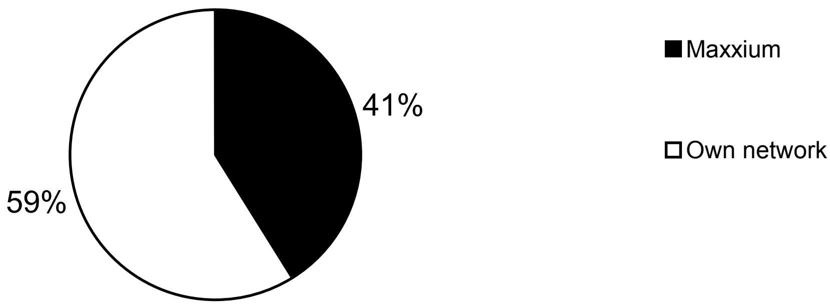
Turnover	2003	2002	% change	2001
	€ million	€ million	2002/2001	€ million
France	62	58	7%	61
Other European countries	407	410	(1%)	307
North America	352	366	(4%)	354
Asia Pacific	127	134	(5%)	152
Rest of the World	52	52	-	52
Total	**1,000**	**1,020**	**(2%)**	**926**

Rémy Cointreau's turnover by geographic area for 2002/03 (in %)



Source: Rémy Cointreau

Rémy Cointreau's turnover by network for 2002/03 (in %)



Source: Rémy Cointreau

4.1.4 Principal establishments of the group (address, importance and form of ownership: establishments responsible for over 10% of turnover)

The principal establishments of the group are:

(a) Head office of Rémy Cointreau, which includes the group functional services, is based in Paris, 152, avenue des Champs-Elysées in a rented building (leases expire in 2003 and 2008).

(b) Production sites (establishments responsible for over 10% of turnover)

(i) Cognac (Rémy Martin)

The units owned by the group are on two sites:

- Merpins site (on the edge of Cognac)

A 15,000 m² complex used for ageing (storehouse, fermenting room, pre-finishing, laboratory, and offices) on 200,000 m² of land with a storage capacity of 1,727,000 hl.

A packaging complex of 20,800 m² on 67,000 m² of land with storage capacity of 130,000 hl and 10 packaging lines: in 2002, 34 million bottles were packaged on this site.

- Cognac site

An office complex and an ageing storehouse of 18,500 m² that has all the administrative departments of the Cognac operations.

(ii) Angers (Liqueurs & Spirits)

- The units owned by the group are on the St Barthélémy site with 100,000 m² surface area, including 45,000 m² of buildings.
- The complex includes the distillation operations (19 stills), fermenting area (54,000 hl) and packaging (10 lines). In 2002, 37 million bottles were packaged at this site.

(iii) Reims (Piper-Heidsieck, Charles Heidsieck)

The units owned by the group are spread across three sites:

- Boulevard Henri Vasnier site (Reims)

  A complex comprising offices, visitor and reception areas, fermenting areas and cellars on an area of 24,000 m², with 5,000 m ² built and 9,700 m² developed.

- Allée du Vignoble site (Reims)

  A complex comprising offices, reception areas, fermenting areas, workshops and cellars on an area of 144,000 m², of which 30,000 m² is developed.

- Chemin Vert site (Reims)

  A complex comprising a storage area for finished products as well as cellars and caves (developed area of 12,700 m²).

  Production units (3 sites) with production capacity (filling/packaging) of 12 to 15 million bottles, with a modern fermenting unit of 72,000 hl and older storage areas for reserve wines and cellars continuously containing over 30 million bottles

(iv) AVANDIS (Liqueurs and Spirits)

The production unit for all Bols products sold domestically or exported from the Netherlands is called AVANDIS and is in Zoetermeer in the Netherlands. AVANDIS is a joint venture among three partners: Bols, De Kuyper, and UTO. The site has a surface of 80,000 m² and can produce 46 million bottles on 9 bottling lines.

(v) Poznan (Vodka)

The Polish production unit is in Poznan and it produces the Bols vodkas and Soplica. The site has a surface of 79,000 m², of which 45,000 m² is currently in use. Production capacity is 48 million bottles on 3 automated bottling lines.

(vi) Athens (Metaxa)

The Metaxa production unit is in the suburbs of Athens in Greece and it produces the brandy Metaxa. It also bottles Ouzo 12, a local brand. Its production capacity is 2,160,000 bottles on 5 bottling lines.

(c) Distribution

- Rémy Amérique Inc, whose head office is in New York in rented premises, ensures the distribution of group brands and third party products in the US (workforce 212).
- Rémy Caribbean & Latin America, division of Mount Gay Distilleries, and based in Barbados, ensures the distribution of group brands and third party products (including Absolut Vodka) in the Caribbean and Central and South America (workforce 18).
- Bols Unicom (50% owned with a local partner) covers the Polish market. Its registered office is in Warsaw and it employs 387 people.
- Maxxium BV, whose head office is in Amsterdam in rented offices, is the distribution joint venture in which Rémy Cointreau holds 25% together with its three partners (Highland Distillers, Jim Beam Worldwide, Vin & Sprit). Maxxium covers all markets (excluding the US and the Caribbean) and distributes the brands of its shareholders and a portfolio of third party products with 1,750 employees in 38 subsidiaries.

4.1.5 Delivery commitments (policy adopted by various group companies)

In general, the Rémy Cointreau distributors (subsidiaries or exclusive distributors) hold two to three months' stock. The group has never suffered a major stoppage in operations.

4.1.6 Exceptional events affecting operations

There is currently no exceptional event likely to substantially affect the results, operations, net assets or financial position of Rémy Cointreau or its group.

4.2 POTENTIAL DEPENDENCE OF THE REMY COINTREAU GROUP

Brands

The Rémy Cointreau group attaches particular importance to the protection in France and worldwide of the intellectual property rights to its brands that constitute the principal asset of the business.

The major brands held and used by the group are, by category:

Cognac: Rémy Martin, De Luze

Liqueurs: Cointreau, Passoa, Galliano, Izarra, Bols Liqueurs, Bols Blue, Pisang Ambon, and Coebergh

Spirits: The St James and Mount Gay rums, the St Rémy brandy, the Clé Des Ducs armagnac, Bols Vodka and Metaxa

Champagne: Piper-Heidsieck and Charles Heidsieck

Rémy Cointreau has an active policy of following up the filing of trade marks in their category and markets, and takes all steps necessary to combat counterfeiting, particularly in Asia, and possible unfair competition.

As of today, there is no significant litigation or risk identified in the area of ownership of the Rémy Cointreau brands.

Principal contracts and customers

There is no dependence by Rémy Cointreau on customers, exclusive independent distributors, or distribution contracts for third party spirits, likely to have a substantial effect on the results, net assets or financial position of the group.

Supply

The production of champagne and cognac is undertaken under the rules of the "appellation d'origine contrôlée" governed by strict rules and climatic conditions that are required.

- In Champagne, 96% of Rémy Cointreau's supplies depend on medium term contracts of 3, 6 and 9 years, entered into with the principal cooperatives in the region and many thousands of growers. This contractual arrangement, which covers around 1,000 hectares of the 32,000 hectares within the appellation, is a strategic factor for developing the group brands in a region with limited production capacity (see paragraph 4.1.1.2, (b), (i)). Since 1990, the group has enriched and strengthened its supply capacity by seeking to improve its qualitative criteria: the renewal of contracts expiring in 2000 (around 40% of the total) was done under conditions that ensured a level of supply for the next three years in harmony with its development needs.
- Since 1966, the constitution of eau-de-vie stocks of Cognac has been based on partnership agreements concluded with the producers of grande and petite Champagne. This policy has enabled it to manage the long-term supply and meet the quality demands of the Rémy Martin brand.

  These agreements were formalised by legal and financial structures:

  - groups of producers that bring together seven hundred home distillers; these contracts are for three years with delivery on one, two or three occasions.
  - two cooperatives with 1,600 members representing 40% of the vineyards of the petite and grande Champagne.

  Storage is carried out, either directly at the vineyard, or on the premises of the cooperatives, and is financed by bank borrowing and by Rémy Martin which makes a payment on account to the suppliers when the goods enter store. The balance of the price is paid at the end of the ageing period.

  In the event that Rémy Martin does not meet its obligations, potential damages payable to these organisations and suppliers and the waiver of loans made to them would amount to 34 million euros (at 31 March 2003).
- Liqueurs and other Spirits do not suffer from significant supply or production constraints for the group.

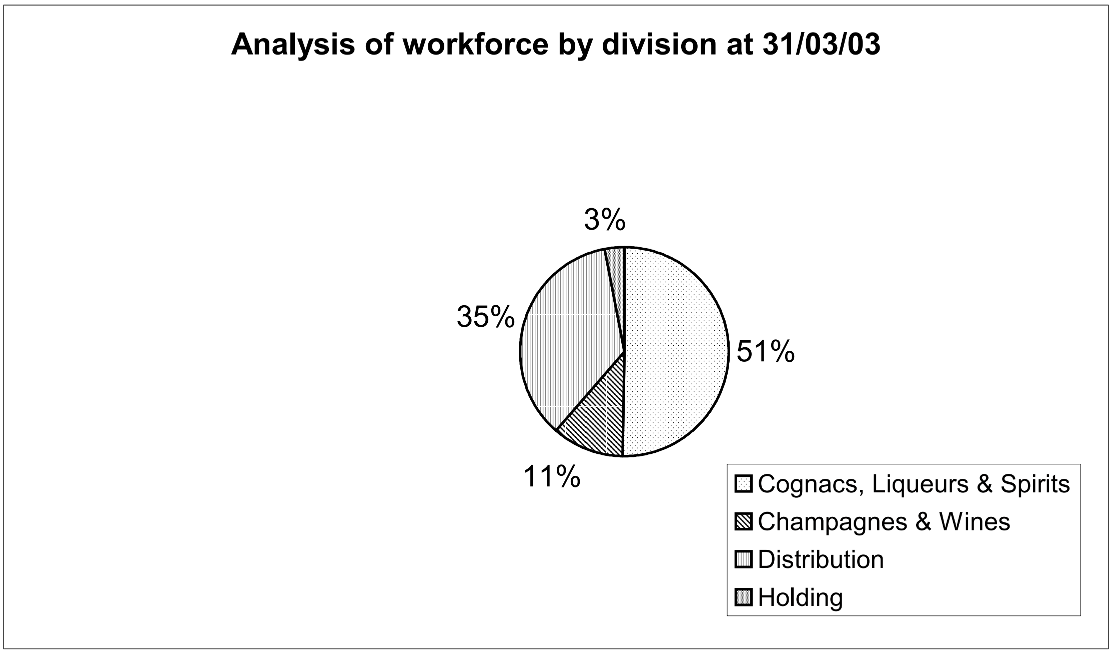
4.3 WORKFORCE AND MOVEMENTS DURING THE LAST THREE YEARS

The total workforce of the Group was 2,197 people at end March 2003, compared to 2,177 at 31 March 2002.

This apparent stability results from adjustments which offset one another in total: improvements in the performance of French production facilities, the sale of the Australian businesses, and the development of the distribution activities, mainly in the US and Central Europe.

Analysis of workforce by operations

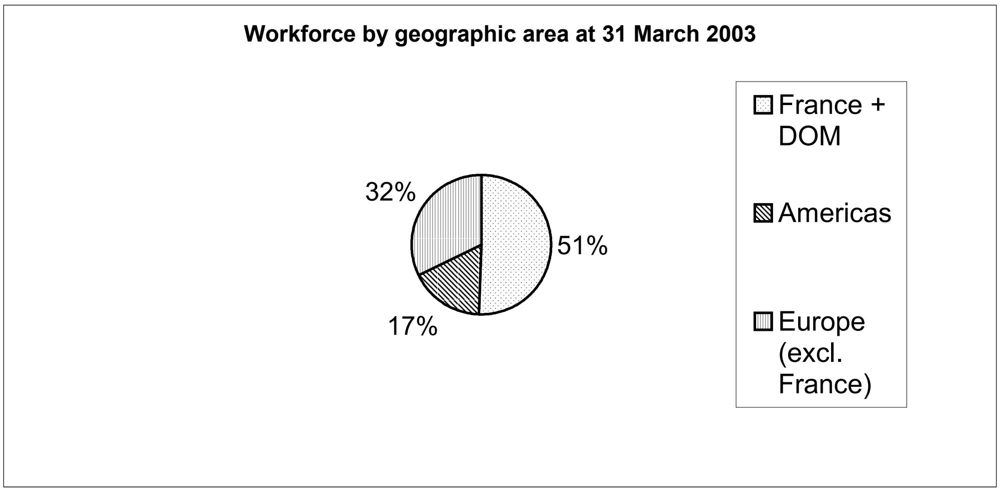
	at 31/03/2003		at 31/03/2002		at 31/03/2001	
	Number of people	**%**	**Number of people**	**%**	**Number of people**	**%**
Cognacs, Liqueurs & Spirits	1,103	51	1,140	53	1,154	52
Champagnes & Wines	249	11	289	13	296	13
Distribution	776	35	685	31	752	33
Holding	69	3	63	3	54	2
TOTAL	**2,197**	**100**	**2,177**	**100**	**2,256**	**100**



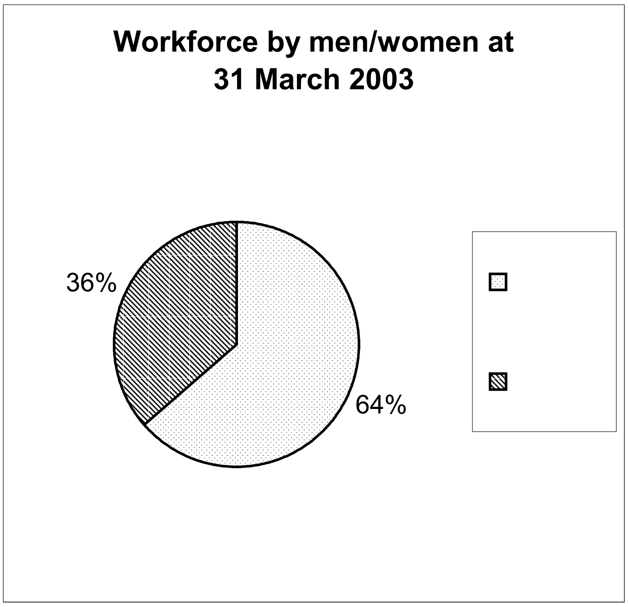
Analysis of workforce by geographic area

	At 31 march 2003		At 31 March 2002		At 31 March 2001	
	Number of People	**%**	**Number of people**	**%**	**Number of people**	**%**
France + Overseas	1,043	51	1,084	52	1,060	49

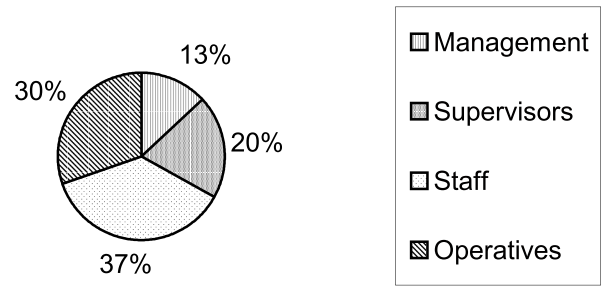
Americas	460	17	398	16	392	15
Asia-Pacific	0	0	34	2	31	1
Europe (excl. France)	694	32	661	30	773	34
TOTAL	**2,197**	**100**	**2,177**	**100**	**2,256**	**100**



At 31 March 2003, the workforce of 2,197 was analysed thus:



Workforce by professional category at 31 March 2003



The Rémy Cointreau strategy is based on continually developing the skills of the men and women who work for the Group. Its people, together with its brands, are the two strategic fundamentals for the Group.

Following the establishment in 2002 of the department for Group Organisation and Human Resources, cross-functional functions were created: an Internal Communications department, a Social Affairs department, and a Human Resources Development department.

Within this framework, the recruitment policy must facilitate the strengthening of the teams' professionalism, the development of managerial skills, and the attraction of talent with the potential to develop internationally.

Innovative approaches in terms of management of personnel and skills are reflected in some subsidiaries through partnership between the principal managers and the Human Resources team.

In this context, professional career paths have been identified, as a result of in-depth consideration of the organisation based on benchmark positions identified in the various businesses.

This enables the encouragement of professional progression and the visualisation of development options.

In this area, a definition of principles concerning the remuneration policy is extended to the international level in order to ultimately harmonise the processes.

The training policy heightens the awareness of management of all subsidiaries around common themes. In parallel, each operating entity enjoys a large degree of autonomy to develop training initiatives to benefit teamwork, and direct communication, and to strengthen the professionalism of the businesses. In this regard, during 2002/03, 3.21% of Group payroll costs were devoted to training.

Social dialogue remains a priority for the Group, both on the individual level and the collective level, through central works councils, works councils, union organisations, and the Group Committee, and through the signing of new agreements in areas such as profit-sharing, time saving, etc.

At the collective level, in certain subsidiaries, negotiations have taken place with the social partners on reorganisation projects and have led to the reclassification of part of the workforce concerned, internally or externally, through appropriate initiatives, giving each person the opportunity to find employment in keeping with their expectations.

Along with the implementation of the Group's human resources policy, an in-depth study of our values and ethical references was undertaken. In the majority of Group facilities, groups of employers were questioned on the ethical values of the Rémy Cointreau group. Respect for the law, the environment, cultural diversity, and regard for a harmonious and fair social policy have been recognised as core values. At the end of this collective work, Rémy Cointreau Group has chosen to adhere to the Global Charter of the United Nations, and to commit itself to respecting its nine principles regarding respect for the rights of the person, the environment and fundamental social principles.

Finally, in order to facilitate the sharing of a common culture by all Group employees, a Group intranet has been launched, which enables each employee to have access to the professional applications and information that he/she needs in carrying out his/her work.

4.4 INVESTMENT POLICY

4.4.0 Research policy

The production units have Research and Development laboratories that work on both the contents and packaging.

They have excellent equipment and are in regular contact with private external research centre and universities.

Multidiscipline teams comprising technicians, wine experts, engineers and doctors are in charge of the in-house activities. Their mission is to ensure that the business adopts the advances and discoveries that relate to our various operations in the growing methods, liquid processing and production processes with the ultimate aim of providing the consumer with a high quality product at a reasonable price.

Our major production units are ISO 9000 certified and the Rémy Martin laboratories are ISO 17025 certified, which highlights the importance the Rémy Cointreau Group places on satisfying customer needs in terms of guaranteed quality.

The various accreditations also demonstrate the business's desire to set up a system of continuous improvement in methods and performance.

Research and development expenditure is written off as incurred by all companies concerned. This represents 12 people and a budget of € 965 thousand, or 0.096% of turnover.

4.4.1 Principal investments, including financial investments in the last three financial years, with a geographic analysis or an analysis by area of operation

Capital expenditure

The group considers that the level of investment required to maintain and develop the production and administrative units is between 22 and 25 million euros annually.

No exceptional project is currently being studied at Group level.

Financial investments

Except for the Bols transaction in 2001, there have been no major acquisitions in the last three years.

4.4.2 Major investments in progress

No project of an exceptional value is currently in progress.

4.5 INFORMATION ON MAJOR SUBSIDIARIES

See detailed information on the principal subsidiaries of Rémy Cointreau in paragraph 5.3 of Chapter V of the present reference document, “Table of subsidiaries and investments at 31 March 2003” and the list of subsidiaries included in the consolidation in note 28 of the notes to the consolidated financial statements of the group for the year ended 31 March 2003 (Chapter V, paragraph 5.2 of the present reference document).

4.6 NOT USED

4.7 RISKS OF THE ISSUER

4.7.1 Market risks

Exchange rate exposure

The Group’s results are sensitive to exchange rate movements as the Group achieves 63% of its turnover outside the euro zone, whereas most of its production comes from within this zone.

The group’s exchange rate exposure is essentially in respect of sales in currencies other than the euro, by production companies to Maxxium, the American distribution subsidiary and by the exclusive foreign agents, net of expenses and other costs incurred in the same currency. The principal currencies involved are USD, AUD, CAD, JPY, GBP and the HKD.

The policy for managing exchange rate exposure is based on the rules of prudence and an agreed decision-making process by the Management Board.

In particular, the group aims to cover its net budgeted commercial position on a maximum moving horizon of 15 to 18 months. This is carried out using fixed term and option financial instruments.

The sales option is restricted to the resale of an option to cancel a previous purchase or to hedging transactions that are approved on a case-by-case basis.

This hedging policy only allows cover for short-term exposure. It cannot shelter Rémy Cointreau from the long-term economic effects of monetary trends on group turnover and margins.

It should be noted that the Group does not cover the risks of translating into euros financial statements of companies based outside the euro zone.

For the year ended 31 March 2003, net commercial flows covered by currency were USD 200 million (dollars and related currencies), AUD 18 million, CAD 17.8 million, JPY 1,700, GBP 15 million and HKD 176.4 million.

The financial instruments outstanding at 31 March 2003 were:

- cover relating to turnover achieved but not yet settled at 31 March 2003,

- cover set up for the financial years 2003/04 and 2004/05.

The hedge contracts set up for the years 2003/04 and 2004/05 will provide the Group with a guaranteed floor rate of €/USD 0.9831 for 2003/04 and €/USD 1.1028 for 2004/05.

