RÉMY COINTREAU

Financial Year 2011-2012

Half-Year Financial Report

A. HALF-YEAR MANAGEMENT REPORT

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HALF-YEAR OPERATING REPORT

First six months of the financial year ended 31 March 2012

In the period ended 30 September 2011, the Group generated a current operating profit of €106.2 million, a significant increase of 27.3% (up 30.7% organically). Current operating profit represented 22.4% of turnover, an increase of almost three percentage points.

Following exclusive negotiations initiated on 28 February 2011, the Rémy-Cointreau and EPI groups signed an agreement on 31 May 2011 for the sale of the entire shareholding in Piper-Heidsieck – Compagnie Champenoise to EPI, which was implemented on 8 July 2011, enabling the latter to assume control of the Champagne operations in Reims and of Piper Sonoma in the US. In addition, Rémy Cointreau and EPI signed a global distribution agreement for the Piper-Heidsieck, Charles Heidsieck and Piper Sonoma brands.

These transactions were restated and recognised in accordance with IFRS 5 in the annual financial statements at 31 March 2011 and in the interim financial statements covered in this report. The income statement of operations disposed of in the period ended 30 September 2010 was thus reclassified line by line to "Net profit from discontinued operations".

1 Comments on the consolidated income statement

All data is presented in millions of euros for the period from 1 April to 30 September. The organic change was measured on a constant foreign exchange rate basis compared with the previous year.

a Key figures

€ millions	**2011**	**2010**	**Gross change**	**Organic change**
Turnover	474.9	428.1	+10.9%	+18.1%
Current operating profit	**106.2**	**83.5**	**+27.2%**	**+30.7%**
Operating margin	22.4%	19.5%		
Other operating income/(expenses)	(3.7)	(45.5)		
Operating profit	102.5	38.0		
Financial result	(23.2)	(16.8)		
Income tax	(21.6)	(6.2)		
Share in profit of associates	0.6	2.1		
Profit from continuing operations	58.3	17.1		
Profit/(loss) from discontinued operations	(10.8)	(3.0)		
Net profit for the period - attributable to owners of the parent company	**47.3**	**14.1**		
Net profit for the period excluding non-recurring items - attributable to owners of the parent company	**61.5**	**50.6**		
Basic earning per share - attributable to the owners of the parent company :				
From net profit excludng non-recurring items	**1.24 €**	**1.04 €**	**+19.2%**	
From net profit	0.96 €	0.29 €		

	Turnover				Current operating profit				Operating margin		
	2011	2010	Gross change	Organic change	2011	2010	Gross change	Organic change	2011	2011 (org)	2010
Cognac	277.3	237.0	+17.0%	+26.5%	91.2	71.5	+27.6%	+34.4%	32.9%	32.0%	30.1%
Liqueurs & Spirits	103.1	99.8	+3.3%	+6.5%	24.1	21.0	+14.8%	+10.5%	23.4%	21.8%	21.0%
Total Group brands	**380.4**	**336.8**	**+12.9%**	**+20.6%**	**115.3**	**92.5**	**+24.7%**	**+28.9%**	**30.3%**	**29.4%**	**27.4%**
Partner brands	94.5	91.3	+3.5%	+9.1%	1.5	0.5	+200.0%	-	1.6%	0.5%	0.5%
Holding costs	-	-			(10.6)	(9.5)	(11.6%)	(11.6%)	-	-	-
Total	**474.9**	**428.1**	**+10.9%**	**+18.1%**	**106.2**	**83.5**	**+27.3%**	**+30.7%**	**22.4%**	**21.6%**	**19.5%**

Turnover by geographic region

	2011	2010	Gross change	Organic change
Europe	136.9	127.7	+7.2%	+7.0%
Americas	146.4	147.1	(0.5%)	+11.4%
Asia & Others	191.6	153.3	+25.0%	+34.0%
Total	**474.9**	**428.1**	**+10.9%**	**+18.1%**

b General comments on the current operating profit

Compared with the six months ended 30 September 2010, the movement in **current operating profit** can be analysed as follows:

Current operating profit 2010	83.5
Exchange rate movements (net of hedges)	(2.9)
Effect of volume growth	18.0
Effect of price increases and product mix on turnover	40.6
Change in advertising expenses (Group brands)	(17.2)
Change in other costs	(15.8)
Current operating profit 2011	106.2

The foreign exchange rate effect was negative by €2.9 million, primarily reflecting an unfavourable net effect of the US Dollar, the Chinese Yuan and all currencies tied to them. The average €/USD exchange rate was 1.44 during the period, compared with 1.28 in the previous period. Due to its hedging policy, the Group achieved an average collection rate of 1.35 on the net US Dollar cash flows generated by its European entities. which was very close to the rate of 1.34 achieved in the half year period ended 30 September 2010.