At 31 March 2003, the market value of the foreign exchange instruments portfolio was € 25.9 million, analysed as follows:

€ millions	**Market value**
2003-2004 financial year	
Firm	1.20
Option	23.18
2004-2005 financial year	
Firm	
Option	1.52
TOTAL	**25.9**

Interest rate exposure

As part of the management of interest rates, and to cover the interest rate risk on its debt, the group has structured its resources by splitting debt into fixed rate and variable rate.

At 31 March 2003, the financial debt (excluding the subordinated perpetual loan notes) is analysed thus:

	€ Millions
Fixed rate	163.5
Variable rate	333.1
TOTAL	496.6

The variable rate debt has been covered with contracts whose maturities do not exceed 3 financial years.

It should be noted that, at 31 March 2003, all the variable rate debt of 2003/04, around 75% of that relating to 2004/05 and 60% of that relating to 2005/06 are covered against an increase in interest rates, mainly by the use of CAPs and FRAs.

At 31 March 2003, the market value of the interest rate instruments portfolio was € (0.82) million, analysed as follows:

€ millions	**Market value**
Firm	(1.46)
Option	0.64
TOTAL	**(0.82)**

Liquidity risk

The following table summarises the principal characteristics and maturities of the Group's debt:

Currency	Characteristics of securities issued or loans contracted	Fixed rate or variable rate	Total amount of credit lines confirmed (in euros)	Debt (in euros) at 31/3/03	Maturity	Covered or not
EUR	**CONVERTIBLE BONDS**					
	- OCEANE					
	- Principal	Fixed	300,0	300,0	01April 06	no
	- Redemption premium *	Fixed	34,6	14,5	01 April 06	no
	- Convertible bond	Fixed	0,6	0,6	21 March 06	no
	Prepetual subordinated notes	Variable	72,4	72,4	16 May 06	yes (see § 11.4 - section 5.2)
	MEDIUM AND LONG TERM DEBT					
	- High-yield bonds	Fixed	150,0	150,0	30 July 05	no
	- Other bonds	Fixed	13,5	13,5	30-June-04 to 07	no
	- Syndicated credit	Variable	240,0	170,0	13 June 05	yes (see § 25.2 - section 5.2)
	SHORT TERM DEBT					
	- Syndicated credit	Variable	160,0	80,0	13 June 05	yes (see § 25.2 - section 5.2)
	- Bilateral credit lines	Variable	22,8	11,4	11 July 03	yes (see § 25.2 - section 5.2)
	- Non-confirmed credit lines **	Variable	NA	42,8		no
HUF	**SHORT TERM DEBT**					
	- Bilateral credit lines	Variable	2,7	0,2	13 Feb 04	no
PLN	**SHORT TERM DEBT**					
	- Bilateral credit lines	Variable	15,2	10,0	06 June 03	no

* Amortised amount at 31 March 2003: 14.5 million euros.
Maximum amount to mature in the event of non-conversion: 34.6 million euros.
** Net of cash.

4.7.2 Regulatory environment - Legal risks

The production and selling operations of group products are subject, in France and abroad, to regulation that is more or less strict according to the country, particularly concerning production, packaging and marketing of these products. The group has, for all important aspects of its activities, all the required authorisations, and has not encountered in this area specific constraints likely to have a significant impact on its operations.

At the date of the present reference document, neither Rémy Cointreau nor any of its subsidiaries has been involved or is involved in a legal process in respect of a problem of responsibility due to defective products that has given or is likely to give rise to a legal decision against the company.

Rémy Cointreau, at the date of the present reference document, has not received any notice that it is in breach of the provisions of a law or regulation in respect of the environment. To its knowledge, the Company is not currently subject to an inquiry or an investigation in this area.

4.7.3 Industrial and environmental risks

Rémy Cointreau has set as its first rule the respect of various international, national and regional legislation. The improvement in our performance in water consumption, the quality of waste water, and sorting and collecting scrap are priorities we share.

In 2002, we initiated a global management process in the areas of quality, safety and environment, with the creation of a Q/S/E service at the Angers site.
This approach was continued in 2003 with the creation of a Q/S/E function at the Group level and a Q/S/E service at our cognac facility.

Given the nature of the products being worked on, the operation of the Group's production sites is subject to authorisation by the administrative authorities. This requires responding to specific requirements regarding safety and the environment in order to reduce industrial risks.

As regards the ageing of cognac, and depending on the quantity of alcohol being stored, particular steps are taken concerning the internal organisation plan and safety management system in order to prevent and limit the consequences of an incident.

4.7.4 Insurance

The Group Remy Cointreau has subscribed various insurance policies, handled at the parent company level and are elaborated to cover its operations in France and abroad. The main policies cover general Liability, property damage as well as business interruption.

1. General Liability

This contract has been taken out on a long term agreement basis from 1st April 2001 to 31st March 2004.

This insurance policy covers public liability as well as product liability.

There is a limit of 30 000 000 € per claim and 60 000 000 € per 3 years.

With regard to public liability, the applicable deductible are 1 000 € per claim (bodily injury) and 20 000 € for other claims. Regarding product liability, a deductible of 200 000 € is applied per claim.
The « Master » policy intervenes in Difference in Conditions and in Difference in Limits (DIC/DIL) of the local policies when the latter do not provide for a cover (DIC) and when local cover provides lower insured limits than those available under the Master Policy (DIL).

2. All risks / Business Interruption

This contract has been taken out on a long term agreement basis from 1st April 2001 to 31st March 2004.

The direct damage are covered up to declared values. An «All Risks» coverage means that any peril not specifically excluded is covered; consequently, all interests and damage not listed as excluded are automatically covered.

Financial losses are covered up to declared gross profit. Financial losses resulting from business interruption following damage to property are covered, including suppliers and customers extension.

Property damage's deductibles vary from 3 500 € to 150 000 € as per declared values for each site. The applicable deductible to the business interruption is of 3 working days with a minimum of 75 000 €.

The « Master » policy intervenes in Difference in Conditions and in Difference in Limits of the local policies.

3. Marine Insurance

This contract has been taken out from 1st April 2003 to 31st March 2004.

This insurance policy is limited to 10 000 000 € per shipment.

A deductible of 2 500 € is applied per claim.

These warrantees are granted for all our goods of our trade. They can be shipped worldwide and with all means of transit.

The Group considers that the various policies and the related premiums correspond to usual practice within this activity.

4.7.5 Exceptional events or litigation

There is no event or litigation likely to have or having had, in the recent past, a significant effect on the financial position of the group, its operations and profit.

CHAPTER V

ASSETS, FINANCIAL POSITION AND RESULTS OF REMY COINTREAU

5.1. EXTRACTS FROM THE MANAGEMENT REPORT OF THE BOARD OF DIRECTORS FOR 2002/2003

FINANCIAL REPORT FOR THE YEAR ENDING 31 MARCH 2003

CONSOLIDATED INCOME STATEMENT

€ millions	31 March 2003	31 March 2002	Change %
➢ **Turnover**	**1,000.2**	**1,019.5**	**(1.9)**
Operating profit	213. 8	209.1	2.2
Operating margin	21.4%	20.5%	
Financial interests	(64.8)	(63.0)	2.9
Share in profit of associated undertakings	9.0	10.4	
Goodwill amortisation	(2.8)	(3.2)	
➢ **Profit on ordinary activities**	**102.9**	**100.6**	**2.3**
➢ **Ordinary earnings per share**	**2.34**	**2.29**	**2.2**
➢ Number of shares in issue (000)	44.070	43.950	

Change in group structure during the year:

➢ *Disposal of **Blue Pyrenees Estate** (Australian wines) in October 2002. The results for the six months were equity accounted.*

Turnover for 2002/03 was € 1,000.2 million. Restated for the effect of disposals or cessations during the year, and with constant exchange rates, the organic growth rate was 5.1%.

Operating profit increased by 2.2% to € 213.8 million.
Irrespective of the Forex hedging that maintained the gross margin, the operating profit was adversely affected by the translation of results achieved outside the euro zone. Restated for this, growth based on comparable exchange rates was 3.7%.

The year 2002/03 was marked by three major factors:

- the recovery in the Champagne business,
- the difficulties encountered by Vodka which, despite a recovery in the second half-year, suffered particularly difficult trading conditions in Poland,
- the establishment of a new distribution organisation in China.

Divisional analysis

(€ millions)	2003	*% margin*	2002 *(1)*	*% margin*
Cognac	149,3	*41,6 %*	145,6	*38,3 %*
Liqueurs	50,4	*28,8 %*	47,3	*27,5 %*
Spirits	61,5	*30,6 %*	70,1	*32,4 %*
Champagne and wines	17,2	*13,2 %*	5,7	*5,1 %*
Third Party Products	20,9	*15,5 %*	22,0	*15,8 %*
Total	**299,3**	***29,9 %***	**290,7**	***28,5 %***
Distribution costs	(64,9)		(63,8)	
Central expenses	(20,6)		(17,8)	
Operating profit	**213,8**		**209,1**	

(1) The analysis of the 2002 figures was adjusted to take account of the reclassification as distribution costs of commercial costs previously charged to the brands (impact of € 2.4 million).

Cognac

Divisional sales amounted to € 358.9 million, a decline of € 21.2 million, taking account of the unfavourable exchange movement. With constant exchange rates, sales grew by € 11.2 million, equivalent to 2.95%.

The Rémy Martin brand (excluding cognac-based products) grew by 4.6% in volume, thus strengthening its share of the world market to 16.7% and its place as leader in superior quality cognacs.

The dynamism of the brand was particularly marked in the US, where cognac shipments grew by 7.1%. This was driven by sustained consumer demand (depletions grew by 10% at 31 March 2003).

In Asia, the establishment of a new distribution organisation in China (direct import via Shanghai, and set up of a network of wholesalers) led to an increase in sales and represents a key factor in growing the brand in this market. The establishment of this organisation has generated additional costs of around € 5 million for the full year.

Deliveries to European markets fell slightly compared to the previous year, due to the slowdown in the German market and an adjustment to inventory levels by our Austrian distributor.

After a number of years of regular growth, marketing expenditure stabilised at 26.9% of gross margin with constant exchange rates.

The contribution to consolidated profit was € 149.3 million, an increase of € 3.7 million. The operating margin of the Cognac division is 41.6% compared to 38.3% the previous year.

Liqueurs

Divisional sales grew by 1.7% to € 175 million. With constant exchange rates, sales increased by 5.8%, driven mainly by the good performance of **Cointreau**, up 5.6%, in the US and in UK, and **Passoa**, up 19.5%, in France, Japan and Benelux with the launch of the ready to drink Passoa Diablo.
The introduction of new products, such as Cointreau C, Cointreau Aura and Passoa Diablo ready to drink, led to a particularly high level of advertising and promotional expenditure of 46.6% of gross margin.
The divisional profit was € 50.4 million, with a slight increase in divisional operating margin at 28.8%.

Spirits

Divisional sales were as follows:

(€ millions)	2003 constant exchange rates	2002	% change
Vodka	64,3	78,0	(17.6) %
Metaxa	46,5	42,9	8,4 %
Rum	35,4	31,8	11,3 %
Seguin	23,9	20,5	16,6 %
Other brands	40,5	43,1	(6.0) %
Total	**210,6**	**216,3**	**(2,6) %**

Following a first half-year disrupted by counterfeiting rumors and a decline in excise duties, Vodka sales partially recovered in the second half but ended the year with a shortfall of 17.6% from the previous year. The Polish market remains very competitive and volatile due to aggressive marketing by a number of players. Against this background, the group decided to maintain a high level of advertising and promotional expenditure in support of the vodka brands (38.5% of gross margin compared to 27.1% the previous year).

The Metaxa and Seguin brands, as well as the Rums (Mount Gay and Saint James) grew at a satisfactory rate, whereas the rest of the portfolio, comprising mainly genever brands distributed in the Netherlands, is in a market that is now mature.

Spirits contributed € 61.5 million in operating profit.The operating margin of 30.6% was lower than the previous year (32.4%).

Champagne and Wines

Divisional sales were € 130.4 million, a 25.7% increase with constant exchange rates and excluding the effect of the disposal of the Australian vineyard Blue Pyrenees.

This significant increase confirms the strong recovery in Champagne sales, principally **Piper-Heidsieck** and **Charles Heidsieck**, which grew in all their major markets in Europe and the US.

Operating profit of € 17.2 million was an increase of € 11.5 million and is within the plan to improve short and medium term profitability. After inclusion of sustained marketing efforts (41.7% of gross margin), divisional operating profitability was 13.2% compared to 5.1% the previous year.

Third Party Products

Sales of third party products, which comprise mainly the distribution of Highland Distillers' brands in the US and an extended range of wines in The Netherlands, were € 135.1 million, a 3.5% increase with constant exchange rates.
This activity contributed € 20.9 million in operating profit.

Distribution and Central Expenses

These represent the costs of the head office and the distribution organisation in the US, the Caribbean and countries where the Group maintained a presence inherited from the merger with Bols (Poland, The Netherlands and Hungary).

Compared to the previous year, increase in costs was :

(€ millions)	Distribution	Head Office & Central Services	Total
General expenses	5,1	4,0	9,1
Provisions and other income	(4.0)	(1.2)	(5.2)
Net increase	**1,1**	**2,8**	**3,9**

General distribution expenses grew by € 5.1 million as a result of 31 additional sales staff at **Rémy Amérique** and the full cost of the decisions taken in Poland and the Caribbean in the previous year.

The increase in central expenses reflects additional staffing for group-wide projects (purchasing, flow management, strategic marketing), which should generate synergies and productivity gains within 12 months. Taking account of this change to the organisation, certain costs previously absorbed by the operating divisions are now included in central expenses.

The group also benefited in the period from a significant reduction in bad debt provisions due to good credit control.

The **operating margin** was 21.4%, an increase of 0.9 basis points compared to the previous year. With comparable exchange rates, the level of advertising and marketing expenditure was stable compared to the previous year (33.8% of gross margin).

Financial charges of € 66.7 million are analysed thus:

- Finance costs were € 64.8 million compared to € 63.0 million the previous year. Despite the decline in the average financing rate, this increase was due to the combined effects of the increase in average debt during the year and the non-renewal of a financial instrument that benefited the previous year.

- The exchange loss of € 2.3 million comes mainly from the appreciation of the euro and the dollar on local currency financing in Poland and Columbia.

Financial costs were covered 3.64 times by EBITDA.

Profit on ordinary activities after tax was € 102.9 million, a 2.3% increase on the previous year, due to the following:

- stability of profit on ordinary activities before tax,

- modest increase in the tax charge to 34.3%. The increase over last year is due, among others, to the lower incidence of Poland on the group's results,

- decline in minority interests (purchase of DFDI, lower level of profit in Poland),

- a share of € 9.0 million in profit of associated undertakings, analysed thus:

(€ millions)	Rémy Cointreau
Maxxium	3.7
Dynasty	5.3
	9.0

The **non-recurring cost** of € 1.4 million relates to the following items :

- net capital loss incurred on the disposals during the year (Blue Pyrénées Estate vineyard in Australia, Domaines Rémy Martin),
- profit on asset disposals (barrels disposal, real estate in California and Champagne),
- Reorganisation costs of manufacturing plants.

The **net group profit** was € 101.5 million, a 6.5% increase over the previous year.

<u>Consolidated balance sheet and financial position</u>

Compared to the previous year, total assets declined modestly to € 2,426 million.

Fixed assets, including associated undertakings, were € 1,230 million at the end of March 2003 and represent 51% of total assets. Movements in the year relate mainly to asset disposals.

Current assets net of operating liabilities were € 858 million, a 3% increase over the € 833 million of the previous year. Considering the significant decline in inventory levels and trade accounts receivable, this increase in current assets is due mainly to a reduction in supplier credit (including an acceleration in the payment of advertising expenses re-invoiced by Maxxium).

Group financial debt excluding the perpetual subordinated loan notes was € 812 million, after inclusion of the € 14.5 million amortisation of the OCEANE redemption premium.
Group financial debt including the perpetual subordinated loan notes, OCEANE redemption premium, marketable securities and cash amounted to € 865 million, an increase of € 25 million compared to 31 March 2002. Restated for the effect of the € 50 million purchase of the DFDI minorities and the € 6.7 million charge for the OCEANE redemption provision, debt fell by
€ 31 million.

The Group's ability to repay its financial debt remains stable with a ratio of debt, excluding the perpetual subordinated loan notes, to EBITDA of 3.39.

Group equity grew by € 39 million to € 1,086 million.

Following the purchase of the DFDI shareholding, **minority interests** only amount to € 8,4 million.

Equity and minority interests represent 45.1% of total assets, compared to 43.3% the previous year.

<u>Movement in financial debt and cash flow</u>

Operating cash flow after debt servicing was € 62.9 million compared to € 50.9 million the previous year. This improvement is mainly due to the reduction in working capital requirements compared to the previous year, which was affected by the decline in champagne, a specific increase in the purchases of eau de vie and a high level of trade accounts receivable.

Cash flow used in investments amounted to € 66 million, which included the following:

(€ millions)	
Asset disposals	15,1
Fixed asset purchases	(28.7)
Acquisition of minority interests	(50.3)

Cash flow from/(used in) financing included the payment of a dividend of € 39.6 million.

Including these flows, **net financial debt** was € 865 million, a € 25 million increase compared to March 2002 (€ 18 million excluding the OCEANE premium).

CONSOLIDATED BALANCE SHEET

for the years ended 31 March 2003, 2002, 2001

	(€ millions)		
Minority interests	(0,1)	5,2	3,6
Share of profits of associated undertakings (net of dividends received)	(1,1)	3,8	(0,2)
Adjustment in respect of non-cash items:			
- depreciation and amortisation	19,6	19,9	16,4
- provisions net of releases, and deferred tax	9,9	9,9	2,5
- charges/(release) net for other provisions and deferred tax	8,3	(10,0)	5,1
- losses/(gains) on disposal of fixed assets	(14,2)	(0,3)	0,6
- losses/(gains) on disposal of financial assets	2,1	0,3	(0,4)
Movement in working capital requirements:			
- inventories	34,9	(43,2)	(50,5)
- trade receivables	19,0	(71,3)	11,0
- trade payables	(83,2)	10,1	32,0
- other receivables and payables	(33,8)	31,2	(7,3)
Cash flow arising from operating activities	**62,9**	**50,9**	**103,1**
Investing activities			
Purchase of fixed assets:			
- tangible and intangible assets	(28,7)	(26,0)	(23,3)
- financial assets	(2,3)	(25,1)	(469,3)
Proceeds from sale of fixed assets:			
- tangible and intangible assets	12,5	28,8	3,0
- financial assets	2,6	10,8	1,3
Proceeds/(payments) for other assets (Notes **2.2 & 8**)	(50,3)	50,2	
Cash flow used in investing activities	**(66,2)**	**38,7**	**(488,3)**
Financing activities			
Net funds received from :			
- capital increase	1,8	1,3	175,4
- increase/(decrease) in loans	35,4	(30,3)	205,3
- rpurchase of treasury shares		(10,5)	
Dividend paid to the shareholders of the parent company	(39,6)	(39,9)	(7,7)
Dividend paid to minority shareholders		(0,1)	(0,2)
Change in Group structure	5,0	(0,3)	1,0
Translation adjustment relating to cash and cash equivalents	(1,9)	(1,7)	0,2
Cash flow arising from financing activities	**0,7**	**(81,5)**	**374,0**
Increase/(decrease) in cash and cash equivalents	**(2,6)**	**8,1**	**(11,2)**
Cash and cash equivalents at start of year	**21,3**	**13,2**	**24,4**
Cash and cash equivalents at end of year	**18,7**	**21,3**	**13,2**

Notes 1 to 28 are an integral part of these financial statements

CONSOLIDATED INCOME STATEMENT

for the years ended 31 March 2003, 2002, 2001

	(€ millions)		
	2003	2002	2001
Turnover (notes **15 and 16**)	1 000,2	1 019,5	925,6
Cost of sales	(441,1)	(452,7)	(430,6)
Gross margin	**559,1**	**566,8**	**495,0**
Marketing expenses (note **17**)	(260,7)	(274,2)	(225,3)
Administrative expenses (note **17**)	(84,6)	(83,5)	(85,4)
Operating profit	**213,8**	**209,1**	**184,3**
Net finance costs (note **20**)	(66,7)	(61,9)	(54,0)
Profit on ordinary activities before tax	**147,1**	**147,2**	**130,3**
Tax on ordinary activities (note **22**)	(50,5)	(48,6)	(42,4)
Share of profit on ordinary activities of associated undertakings (note **5**)	9,0	10,4	9,8
Net profit before goodwill amortisation	**105,6**	**109,0**	**97,7**
Goodwill amortisation	(2,8)	(3,2)	(3,7)
Net profit after goodwill amortisation	**102,8**	**105,8**	**94,0**
Minority interests	0,1	(5,2)	(3,6)
Group net profit on ordinary activities	**102,9**	**100,6**	**90,4**
Non-recurring income/(expenses) on ordinary activities (net of tax) (note **21**)	(1,4)	(5,3)	-
Net profit on ordinary activities	**101,5**	**95,3**	**90,4**
Basic earnings per share			
Earnings per share on ordinary activities	2,34	2,29	2,04
Earnings per share	2,30	2,17	2,04
Number of shares	**44 069 956**	**43 949 741**	**44 377 621**
Diluted earnings per share			
Earnings per share on ordinary activities	2,15	2,11	1,96
Earnings per share	2,12	2,01	1,96
Number of shares	**53 561 627**	**53 561 627**	**47 981 726**