Price increases and the growing significance of premium qualities in turnover contributed materially, with a total effect of €40.6 million, to the increase in current operating profit. The volume effect of €18.0 million reflected an increase in volume for most brands, particularly premium brands. Gross profit thus grew organically by approximately 3 percentage points, which enabled the financing of marketing investment and the strengthening of the distribution network, particularly in Asia, due to strong development in this region, whilst generating a 2 percentage point organic increase in current operating margin.

c Results by division

In the period ended 30 September 2011, the Rémy Cointreau Group generated **turnover** of €474.9 million, an increase of 10.9% compared with the previous period (up 18.1% organically).

In the following commentaries, all movements are provided in **organic** data.

Analysed by **geographic region,** all regions reported growth. Asia continued to expand strongly, achieving organic growth of 34.0%, especially in superior qualities of the Cognac category. The Americas region grew by 11.4% organically during the first half of the year. Lastly, Europe posted remarkable organic growth of 7.0%, due in particular to strong growth in cognac sales in major European markets.

Rémy Martin

Turnover increased to €277.3 million, which was a strong organic growth of 26.5%. reflecting the continued development of Rémy Martin in the Asia region. In Europe, turnover also recorded sustained growth, spread over all markets. Superior qualities grew in the Americas.

Rémy Martin generated a current operating profit of €91.2 million. a strong 34.4% increase. The current operating margin was 32.0% (organic), an improvement of almost 2 percentage points compared with the previous period (30.1%). The improvement in gross profit, which resulted from the brand's growth by the most upmarket products and markets, fully carried through to the operating margin while funding the increase in marketing investment and structure and distribution costs allocated to this division.

Liqueurs & Spirits

Turnover increased to €103.1 million, which represented organic growth of 6.5% compared with the previous period during which this category posted a decline of 5.5%. The Cointreau and Mount Gay Rum brands grew in their strategic markets. The Metaxa brand enjoyed renewed growth on historically low comparatives.

The Liqueurs & Spirits division generated a current operating profit of €24.1 million, an organic increase of 10.5%. Marketing investment was stable in absolute value. The current operating margin was 21.8% (organic) compared with 21.0% for the half year ended September 2010.

Partner brands

This division now includes the international distribution of the Piper-Heidsieck and Charles Heidsieck champagne brands, both transferred to EPI on 8 July 2011. Comparative data have been restated.

The Group achieved growth in turnover of 9.1% to €94.5 million, primarily due to the strong performance of Scotch whisky brands distributed in the US. The Champagne division recovered in a number of markets, including in the US. The situation was more contrasting in Europe. It should be noted that the peak period for champagne sales is in the third quarter.

After allocating a portion of general distribution and administrative expenses, this division generated an operating profit of €1.5 million.

d Operating profit

Operating profit was €102.5 million, after taking into account a €3.8 million impairment charge on two secondary brands held by the Group, following a review of their respective strategic business plans.

In the previous period, the Metaxa brand, acquired in 2000, was subject to a €45 million impairment charge, with an impact of €33.5 million on net profit.

e Net financial expense

The net financial income was €23.2 million and included the following items:

- the Group has a positive cash position following the disposal of the Champagne division as long-term financing instruments of a nominal value of €345 million were retained. This had an unfavourable knock-on effect on the average interest rate of debt.

- the Group holds a portfolio of interest rate swaps of a nominal value of €150 million, subscribed to hedge against a rise in short-term interest rates over the 2012/15 period. Due to current market trends and to this portfolio no longer qualifying as a hedging instrument, the €7.1 million decline in its value was entirely recognised under financial expenses during the period. This amount will vary based on changes in market data at each balance sheet date, until the instruments mature.

- the foreign exchange hedging portfolio, subscribed to hedge against future flows in accordance with the Group's hedging policy includes options and forward sales, the majority of which against the US dollar. Due to considerable volatility in the €/USD exchange rate during the period, the change in the time value of the portfolio, which fully qualifies as a hedge pursuant to IAS 39, represented an expense of €6.3 million which was recognised under currency gains/(losses).

	2011	2010	Variation
Cost of gross financial debt (1)	(10.4)	(13.4)	3.0
Investment income	0.8	-	0.8
Early repayment cost	-	(3.7)	3.7
Average net debt	*321.0*	*607.9*	*(286.9)*
Average interest rate (1)	*5.98%*	*4.41%*	
Change in value of the portfolio of interest rate hedges	(7.1)	-	(7.1)
Reclassification to "discontinued operations"	1.0	2.0	(1.0)
Currency gain/(losses)	(5.1)	0.7	(5.8)
Other financial expenses (net)	(2.4)	(2.4)	-
Financial result	**(23.2)**	**(16.8)**	**(6.4)**

(1) Excluding early repayment cost and change in value of the portfolio of unmatched interest rate hedges

The average interest rate, calculated on average net debt, increased moderately due to the mix of resources. Confirmed long-term facilities of €345 million bear an average interest rate of approximately 5%. Average debt declined by €286.9 million, including the effect of the disposal of the Champagne division from the second quarter onwards.

Other financial income and expenses particularly include items relating to the movement in the value of seller's loans (loan granted to the EPI Group in the period ended 30 September 2011 and loan granted to the Lucas Bols Group in the previous period. the latter having been repaid in full by 31 March 2011), as well as the finance cost of certain eaux-de-vies owned by the AFC co-operative. Compared with the previous period, these items had a stable net negative impact of €2.4 million.

f Net profit

The tax charge, estimated on the basis of a projected annual effective rate, amounted to €21.6 million, representing an effective tax rate of 27.3% (29.3% for the half year ended 30 September 2010), resulting from the geographic distribution of results for the period.

The share of profit in associates totalled €0.6 million, primarily originating from the investment in the Dynasty Group.

The net profit of discontinued operations includes:

- in the previous period, the effect of the reclassification of profit and loss items attributable to the business transferred in the transaction with the EPI Group.
- in the current period, the final impacts of the disposal that could not be recognised at 31 March 2011, on which date the terms and conditions of the transfer were still being negotiated. Pursuant to IFRS, part of the disposal price was allocated to the distribution contract, the terms of which are favourable to the buyer in the first few years. This amount was recognised as a liability and will be released over the periods concerned. The related charge, net of tax, was €9.8 million.

The net profit attributable to owners of the parent company was €47.3 million (2010: €14.1 million), representing basic earnings per share of €0.96, compared with €0.29 during the previous period (diluted: €0.95. compared with €0.29).

Excluding non-recurring items (other operating income and expenses, net of tax, and net profit of discontinued operations), the Group share of net profit was €61.5 million, being basic and diluted earnings per share of €1.24, compared with €1.04 in the previous period, an increase of 19.2% (diluted: €1.24. compared with €1.03).

2 Comments on the financial position

In the statement of financial position at 30 September 2010, the assets and liabilities corresponding to the Champagne division were not reclassified as the conditions provided for by IFRS 5 were not met at that date.

	September 2011	September 2010	March 2011	Change vs March 2011
Brands and other intangible assets	443.2	584.4	447.1	(3.9)
Property, plant and equipment	141.6	206.9	141.0	0.6
Investments in associates	68.5	64.9	64.9	3.6
Other financial assets	84.4	73.3	10.9	73.5
Non-current assets (other than deferred tax)	**737.7**	**929.5**	**663.9**	**73.8**
Inventories	746.9	928.4	699.2	47.7
Trade and other receivables	254.0	261.4	213.6	40.4
Trade and other payables	(390.7)	(381.4)	(406.6)	15.9
Working capital requirement	**610.2**	**808.4**	**506.2**	**104.0**
Net financial derivatives	(13.4)	0.4	11.9	(25.3)
Assets held for disposal	0.2	-	376.3	(376.1)
Net current and deferred tax	(68.3)	(171.8)	(129.1)	60.8
Dividend payable	(113.7)	(41.2)	-	(113.7)
Provision for liabilities and charges	(36.1)	(46.1)	(36.5)	0.4
Other net current and non-current assets	**(231.3)**	**(258.7)**	**222.6**	**(453.9)**
Total	**1 116.6**	**1 479.2**	**1 392.7**	**(276.1)**
Financed by:				
Equity	**1 002.6**	**994.5**	**1 063.8**	**(61.2)**
Long-term borrowings	339.2	567.7	377.7	(38.5)
Short-term borrowings and accrued interest	12.0	21.3	31.8	(19.8)
Cash and cash equivalents	(237.2)	(104.3)	(80.6)	(156.6)
Net borrowings	**114.0**	**484.7**	**328.9**	**(214.9)**
Total	**1 116.6**	**1 479.2**	**1 392.7**	**(276.1)**
For information :				
Total assets	**2 028.0**	**2 269.2**	**2 190.9**	**(162.9)**

Non-current assets increased by €73.8 million compared with March 2011, due to:

- a €3.8 million provision for impairment of secondary brands;
- an increase in the value of the Dynasty equity investment, which primarily included a translation effect;
- the recognition of the €75 million seller's loan granted to EPI on 8 July 2011 as part of the transfer of the Champagne division.