Notes 1 to 28 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the years ended 31 March 2003, 2002 and 2001 (€ millions)

	Number of shares	Share capital	Share premium	Translation adjustment	Reserves	Shares	Total
Shareholders' equity at 31 March 2000	**38 182 230**	**58,2**	**429,7**	**(4,7)**	**249,8**		**733,0**
Capital increase	6 195 391	12,8	164,7		(2,1)		175,4
Dividends			26,5		(34,2)		(7,7)
Translation adjustment				5,2			5,2
Profit for 2001					90,3		90,3
Shareholders' equity at 31 March 2001	**44 377 621**	**71,0**	**620,9**	**0,5**	**303,8**		**996,2**
Augmentation de capital Capital increase	82 105	0,1	1,1				**1,2**
Treasury shares	(509 985)					(10,5)	**(10,5)**
Dividends					(39,9)		**(39,9)**
Translation adjustment				4,7			**4,7**
Profit for 2002					95,3		**95,3**
Shareholders' equity at 31 March 2002	**43 949 741**	**71,1**	**622,0**	**5,2**	**359,2**	**(10,5)**	**1 047,0**
Capital increase	120 215	0,2	1,6				**1,8**
Dividends					(39,6)		**(39,6)**
Translation adjustment				(24,3)			**(24,3)**
Profit for 2003					101,5		**101,5**
Shareholders' equity at 31 March 2003	**44 069 956**	**71,3**	**623,6**	**(19,1)**	**421,1**	**(10,5)**	**1 086,4**

Notes 1 to 28 are an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENTS

For the years ended 31 March 2003, 2002 et 2001

	(€ millions)		
Minority interests	(0,1)	5,2	3,6
Share of profits of associated undertakings (net of dividends received)	(1,1)	3,8	(0,2)
Adjustment in respect of non-cash items:			
- depreciation and amortisation	19,6	19,9	16,4
- provisions net of releases, and deferred tax	9,9	9,9	2,5
- charges/(release) net for other provisions and deferred tax	8,3	(10,0)	5,1
- losses/(gains) on disposal of fixed assets	(14,2)	(0,3)	0,6
- losses/(gains) on disposal of financial assets	2,1	0,3	(0,4)
Movement in working capital requirements:			
- inventories	34,9	(43,2)	(50,5)
- trade receivables	19,0	(71,3)	11,0
- trade payables	(83,2)	10,1	32,0
- other receivables and payables	(33,8)	31,2	(7,3)
Cash flow arising from operating activities	**62,9**	**50,9**	**103,1**
Investing activities			
Purchase of fixed assets:			
- tangible and intangible assets	(28,7)	(26,0)	(23,3)
- financial assets	(2,3)	(25,1)	(469,3)
Proceeds from sale of fixed assets:			
- tangible and intangible assets	12,5	28,8	3,0
- financial assets	2,6	10,8	1,3
Proceeds/(payments) for other assets (Notes **2.2 & 8**)	(50,3)	50,2	
Cash flow used in investing activities	**(66,2)**	**38,7**	**(488,3)**
Financing activities			
Net funds received from :			
- capital increase	1,8	1,3	175,4
- increase/(decrease) in loans	35,4	(30,3)	205,3
- rpurchase of treasury shares		(10,5)	
Dividend paid to the shareholders of the parent company	(39,6)	(39,9)	(7,7)
Dividend paid to minority shareholders		(0,1)	(0,2)
Change in Group structure	5,0	(0,3)	1,0
Translation adjustment relating to cash and cash equivalents	(1,9)	(1,7)	0,2
Cash flow arising from financing activities	**0,7**	**(81,5)**	**374,0**
Increase/(decrease) in cash and cash equivalents	**(2,6)**	**8,1**	**(11,2)**
Cash and cash equivalents at start of year	**21,3**	**13,2**	**24,4**
Cash and cash equivalents at end of year	**18,7**	**21,3**	**13,2**

Notes 1 to 28 are an integral part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 – ACCOUNTING PRINCIPLES

The consolidated financial statements of Rémy Cointreau have been prepared in accordance with French law.

The financial year of Rémy Cointreau runs from 1 April to 31 March. Each year is designated as the calendar year of its year end.

1.1. Consolidation principles

The consolidated financial statements include subsidiaries of significant importance where Rémy Cointreau holds, directly or indirectly, more than 50% of the share capital or exercises effective management control. Such subsidiaries are fully consolidated.

Companies where Rémy Cointreau exercises significant influence and holds, directly or indirectly, between 20% and 50% of the share capital are accounted for under the equity method.

The financial statements of the companies included in the consolidation, which have been prepared in accordance with the principles and practices of each of the countries concerned, have been restated prior to their consolidation to ensure conformity to the Group's accounting principles.

Inter-company accounts and transactions and related unrealised gains and losses have been eliminated on consolidation.

1.2. Consolidation accounting

At the time a shareholding is acquired or at a date near thereto, the differences between the purchase price and the fair value of the assets acquired (restated in accordance with the consolidation rules of the Group) are identifiable and are therefore allocated, where possible, to specific assets and liabilities of the subsidiaries concerned (brands, distribution rights and inventories).

1.3. Translation of financial statements and transactions in foreign currencies

The balance sheets of foreign subsidiaries are translated into euros using the rate of exchange prevailing at the end of the accounting period. The income statements are translated using the average exchange rate for the accounting period. Resulting exchange gains/losses are reported in shareholders' equity.

Transactions realised in foreign currencies are recorded using the exchange rate in force at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated using the closing exchange rate. A provision is made to cover exchange losses. Unrealised exchange gains are taken to the income statement.

1.4. Deferred taxation

The Group accounts for deferred taxation under the liability method, using the legal tax rate in force at the balance sheet date.

The restatement of the financial statements of individual companies, to comply with the Group's accounting principles or to eliminate the effect of tax-related provisions (principally the elimination of provisions for price increases), creates differences between the taxable profit and the profit before taxation. These differences give rise to deferred taxation, which is included as an asset or liability in the balance sheet. Differences between accounting and tax values of assets and liabilities also give rise to deferred tax.

A deferred tax asset on tax losses carried forward is recognised only when their utilisation, in the short term, against future taxable profits is likely to occur.

No provision has been made for taxes payable by the Group in respect of dividends from non-French subsidiaries, except where the decision to pay a dividend has been taken by the balance sheet date. Taxes relating to dividends are provided for in the year when they are paid.

1.5. Intangible fixed assets

This item primarily includes the value attributed to the brands arising from the allocation of the purchase differential on initial consolidation.

Brands are not amortised where they have trademark protection, enable profits to be generated in excess of those of similar unbranded products, and are deemed to have an unlimited anticipated useful life. They are re-evaluated annually in accordance with the criteria set at the date of acquisition, based on the capitalisation of the additional profit made by a branded product, net of advertising support. In the event of a permanent decline in the value of a brand, a provision is made in the income statement in the period in which this loss is identified.

As part of the establishment of the distribution Joint Venture Maxxium BV on 1 August 1999, Rémy Cointreau reported a capital gain on transfer of € 29.1 million, which was deducted from the carrying value of the investment in Maxxium BV and is being amortised over 20 years. For its part, Maxxium BV recognised, at the time it was set up and subsequently, goodwill to be amortised over 20 years. The annual depreciation charge is included in the income of Rémy Cointreau to the extent of its share in the Joint Venture: 25% since 2002 and 33% previously.
The amortisation of the goodwill of Maxxium BV and of the capital gain on transfer comprise the total of the net charge for “Goodwill amortisation” in the consolidated income statement.

1.6. Tangible fixed assets

Tangible fixed assets are carried at historic cost including, where appropriate, fair value adjustments arising on consolidation. They are depreciated using the straight-line method over their estimated useful lives as follows:

- Buildings 20 to 50 years
- Plant, equipment and tools 5 to 10 years
- Other tangible fixed assets 5 to 10 years

1.7. Non-consolidated investments

Non-consolidated investments are carried at their historic cost net of appropriate provisions, as required, to bring them to their current fair value.

The current fair value is determined using several criteria which include net assets, unrealised capital gains and future profit potential.

1.8. Inventories

Inventories are stated at the lower of cost, based on the weighted average method, and net realisable value. Cost does not include financial charges incurred while the stocks are maturing.

Where applicable, the value of inventories includes adjustments arising on consolidation, reflecting valuations made upon initial consolidation of certain companies. These amounts are included in the cost of goods sold in the year of sale of the corresponding inventories.

1.9. OCEANE redemption premium

The OCEANE redemption premium is amortised on a straight line basis over the life of the loan. The cumulative amortisation is included with the nominal value of the loan under “Convertible Loan Notes”. This reclassification has been made retroactively to the date of issue (the start of 2001).

1.10. Pensions and other personnel-related commitments

According to the law and practices in each country, Rémy Cointreau participates in pension, early pension and retirement benefit plans. For defined contribution plans, the charge corresponds to the premiums paid. The commitments in respect of defined benefit plans have been determined using the “Projected Unit Credit” actuarial method. The actuarial differences in excess of 10% of the commitment are amortised over the remaining life of the plan.

1.11. Foreign currency exchange and interest rate cover

The Group hedges its foreign exchange and interest rate exposures, mainly through forward contracts, currency options and interest rate swaps.

The valuation and accounting for these financial instruments is in accordance with generally accepted practices for hedging operations.

The contracts are revalued at each year-end. Profits or losses are carried to finance income/cost, or deferred if qualified as anticipatory hedges of transactions of the following year.

Exchange differences arising between the average accounting rate for the period and the value of the covered transaction reported in operating income are allocated to the gross margin.

Gains and losses on interest rate swaps are taken to finance income/cost, on a pro-rata basis over the life of the contract.

1.12. Revenue recognition

Sales are recognised on the basis of transfer of ownership, which generally occurs at the time of delivery of the products. Sales are expressed net of alcohol duties and VAT. Sales exclude operations that are peripheral to the marketing of Wines and Spirits brands. The net income from these activities (sub-contracting, distribution of non-alcohol products, etc.) is recorded as a reduction in marketing and administrative expenses.

1.13. Treasury shares

Rémy Cointreau has a share buyback programme authorised by a General Meeting.
Rémy Cointreau shares acquired to stabilise the share price are reported as "Short-term deposits and cash". In all other cases, shares acquired are treated as treasury shares and deducted from shareholders' equity (Note **9**).

1.14. Earnings per share

Basic earnings per share is calculated using the number of shares in issue at the end of the year. Treasury shares reported as a deduction from shareholders' equity are excluded.

Diluted earnings per share is calculated using the number of shares at the end of the year after inclusion of the potential dilution from the convertible loan notes and the OCEANE issue as well as the exercise of stock options. Net profit is restated to take account of the reduction in finance costs after tax as a result of the conversion of the loan notes and the issue of new shares.

2 – GROUP STRUCTURE

2.1 The companies included in the consolidation are detailed in note **28.**

2.2. The following companies were sold during the 2003 financial year:

- Blue Pyrenees Estate Ltd: sold on 1 October 2002
- Les Domaines Rémy Martin: sold on 31 March 2003

The assets of RMS Vineyard Inc were sold in September 2002 for € 5.2 million.

On 7 May 2002, Cointreau SA acquired the minority interests in DFDI. The net financial cost of this was € 50.3 million.

2.3. Disposal of Blue Pyrenees Estate LTD

In 2002, Blue Pyrenees Estate LTD contributed € 6.1 million in sales and a loss of € 0.2 million. The company was sold for Aus $ 12.7 million. This generated a capital loss that was included in exceptional expenses (note **21**). The equity accounted results for the 6 month period prior to the disposal were not significant.

2.4. Disposal of Domaines Rémy Martin

The shares in this company, which is dedicated to farming and vine-growing, were sold for a gross value of € 8.0 million. The capital gain arising from this transaction was included in exceptional income (note **21**).

2.5. Effect of changes in group structure

The effect of these disposals on the consolidated balance sheet was as follows:

(€ millions)	Blue Pyrenees Estate Ltd	Domaines Rémy Martin
Fixed assets	(4.6)	(1.7)
Inventories	(5.9)	
Receivables	(0.7)	(5.3)
Financial debt	(5.0)	
Other liabilities	(1.0)	(0.3)

3 – INTANGIBLE FIXED ASSETS

3.1. Intangible fixed assets at 31 March comprise:

(€ millions)	**2003** Gross	Amort. Write down	Net	**2002** Net	**2001** Net
Brands	954.3	(0.2)	954.1	956.9	939.3
Distribution rights	16.3	(8.2)	8.1	8.8	9.2
Other intangible assets (1)	18.1	(8.1)	10.0	6.8	14.0
Total	**988.7**	**(16.5)**	**972.2**	**972.5**	**962.5**

(1) software licences and leashold rights

Brands mainly comprise Rémy Martin and Cointreau, the Champagne group brands (Piper-Heidsieck, Heidsieck, Charles Heidsieck and Piper Sonoma), the Galiano and Mount Gay brands, and the Bols, Metaxa and Pisang Ambon brands.

The Champagne group brands, the Galiano and Mount Gay brands, as well as the Bols, Metaxa and Pisang Ambon brands, are reflected in the consolidated balance sheet at their fair values arising on the consolidation of the companies that hold the brands (see note **1.2**). The Rémy Martin and Cointreau brands are only reflected in the consolidated balance sheet to the extent of the value arising from the fair value adjustment following the purchase of minority interests.

3.2. The movement in intangible fixed assets (net book value) was as follows:

(€ millions)	Total
31 March 2002	**972.5**
Acquisitions	5.1
Disposals	(0.3)
Amortisation	(1.5)
Translation	(3.6)
31 March 2003	**972.2**

The acquisitions in the year relate mainly to the licence and development costs incurred as part of information systems projects.

4 - TANGIBLE FIXED ASSETS

4.1. Tangible fixed assets at 31 March comprise:

	2003			2002	2001
(€ millions)	Gross	Depreciation	Net	Net	Net
Land	58,5	(1,9)	56,6	61,2	51,9
Buildings	123,9	(80,0)	43,9	49,2	47,0
Other	118,9	(76,6)	42,3	49,4	53,0
In progress	9,1	(0,1)	9,0	5,8	8,2
Total	**310,4**	**(158,6)**	**151,8**	**165,6**	**160,1**

4.2. Tangible non-current assets (net book value) by geographic area at 31 March are as follows:

(€ millions)	2003	2002	2001
France	101,6	109,4	115,7
Europe (excl France)	33,5	31,8	21,9
North and South America	16,7	19,9	18,2
Asia - Pacific		4,5	4,3
Total	**151,8**	**165,6**	**160,1**

4.3. The movement in tangible fixed assets (net book value) was as follows:

(€ millions)	Total
31 March 2002	**165.6**
Acquisitions	23.6
Disposals	(9.3)
Depreciation	(17.9)
Change in group structure	(6.3)
Translation	(3.9)
31 March 2003	**151.8**

5- INVESTMENTS IN ASSOCIATED UNDERTAKINGS

5.1. This reflects the value of the shareholding in those companies in accordance with the principle stated in note **1.1.**

(€ millions)	2003	2002	2001
Maxxium B.V.	61.8	67.4	73.3
Dynasty	18.3	19.9	16.9
Asbach GmbH			5.8
Others			0.7
Total	**80.1**	**87.3**	**96.7**

(€ millions)	Maxxium	Dynasty	Others	Total
At 31 March 2001	**73,3**	**16,9**	**6,5**	**96,7**
Dividends paid (1)	(11,9)	(2,7)		**(14,6)**
Profit on ordinary activities	4,8	5,6		**10,4**
Exceptional income (2)	3,5			**3,5**
Goodwill armortisation	(3,2)			**(3,2)**
Change in group structure			(6,5)	**(6,5)**
Translation	0,9	0,1		**1,0**
At 31 March 2003	**67,4**	**19,9**	**0,0**	**87,3**
Dividends paid	(2,3)	(2,8)		**(5,1)**
Profit for the period	3,7	5,3		**9,0**
Goodwill amortisation	(2,8)			**(2,8)**
Translation	(4,2)	(4,1)		**(8,3)**
At 31 March 2003	**61,8**	**18,3**	**0,0**	**80,1**

(1) for Maxxium B.V., an exceptional dividend drawn from the transfer premium
(2) including a dilution profit of € 4.0 million related to Vin & Sprit becoming a shareholder in Maxxium B.V.

In accordance with note **1.5**., goodwill amortisation represents the net amount of the share of Rémy Cointreau in the Maxxium B.V. goodwill amortisation [2003: € (4.2) million, 2002: € (4.6) million] and the amortisation of the contributed gain [2003: € 1.4 million; 2002: € 1.4 million]

5.2. Maxxium

The Maxxium BV distribution joint venture was set up on 1 August 1999 on the basis of a strategic distribution agreement between Rémy Cointreau SA, Highland Distillers and Jim Beam brands. The joint venture, which has its registered office in the Netherlands, covers the entire world with the principal exceptions of the US, the Caribbean, Poland, Hungary and the duty-free market in Germany where Rémy Cointreau continues to control 100% of its distribution channel.

In May 2001, the Swedish company Vin & Sprit, owners of the Absolut Vodka brand, became a 25% shareholder in Maxxium.
This change in shareholdings resulted in a reduction from 33% to 25% in Rémy Cointreau's holding.

- The key figures at 30 June (Maxxium's financial year end) and at 31 March (the reference period for the consolidated financial statements of Rémy Cointreau) can be summarised as follows:

Simplified income statement:

(€ millions)	2003	2002	2001
Turnover managed (1)	1,402.3	1,340.5	1,157.0
invoiced	1,225.6	1,161.4	1,036.0
commission	176.7	179.1	121.0
Profit on ordinary activities	**18.2**	**19.5**	**13.0**
Goodwill amortisation	(17.1)	(17.0)	(15.0)
Exceptional income	**(3.5)**	**(1.9)**	**(4.0)**
Net profit/(loss)	**(2.4)**	**0.6**	**(6.0)**

(1) including Rémy Cointreau products of € 526.0 million (2002: 513.1; 2001: 488.0)

Analysis of turnover at 31 March:

By geographic area

(€ millions)	2003	2002	2001
Europe & Canada	895.3	816.1	700.0
Asia-Pacific	426.2	402.3	410.0
Emerging countries	80.8	122.1	47.0
Total	**1,402.3**	**1,340.5**	**1,157.0**

Workforce:

(at 31 March)	2003	2002	2001
Maxxium workforce	1,750	1,692	1,637

Simplified balance sheet at 31 March:

(in € millions)	2003	2002	2001
Fixed assets	313.3	318.6	303.0
Curent assets	483.1	552.7	493.0
Current liabilities	(274.0)	(296.4)	(257.0)
Other liabilities	(12.9)	(10.2)	(14.0)
Financial debt	(171.5)	(194.7)	(224.0)
Shareholders' equity	338.0	370.0	301.0

Reconciliation of results of associated undertakings:

(€ millions)	2003	2002	2001
Maxxium shareholders' equity	338.0	370.0	301.0
Rémy Cointreau share	85.6	92.6	100.3
Restatement of contributed gain	(29.1)	(29.1)	(29.1)
Amortisation of contributed gain	5.3	3.9	2.1
Total	**61.8**	**67.4**	**73.3**

6- NON-CONSOLIDATED INVESTMENTS

6.1. This comprises the following at 31 March:

(€ millions)	2003	2002	2001
Shareholdings in excess of 50%	18.4	23.5	23.3
Shareholdings between 20% and 50%	5.8	5.7	6.1
Shareholdings less than 20%	2.7	3.0	4.0
Gross value	26.9	32.2	33.4
Provisions and write-downs	(16.7)	(21.9)	(21.6)
Net value	**10.2**	**10.3**	**11.8**

6.2. The other investments comprise mainly deferred charges in respect of retirement commitments of Bols Distilleries.

7 - CURRENT ASSETS

7.1. Inventories comprise the following at 31 March:

(€ millions)	2003	2002	2001
Merchandise and finished products	84.3	101.8	97.1
Raw materials	75.8	80.1	69.9
Work in progress (1)	615.3	650.0	620.4
Total	**775.4**	**831.9**	**787.4**

(1) includes wines, spirits and eaux-de-vie currently maturing.

The value of Cognac currently aging was € 436.0 million at 31 March 2003 (€ 472.1 million at 31 March 2002).

7.2. Certain current assets are subject to provisions. Thus, at 31 March 2003, inventories are shown net of a provision of € 3.7 million (€ 9.0 million at 31 March 2002, € 10.1 million at 31 March 2001).

7.3. The movements on Inventories were as follows:

(€ millions)	Total
31 March 2002	**831.9**
Movement for the year	(35.2)
Changes in group structure	(5.9)
Translation	(15.4)
31 March 2003	**775.4**

7.4. Trade notes and accounts receivable are reported net of a provision for doubtful accounts of € 7.7 million (€8.5 million at 31 March 2002, € 9.3 million at 31 March 2001) evaluated individually to cover the degree of risk of non-collection.

8- OTHER RECEIVABLES

This comprises the following at 31 March:

(€ millions)	2003	2002	2001
Supplier advances	24.0	34.0	32.6
Social and tax balances	53.7	39.7	29.3
Commitment to supply eaux-de-vie	2.2	2.1	2.6
Rights to use the Picon brand (1)			50.2
Excise duties paid in advance	4.6	7.0	4.8
Pre-paid expenses	6.6	8.0	9.6
Issue costs of loan notes amortised over 7 years	3.2	4.3	5.4
Issue costs of subordinated perpetual notes amortised over 15 years	1.3	1.8	2.2
Financial instruments	18.6	11.7	14.6
Receivable from asset disposals	20.2		
Other	21.3	44.9	46.0
Total	**155.7**	**153.5**	**197.3**

9 - SHARE CAPITAL

There were 44,579,941 shares in issue at 31 March 2003 with a nominal value of € 1.60 each. As part of its share buyback programme, Rémy Cointreau acquired 509,985 treasury shares, which have been reported as a deduction from consolidated shareholders' equity. During 2003, 145,588 shares were acquired for € 3.6 million to stabilise the share price. At 31 March 2003, these shares were recorded in Short-term deposits and cash.

Maximum number of shares used to calculate diluted earnings:

Maximum number of shares to be created	2003	2002	2001
Shares in issue	44,579,941	44,459,726	44,377,621
Treasury shares	(509,985)	(509,985)	
Potential number of shares :			
Stock-options	2,565,111	2,685,326	1,849,940
Convertible loan note	30,032	30,032	30,032
OCEANE (pro rata)	6,896,528	6,896,528	1,724,133
Total	**53,561,627**	**53,561,627**	**47,981,726**

10 - CONVERTIBLE LOAN NOTES

10.1. The convertible loan notes at 31 March 2003 comprise the following:

(€ millions)	2003	2002	2001
OCEANE 3.50% 2006			
Principal	300.0	300.0	300.0
Redemption premium	14.5	7.8	1.1
Convertible loan 7.50% 2006	0.6	0.6	0.6
TOTAL	**315.1**	**308.4**	**301.7**

- Following the authorisation of the Combined General Meeting on 24 August 2000, the Board of Directors meeting on 13 December 2000 decided to issue loan notes for € 300 million with the option of conversion and/or exchange for new and/or existing shares.

- The principal features of this OCEANE (loan notes convertible into new or existing shares) are as follows:

- number of loan notes issued: 6,896,551
- nominal value € 43.50
- issued at par
- effective from 30 January 2001
- duration 5 years and 61 days
- rate of 3.50 % per annum payable on 1 April of each year
- redemption on 1 April 2006 at € 48.53, which includes a premium of 11.56% on the nominal value, being €34.6 million
- early redemption at the option of the issuer with effect from 1 April 2004 if the Rémy Cointreau share meets certain quotation criteria,
- every loan note may be converted or exchanged for a new or existing share, at any time with effect from 30 January 2001 until the 7th working day prior to the redemption date.

No loan note was converted in the year. At 31 March 2003, 23 loan notes in total have been converted or exchanged.

10.2. On 21 January 2002, Rémy Cointreau concluded an interest rate swap contract for a notional amount of € 300 million maturing on 1 April 2006. This is to guarantee the payment of the redemption premium for the convertible loan described in **10.1** above. The premium, which is payable on maturity in the event of non-conversion, amounts to € 34.6 million. This contract covers the following swaps:

- Rémy Cointreau pays Euribor 12 months Post fixed less 2.5050% every year
- Rémy Cointreau will receive € 34.6 million on maturity, 1 April 2006

This swap was unwound on 24 July 2002. The impact of this was € 0.2 million on profit and € 3.6 million on cash.

- **11 – SUBORDINATED PERPETUAL NOTES**

11.1. The company issued € 304.9 million in subordinated perpetual notes on 16 May 1991. The annual interest rate is the 6-month Euribor plus 1% until 16 May 2006.

11.2. The principal clauses in the conditions of issue are:

- the notes, which have no fixed repayment date, will only be redeemed at their nominal value in the event of a legal liquidation, or a judgment ordering the complete transfer of the business, or a voluntary liquidation other than by way of merger or demerger.

- the redemption of the notes will be subordinated to the complete settlement of all creditors of the company, to the exclusion of the holders of participating loans granted to the company and future participating notes issued.

- the payment of interest can be suspended in the event that the consolidated financial statements disclose a loss in excess of 25% of consolidated shareholders' equity and that no dividend was payable in respect of the previous financial year.

11.3. The notes were repackaged at the time of their issue as part of an agreement with a third party.

In this agreement, the third party, which has a separate contract with the subscribers to the notes, is committed to repurchasing the notes after 15 years and to waiving the right to interest from the start of the 16th year, in consideration of a payment of € 82.9 million by the company at the commencement of the agreement.

Due to these arrangements, the notes were recorded at the time of their issue as a liability in the balance sheet at their net amount of € 222 million. The consolidated net income each year bears the interest charge in respect of the gross amount of the notes and the benefit of the notional interest arising on the deposit of €82.9 million. This notional interest is treated as an annual payment to reduce the debt and future interest thereon, and it is therefore recorded as an equivalent reduction in the debt.

11.4. The notes were subject to restructuring in May 1996 as follows:

- Rémy Cointreau exercised its right to repurchase the notes at their nominal value;
- the subordinated perpetual notes were sold at their current value to a Fonds Commun de Creances (FCC) – a mutual investment fund which will receive the interest income up to 15 May 2006.
- the original contract was revised to include the following:
  - the half-yearly interest payable by Rémy Cointreau will be reduced to a nominal amount with effect from 16 May 2006;

- the clause relating to the suspension of interest payments was cancelled.

- the agreement linking the third party that received the initial payment with the subscribers to the notes was cancelled.

- as part of this restructuring, the following financial instruments, with maturity in 2006, have been used:

Currency	Nominal (in € millions)	Rate received	Rate paid
EUR	131.11	Euribor 6 months	Fixed
EUR	21.34	Euribor 6 months	Fixed
EUR	81.71	Variable	Fixed
EUR	27.75	Fixed	Variable

12 –LONG AND MEDIUM-TERM DEBT

Long and medium-term debt at 31 March 2003 comprises:

(€ millions)	2003	2002	2001
Loan notes	163.5	165.9	163.6
Bank loans with variable interest rates	170.0	220.0	269.0
Other long and medium-term loans		4.2	4.9
Total	**333.5**	**390.1**	**437.5**

12.1. The item "Loan notes" primarily comprises the high yield senior bond of € 150 million issued on 30 July 1998, and with a life of 7 years. This bond is redeemable at par on maturity, carries interest at 10%, and has a number of early redemption clauses at the option of the issuer as follows:

- prior to 30 July 2001, in the event of a public or reserved increase in capital, for repayment on a proportional basis up to 35% of the total nominal amount of the bonds issued.

- with effect from 30 July 2002, in all cases, for all or a part of the bonds at a price of 105% in the period 2002/03, 102.5% in the period 2003/04 and at par in 2004/05.
- The agreement covering the bonds also provides every holder with the right to request repayment of bonds held at a price of 101% in the event of a "fundamental change" covering the possible sale or transfer of a substantial part of the assets of Rémy Cointreau, and in the event of ORPAR and RECOPART SA together holding less than one-third of the voting rights of the issuer, or being unable to nominate the majority of the Supervisory Board for two consecutive years.

12.2. At 31 March 2003, the Group's confirmed banking facilities (including those maturing in less than one year) were € 440.5 million, analysed as follows:

Nature	**Principal (€ millions)**	**Maturity**
Banking syndicate	400,0	2003 to 2005
Bilateral credit lines	40,5	2003 to 2004

The syndicated credit of € 400 million agreed on 13 June 2000, with a group of 17 banks, comprises a fixed tranche (term facility) and a revolving facility each of €200 million. Both tranches are repayable in 5 equal half-yearly payments of principal, the first being due on 13 June 2003 and the last on 13 June 2005, which is an average life of 4 years. This credit line carries no security.

Under this contract, Rémy Cointreau is committed to meeting the following financial ratios at 30 September and 31 March of each year:

- Debt/equity ≤ 0.75 (in the calculation of this ratio, the subordinated perpetual notes are treated as equity)
- Debt/EBITDA ≤ 4.25
- EBITDA/finance costs ≥ 2.5

For the purposes of these calculations, EBITDA is defined as the sum of operating profit, amortisation and depreciation and dividends received from associated undertakings; debt and equity are determined as the arithmetic average of the last two half-yearly reports.
At 31 March 2003, these ratios were as follows:

- Debt/equity: 0.73
- Debt/EBITDA: 3.48
- EBITDA/finance costs: 3.69

The Debt/EBITDA and EBITDA/finance costs ratios are used to determine the margin applicable to the Euribor interest rates. On the basis of the ratios for 2003, the margin was 95 basis points.

12.3. The maturity of long and medium-term debt at 31 March 2003 is as follows:

(€ millions)	**2003**	**2002**	**2001**
In excess of 5 years			
In excess of 1 year and less than 5 years	333.5	390.1	437.5
Total	**333.5**	**390.1**	**437.5**

12.4. At 31 March 2003, the analysis by currency of the long-term debt was as follows:

(€ millions)	**2003**	**2002**	**2001**
French franc			27.0
Euro	333.5	389.1	405.0
Polish Zloty		1.0	5.5
Total	**333.5**	**390.1**	**437.5**

13 - PROVISIONS FOR LIABILITIES AND CHARGES

13.1. Provisions for liabilities and charges are analysed thus:

(€ millions)	**2003**	**2002**	**2001**
Provisions for pensions	17.2	18.3	25.4
Provisions for liabilities and charges	58.8	63.3	47.2
Total	**76.0**	**81.6**	**72.6**

The provisions for liabilities and charges relate mainly to:

- provisions for restructuring costs.

- provisions for various operational liabilities.

These amounts include the provisions set up as part of the consolidation of Bols**.**

The € 76.0 million of provisions at the end of March 2003 cover € 22.6 million of charges likely to arise in 2004. The balance relates to charges whose date of realisation is not known at present.

13.2. Movements in provisions for liabilities and charges are analysed thus:

(€ millions)	Total
31 March 2002	**81,6**
Increases in the year	9,2
Used in the year	(14,8)
Releases in the year	
31 March 2003	**76,0**

14. OPERATING LIABILITIES

14.1. Trade notes and accounts payable at 13 March 2003 were:

(€ millions)	2003	2002
Eaux-de-vie suppliers	27.9	93.0
Other suppliers	111.8	134.1
Total	**139.7**	**227.1**

14.2. Other operating liabilities at 31 March were:

(€ millions)	2003	2002	2001
Customer advances	1.0	1.6	0.6
Tax and social charges	81.3	90.9	81.6
Excise duties payable	12.4	33.1	18.5
Advertising	24.2	30.1	13.4
Other deferred income	4.2	4.3	1.4
Financial instruments	9.0	3.4	9.6
Interest	24.0	27.8	15.9
Other	42.2	63.4	76.5
Total	**198.3**	**254.6**	**217.5**

15 – ANALYSIS OF TURNOVER BY GEOGRAPHIC AREA

Consolidated turnover is analysed thus:

(€ millions)	2003	2002	2001
France	61.8	58.1	61.2
Other European countries	406.8	409.6	307.3
North America	351.8	366.2	353.5
Asia - Pacific	127.3	133.7	152.0
Rest of the world	52.5	51.9	51.6
Total	**1,000.2**	**1,019.5**	**925.6**

16 – ANALYSIS BY SEGMENT

Operating profit includes:

a) the profit directly allocated to the various brands owned by the Group,
b) the indirect charges representing the overheads of the various distribution companies and the administration entities.

The brands have been split across 5 divisions which thus cover the following principal products or brands:

Cognac: Rémy Martin products

Liqueurs: Cointreau, Passoa, Bols Liqueurs, Galliano, Pisang Ambon

Spirits: Bols Vodka, Metaxa, Seguin Brandies, Mount Gay and Saint James rums, Bols and Bokma genevers

Champagne and Wines: Piper Heidsieck, Charles Heidsieck, Piper Sonoma Californian wines.

Partner brands: these are brands not owned by the group that are carried by the Group's distribution network; these are mainly a portfolio of wines in the Netherlands, Highland Distillers scotch whiskies and the Antinori wines in the US.

16.1. The analysis of turnover and operating profit by division is as follows:

(€ millions)	2003	2002	2001
Turnover			
Cognac	358.9	380.1	375.5
Liqueurs	175.0	172.0	142.5
Spirits	200.8	216.3	144.1
Champagne & Wines	130.4	111.5	140.6
Partner brands	135.1	139.6	122.9
	1,000.2	**1,019.5**	**925.6**
Operating profit			
Cognac	149.3	145.6	133.0
Liqueurs	50.4	47.3	32.9
Spirits	61.5	70.1	38.7
Champagne & Wines	17.2	5.7	12.1
Partner brands	20.9	22.0	21.8
	299.3	290.7	238.5
Distribution costs, central costs and unallocated charges	(85.5)	(81.6)	(54.2)
Total	**213.8**	**209.1**	**184.3**

16.2. The balance sheet analysis by division is as follows:

At 31 March 2003

€ millions	Intangible fixed assets, net	Tangible fixed assets, net	Current assets (1)	Operating liabilities (2)
Cognac	239.5	19.6	511.2	102.4
Liqueurs	196.9	16.8	53.7	51.9
Spirits	393.0	43.5	132.0	69.0
Champagne and wines	141.9	68.0	256.6	51.1
Network and holding	0.9	3.9	223.4	96.3
TOTAL	**972.2**	**151.8**	**1,176.9**	**370.7**

(1) excluding short-term deposits and cash
(2) including deferred tax liabilities

At 31 March 2002

(€ millions)	Intangible fixed assets, net	Tangible fixed assets, net	Current assets (1)	Operating liabilities (2)
Cognac	237.1	23.7	545.0	177.6
Liqueurs	195.7	12.5	39.6	78.3
Spirits	396.0	48.3	182.5	106.8
Champagne and wines	142.7	75.5	280.2	59.8
Network and holding	1.0	5.6	246.1	93.2
TOTAL	**972.5**	**165.6**	**1,293.4**	**515.7**

(1) excluding short-term deposits and cash
(2) including deferred tax liabilities

16.3. Return on capital employed

Return on capital employed is calculated thus:

Capital employed (note **16.2**):

- tangible fixed assets,
- current assets (excluding short-term deposits and cash),
- operating liabilities.

Operating profit (note **16.1**):

- operating profit after allocation of costs of holding company and distribution network

Capital employed and operating profit are identified and analysed by division. Capital and profits allocated to the holding company and the distribution network are split on the basis of actual inventories and pro rata to sales.

	2003		
(€ millions)	Capital employed	Operating profit	%
Cognac	486.9	122.7	25.2
Liqueurs	35.6	40.2	112.9
Spirits	121.9	33.5	27.5
Champagne & wines	285.0	11.0	3.9
Partner brands	28.6	6.4	22.4
Total	**958.0**	**213.8**	**22.3**

After inclusion of the carrying value of the brands and other intangible assets (notes **3.1** and **16.2**), the rate of return on capital employed was 16.9% for Cognac, 17.3% for Liqueurs, 6.5% for Spirits and 2.6% for Champagne and Wines.

17- OPERATING EXPENSES

17.1. The analysis of operating expenses is as follows:

(€ millions)	**2003**	**2002**	**2001**
Personnel costs	125.3	114.8	105.0
Other costs	261.9	294.5	250.5
Depreciation	20.3	23.2	21.3
Provisions	2.8	3.4	1.8
Expenses reallocated to cost of sales	(65.0)	(78.2)	(67.9)
Total	**345.3**	**357.7**	**310.7**
split:			
Marketing expenses	260.7	274.2	225.3
Administrative expenses	84.6	83.5	85.4
Total	**345.3**	**357.7**	**310.7**

The marketing expenses comprise promotion and advertising costs, commissions paid and received, brand franchise fees, ordinary provisions for inventories and trade accounts receivable as well as the general expenses for the group's distribution companies. Administrative expenses comprise all other expenses (mainly the general expenses of the holding and production companies).

18- GROUP PERSONNEL

(at 31 March)	**2003**	**2002**	**2001**
France	1,043	1,084	1,108
Europe (excl. France)	694	661	773
Asia - Pacific		34	31
America	460	398	344
Total	**2,197**	**2,177**	**2,256**

The workforce is expressed at the year end and relates to fully consolidated companies.

19 – DIRECTORS' REMUNERATION

(€ millions)	**2003**	**2002**	**2001**
France	1.9	1.6	1.7
Total	**1.9**	**1.6**	**1.7**

Directors' remuneration paid by Rémy Cointreau covers all gross remuneration and attendance fees paid to members of the Management Committee and Directors for 2001 and for the members of the Supervisory Board and Management Board for the years 2002 and 2003.

20 - FINANCE COSTS

(€ millions)	2003	2002	2001
Exchange gains/(losses)	(2,3)	0,7	(0,8)
Finance income	2,2	5,7	4,8
Finance costs	(67,0)	(68,7)	(59,0)
Dividends	0,4	0,4	1,0
Total	**(66,7)**	**(61,9)**	**(54,0)**

Finance income and costs include:
- interest costs,
- commission on credit lines,
- amortisation of issue costs and loan note redemption premium,
- related bank charges.

The finance cost of debt servicing amounted to € 54.8 million for 2003 and corresponds to an average interest rate of 5.79% for the year (2002: 6.32%)

21 – EXCEPTIONAL INCOME/EXPENSES

This includes exceptional income and expense as well as extraordinary items. Exceptional income and expense do not relate directly to ordinary activities.

22 – TAXATION

(€ millions)	2003	2002	2001
Loss on disposal of securities and investments	(2.7)	(3.1)	
Gain on disposal of assets	11.7		1.0
Cost of restructuring, closure or site transfer	(8.5)	(4.5)	(1.0)
Equity swap			12.0
Dilution gain on investment in Maxxium		4.0	
Provisions and other charges	(1.9)	(3.0)	(11.0)
Loss on associated company (Maxxium)		(0.5)	(1.0)
Taxation		1.8	
Total	**(1.4)**	**(5.3)**	**0.0**

22.1. The net effect of taxation on profit is as follows:

(€ millions)	2003	2002	2001
Tax on profit on ordinary activities			
· Current	(44,1)	(35,5)	(35,0)
· Deferred	(6,4)	(13,1)	(7,4)
· Total	(50,5)	(48,6)	(42,4)
Tax on non-recurring income			
· Current	(0,3)	(13,2)	(3,4)
· Deferred	(0,8)	14,9	4,0
· Total	(1,1)	1,7	0,6

22.2. Rémy Cointreau has elected to create a tax grouping for certain subsidiaries in which it has a shareholding of at least 95%, directly or indirectly. This grouping allows for possible tax savings, within certain limits, as taxable profits can be offset against tax losses. Any tax saving is recognised in the year in which the offset occurs.

22.3. A deferred tax asset of € 31.9 million has been recorded in respect of temporary differences at 31 March 2003, € 44.0 million at 31 March 2002, and € 45.6 million at 31 March 2001.

22.4. The tax losses and capital losses carried forward at 31 March are as follows:

(€ millions)	2003	2002	2001
No time limit	2.9	5.9	8.8
Expiring			
2003		0.1	33.0
2004	0.1		
2005			
2006			
2007			
After 2007	4.2	5.3	
Total losses carried forward	**7.2**	**11.3**	**41.8**

The potential tax benefit of these tax losses carried forward as at 31 March 2003 is € 2.2 million. No deferred tax asset has been recognised in respect of this amount.

22.5. In 2003, the tax on profit on ordinary activities was a charge of € 50.5 million. The difference between that and the standard 35.4% tax rate in France is as follows:

(€ millions)	2003	2002	2001
Standard rate of tax	(52.1)	(52.2)	(47.4)
Actual tax charge	(50.5)	(48.6)	(42.4)
Difference	1.6	3.6	5.0
· Permanent differences between the accounting and taxable profits	1.3	1.0	3.0
· Use of tax losses or timing differences not previously recognised	0.5	1.8	4.0
· Tax losses of subsidiaries not used	(0.9)	(1.2)	
· Difference in tax rates for foreign subsidiaries	(0.2)	2.0	(2.0)
· Ajustment to the tax charge for prior years (tax audit changes)	0.9		
Total	**1.6**	**3.6**	**5.0**

23 – POST BALANCE SHEET EVENTS

On 17 April 2003, Rémy Cointreau sold its wine distribution business in the Netherlands. The total value was € 6.4 million (including inventories). At 31 March 2003, this operation had turnover of € 24.6 million.

On 25 April 2003, Rémy Cointreau mandated 6 banks to set up a syndicated credit of € 400 million repayable over 5 years. This credit comprises a repayable term facility and a revolving facility repayable at maturity of € 200 million each. At the time of signing, the applicable margin, adjustable in line with the Debt/EBITDA ratio was 120 basis points above Euribor. This credit was to be used to refinance that of 13 June 2000 described in point **12.1**.

24 – OFF BALANCE SHEET COMMITMENTS AND LITIGATION

24.1. Off balance sheet commitments

Commitments in respect of the management of exchange and interest rate risks, as well as the equity swap contract are described in note **25**.

The unamortised portion of the OCEANE 2006 redemption premium (note **10.1)** of € 20.1 million, as well as the financial instruments to hedge the subordinated perpetual loan notes (note **11.4)** comprise the off balance sheet commitments.