The working capital requirement increased by €104 million compared with that noted in March 2011, in line with business seasonality.

The change in value of financial instruments includes €8.5 million on interest rate instruments and €16.8 million on foreign exchange instruments.

The "Net assets held for sale" heading was reversed following the effective disposal which took place on 8 July 2011.

The income tax heading posted a net movement of €60.8 million, reflecting a higher level of down payments and the planned payment of tax liabilities for litigations related to previous periods.

The General Meeting of 26 July 2011 approved the payment of an ordinary dividend of €1.30 per share in respect of the year ended 31 March 2011 and an exceptional dividend of €1.00 per share. both payable in cash. The payment in cash was made early in October 2011. The corresponding value of €113.7 million was thus recognised under other liabilities at 30 September 2011.

The decrease in equity can be analysed as follows:

Net profit for the period	47.5
Movement in the value of financial instruments	(9.2)
Movement in the value of AFS shares	(0.3)
Movement in the value of pension commitments	(0.3)
Impact of stock option and similar plans	1.8
Impact of changes in group structure on pension commitments	(1.5)
Movement in translation reserves	14.8
Increase in share capital and share premium	1.3
Transactions in treasury shares	(1.6)
Dividends paid in respect of the 2010/11 financial year	(113.7)
Total change	**(61.2)**

Net debt was €114.0 million, a decline of €214.9 million compared with March 2011. The impact of the disposal of the Champagne division was estimated at €246.0 million.

At 30 September 2011, the Rémy Cointreau Group had confirmed funding resources of €691.0 million, including:

- a private placement of €140 million maturing on 10 June 2015 bearing interest at 3.67%;
- bonds of €205.0 million, maturing on 15 December 2016, bearing interest at 5.18% with by a 2.26% issue premium;
- a €346 million revolving syndicated facility (Euribor +0.325%), maturing on 7 June 2012.

The A ratio[1] (Net Debt/EBITDA), which defines the margin applicable to the syndicated loan was 1.06 at 30 September 2011. According to the terms and conditions of the syndicated loan, this ratio, calculated every half-year, must remain below 3.5 until maturity.

[1] The A ratio is calculated every half-year. This is the relationship between (a) the arithmetic average of the net debt at the end of the half-year and the end of the previous half-year – here the end of September 2011 and the end of March 2011 – after inclusion of the restatements to eliminate the impact of IFRS principles on the calculation of the net debt and (b) gross operating profit (EBITDA) of the previous 12 months – here the end of September 2011 less the end of March 2011 plus September 2010.

3 Comments on the Cash Flow Statement

	September 2011	September 2010	Change
Gross operating profit (EBITDA)	116.5	93.5	23.0
Change in working capital requirement	(76.0)	(9.9)	(66.1)
Net cash flow from operations	**40.5**	**83.6**	**(43.1)**
Other operating income (expenses)	(0.2)	(0.3)	0.1
Net financial expenses	(12.8)	(15.5)	2.7
Net income tax	(56.8)	(12.4)	(44.4)
Other operating cash flows	(69.8)	(28.2)	(41.6)
Net cash flow from operating activities - continuing operations	**(29.3)**	**55.4**	**(84.7)**
Net cash flow from operating activities - discontinued operations	(0.6)	(15.1)	14.5
Net cash flow from operating activities	**(29.9)**	**40.3**	**(70.2)**
Net cash flow from investing activities - continuing operations	(6.1)	(18.7)	12.6
Impact of discontinued operations	71.3	0.5	70.8
Net cash flow before financing activities	**35.3**	**22.1**	**13.2**
Capital increase	1.3	1.5	(0.2)
Treasury share transactions	(1.6)	0.1	(1.7)
Cash flow relating to capital items	**(0.3)**	**1.6**	**(1.9)**
Increase/(decrease) in financial debt	(58.3)	(2.8)	(55.5)
Impact of early repayment costs	-	(2.9)	2.9
Impact of discontinued operations	175.3	-	175.3
Net cash flow from financing activities	**152.0**	**18.0**	**134.0**
Translation differences on cash and cash equivalents	4.6	-	4.6
Change in cash and cash equivalents	**156.6**	**18.0**	**138.6**

Due to the disposal of the Champagne division (including Piper Sonoma), cash flow corresponding to this business for the half year period ended 30 September 2010 was reclassified, in accordance with IFRS 5, under the "Net cash flow of discontinued operations" headings. For the half year period ended 30 September 2011, these headings include the impact of the transaction itself.