Other group commitments are:

(€ millions)	**2003**
Inventory comitments	
Eaux de vie (a)	34,3
Champagne (b)	21,2
Banking commitments	
Various guarantees in respect of financing	0,6
Guarantees of 25% of Maxxium debt (c)	43,3
Tax commitments	
Tax guarantees (d)	32,4
Other commitments given	
Option over shares held (e)	36,6

(a) Certain group companies are contractually committed to purchase from various storage organisms and suppliers a substantial part of their supplies of eaux-de-vie. In the event that these companies do not meet their commitments, they will be required to pay compensation or waive accounts receivable from the organisms concerned.

(b) In the Champagne division, commitments to purchase wine held at the vineyard.

(c) Rémy Cointreau has guaranteed one quarter of the bank debt of Maxxium B.V., on equal terms with the three other partners in the distribution joint venture. The maximum amount of the guarantee is € 62.5 million.

(d) Bank guarantees given to the tax authorities are guarantee for matters in dispute following a request for deferment of payment.

(e) In June 2003, as part of the current joint venture agreements of Rémy Cointreau with its partner Takirra Investment Corp. NV (Takirra) in Unicom Bols, the company that sells the Bols portfolio of vodkas in Poland, the group granted its partner a put option exercisable in April 2006 over 50% of the share capital in Unicom Bols held by Takirra.
This agreement, which strengthens the collaboration between the two partners during this period, will enable Takirra to sell its holding in Unicom Bols in April 2006 on the basis of an enterprise value of 7 times operating profit and for a minimum price of € 36.6 million for 50% of the capital.

24.2. As part of the disposals that occurred in 1999 (Krug and GVG), and at the time of the transfer of the distribution assets of Rémy Associés, and the establishment of the Maxxium BV joint venture, Rémy Cointreau gave guarantees to the purchasers in respect of liabilities. Most of these specific guarantees expired in 2001 and the only guarantees still valid relate to the legal limits that are not yet prescribed.
As part of the disposal of Blue Pyrenees Estate Ltd (Note **2.2**) Rémy Cointreau gave a guarantee of liabilities for a maximum of 10 million Australian dollars with maturity on 31 October 2004 and 31 October 2006 for tax matters.

24.3. As part of the agreements to set up Maxxium in August 1999, Rémy Cointreau transferred assets to the new joint venture in exchange for shares in Maxxium and € 122 million in cash, of which € 82 million had been received at 31 March 2003. The balance of € 40 million represents a composite price linked to Maxxium's financial performance. Part of this amount (€ 24 million) has a fixed maturity on 31 July 2009 and the remainder (€ 16 million) has no time limit.

24.4. At 31 March 2003, Rémy Cointreau was engaged in a number of legal actions. Following a review of each case at the level of the subsidiary concerned, and with legal advice, provisions deemed necessary were created, as required, to cover the estimated liabilities.

24.5. The Group states that it has not omitted significant off balance sheet information in the presentation of its financial statements.

25 – EXPOSURE TO MARKET RISKS

The Group is exposed to foreign exchange and interest rate risks.

Risk management is carried out with prudence and the approval of the Management Board. The sale of options is limited to tunnels or to the resale of instruments purchased previously and authorised on a case-by-case basis.

For exchange risks, the horizons covered and the levels committed are limited and the hedge cover strategies are agreed by a finance committee, within the Management Board.

All hedging transactions are with first class international banks.

25.1 Foreign exchange risk

The Group's results are sensitive to exchange rate movements as 63% of its sales come from outside the euro zone, whereas almost all production is based in this zone.

The Group's exposure to foreign exchange risk relates mainly to sales denominated in currencies other than the euro (principally USD, AUD, CAD, JPY, GBP and HKD) by the production companies to Maxxium, the American distribution company and the exclusive foreign agents.

The Group plans to cover its net budgetary commercial exposure on a moving horizon of 15 to 18 months maximum. This is achieved by entering into fixed or optional hedge contracts.

This hedging policy only covers short-term exchange risks. It does not pretend to shelter Rémy Cointreau from the economic effects of long-term monetary trends on the Group's sales or margins.

The Group does not hedge the effect of translation into euros of the financial statements of companies based outside the euro zone.

25.1.1. Foreign exchange risk on commercial flows

The following cover was arranged for the year 2003:

(currency millions)	USD	AUD	CAD	JPY	GBP	HKD
Positions covered	200.0	18.0	17.8	1,700.0	15.0	176.4
Average rate	0.9007	1.7311	1.4550	113.68	0.6324	7.80
Positions not covered	17.7	(0.8)	0.5	271.4	1.2	10.1
TOTAL	**217.7**	**17.2**	**18.3**	**1,971.4**	**16.2**	**186.5**

The positions not covered relate to sales achieved in March 2003.

At 31 March 2003, the Group held exchange swaps on 2003 commercial flows not yet settled as well as cover in respect of future commercial flows in 2004 and 2005.

Residual cover in respect of 2003 flows settled in 2004.

Type	Currency	Nominal (in millions)	Exchange rate guaranteed
Fixed	USD/EUR	(29,4)	1,0688
Fixed	AUD/EUR	(5,7)	1,7828
Fixed	JPY/EUR	(256,0)	128,345

Cover in respect of 2004

Type	Currency	Nominal (in millions)	Exchange rate guaranteed
Option (1)	USD/EUR	(170,0)	0,9784
Fixed	USD/EUR	(15,0)	1,0398
Total		(185,0)	0,9831
Premiums paid/received: € (3.4) million			
Option (1)	AUD/EUR	(12,0)	1,8071
Premiums paid/received: € (0.14) million			
Option (1)	CAD/EUR	(12,0)	1,5427
Premiums paid/received: € (0.15) million			
Option (1)	JPY/EUR	(800,0)	114,4
Premiums paid/received: € (0.05) million			
Option (1)	GBP/EUR	(9,0)	0,6388
Premiums paid/received: € (0.22) million			
Fixed	HKD/USD	(45,0)	7,8118

(1) including tunnel options

Cover in respect of 2005 flows

Type	**Currency**	**Nominal (in millions)**	**Exchange rate guaranteed**
Option (1)	USD/EUR	(50,0)	1,1028
Premiums paid/received: € (0.93) million			

(1) including tunnel options

At 31 March 2003, the market value of the cover instruments was € 24.7 million.

25.1.2 Exchange risk relating to financing in foreign currencies

The Group's financing is centralised within Rémy Cointreau S.A and denominated in euros. The subsidiaries outside the euro zone are financed substantially from these resources, made available by intra-group loans denominated in the currency of the borrower.

In order to cover the exchange exposure on loans and borrowings issued in non-euro zone currencies, the Group has set up matching exchange swaps. Interest collected or paid is covered by forward purchases or sales. These transactions have a maturity of one month to one year.

Rémy Cointreau is mainly a lender/borrower in USD, HKD, CHF and AUD.

The portfolio of these cover swaps at the year-end was as follows:

Currency	Nominal		Exchange rate	
	Purchase	Sale	Purchase	Sale
HKD/EUR	45.247		8.5060	
AUD/EUR	2.466		1.8665	
CHF/EUR	1.242		1.4750	
USD/EUR		(34.00)		1.07155
USD/EUR (1)		(6.0)		0.97535

(1) Forward sale

25.2 Interest rate exposure

As part of a policy of interest rate management whose principal aim is to cover against the risk of an increase in interest rates, the Group has structured its resources by dividing its debt into fixed and variable rate amounts.

At 31 March 2003, the financial debt (excluding the subordinated perpetual loan notes and convertible loan notes) was as follows:

(€ millions)	**2003**
Fixed rates	163.9
Variable rates (1)	313.9
Total	**477.8**

(1) The variable rate debt carries interest rate cover that does not exceed 3 years.

25.2.1. Option portfolio (medium-term)

The option portfolio comprises mainly CAPs except for a € 40 million swaption for 2004 and a € 40 million floor sale with knock-in barrier expiry date 2005/06.

(€ millions)

Maturity	**Nominal**	**Reference rate**	**Rate guaranteed**
2003-2004	330.0	Euribor	4.78%
2004-2005	245.0	Euribor	4.33%
2005-2006	230.0	Euribor	4.26%

Premiums paid/(received): € (2.25) million

25.2.2. FRA Portfolio (short-term: 3 and 6 months)

(€ millions)

Maturity	**Nominal**	**Rate paid**
2004		
1st Quarter	451,0	3,31%
2nd Quarter	343,0	2,82%
3rd Quarter	186,0	2,84%
4th Quarter	120,0	2,58%
2005		
1st Quarter	208,5	2,69%
2nd Quarter	80,0	2,72%
3rd Quarter		
4th Quarter		

25.2.3. SWAP portfolio

(€ millions)

Maturity	**Nominal**	**Rate paid**	**Rate received**
2003-2004	40,0	3,64%	Euribor 3M

At 31 March 2003, the market value of the cover instruments amounted to € (0.82) million.

25.3. Equity SWAP contract

On 31 October 2001, Rémy Cointreau S.A. entered into a swap contract with a financial institution whereby the Group pays interest at variable rates as well as any capital losses relating to the reference price of the share (for capital losses at maturity) and receives revenues from the shares (dividends and other financial rights attached to the shares), as well as any capital gains relating to the reference price of the share (for capital gains at maturity)

This contract covers a nominal value of € 43 million corresponding to 2,100,000 Rémy Cointreau shares (a reference price of € 20.52 per share) and matures on 8 November 2004. The contract will be settled entirely in cash, early (in full or in part), at Rémy Cointreau's initiative, or in full at maturity.

This transaction is part of the general plan for the disposal by Blekos Holding BV (previously Bols Holding BV) of the full amount of the balance of Rémy Cointreau shares held, being 2,525,282 shares. The two transactions occurred at the same time.

The Group incurred a net interest charge of € 1.69 million in the year. The unrealised capital gain of € 7.35 million at 31 March 2003 was not recognised.

26. PENSIONS AND SIMILAR COMMITMENTS

26.1 Commitments in respect of defined benefit plans are as follows:

(€ millions)	**2003**
Actuarial debt at the start of the period	**(130.9)**
Standard cost	(4.2)
Interest on the actuarial debt	(6.8)
Benefits paid	4.4
Actuarial gains and losses	11.9
Actuarial debt at end of the period	**(125.6)**
Value of plan assets at the start of the period	108.5
Yield	(17.7)
Contributions received	2.4
Benefits paid	(4.1)
Value of plan assets at the end of the period	**89.1**
Financial cover	(36.4)
Actuarial differences not recorded (gains)/losses	31.4
Retirement commitments	**(5.0)**
Total liabilities	**(17.2)**
Total assets	**12.2**

26.2 The cost for the period was:

(€ millions)	**2003**
Standard cost	4.2
Interest on actuarial debt	6.8
Expected yield from investments	(8.7)
Amortisation of actuarial gains and losses	0.1
Cost for the period	**2.4**
Benefits	(0.3)
Net cost for the period	**2.1**

26.3. The actuarial assumptions are:

- Average discount factor 5%
- Average increase in salaries 3.80%
- Average life expectancy 10-25 years
- Expected yield from investments 6.5%

27- SHARE OPTIONS

The following table sets out the features of the share option subscription plans at 31 March 2003.

No new options were granted during the year 2002/03.

STOCK OPTION SUBSCRIPTION PLANS AT 31 MARCH 2003

	PLAN n°4	PLAN n°5	PLAN n°6	PLAN n°7	PLAN n°8	PLAN n°9	PLAN n°10	PLAN n°11
Date of Extraordinary General Meeting	16/9/1996	16/09/1996	26/8/1998	26/8/1998	26/8/1998	26/8/1998	24/8/2000	24/08/2000 & 21/09/01
Date of meeting Board of Directors or Management Boa	12/04/96	25/3/1998	28/10/1998	28/4/1999	12/07/99	30/5/2000	03/01/01	03/08/02
Total number of options granted	216 630	164 500	224 044	289 300	499 100	131 280	1 016 600	659 500
- including options to subscribe by Directors (1)	64 607	100 000	72 466	119 576	127 900	61 960	200 000	275 000
- number of Directors concerned	10	7	7	10	10	9	5	5
Total number of beneficiaries	84	20	75	66	85	28	150	43
Options valid from	12/04/96	25/3/1998	28/10/1998	28/4/1999	12/07/99	30/5/2000	03/01/03	03/08/06
Options expire on	12/03/03	24/3/2005	27/10/2005	27/4/2009	12/06/09	29/5/2010	28/2/2011	07/03/12
Subscription price (euro) (2)	16,69	13,55	13,55	12,20	16,36	18,85	27,10	25,00
Number of shares lapsed	17 384	-		3 000	-	-	16 000	-
Number of options subscribed at 31 March 2003	115 499	85 237	113 163	90 400	172 200	22 960	-	-

(1) Board of Directors and members of the Management Committee prior to 19 December 2000
and members of the Management Board and Supervisory Board since that date,
(2) The exercise price prior to 1999 arises from the conversion into euro of information originally established in francs

28 – LIST OF CONSOLIDATED COMPANIES

At 32 March 2003, the group comprised 60 companies (65 at 31 march 2002). 58 of these companies were fully consolidated and two were equity accounted. These companies had a 31 march year end with the exception of Rémy Colombia and Destileria de Jalisco that had a 31 December year end and S.M.C.S. and R.M.S.J. that had a 30 September year end.

Companies	Activity	Group interest %	
		March 2003	**March 2002**
EUROPE			
France			
Rémy Cointreau SA (8)	Holding / Finance	100.00	100.00
Gie Rémy Cointreau Sces	Holding / Finance	95.00	95.00
R Cointreau Sces SAS (8)	Holding / Finance	100.00	100.00
Financière Rémy Cointreau SAS (8)	Holding / Finance	100.00	100.00
CLS Rémy Cointreau (8)	Production	100.00	99.88
Rémy Martin & Cie SA (8)	Production	100.00	99.86
Les Domaines Rémy Martin (1)	Production	-	99.85
Cognacs de Luze	Production	100.00	99.35
Storeco (8)	Production	100.00	99.86
Seguin & Cie (8)	Production	100.00	99.35
Cointreau SA (8)	Production	100.00	99.92
Izarra (8)	Production	100.00	99.91
SAP (8)	Production	100.00	99.91
Champ.P&C Heidsieck (8)	Production	99.98	99.97
Champ. F.Bonnet P&F (8)	Production	99.98	99.96
Piper Heidsieck C.C.SA (8)	Production	100.00	100.00
G.V. de l'Aube (8)	Production	100.00	99.96
G.V. de la Marne (8)	Production	99.95	99.92
SA Fournier - Safec (8)	Production	100.00	99.97
The Netherlands			
D.F.D.I. (4)	Holding / Finance	100.00	49.97
Rémy Finance BV	Holding / Finance	100.00	100.00
Maxxium International BV (3)	Distribution	25.00	24.96
Erven Lucas Bols NV	Holding / Finance	100.00	100.00
Distilleerderijen Erven Lucas Bols BV	Holding / Finance	100.00	100.00
Gedistilleerd en Wijn Groep Nederland BV	Other	100.00	100.00
Bols Distilleries BV	Distribution	100.00	100.00
Lodka Sport BV	Other	50.00	50.00
Meekma Distileerderijen BV	Other	100.00	100.00
Beleggingsmaatschappij Honthorst BV	Holding / Finance	100.00	100.00
Beleggingsmaatschappij Honthorst II BV	Holding / Finance	100.00	100.00
Lodka II (5)	Holding / Finance	100.00	100.00
Exploitatiemaatschappij Rozengracht BV	Holding / Finance	100.00	100.00
't Lootsje II BV	Holding / Finance	100.00	100.00
Wijnhandel Ferwerda & Tieman BV	Holding / Finance	100.00	100.00
Duncan, Gilby & Matheson BV	Other	100.00	100.00

Companies	Activity	Group interest %	
		March 2003	**March 2002**
Unipol BV	Other	50.00	50.00
Botapol Management BV	Holding / Finance	100.00	100.00
Botapol Holding BV	Holding / Finance	50.00	50.00
Other countries			
Hermann Joerss Gmbh	Distribution	100.00	99.86
Cointreau Holding	Holding / Finance	100.00	99.86
Rémy Suisse SA	Distribution	100.00	100.00
Bols Premium Kft	Distribution	100.00	100.00
Unicom Bols Group Sp.z.o.o	Production	50.00	50.00
Arima S.A	Other	50.00	50.00
Bols Sports & Travel Sp.z.o.o	Other	100.00	100.00
S&EA Metaxa ABE	Production	100.00	100.00
AMERICAS			
United States			
Rémy Amérique Inc	Distribution	100.00	99.86
Remy Cointreau Amérique Inc	Holding / Finance	100.00	99.86
RMS Vineyards Inc (9)	Production	-	99.86
Antilles			
Mount Gay Distilleries Ltd	Production	94.98	92.39
Bols Latin America NV	Holding / Finance	100.00	100.00
Blousana Corporation AVV	Distribution	100.00	100.00
Sprock USA CV (2)	Production	-	100,00
S.M.C.S.	Production	99.49	99.40
R.M.S.J.	Production	99.49	99.40
Other countries			
Cointreau Do Brasil Ltda	Production	100.00	99.92
Destileria de Jalisco	Production	100.00	99.92
Rémy Colombia	Distribution	100.00	100.00
ASIA/PACIFIC			
China			
Sino French Dynasty Winery (3)	Production	33.00	33.00
Hong Kong			
Rémy Concord	Production	100.00	100.00
Kenton Ltd (7)	Production	-	100.00
Caves de France Ltd (1)	Distribution	-	100.00
Rémy Pacifique Ltd	Distribution	100.00	100.00

Companies	Activity	Group interest %	
		March 2003	**March 2002**
Australia			
Blue Pyrenees Estate Ltd [(1) (6)]	Production	-	100.00
BPE Pty Ltd [(6)]	Other	100.00	-
AFRICA			
South Africa			
Erven Lucas Bols Pty. Ltd	Distribution	50.00	50.00

(1) Disposal in the year
(2) Company liquidated
(3) Equity accounted
(4) Purchase of minority interests
(5) Formerly Exploitatiemaatschappij Liliegracht BV, change of corporate name to Lodka II
(6) Blue Pyrenees Estate Ltd was split into two companies. The operating company was sold on 1 October 2002.
(7) Company absorbed by Rémy Concord
(8) Company is part of the French tax grouping
(9) Company absorbed by Rémy Amérique Inc on 31 March 2003

REPORT OF THE STATUTORY AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2003

To the Shareholders of Rémy Cointreau,

In compliance with the assignment entrusted to us by your Shareholders' Annual General Meetings, we hereby report to you, for the year ended 31 March 2003, on the audit of the accompanying consolidated financial statements of Rémy Cointreau.

The financial statements have been approved by the Management Board. Our role is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the professional standards applied in France. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit consists of examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements, prepared in accordance with generally accepted accounting principles in France, give a true and fair view of the consolidated financial position, assets and liabilities of Rémy Cointreau and associated companies, and the consolidated results of their operations.

We also performed the specific verifications required by law on the group information given in the management report. We have no observation to make on its fairness and consistency with the consolidated financial statements.

Neuilly-sur-Seine and Paris, 12 June 2003

The Statutory Auditors

BARBIER FRINAULT & AUTRES
Patrick Malvoisin

AUDITEURS & CONSEILS
ASSOCIES S.A.
François Mahé

5.3 FINANCIAL REPORT AND PARENT COMPANY FINANCIAL STATEMENTS AT 31 MARCH 2003

Financial report on the parent company financial statements at 31 March 2003

Profit before tax was € 86 million. The € 62.3 million increase over the previous year arises mainly from higher dividend income.

Head office costs were € 23.4 million, an increase of € 4.4 million. This increase is due mainly to additional staff for group-wide projects.

Fess charged to subsidiaries were € 15.1 million, an increase of € 2.2 million, due mainly to the rate of remuneration applied in the year to the production subsidiaries.

Dividends received from subsidiaries, following interim dividends paid by Rémy Martin and Cointreau at the end of the year, increased from € 63 million to € 130.5 million.

The increase in net finance costs from € 33.2 million last year to € 36.4 million is mainly due to the absence of the unwinding of a financial instrument that occurred in the previous year.

Exceptional expense of € 11.5 million comprises mainly a charge of € 12.1 million for regulated provisions (in respect of the subordinated perpetual loan notes), and a net gain of €0.9 million from security trading. Disposals and reductions in shareholdings led to the reduction and redemption of the share capital of Rémy Suisse for € 13.8 million and the disposal of shares in Société Civile du Breuil for € 1.5 million.

In addition, during the year, the company acquired shares in group companies, following their conversion into SASU (Limited Company with Simplified Legal Structure and Single Shareholder).

Tax income of € 27 million represents the release of tax savings relating to years more than 5 years ago that are now finalised with the tax grouping.

The net profit for the year was **€ 101.5 million**.

Summary of financial results for the last five years at 31 March

(€ millions)	1999	2000	2001	2002	2003 (1)
1. CAPITAL AT YEAR END					
Share capital	58.1	58.2	71.1	71.1	71.3
Number of shares in issue	38,124,166	38,182,230	44,377,621	44,459,726	44,579,941
Maximum number of shares to be created by conversion of bonds	30,032	30,032	6,926,562	6,926,560	6,926,560
2. RESULTS FOR THE YEAR					
Sales excl. tax	17.0	17.5	17.3	12.9	15.1
Profit before tax, amortisation, depreciation and provisions	10.1	30.9	118.5	29.2	97.1
Taxation	0.9	-36.5	-13.7	5.5	27.0
Profit after tax, amortisation, depreciation and provisions	0.6	64.3	120.6	8.4	101.5
Dividends	-	34.3	39.9	39.9	44.6
3. PER SHARE (in euros)					
Profit after tax, but before depreciation, amortisation and provisions	0.23	1.77	2.98	0.78	2.78
Profit after tax, depreciation, amortisation and provisions	-	1.68	2.72	0.19	2.28
Net dividend per share	-	0.90	0.90	0.90	1.00
4. PERSONNEL					
Number of employees	-	-	-	-	-
Total payroll	-	-	-	-	-
Social benefits (social charges, benefits, etc.)	-	-	-	-	-
Profit sharing (included in total payroll)	-	-	-	-	-

(1) Subject to approval at the AGM

Balance sheet at 31 March 2003

ASSETS

(€ millions)	**2003**	**2002**	**2001**
Tangible assets	**32,4**	**32,4**	**32,4**
Intangible assets	-	-	-
Investments	1 370,9	1 379,8	1 354,8
Receivables concerning associated companies	23,5	15,8	22,0
Other investments	-	-	-
Loans	1,7	-	-
Other financial assets	10,5	1,6	1,5
TOTAL FIXED ASSETS	**1 439,0**	**1 429,6**	**1 410,7**
Other receivables	782,4	531,0	472,3
Short-term deposits	3,6	10,5	0,1
Cash	1,4	10,1	0,5
TOTAL CURRENT ASSETS	**787,4**	**551,6**	**472,9**
Prepaid expenses	2,1	1,2	1,4
Deferred charges	5,9	8,1	10,3
Loan notes redemption premium	20,1	26,9	33,6
Unrealized exchange losses	0,2	-	-
TOTAL ASSETS	**2 254,7**	**2 017,4**	**1 928,9**

EQUITY AND LIABILITIES

(€ millions)	**2003**	**2002**	**2001**
Share capital	71,3	71,1	71,0
Share, merger and transfer premiums	623,7	622,1	620,9
Legal reserve	7,1	7,1	5,8
Regulated reserves	9,9	9,9	9,9
Other reserves	48,1	48,1	48,1
Retained earnings	48,3	79,5	0,1
Profit for the year	101,5	8,4	120,6
Regulated provisions	62,6	50,5	39,9
SHAREHOLDERS' EQUITY	**972,5**	**896,7**	**916,3**
Subordinated perpetual loan notes	**72,4**	**91,6**	**109,4**
Convertible loan notes	**345,8**	**345,8**	**337,1**
Provisions for liabilities and charges	**8,3**	**7,1**	**0,2**
Other loan notes	166,6	169,1	166,8
Loans and other financial debts	256,5	152,8	34,0
Loans and debt from credit institutions	304,6	252,0	276,6
FINANCIAL DEBT	**727,7**	**573,9**	**477,4**
Trade notes and accounts payable	0,1	0,1	0,9
Tax and social liabilities	2,8	-	0,1
Payable to fixed assets suppliers	-	-	-
Other operating liabilities	125,1	102,2	87,5
OPERATING LIABILITIES	**128,0**	**102,3**	**88,5**
Deferred income	-	-	-
Unrealized exchange profit	-	-	-
TOTAL EQUITY AND LIABILITIES	**2 254,7**	**2 017,4**	**1 928,9**

INCOME STATEMENT for the fiscal year ended 31 March 2003

(€ millions)	2003	2002	2001
Services provided	15,1	12,9	17,3
Release of amortisation, depreciation and provisions, & transfer of charges	0,2	-	5,5
Other income	-	-	-
TOTAL OPERATING INCOME	**15,3**	**12,9**	**22,8**
Purchases and external costs	19,8	16,6	25,5
Taxes and duties	-	-	-
Wages and salaries	-	-	-
Social charges	-	-	-
Amortisation and depreciation	2,2	2,2	1,5
Provisions	1,2	-	-
Other expenses	0,2	0,2	-
TOTAL OPERATING COSTS	**23,4**	**19,0**	**27,0**
OPERATING LOSS	**(8,1)**	**(6,1)**	**(4,2)**
Financial income	130,5	63,0	132,1
Income from investments	0,7	0,8	0,7
Other interest	23,7	33,3	33,8
Release of provisions and transfer of charges	-	-	-
Exchange gains	0,1	-	-
Net gain on disposal of marketable securities	-	-	0,2
TOTAL FINANCE INCOME	**155,0**	**97,1**	**166,8**
Financial write-downs and provisions	7,0	6,7	1,1
Interest	53,9	60,6	52,2
Exchange losses	-	-	-
Net costs on disposal of securities	-	-	-
TOTAL FINANCE COSTS	**60,9**	**67,3**	**53,3**
NET FINANCE INCOME	**94,1**	**29,8**	**113,5**
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX	**86,0**	**23,7**	**109,3**
Exceptional income on operations	-	-	11,8
Exceptional income on capital transactions	15,3	-	-
Release of provisions and transfer of charges	0,1		
TOTAL EXCEPTIONAL INCOME	**15,4**	**0,0**	**11,8**
Exceptional expenses on operations	-	3,4	5,0
Exceptional expenses on capital transactions	14,4	-	-
Exceptional write-downs and provisions	12,5	17,4	9,2
TOTAL EXCEPTIONAL EXPENSES	**26,9**	**20,8**	**14,2**
NET EXCEPTIONAL INCOME/(EXPENSE)	**(11,5)**	**(20,8)**	**(2,4)**
TAXATION	**27,0**	**5,5**	**13,7**
NET INCOME	**101,5**	**8,4**	**120,6**

CASH FLOW STATEMENT for the fiscal year ended 31 March 2003

OPERATING CASH FLOW (€ millions)	**2 003**	**2 002**	**2 001**
NET INCOME	101,5	8,4	120,6
- AMORTISATION, DEPRECIATION AND PROVISIONS	22,9	26,3	11,6
Operating	1,2	-	-
Financial	7,0	6,7	1,1
Exceptional	12,5	17,4	9,2
Deferred charges	2,2	2,2	1,3
- REVERSALS OF AMORTISATION, DEPRECIATION AND PROVISION	(0,5)		
Financial	(0,2)	-	-
Exceptional	(0,3)	-	-
- PROFITS ON DISPOSALS	(1,1)		
Income from disposals	(15,3)	-	-
Net book value of sold assets	14,2	-	-
= OPERATING CASH FLOW	122,8	34,7	132,2
A - SOURCES			
Operating Cash flow	122,8	34,7	132,2
Disposal of intangible assets	-	-	-
Disposal of tangible assets	-	-	-
Disposal or reductions in financial assets	15,3	-	-
Reduction in receivables concerning associated companies	1,1	17,2	15,0
Increase in share capital and share premiums	1,8	1,3	204,8
Long and medium-term loans	60,0	13,5	612,9
TOTAL	**201,0**	**66,7**	**964,9**
B - USES			
Dividends	39,6	39,9	34,3
Acquisition of assets	5,4	24,9	683,4
▪ Intangible assets	-	-	-
▪ Tangible assets	-	-	-
▪ Financial assets	5,4	24,9	683,4
Increase in receivables concerning associated companies	8,8	11,1	18,5
Repayment of loans	6,4	39,1	264,5
Deferred charges			5,5
Loan notes redemption premium			34,7
Reduction in shareholders' equity	19,3	17,8	19,2
TOTAL	**79,5**	**132,8**	**1 060,1**
A - B = MOVEMENT IN WORKING CAPITAL	121,5	(66,1)	(95,2)
ANALYSIS OF MOVEMENT IN WORKING CAPITAL			
Increase/decrease in trade accounts payable	-	0,8	(0,7)
Increase/decrease in advance payments on orders	(0,2)	0,2	-
Movement in other current assets/liabilities (including banking facilities)	121,7	(67,1)	(94,5)
TOTAL	**121,5**	**(66,1)**	**(95,2)**

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS AT 31 MARCH 2003

1 – ACCOUNTING PRINCIPLES AND PRACTICES

The parent company financial statements have been prepared in accordance with the commercial Code and CRC regulation 99-03 of 29 April 1999 concerning the revision of the PCG (National Chart of Account).

The main adopted accounting principles and practices are as follows:

a. Investments are reported at their acquisition cost or transfer value less, where appropriate, provisions required to bring them to their current value. Current value is determined using a number of criteria, including net assets, unrealised capital gains and future profit potential.

b. Accounts receivable and payable are recorded at their nominal value. Accounts receivable and payable that are denominated in foreign currencies are translated using the exchange rate prevailing at the year-end. For accounts receivable, a provision is recorded, where necessary, to cover the risk of non-collection.

c. The difference arising from the valuation of foreign currency accounts receivable and payable, using the closing rate, is taken to the balance sheet as an unrealized exchange gain/loss.

d. Financial instruments used to cover interest rates are reported as off-balance sheet commitments.

2 – NOTES TO THE BALANCE SHEET

2. 1. Summary of fixed assets

(€ millions)	Gross value opening	Increase for the year	Decrease for the year	Gross value closing
. Intangible assets	32,4	-	-	32,4
. Investments	1 380,5	5,3	14,2	1 371,6
. Other	17,4	19,4	1,1	35,7
TOTAL	**1 430,3**	**24,7**	**15,3**	**1 439,7**

Purchased goodwill arises from the merger with RC PAVIS and has no legal protection.

The increase in investments relates mainly to the purchase of other securities of group companies following their conversion into S.A.S.U.
The decrease in investments relates mainly to the reduction and redemption of the share capital of Rémy Suisse.
The increase and decrease in "other" relates to loans granted to group companies. The increase also includes the reclassification of 509,985 treasury shares, with a value of € 10.5 million, previously included under "short-term deposits".

2. 2. AMORTISATION AND PROVISIONS

(€ millions)	Gross value opening	Increase for the year	Decrease for the year	Gross value closing
. Investments	0,7	-	-	0,7
. Other	-	-	-	-
TOTAL	**0,7**	**0,0**	**0,0**	**0,7**

2 .3. MATURITY OF ACCOUNTS RECEIVABLE

(€ millions)	Gross amount	Less than 1 year	More than 1 year
FIXED ASSSETS			
Receivables concerning associates companies	23,5	23,5	-
Other financial assets	12,2	10,7	1,5
CURRENT ASSETS			
Other	782,4	782,4	-
Prepaid expenses	2,1	2,1	-
TOTAL	**820,2**	**818,7**	**1,5**

Other accounts receivable relate mainly to current accounts with group companies.

2. 4. SHORT-TERM DEPOSITS

(€ millions)	Gross amount	Provisions	Net
145,588 treasury shares	3,6	-	3,6

Short-term deposits are treasury shares acquired during the year and used, in accordance with the share buyback programme, to stabilise the share price.

2. 5. MATURITY OF DEFERRED CHARGES

(€ millions)	Gross amount	Less than 1 year	More than 1 year
Loan issue costs (1)	5,0	1,9	3,1
Commissions on subordinated loan notes (2)	0,9	0,3	0,6
TOTAL	**5,9**	**2,2**	**3,7**

(1) Costs amortised over the duration of the loans.

(2) Commission amortised over the period the notes bear interest, which is 15 years.

2.6. LOAN REDEMPTION PREMIUM

The redemption of the OCEANE convertible loan notes issued on 30 January 2001 is provided for in full on maturity at 1 April 2006, together with a redemption premium of 11.56% of the initial amount or € 34.6 million. The loan redemption premium is being amortised on a straight-line basis over the duration of the loan, due to the terms and conditions of the payment of the loan notes. This premium is, where necessary, adjusted for every request to exchange or convert options related to these loan notes.

2. 7. EQUITY

1) – SHARE CAPITAL - COMPOSITION

The share capital comprises 44,579,941 fully paid shares with a nominal value of € 1.60.
During the year, the exercise of options to subscribe for shares gave rise to 120,215 new shares.

2) – MOVEMENT IN EQUITY

(€ millions)	**March 2002**	Allocation of profit	Other movements	**March 2003**
Share capital	71,1	-	0,2	71,3
Share and merger premiums	622,1	-	1,6	623,7
Legal reserve	7,1	-	-	7,1
Regulated reserves	9,9	-	-	9,9
Other reserves	48,1	-	-	48,1
balance brought forward	79,5	(31,2)	-	48,3
Profit/(loss) for the year	8,4	(8,4)	101,5	101,5
Regulated provisions	50,5	-	12,1	62,6
TOTAL	**896,7**	**(39,6)**	**115,4**	**972,5**

2.8. SUBORDINATED PERPETUAL NOTES

Rémy Cointreau issued € 304.9 million in subordinated perpetual notes on 16 May 1991. The annual interest rate is the 6-month Pibor plus 1% until 16 May 2006.

The principal clauses in the conditions of issue are:

- The notes, which have no fixed repayment date, will only be redeemed at their nominal value in the event of a legal liquidation, a legal judgement requiring the complete disposal of the business, or voluntary liquidation other than by way of merger or demerger.
- The redemption of the notes will be subordinated to the complete settlement of all creditors of the company, to the exclusion of the holders of participating loans granted to the company and future participating notes issued;
- the payment of interest can be suspended in the event that the consolidated financial statements disclose losses in excess of 25% of consolidated shareholders' equity and that no dividend was payable in respect of the previous year.

The notes were repackaged at the time of their issue as part of an agreement with a third party.

.Under this agreement, the third party, which has a separate contract with the subscribers to the notes, is committed to repurchasing the notes after 15 years, and to waiving the right to interest from the start of the 16th year, in consideration of an initial payment of € 82.9 million by the company.

Due to these clauses, the notes were recorded at the time of their issue as a liability in the balance sheet at their net amount of € 222 million.

The consolidated net income each year bears the interest charge in respect of the nominal amount of the notes, and has the benefit of the notional interest arising on the deposit of € 82.9 million. This notional interest is treated as an annual payment to reduce the debt and future interest thereon, and it is therefore recorded as an equivalent reduction in the debt.

The notes were subject to restructuring in April 1996 as follows:

- Rémy Cointreau exercised its right to repurchase the notes at their nominal value from the subscribers;

- The original contract was revised to include the following:

  - The half-yearly interest payable by Rémy Cointreau will be reduced to a nominal amount with effect from 16 May 2006;
  - The clause relating to the suspension of interest payments was cancelled.

- The notes were sold at their current value to a Fonds Commun de Créances (FCC) – a mutual investment fund which will receive the interest income up to 15 May 2006; as the principal amount of the notes was only to be repaid in exceptional circumstances, it was subject of a repurchase option by Rémy Cointreau to the subscriber for the corresponding amount in the FCC.

- The agreement linking the third party that received the initial payment with the subscribers to the notes was cancelled.

- Rémy Cointreau has exercised its option to repurchase the notes at par.

- As part of this restructuring, the following financial instruments were acquired, with maturity in 2006:

Currency	**Nominal value (€ millions)**	**Rate received**	**Rate paid**
EUR	131,11	Euribor 6 months	Fixed
EUR	21,34	Euribor 6 months	Fixed
EUR	81,71	Variable	Fixed
EUR	27,75	Fixed	Variable

This restructuring has had no effect on the accounting for the extinction of the debt, the latter retaining, at the term of the restructuring, the same maturity and the same net interest paid for the company.

The tax treatment defined in agreement with the tax authorities requires the creation of a regulated provision for the difference between the income generated by the deposit and the paid interest.

2. 9. CONVERTIBLE LOAN NOTES

- 7.5% convertible loan note 2006

The Extraordinary Shareholder's Meeting of 21 March 1991 authorised the company to issue 451,500 loan notes of € 335.38 each, convertible into shares with a nominal value of € 1.52 each. These loan notes are convertible at any time on the basis of one bond for sixteen shares. They carry fixed interest at 7.5% per year. The loan notes have a 15-year duration with no possibility of early redemption.

- OCEANE 3.5% 2006

Following the authorisation granted by the Combined Shareholder's Meeting on 24 August 2000, the Board of Directors meeting on 12 December 2000 decided to issue notes for € 300 million with the option to convert into and/or exchange for new and/or existing shares.

The principal features of this OCEANE are as follows:
- number of loan notes issued: 6,896,551
- nominal value € 43.50
- issue at par
- effective from 30 January 2001
- period 5 years 61 days
- rate 3.5% per year, paid annually on 1 April
- redemption on 1 April 2006 at € 48.53, which includes 11.56% redemption premium on the normal value
- early redemption at the option of the issuer with effect from 1 April 2004 if the Rémy Cointreau share meets a certain number of quotation criteria.
- each loan note may be converted or exchanged for one new or existing share, at any time, with effect from 30 January 2001 until the 7th working day prior to the redemption date.

In previous years, 23 loan notes were converted or exchanged for shares.

No loan notes was converted this year.

2. 10. MATURITY OF DEBT

(€ millions)	Gross amount	Less than 1 year	1 to 5 years	More than 5 years
Loan notes	166,6	3,1	163,5	-
Loans and debts from credit institutions	304,6	134,6	170,0	-
Other loans and bonds	256,5	256,5	-	-
Trade notes and accounts payable	0,1	0,1	-	-
Tax and social liabilities	2,8	2,8	-	-
Other	125,1	125,1	-	-
TOTAL	**855,7**	**522,2**	**333,5**	**-**

- At 31 March 2003, "Loan notes" comprise mainly the high yield senior bond issued on 30 July 1998, for € 150 million and with a duration of 7 years.

- This bond, which is repayable at par on maturity, carries interest at 10% and has a number of early redemption clauses at the option of the issuer, as follows:

- From 30 July 2002, in all cases, for the total or a part of the bonds at a price of 105% in the period 2002/03, 102.5% in the period 2003.04 and at par in the period 2004/05.

  The agreement covering the bonds also provides every holder with the right to request repayment of bonds held at a price of 101% in the event of a "fundamental change" covering the possible sale or transfer of a substantial part of the assets of Rémy Cointreau and in the event of ORPAR and RECOPART SA together holding less than one-third of the voting rights of the issuer, or being unable to nominate the majority of the Supervisory Board for two consecutive years.

- At 31 March 2003, the banking facilities available to Rémy Cointreau SA to finance the Group were € 440.5 million. The banking facilities are analysed as follows:

Nature	Principal (€ millions)	Maturity
Banking syndicate	400,0	2003 à 2005
Bilateral credit lines	40,5	2003 à 2004

- The syndicated credit of € 400 million, signed on 13 June 2000 with a group of 17 banks, comprises a term facility and a revolving facility of € 200 million each.

- Both tranches are repayable in five equal half-yearly payments of principal, the first being due on 13 June 2003 and the last on 13 June 2005, which is an average credit duration of four years. This credit line carries no surety.

2. 11. PROVISIONS

(€ millions)	Provisions			
(€ millions)	Regulated	for liabilities and charges	write-downs	Total
Opening balance	50,5	7,0	0,7	58,2
Charges (1)	12,1	1,9	-	14,0
Releases (2)	-	(0,5)	-	(0,5)
Closing balance	**62,6**	**8,4**	**0,7**	**71,7**

	(1) charges	(2) releases
- operating	1,2	0,2
- financial	0,3	-
- exceptional	12,5	-
- tax		0,3

In accordance with the recommendation of the tax authorities, the company recorded a tax regulated provision. The charge for the year was € 12.1 million, which corresponds to the potential taxable bases of the difference in future capitalised interest in respect of the subordinated perpetual notes.

2. 12. INCOME RECEIVABLE

(€ millions)	2003
Group receivables	-
Other non-Group receivables	0,2
TOTAL	0,2

2. 13. ACCRUED EXPENSES PAYABLE

(€ millions)	2003
Loan notes	13,6
Loans and debt from credit institutions	0,7
Other loans and advances	9,7
Trade notes and accounts payable	0,1
Tax and social liabilities	2,8
Other	-
TOTAL	**26,9**

3 -NOTES TO THE INCOME STATEMENTS

3. 1. ANALYSIS OF OPERATING INCOME

The income of €15.1 million mainly comprises services rendered to subsidiaries and sub-subsidiaries of the Rémy Cointreau Group.
This is analysed by geographic area as follows:

France 12.1
Abroad 3.0

3. 2. FINANCIAL INCOME FROM INVESTMENTS

Financial income from investments amounts to € 130.5 million and relates to dividends received from subsidiaries.

3. 3. EXCEPTIONAL INCOME AND EXPENSES

(€ millions)	2003
Provisions for tax liabilities	(0,3)
Regulated provisions (note 2.11)	(12,1)
Income from disposal of securities	0,9
TOTAL	**(11,5)**

3. 4. TAXATION

(**A**) ANALYSIS OF TAXATION

(€ millions)	Profit before tax	Tax	Profit after tax
Profit on ordinary activities	86.0	-	86.0
Exceptional income	(11.5)	27.0	15.5
Net income	**74.5**	**27.0**	**101.5**

[1] The tax income represents tax savings arising from the tax grouping in respect of years greater than five years ago. The tax charge provided following tax audits was offset by the release of an equivalent tax saving.

(**B**) MOVEMENT IN TAX LOSSES

	Base	Rate	Amount of tax
Loss for the year (2)	46,7	-	-
Deferred depreciation	-	-	-
Loss carried forward	46,7	-	-
Loss brought forward			
Remaining to be used	176,9	35,4	62,6

[2] The loss for the year arises mainly from the tax deduction of dividends from subsidiaries.