Gross operating profit (EBITDA)[2] increased by €23.0 million, primarily due to the increase in current operating profit.

The €76 million increase in working capital primarily reflected:

- cash disbursements of €43.7 million to replenish eaux-de-vie inventories;
- a €37.2 million increase in trade receivables, due to strong turnover growth during the second quarter. particularly in Asia.

The net cash outflow of €12.8 million related to financial expenses was €2.7 million lower than in the previous period, in line with the reduction in financial charges.

The net cash outflow related to tax was €56.8 million for the half year period ended 30 September 2011, almost half of which was attributable to the balance of a tax liability related to the settlement of a previous litigation, and more generally, a higher level of down payments due to earnings growth.

Cash flow from investing activities for the period included €8.7 million related to capital expenditure, in line with the level of expenditure planned for the financial year.

The net cash flow from investing activities includes €71.3 million related to discontinued operations, corresponding to the proceeds from the sale of the entire share capital of Piper-Heidsieck Compagnie Champenoise to the EPI Group on 8 July 2011. i.e. €146.3 million, net of the seller's loan of €75 million which was granted.

[2] Gross operating profit (EBITDA) is calculated as current operating profit, adjusted by adding back depreciation and amortisation charges on property, plant and equipment and intangible assets and charges in respect of share-based payments and dividends received from associates during the period.

Furthermore, the impact of removing the debt of the sold business from consolidation was €175.3 million, classified as cash flow from financing activities. This impact corresponds to the debt of this business at 31 March 2011. Debt at the time of the transfer on 8 July 2011 was €242 million.

After taking into account cash flows relating to capital items (impact of exercise of share subscription options and movements in treasury shares) and the net movement in financial debt and translation effects, cash and cash equivalents increased by €156.6 million compared with 31 March 2011, to €237.2 million.

4 Post-balance sheet events

There are no significant events to report.

5 Outlook

In an uncertain economic and monetary environment, particularly in Europe, Rémy Cointreau continues its aggressive strategy of moving its brands upmarket, developing its brands through targeted investment and innovation. Keeping the focus on value creation, the Group remains confident in its ability to improve its results.

CONSOLIDATED FINANCIAL STATEMENTS OF THE REMY COINTREAU GROUP AT 30 SEPTEMBER 2011

CONSOLIDATED INCOME STATEMENT

In € millions

	Notes	September 2011	September 2010	March 2011
Turnover	15	**474.9**	**428.1**	**907.8**
Cost of sales		(179.2)	(180.0)	(389.5)
Gross profit		**295.7**	**248.1**	**518.3**
Distribution costs	16	(153.2)	(135.2)	(284.4)
Administrative expenses	16	(37.5)	(34.5)	(72.8)
Other income from operations	16	1.2	5.1	5.9
Current operating profit	15	**106.2**	**83.5**	**167.0**
Other operating income/(expenses)	17	(3.7)	(45.5)	(46.5)
Operating profit		**102.5**	**38.0**	**120.5**
Finance costs		(15.7)	(15.1)	(27.3)
Other financial income/(expenses)		(7.5)	(1.7)	(2.4)
Financial result	18	**(23.2)**	**(16.8)**	**(29.7)**
Profit before tax		**79.3**	**21.2**	**90.8**
Income tax	19	(21.6)	(6.2)	(21.7)
Share in profits of associates	5	0.6	2.1	4.3
Profit from continuing operations		**58.3**	**17.1**	**73.4**
Profit/(loss) from discontinued operations	20	(10.8)	(3.0)	(2.8)
Net profit for the period		**47.5**	**14.1**	**70.6**
attributable to:				
non-controlling interests		0.2	-	0.1
owners of the parent company		**47.3**	**14.1**	**70.5**
Net earnings per share - continuing operations (€)				
basic		1.18	0.35	1.50
diluted		1.17	0.35	1.49
Net earnings per share – attributable to owners of the parent company (€)				
basic		0.96	0.29	1.44
diluted		0.95	0.29	1.43
Number of shares used for the calculation				
basic	10.2	49,419,081	48,569,924	48,991,452
diluted	10.2	49,643,558	48,905,074	49,248,856