(C) INCREASES AND REDUCTIONS IN FUTURE TAX LIABILITY

	Base	Rate	Amount of tax
Reductions			
Non-deductible provisions at 31 March 2003	14.0	35.4	4.9

3. 5. TAX GROUPING

Rémy Cointreau elected to create a tax grouping with effect from 1 April 1993 for group companies, as provided for in Article 223A of the General Tax Code.

The tax allocation agreement provides that:

- The tax charge is recorded by the companies as if there was no tax grouping, after applying any tax losses brought forward,
- Tax savings achieved by the Group arising from losses are considered to be a cash saving reallocated to the loss-making companies within the Tax Group.

The companies within the tax grouping are:
Rémy Martin, Seguin, Storéco, Izarra, Sté Armagnacaise de Production, Cointreau, Piper Heidsieck C.C., Champagne P&C Heidsieck, Champagne F.Bonnet, Safec, Grands Vignobles de la Marne, Grands Vignobles de l'Aube, Rémy Cointreau Services SAS, Financière Rémy Cointreau, RMJV, CLS Rémy Cointreau.

4 - OTHER INFORMATION

4. 1. RELATED PARTY TRANSACTIONS

(€ millions)	Amounts concerned	
	Related party	Investments
Investments		
Other investments (gross amounts)	1369,2	2,4
Receivable concerning associated companies	23,4	-
Accounts receivable		
Other receivables	756,3	1,1
Accounts payable		
Other liabilities	51,7	-
Finance income		
Income from investments	130,5	-
Interest	21,9	-
Finance cost		
Interest	0,1	-
Operating income	15,0	-
Operating expenses	19,8	-
Exceptional income	-	-
Exceptional expenses	-	-

4.2. DIRECTORS' REMUNERATION

Supervisory Board: The members of the Supervisory Board each received € 22,598 as attendance fees for 2001/02. Mr Le Bail received € 11,299 on a pro rata basis.

Management Board: Mme Dominique Hériard Dubreuil received a fixed salary of € 217,873 from the Group. Mr Hubertus van Doorne received total remuneration of € 468,371, which included a fixed salary of € 313,641. Mr Alain Emprin received total remuneration of € 348,195, which included a fixed salary of € 271,058. Mr Bruno Mouclier received total remuneration of € 397,027, which included a fixed salary of € 254,882. Mr Pierre Soussand received total remuneration of € 283,365, which included a fixed salary of € 231, 748.

These remunerations include benefits-in-kind received by the Directors.

4.3. OFF-BALANCE SHEET COMMITMENTS

A – FINANCIAL COMMITMENTS: (€ millions)

The financial instruments to hedge the subordinated perpetual loan notes (note **2.8**) are off-balance sheet commitments

Other commitments comprise:

(€ millions)	**2003**
Banking commitments	
Various garanties in respect of financing	0,6
Guarantees of 25% of Maxxium's debt (a)	43,3
Tax commitments	
Tax guarantees (b)	7,2

(a) Rémy Cointreau has guaranteed a quarter of the bank debt of Maxxium B.V. on equal terms with the other three partners in the distribution joint venture. The maximum amount of the guarantee is € 62.5 million.

(b) Bank guarantees given to the tax authorities are guarantees for matters in dispute following a request for deferment of payment.

B – EQUITY SWAP CONTRACT:

On 31 October 2001, Rémy Cointreau S.A. entered into a swap contract with a financial institution whereby Rémy Cointreau pays interest at variable rates as well as any capital losses relating to the reference price of the share (for capital losses at maturity) and receives revenues from the shares (dividends and other financial rights attached to the shares) as well as any capital gains relating to the reference price of the share for capital gains at maturity. This contract covers a nominal value of €43 million corresponding to 2,100,000 Rémy Cointreau shares (a reference price of €20.52 per share) and matures on 8 November 2004. The contract will be settled entirely in cash, early (in full or in part), at Rémy Cointreau's initiative, or in full at maturity.

This transaction is part of the general plan for the disposal by Blekos Holding BV (previously Bols Holding BV) of the full amount of the balance of Rémy Cointreau shares held, being 2,525,282 shares. The two transactions occurred at the same time.

The Group incurred a net interest charge of €1.7 million in the year. The unrealised capital gain of €7.4 million at 31 March 2003 was not recognised.

4. 4. OPTIONS TO SUBSCRIBE FOR SHARES

Options to subscribe for Rémy Cointreau's shares granted to Directors

In the fiscal year 2002/03, no options to subscribe were granted.

Directors who exercised options to subscribe were:

Options exercised by each Director in the year	Total number of options to purchase or subscribe for shares	Weighted average price	Plan N°
John Wong	16,267	28.9	7
Hubertus van Doorne	3,017	30.3	4
Hubertus van Doorne	10,000	23.5	5

5 – POST BALANCE SHEET EVENTS

On June 10, 2003, Rémy Cointreau S.A. entered into a €500 million syndicated credit facility with a group of 20 banks. The facility is structured as a €250 million term facility and a €250 million revolving facility, and will be used for the refinancing of the existing outstanding amount of €400 million syndicated credit facility signed on June 13 2000, as well as for general corporate purposes.

On the signing date, the facility will pay an initial margin of Euribor plus 1.20% per annum and will be adjusted based on an Average Net Debt/EBITDA ratio grid. The commitment fee is 50% of the applicable margin payable on the undrawn part of the Facility.

SUMMARY OF SUBSIDIARIES AND INVESTMENTS AT 31 MARCH 2003

(in currency thousands) Companies	currency	Capital currency	Equity excl. capital currency	% capital held	Net book value Euro	Provisions for the year Euro	Dividends Euro	Net sales currency	Profit after tax currency	Year-end	Loans granted currency
A) French companies											
Rémy Martin & cie	**EUR**	6 725	127 720	100,00	381 708		78 467		43 302	31/3/2003	510 190
Seguin & Cie	**EUR**	661	6 911	100,00	7 633		5 495	9 410	1 799	31/3/2003	
Financière RC	**EUR**	10 000	1 307	100,00	10 000			841	929	31/3/2003	6 758
Cointreau SA	**EUR**	4 037	91 682	100,00	89 103		17 500		24 829	31/3/2003	137 688
Piper Heidsieck C.C.	**EUR**	32 115	221 887	100,00	326 279			1 579	2 531	31/3/2003	
Ducs de Gascogne	**EUR**	1 002	2 213	30,00	1 144	610		13 904	169	31/12/2002	
Other French subsidiaries	**EUR**				253		43				
Total Gross Value					**816 120**	**610**					
B) Foreign companies											
Rémy Suisse	**CHF**	13 550	(84)	99,99	11 515				(124)	31/3/2003	
R. Concord Ltd	**HKD**	265 825	(108 419)	99,99	31 829				(47 140)	31/3/2003	
Lucas Bols NV	**EUR**	5 000	68 525	100,00	511 044		29 037		29 037	31/3/2003	
Other foreign subsidiaries	**EUR**				1 076	67					
Total Gross Value					**1 371 584**	**677**					
Total Net Value					**1 370 907**						

	PLAN n°4	PLAN n°5	PLAN n°6	PLAN n°7	PLAN n°8	PLAN n°9	PLAN n°10	PLAN n°11
Date of Extraordinary Shareholder's Meeting	16/09/1996	16/09/1996	26/08/1998	26/08/1998	26/08/1998	26/08/1998	24/08/2000	24/08/00 & 21/09/01
Date of Directors or Management Board Meeting	04/12/1996	25/03/1998	28/10/1998	28/04/1999	07/12/1999	30/05/2000	01/03/2001	08/03/2002
Total number of options granted	216 630	164 500	224 044	289 300	499 100	131 280	1 016 600	659 500
- including options to be subscribed by Directors (1)	64 607	100 000	72 466	119 576	127 900	61 960	200 000	275 000
- number of Directors concerned	10	7	7	10	10	9	5	5
Total number of beneficiaries	84	20	75	66	85	28	150	43
Options valid from	04/12/1996	25/03/1998	28/10/1998	28/04/1999	07/12/1999	30/05/2000	01/03/2003	08/03/2006
Options expire on	03/12/2003	24/03/2005	27/10/2005	27/04/2009	06/12/2009	29/05/2010	28/02/2011	07/03/2012
Subscription price (euro) (2)	16,69	13,55	13,55	12,20	16,36	18,85	27,10	25,00
Number of shares lapsed	17 384	-		3 000	-	-	16 000	-
Number of options subscribed at 31 March 2003	115 499	85 237	113 163	90 400	172 200	22 960	-	-

(1) Board of Directors and members of the Management Committee prior to 19 December 2000
and members of the Management Board and Supervisory Board since that date,
(2) The exercise price prior to 1999 arises from the conversion into euro of information originally established in francs

STATUTORY AUDITORS' GENERAL REPORT
Year ended 31 March 2003

To the Shareholders of Rémy Cointreau,

In compliance with the assignment entrusted to us by your shareholders' annual general meeting, we hereby report to you, for the year ended 31 March 2003, on:

- the audit of the accompanying financial statements of Rémy Cointreau,
- the specific verifications and information required by law.

These financial statements have been approved by the Management Board. Our role is to express an opinion on these financial statements based on our audit.

1. OPINION ON THE FINANCIAL STATEMENTS

We conducted our audit in accordance with the professional standards applied in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the company's financial position and its assets and liabilities as of 31 March 2003, and of the results of its operations for the year then ended in accordance with accounting principles generally accepted in France.

2. SPECIFIC VERIFICATIONS AND INFORMATION

We also performed the specific verifications required by law, in accordance with the professional standards applied in France.

We have no comment as to the fair presentation and the conformity with the financial statements of the information given in the management report of the Management Board, and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

In accordance with the law, we verified that the management report contains appropriate disclosures as to the acquisition of shares and controlling interests, and the percentage interests and votes held by shareholders.

Neuilly-sur-Seine and Paris, 11 June 2003

The Statutory Auditors

BARBIER FRINAULT & AUTRES
Ernst & Young
Patrick Malvoisin

AUDITEURS & CONSEILS ASSOCIES S.A.
Member of Nexia International
François Mahé

BARBIER FRINAULT & AUTRES
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Patrick MALVOISIN
41, rue Ybry
92576 NEUILLY SUR SEINE

AUDITEURS & CONSEILS ASSOCIES S.A.
Member of NEXIA International
François MAHE
33, rue Daru
75008 PARIS

REMY COINTREAU S.A.

Société Anonyme with a share capital of € 71,327,906
Registered Office: Rue Joseph Pataa, Ancienne rue de la Champagne,
16100 COGNAC

STATUTORY AUDITORS' SPECIAL REPORT

FINANCIAL YEAR ENDED 31 MARCH 2003

Ladies and Gentlemen, shareholders in **REMY COINTREAU**,

As Statutory Auditors to your company, we hereby present to you our report on the regulated agreements.

1. AGREEMENTS AUTHORISED DURING THE FINANCIAL YEAR

In application of Article L.225-88 of the Commercial Code, we have been advised of agreements that have been previously authorised by your Supervisory Board.

It is not up to us to search for the possible existence of other agreements, but to communicate to you, on the basis of information given to us, the essential characteristics and modalities of those of which we have been made aware, without having to pronounce on their usefulness and worth. It is up to you, in accordance with the terms of Article 117 of the decree of 23 March 1967, to assess whether it is your best interests to approve these agreements.

We have carried out our work in accordance with professional standards applicable in France; these standards require that we perform diligence work to verify the consistency of information given to us with the base documents from which it is derived.

1.1 PURCHASE OF SEGUIN & CIE SHARES

Persons concerned:

Dominique HERIARD DUBREUIL	Chairman of the Management Board
Bruno MOUCLIER	Member of the Management Board
Alain EMPRIN	Member of the Management Board

On 11 June 2002, the Supervisory Board authorised REMY COINTREAU S.A. to purchase 7,458 shares in SEGUIN & Cie SA held by PIPER HEIDSIECK C.C. for an amount of 4,809,805 euros.

1.2 SALE OF THE SHARE CAPITAL OF CAVES DE FRANCE BY REMY CONCORD LTD TO ORPAR

Persons concerned:

Dominique HERIARD DUBREUIL	Chairman of the Management Board
François HERIARD DUBREUIL	Chairman of the Supervisory Board
Marc HERIARD DUBREUIL	Member of the Supervisory Board
Guy LE BAIL	Member of the Supervisory Board

On 11 June 2002, the Supervisory Board authorised the sale by REMY CONCORD Ltd, a subsidiary of REMY COINTREAU, of 40% of the share capital of Caves de France to ORPAR for an amount of 3,126,800 HK dollars for 16,460 shares.

1.3 ACQUISITION OF MINORITY INTERESTS

Persons concerned:

Dominique HERIARD DUBREUIL	Chairman of the Management Board
François HERIARD DUBREUIL	Chairman of the Supervisory Board
Marc HERIARD DUBREUIL	Member of the Supervisory Board
Pierre COINTREAU	Member of the Supervisory Board
Huub VAN DOORNE	Member of the Management Board
Alain EMPRIN	Member of the Management Board
Bruno MOUCLIER	Member of the Management Board

Within the framework of the transformation of the Group's sociétés anonymes (limited companies) into limited companies with a simplified legal structure, the Supervisory Board, on 4 December 2002, authorised the purchase of shares in these companies from members of the Supervisory Board or Management Board and from companies in which the members of the Management Board were directors, for a total amount of € 135,532:

	Amount ex-VAT
REMY MARTIN & Cie	€ 37,100
PIPER HEIDSIECK CIE CHAMPENOISE	€ 2,321
SEGUIN & Cie	€ 6,996
COINTREAU S.A.	€ 89,115

2. AGREEMENTS APPROVED IN PREVIOUS FINANCIAL YEARS THAT CONTINUED TO BE EXECUTED DURING THE FINANCIAL YEAR

Further, in application of the decree of 23 March 1967, we have been informed that the following contracts, approved during previous financial years, continued to be executed during the most recent financial year.

2.1 AGREEMENT WITH ORPAR

On 13 December 2000, the Board of Directors authorised the signing of an additional clause to the management and assistance agreement signed on 7 December 1999 with ORPAR. This agreement envisaged an annual fixed amount of 1,829,388.24 euros excluding VAT, to which is added a sum representing 1/1000 of Group sales.

During the financial year 2002/2003, the total ex-VAT charge incurred by **REMY COINTREAU** was 2,829,088.24 euros.

2.2 COMMERCIAL AND MANAGEMENT ASSISTANCE AGREEMENT WITH THE COMPANIES OWNING THE BRANDS

The amounts resulting from the application of the commercial and management assistance agreements, calculated on the basis of 2% of sales, amounted to the following for the financial year 2002/2003:

	Amount ex-VAT
CLS REMY COINTREAU	€ 9,961,680
CHAMPAGNES P&C HEIDSIECK	€ 1,811,560
SEGUIN & Cie	€ 35,720
COGNAC de LUZE	€ 8,600

Neuilly-sur-Seine and Paris, 11 June 2003

The Statutory Auditors

BARBIER FRINAULT & AUTRES
Ernst & Young
Patrick MALVOISIN

AUDITEURS & CONSEILS ASSOCIES S.A.
Member of NEXIA International
François MAHE

CHAPTER VI

MANAGEMENT BOARD AND SUPERVISORY BOARD OF RÉMY COINTREAU

6.1 MANAGEMENT BOARD AND SUPERVISORY BOARD

The Company is governed by a Management Board and a Supervisory Board, whose operations are regulated by Articles L 225-57 to L 225-93 of the Commercial Code.

6.1.0 Management Board and Supervisory Board Composition

6.1.0.1 *Supervisory Board*

Chairman

François Hériard Dubreuil
Date first appointed: 19 December 2000
Date appointment expires: AGM considering the financial statements for the year 2003
Principal appointment outside the group:
Managing Director and Director of Andromède
Other appointments:
Chairman of the Board and Director of Orpar
Chairman of the Management Board of Récopart
Director of Sabate Diosos
Manager of Financière de Nonac
Chairman of GCP SAS

Vice - Chairman

Marc Hériard Dubreuil
Date first appointed: 19 December 2000
Date appointment expires: AGM considering the financial statements for the year 2005
Principal appointment outside the group:
Managing Director and Director of Andromède
Other appointments:
Vice Chairman, Managing Director and Director of Orpar
Member of the Management Board of Récopart
Director of Sabate Diosos
Manager of LVLF
Manager of EURL Marchadier Investissement

Other members of the Supervisory Board

Pierre Cointreau

Date first appointed: 19 December 2000
Date appointment expires: AGM considering the financial statements for the year 2003
Principal appointment outside the group:

- Chairman of the Supervisory Board of Récopart

Other appointments:

- Chairman of the Board of Directors of Société Martiniquaise de Canne à Sucre
- Director of CLS Rémy Cointreau
- Director of GIE Rémy Cointreau Services
- Chairman of the Board of Directors of Cointreau SAS
- Chairman of the Board of Directors of Rhums Martiniquais Saint James SAS
- Chairman of the Board of Directors of Izarra SAS

Patrick Duverger

Date first appointed: 19 December 2000
Date appointment expires: AGM considering the financial statements for the year 2004
Principal appointment outside the group:

- Member of the Supervisory Board of AVIVA France

Other appointments:

- Director of AVIVA Participations
- Director of Faurecia
- Director of Soparexo
- Permanent representative of Société Générale at Accor

Brian Ivory

Date first appointed: 19 December 2000
Date appointment expires: AGM considering the financial statements for the year 2003
Principal appointment outside the group:

- Director of HBOS plc

Other appointments:

- Director of Orpar
- Chairman of Scottish American Investment Company plc
- Chairman of National Galleries of Scotland

Jürgen Reimnitz

Date first appointed: 19 December 2000
Date appointment expires: AGM considering the financial statements for the year 2005

Principal appointment outside the group:

Chairman of the Supervisory Board of Air Liquide GmbH (Dusseldorf)

Other appointments:

Chairman of the Supervisory Board of Merrill Lynch Investment Managers KAG (Frankfurt)

Chairman of the Supervisory Board of Merrill Lynch International Investment Funds (Luxembourg)

Member of the Supervisory Board of Bongrain S.A.

Member of the Investments Consultative Committee of Fich Inc (London, New-York)

Member of the Investments Committee of ONU

Guy Le Bail

Date first appointed: 21 September 2001

Date appointment expires: AGM considering the financial statements for the year 2004

Principal appointment outside the group:

Director and Managing Director of Orpar SA

Other appointments:

Permanent representative of Orpar on the Supervisory Board of Recopart SA

Director of Sabate Diosos SA

Member of the Supervisory Board of Transmed SA

Member of the Supervisory Board of GVG SA

Chairnan of the Board of Directors of Antares SAS

Manager of Domaine du Breuil de Segonzac

Managing Director of GCP SAS

Manager of SCI Le Boi

Manager of SCI Le Boi d'Antares

Alain Bodin

Date first appointed: 11 June 2002

Date appointment expires: AGM considering the financial statements for the year 2004

Principal appointment outside the group:

Chairman of Prochacoop

Other appointments:

Director of Centre d'Economie Rurale de la Charente

Gérard Epin

Date first appointed: 3 September 2002

Date appointment expires: AGM considering the financial statements for the year 2005

Principal appointment outside the group:

Chairman and Managing Director of Sabaté Diosos SA

Other appointments:

Co-manager of Gemsy

Xavier Bernat

Date first appointed: 11 March 2003

Date appointment expires: AGM considering the financial statements for the year 2003

Principal appointment outside the group:

Chairman of the Board of Directors of Chupa Chups SA

Other appointments:

Member of the Supervisory Board of Rabobank (Spain)

Advisor to Mc Lane España

Hakan Mogren

Date first appointed: 11 March 2003

Date appointment expires: AGM considering the financial statements for the year 2004

Principal appointment outside the group:

Chairman of the Board of Directors of ASTRAZENECA plc

Other appointments:

Chairman of the Board of Directors of Reckitt Benckiser plc

Chairman of the Board of Directors of The Research Institute of Industrial Economics

Director of Norsk Hydro ASA

Director of Investor AB

Director of Gambro AB

Number of independent non-executive members of the Supervisory Board: 4

Patrick DUVERGER

Jürgen REIMNITZ

Xavier BERNAT

Hakan MOGREN

The Supervisory Board is regularly informed of the independence of each of its members.

Number of members elected by employees: the company does not have any employees.

No censor has been nominated.

Xavier Bernat and Hakan Mogren will have their co-option submitted for ratification by the next Annual General Meeting.

Number of shares that must be held by each member: 10.

6.1.0.2 *Management Board*

Chairman

Dominique Hériard Dubreuil

Date first appointed: 19 December 2000, reappointed on 4 December 2002

Date appointment expires: 4 December 2004

Principal appointment outside the group:

Managing Director and Director of Andromède

Other appointments:

Chairman of the Board of Directors of Vinexpo Américas SA
Chairman of the Board of Directors of GIE Rémy Cointreau Services
Director of Orpar SA
Director of CLS Rémy Cointreau SA
Director of Baccarat SA
Permanent representative of E. Rémy Martin & C° SAS, Director of Vinexpo Asia Pacific SAS
Permanent representative of E. Rémy Martin & C° SAS, Director of Vinexpo SAS
Director of Botapol Holding BV
Director of Unipol BV
Director of Erven Lucas Bols NV
Director of Rémy Concord Ltd
Director of Rémy Pacifique Ltd
Director of Rémy Finance BV
Chairman of the Board of Directors of Rémy Cointreau Amérique Inc

Members of the Management Board

Hubertus van Doorne

Date first appointed: 19 December 2000, reappointed on 4 December 2002
Date appointment expires: 4 December 2004
Principal appointment outside the group:

None

Other appointments:

Chairman of the Board of Directors and Managing Director of CLS Rémy Cointreau SA
Managing Director of Cointreau SAS
Managing Director of E. Rémy Martin & C° SAS
Managing Director of Izarra SAS
Managing Director of Société Armagnacaise de Production SAS
Permanent representative of Cointreau SAS at Société Martiniquaise de Canne à Sucre SA and Destileria de Jalisco
Director of Cointreau Corporation
Director of Rémy Cointreau Amérique
Director of Maxxium
Director of Erven Lucas Bols N.V.
Member of the Supervisory Board of BOLS Prémium Beverage Import & Distribution Ltd

Bruno Mouclier

Date first appointed: 19 December 2000, reappointed on 4 December 2002
Date appointment expires: 4 December 2004
Group Finance Director

Principal appointment outside the group:

None

Other appointments:

Managing Director of Financière Rémy Cointreau SAS
Director of Rémy Concord Ltd
Director of Rémy Finance BV
Director of Maxxium
Director of Erven Lucas Bols NV
Director of Blues Pyrennees Estate Pty Ltd
Director of Unipol BV
Director of Botapol Management BV

Alain Emprin

Date first appointed: 1 November 2001, reappointed on 4 December 2002
Date appointment expires: 4 December 2004
Principal appointment outside the group:

None

Other appointments:

Chairman of the Board of Directors of Piper Heidsieck Compagnie Champenoise SAS
Chairman of the Board of Directors of Champagnes P. & C. Heidsieck SA
Managing Director of Société Martiniquaise de Canne à Sucre SA
Chairman of the Board and Director of Mount Gay Distilleries Ltd
Director of Rémy Cointreau Amérique Inc

Pierre Soussand

Date first appointed: 12 March 2002, reappointed on 4 December 2002
Date appointment expires: 4 December 2004
Director of Group Organisation and Human Resources
Principal appointment outside the group:

None

Other appointments:

Member of the Supervisory Board of BOLS Prémium Beverage Import & Distribution Ltd

6.1.1 Operation of Supervisory and Management Boards

The Supervisory Board comprised eleven members at 31 March 2003.
The number of Supervisory Board members aged more than 90 years of age may not exceed one-third of the number of serving members. Should this limit be exceeded during a term of office, the oldest member of the Board is deemed to have resigned from office.

Between 1 April 2002 and 31 March 2003, the Supervisory Board met four times. The attendance rate was 93%.

Attendance fees were allocated equally, prorata to the attendance time of each Supervisory Board member. Amounts received during the financial year are shown in paragraph **6.2**.

The Management Board comprises five members.
Management Board members are appointed by the Supervisory Board and are dismissed by the General Meeting or the Supervisory Board. All persons appointed to the Management Board must be 65 years of age or less. Any member who exceeds this age is deemed to have resigned from office effective at the end of the next meeting of the Supervisory Board.

Between 1 April 2002 and 31 March 2003, the Supervisory Board met twenty times. The attendance rate was almost 100%.

The operation of the Management Board is not regulated by internal rules. The evaluation of the members of the Management Board is carried out throughout the year at their participation at meetings and committees of the Supervisory Board, with the latter now having the statutory power of direct removal.
The members of the Supervisory Board and Management Board are informed, at the time of commencement of their duties, of the legal and regulatory provisions concerning trading in the Company's securities by members of the corporate governance bodies.

6.1.2 Supervisory Board Committees

Four committees have been set up within the Supervisory Board. These committees make recommendations to the Supervisory Board on financial policy and internal control, development, marketing, nomination and remuneration. They do not interact directly with the Management Board, but one of the members of the Management Board attends the meetings of the Committee, which discusses the subjects relevant to its functions, as follows:

- Bruno Mouclier, Finance Director - Audit Committee
- Alain Emprin - Development Strategy Committee
- Hubertus van Doorne - Marketing Strategy Committee
- Pierre Soussand, Director of Organisation and Human Resources - Nomination-Remuneration Committee.

The Chairman of the Management Board may attend all committee meetings.

Set up on 19 December 2000, three of these committees met regularly during the financial year ended 31 March 2003.

6.1.2.1 Audit Committee

This committee is comprised of 3 members of the Supervisory Board:

- Patrick Duverger, Chairman
- Jürgen Reimnitz
- Marc Hériard Dubreuil

Number of independent members: 2

This Committee met twice, in June and November 2002. The attendance rate was 100%. Its work was carried out in the presence of the Statutory Auditors and Group Financial Controller, and discussed the following:

- review of the annual financial statements to 31/03/02,
- review of half year financial statements to 30/09/2002,
- valuation and monitoring of intangible fixed assets,
- valuation of inventory,
- off balance sheet commitments.

6.1.2.2 Development Strategy Committee

This committee is comprised of 4 members of the Supervisory Board:

- François Hériard Dubreuil, Chairman
- Patrick Duverger
- Hakan Mogren
- Gérard Epin

Number of independent members: 2

This committee did not meet during the year.

Its work will impact on the review of the Group's major strategic options, market by market

6.1.2.3 Marketing Strategy Committee

This committee is comprised of 3 members of the Supervisory Board:

- Marc Hériard Dubreuil, Chairman
- Brian Ivory
- Xavier Bernat

Number of independent member: 1

This committee met three times during the financial year, with an attendance rate of 100%, to discuss the following:

- review and validation of the marketing and strategic objectives, and the role to be played by each brand in meeting these objectives,
- review and validation of advertising and promotion budgets at Group level and the choice of financial investments in brands and markets with the greatest development potential,
- review of innovative strategies and investments for leading brands.

6.1.2.4 Nomination and Remuneration Committee

This committee is comprised of 3 members of the Supervisory Board:

- Brian Ivory, Chairman
- Jürgen Reimnitz
- François Hériard Dubreuil

Number of independent member: 1

This committee met twice during 2002/03 on 10 June and 3 December 2002, with a 100% attendance rate, to discuss the following:

- Review of tools to optimise the motivation and remuneration of management
- Bonus systems used for staff
- Remuneration of Management Board members
- Nomination of Management Board members
- Review of the Group's share options policy

6.1.3 External Audit

The fees paid to the Statutory Auditors and members of their network for the financial year 2002/2003 amounted to 1 million euros, analysed as follows:

€ millions	**Barbier Frinault et Autres**	**Auditeurs et Conseils Associés**	**TOTAL**
Statutory Audit	0.6	0.1	**0.7**
Other activities related to the statutory audit	0.2		**0.2**
Other	0.1		**0.1**
Total	**0.9**	**0.1**	**1.0**

6.2 DIRECTORS' INTERESTS IN THE SHARE CAPITAL OF THE COMPANY OR IN A COMPANY CONTROLLED BY OR WHICH CONTROLS THE COMPANY OR A SIGNIFICANT CUSTOMER OR SUPPLIER OF THE COMPANY

6.2.0 Remuneration paid to members of the Management Board and Supervisory Board for the financial year ending 31 March 2003

For the 2001/02 financial year, each Supervisory Board member received attendance fees of € 22,598, with G. Le Bail receiving € 11,299 on a prorata temporis basis. Dominique Hériard Dubreuil received from the Group fixed remuneration of € 217,873. Hubertus van Doorne received total remuneration of € 468,371, including fixed remuneration of € 313,641. Alain Emprin received total remuneration of € 348,195, including fixed remuneration of € 271,058. Bruno Mouclier received total remuneration of € 397,027, including fixed remuneration of € 254,882. Pierre Soussand received total remuneration of € 283,365, including fixed remuneration of € 231, 748.

The above remuneration include benefits-in-kinds from which each member benefited.

6.2.1 Rémy Cointreau share subscription options granted to members of the Management Board and Supervisory Board

No share subscription options were granted during 2002/2003.

Members of the Management Board of Supervisory Board who exercised share subscription options:

Member of the Management Board or Supervisory Board	Total number of options subscribed	Weighted average price	plan n°
John Wong	16,267	28.90	7
Hubertus van Doorne	3,017	30.30	4
Hubertus van Doorne	10,000	23.50	5

The major features of the share subscription option plans are disclosed in paragraph 3.2.4.

Shares and voting rights held by members of the Supervisory Board at 31 March 2003 are reported in paragraph 3.3.1

6.2.2 Information on transactions with Management Board and Supervisory Board members

See the Statutory Auditors' Special Report for the financial year ending 31 March 2003, which is included in Chapter V, paragraph 5.3, of the present Reference Document.

No transactions outside the ordinary activities of the Company and outside normal conditions were concluded with shareholders holding voting rights in excess of 5%, other than those covered in Chapter V, paragraph 5.3 of the present Reference Document

6.2.3 Loans and guarantees granted to or set up in favour of members of the Supervisory Board and Management Board

Nil

6.3 EMPLOYEE PROFIT SHARING

6.3.1 Profit sharing and participation agreements

The amount of profit sharing that was paid out by GIE Rémy Cointreau Services for 2002/03 was € 384,163.14.

The amount of profit sharing, excluding bonus, paid out during the previous five financial years were as follows: 1997/1998: € 0, 1998/1999: € 485,052, 1999/2000: € 409,147, 2000/2001: € 307,533, 2001/02 : € 291,887.18

A new profit sharing plan was signed on 30 September 2002 for a period of three years beginning from 1 April 2002, enabling all employees with at least three months' service at GIE Rémy Cointreau Services or at another Group company to benefit from this plan during that period.

The method of calculating the profit-sharing premium was determined in a manner that takes account of the particularities of the business and the operating structure.

It arises from the measurement of progress made in the performance of the employees and the business. The first criterion measures the performance compared to the budget in respect of the operating costs of GIE Rémy Cointreau Services on the consolidated operating profit reported by the Rémy Cointreau Group. A second criterion measures the performance compared to budget in respect of the operating costs of GIE Rémy Cointreau Services on the consolidated profit before tax reported by the Group

6.3.2 Rémy Cointreau share subscription/purchase options granted to employees

See paragraphs 3.2.2 and 3.2.4 of the present Reference Document regarding authorisations in progress and outstanding options.

During 2002/2003, no share subscription options were granted.

Rémy Cointreau options exercised during the financial year, by the ten Rémy Cointreau Group employees, whose number of options thus or subscribed is the highest:

Total number of option subscribed	Weighted average price – euros	plan n°
12,003	30.56	4
7,587	23.50	5
9,152	28.83	6
7,050	26.92	7
17,978	28.78	8
6,694	29.75	9

Total number of shares subscribed to during the financial year by these ten Rémy Cointreau Group employees: 60,464. Weighted average share option exercise price during the financial year: € 28.06.

CHAPTER VII

RECENT DEVELOPMENTS AND FUTURE PROSPECTS

7.1 RECENT DEVELOPMENTS

The Group's seasonality is characterised by a traditionally low level of activity in April and May. In these first two months of the financial year, the Group's business is modestly down for the Cognac, Liqueurs and Champagne divisions, while sales of Vodka are increasing significantly.

7.2 FUTURE PROSPECTS

As regards the nature of its business and the international split of its sales, Rémy Cointreau has a marked sensitivity to medium-term currency fluctuations and to developments in international trade.
The appreciation of the euro, despite the impact of existing foreign exchange cover, and the slowdown in duty-free sales as a result of the SARS epidemic, are notable risk factors for 2003/2004.
On the other hand, the sustained level of demand in the North American market, and the recovery in the vodka market in Poland are encouraging factors for the development of our brands.
In this context, the financial year 2003/2004 will be a year of consolidation, during which the Group intends to pursue its strategic development plans through:

- the development of key brands and the continuation of marketing and innovation initiatives in the key markets,
- the development of the Supply Chain project, enabling the Group to improve its logistical and industrial effectiveness (objective: 10 million euros in savings in a full year),
- the search for improvements in the economy, efficiency and effectiveness of operations (planned savings of 5 million euros).

At the same time, Rémy Cointreau is working to strengthen its financial structure through:

- the disposal of non-strategic assets (objective: 70 million euros),
- the refinancing and the reduction in the average cost of resources, which should result in savings of some 4 million euros in a full year.

APPENDIX

PRESS RELEASE

RELEASE DATED 12 JUNE 2003 CONCERNING PRELIMINARY RESULTS

Turnover up 5.1%

Operating margin 21.4%

Profit on ordinary activities per share up 2.2%

Turnover for the year ended 31 March 2003 was €1,000.2 million, an increase of 5.1% on a like-for-like basis. Operating profit rose by 2.2% to €213.8 million. The recovery in Champagne and the dynamism of Cognac contributed to this performance.

The Group intends to capitalise on its strengths and will pursue an aggressive policy of organic growth, with an ongoing improvement in profitability.

A proposed dividend of €1 will be submitted for shareholder approval at the AGM to be held on 8 September 2003.

2002/03 Financial Highlights

(€ millions)	**2003**	**2002 published**	**% Change**
Turnover	1,000.2	1,019.5	- 1.9
Operating profit	213.8	209.1	+ 2.2
Operating margin (%)	*21.4%*	*20.5%*	
Profit on ordinary activities	102.9	100.6	+ 2.3
Net profit on ordinary activities per share (€)	2.34	2.29	+ 2.2
Net profit	101.5	95.3	+ 6.5
Earnings per share (€)	2.30	2.17	+ 6.0
Number of shares in issue (‘000)	44,070	43,950	-

Change in Group structure at 31 March 2003: Disposal of Blue Pyrenees Estate (Australian wines) in October 2002.
The results for 6 months were equity accounted.

2002/03: Targets met

In unfavourable market conditions, sustained margins, a maintained pricing policy and the optimisation of the distribution network enabled all operations to achieve a satisfactory performance.

Analysis of Operating Profit:

(€ millions)	**2003**	**% Margin**	**2002**	**% Margin**
Cognac	**149.3**	41.6	145.6	38.3
Liqueurs	**50.4**	28.8	47.3	27.5
Spirits	**61.5**	30.6	70.1	32.4
Champagne	**17.2**	13.2	5.7	5.1
Third Party products	**20.9**	15.5	22.0	15.8
Total	**299.3**	**29.9**	**290.7**	**28.5**
Distribution Costs	**(64.9)**	-	(63.8)	-
Central Costs	**(20.6)**	-	(17.8)	-
Operating profit	**213.8**	**21.4**	**209.1**	**20.5**

Cognac

Volumes of Rémy Martin cognacs increased by 4.6% thus strengthening its leadership position in superior qualities with a 32% market share.

Cognac achieved a historic operating margin of 41.6% with a continued high level of marketing expenditure of 26.9% of gross margin at constant exchange rates. Its contribution to consolidated profit was €149.3 million, an increase of €3.7 million over last year.

The dynamism of the brand is particularly evident in the US. Shipments grew by 7%, driven by sustained consumer demand (depletions rose by 10% for the year ended 31 March 2003).

In Asia, the new distribution organisation in China increased sales and now represents a major strength for the brand's development in this market. The establishment of this organisation generated additional costs of approximately €5 million during the year.

Liqueurs

The good performance by Cointreau in the US and Southern Europe, Passoa in France and Japan, together with the success of Cointreau C, Aura (pre-mix) and Passoa Diablo, which required particularly high marketing expenditure this year (46.6% of gross margin), brought divisional profit to €50.4 million. The operating margin rose to 28.8%.

Spirits

Bols vodka made a partial recovery in the second half of the year. However, it ended the year with a decline of 17.6% compared with the previous year, in a very competitive and volatile environment. In line with its policy of supporting brands in their priority markets, the Group decided to maintain a high level of marketing expenditure for its vodka brands (38.5% of gross margin compared with 27.1% the previous year).

The Metaxa brand (+8.4%), Mount Gay and St James rums (+16.6%) and St Remy brandy (+11.3%) all grew at very satisfactory rates. The Spirits division contributed €61.5 million to operating profit, and the operating margin was 30.6%.

Champagne

With an operating profit of €17.2 million, an increase of €11.5 million over the previous year, the Champagne division achieved a better operating margin at 13.2% than that forecast by the Group for the year, against a background of sustained marketing expenditure (41.7% of gross margin).

Third Party Brands

The contribution to operating profit of third party brands, which mainly comprises distribution of the Highland Distillers brands and Antinori wines in the US, fell slightly due to the cessation of certain distribution contracts in the US duty-free market.

Distribution and Central Costs

Distribution costs grew slightly due to additional marketing resources for Rémy Amérique. The growth in central costs results from the implementation of the "Supply Chain" organisation, which in one year, will generate productivity and efficiency gains.

Operating profit grew by 3.7% at constant exchange rates. The increase comes from a higher level of activity and an improvement in the Group's operating margin, which rose by 21.4%, whilst marketing expenditure was maintained at its high level (33.8% of gross margin).

Finance costs of €66.7 million included a financing charge of €64.8 million compared with €63 million the previous year. Despite the decline in the average financing rate, this increase was due to the rise in average debt during the year and the non-renewal of a financial instrument that benefited the previous year.

Profit on ordinary activities rose by 2.3% to €102.9 million to represent €2.34 per share.

Exceptional expenses were (€1.4) million. These mainly comprise the disposal of Blue Pyrenees Estate in Australia and Domaines Rémy Martin, the income from the disposal of assets (sale of barrels, property in California and Champagne) and also the exceptional costs of reorganising production units.

Profit grew by 6.5% to €101.5 million, equivalent to €2.30 per share.

Consolidated financial debt was €812 million (excluding the subordinated perpetual loan notes). Financial debt including the subordinated perpetual loan notes, the OCEANE redemption premium, marketable securities and cash, amounted to €865 million. The debt (excluding the subordinated perpetual loan notes) to EBITDA ratio was 3.39.

Group equity grew by €39 million to €1,086 million.

Outlook for 2003/04: Capitalise on all our strengths to sustain an aggressive policy of organic growth.

The Group has the capability to ensure optimum acceleration of its programme of organic growth and to achieve further improvement in profitability, while improving its financial position.

Rémy Cointreau intends to capitalise on its fundamental strengths, ie:

- strong brands with high market share;
- a strategic distribution through two networks - Maxxium and Rémy Amérique -combining strength and dynamism;
- a disciplined organisation seeking every source of improved productivity and efficiency, from production to customer service (Supply Chain).

Rémy Cointreau has defined four areas of priority:

- **dynamic volume growth for key brands/markets:**
  - by winning market share based on refined consumer insight;
  - by strategic distribution and with further drivers for growth. Both Maxxium and Rémy Amérique have improved and expanded their sales structure.

- **ensure additional sources of organic growth:**
  - by continuing its marketing expenditure on key brands and priority projects (35% of gross margin),
  - through the success and continued launch of innovative products -Cointreau C in Europe and Cointreau Aura in Australia as well as Metaxa Grand Olympic Reserve and Piper Rosé Sauvage.

- **maximise productivity gains:**
  - through a disciplined organisation, from production to customer service, fully operational within one year, which will generate recurring savings of approximately €10 million per year.

- **improve the financial position:**
  - through the continued disposal of non-strategic assets, and
  - by refinancing and reducing the average cost of resources, which should produce savings of approximately €4 million in a full year.

Commenting, Mme Dominique Hériard Dubreuil, Chairman of the Management Board, said:

> "Rémy Cointreau has demonstrated its ability to adapt rapidly to changes in the environment and to progress against a background of a combination of unfavourable factors. The strength of our brands and the geographic spread of our business worldwide form the basis of our ambition for sustained organic growth, supported by markets with additional growth potential. The good level of demand in the US, a promising start to the year in Central Europe, particularly for vodka, the efficiency of the new distribution model in China and good hedging cover are all factors that will support our performance over the coming 12 months. These factors will provide a solid base for strategic arbitrage."

For further information, please contact:

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Rémy Cointreau	
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<u>RELEASE DATED 16 JUNE 2003 CONCERNING THE € 150 MILLION SENIOR NOTES</u>

Rémy Cointreau S.A. Announces Plans to Issue €150 Million Senior Notes Due 2010

PARIS, France – June 16, 2003—Rémy Cointreau S.A. announced today that it intends to offer, subject to market and other conditions, up to €150 million aggregate principal amount of new senior notes due 2010. The Notes are being sold to Qualified Institutional Buyers in the United States under Rule 144A and to institutional investors outside the United States under Reg. S and have not been and will not be registered under the Securities Act of 1933, as amended, or any state securities laws. The Notes may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. The Company expects to launch the transaction Tuesday, June 17, 2003. Net proceeds of the offering will be used to redeem the Company's existing €150 million 10% senior notes due 2005.

This press release shall not constitute an offer to sell or a solicitation of an offer to buy the senior notes, nor shall there be any sale of these senior notes in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful. No action has been or will be taken to permit a public offering of the Notes in any jurisdiction, including France.

Rémy Cointreau S.A. is a global leader in the production, marketing and distribution of premium branded cognacs, liqueurs, spirits and champagnes. The Company's portfolio of leading brands includes such recognized names as *Rémy Martin, Cointreau, Passoã, Mount Gay, Bols, Metaxa* and the champagne brands *Charles Heidsieck* and *Piper-Heidsieck.*

For further information, please contact:

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This press release does not constitute an invitation to the public in connection with any public offering of securities in France (appel public à l'épargne).

In the United Kingdom, this press release is for distribution only to persons specified in Articles 19 to 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001. The securities mentioned in this press release may only be subscribed by such persons.

Stabilisation/FSA