STATEMENT OF COMPREHENSIVE INCOME

In € millions

	September 2011	September 2010	March 2011
Net profit for the period	**47.5**	**14.1**	**70.6**
Movement in the value of hedging instruments (1)	(14.1)	1.2	20.0
Actuarial difference on pension commitments	(0.4)	-	(0.3)
Movement in the value of AFS shares (2)	(0.3)	0.2	0.2
Related tax effect	5.0	(0.4)	(6.7)
Release of actuarial difference on pension commitments of the Champagne division, net of tax	(1.5)	-	-
Movement in translation difference	14.8	(1.5)	(7.6)
Other items of comprehensive income	**3.5**	**(0.5)**	**5.6**
Total comprehensive income for the period	**51.0**	**13.6**	**76.2**
Attributable to:			
owners of the parent company	50.8	13.6	76.2
non-controlling interests	0.2	-	-
(1) of which unrealised gains and losses transferred to income	(7.5)	1.1	7.9
(2) of which unrealised gains and losses transferred to income	-	-	-

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In € millions

	Notes	September 2011	September 2010	March 2011
Brands and other intangible assets	3	443.2	584.4	447.1
Property, plant and equipment	4	141.6	206.9	141.0
Investments in associates	5	68.5	64.9	64.9
Other financial assets	6	84.4	73.3	10.9
Deferred tax assets		37.1	30.5	30.3
Non-current assets		**774.8**	**960.0**	**694.2**
Inventories	7	746.9	928.4	699.2
Trade and other receivables	8	254.0	261.4	213.6
Income tax receivables	19	2.1	1.5	1.6
Derivative financial instruments	14	12.8	13.6	16.4
Cash and cash equivalents	9	237.2	104.3	80.6
Assets held for sale	2	0.2	-	485.3
Current assets		**1,253.2**	**1,309.2**	**1,496.7**
Total assets		**2,028.0**	**2,269.2**	**2,190.9**
Share capital		79.2	78.6	79.1
Share premium		736.9	731.5	735.7
Treasury shares		(2.2)	(0.4)	(0.6)
Consolidated reserves		136.4	175.9	178.0
Net profit attributable to owners of the parent company		47.3	14.1	70.5
Translation reserve		7.1	(1.7)	(7.7)
Profit/(loss) recorded in equity		(3.2)	(4.4)	7.9
Equity – attributable to owners of the parent company		**1,001.5**	**993.6**	**1,062.9**
Non-controlling interests		1.1	0.9	0.9
Equity	10	**1,002.6**	**994.5**	**1,063.8**
Long-term financial debt	11	339.2	567.7	377.7
Provision for employee benefits		21.2	24.2	20.5
Long-term provisions for liabilities and charges	12	6.7	4.9	6.5
Deferred tax liabilities		91.8	182.5	121.8
Non-current liabilities		**458.9**	**779.3**	**526.5**
Short-term financial debt and accrued interest	11	12.0	21.3	31.8
Trade and other payables	13	390.7	381.4	406.6
Dividend payable		113.7	41.2	-
Income tax payables	19	15.7	21.3	39.2
Short-term provisions for liabilities and charges	12	8.2	17.0	9.5
Derivative financial instruments	14	26.2	13.2	4.5
Liabilities held for sale	2	-	-	109.0
Current liabilities		**566.5**	**495.4**	**600.6**
Total equity and liabilities		**2,028.0**	**2,269.2**	**2,190.9**

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

In € millions

	Share capital and premium	Treasury shares	Reserves and consolidated net profit	Translation difference	Profit recorded in equity	Attributable to owners of the parent company	Attributable to non-controlling interests	Total equity
At 31 March 2010	**785.8**	**(0.4)**	**237.8**	**(0.2)**	**(5.4)**	**1,017.6**	**0.9**	**1,018.5**
Net profit for the period			14.1	-	-	**14.1**	-	**14.1**
Gains (losses) recorded in equity	-	-	-	(1.5)	1.0	**(0.5)**	-	**(0.5)**
Share-based payments	-	-	1.2	-	-	**1.2**	-	**1.2**
Capital increase	24.3	-	-	-	-	**24.3**	-	**24.3**
Transactions on treasury shares	-	-	-	-	-	**-**	-	**-**
Dividends	-	-	(63.1)	-	-	**(63.1)**	-	**(63.1)**
At 30 September 2010	**810.1**	**(0.4)**	**190.0**	**(1.7)**	**(4.4)**	**993.6**	**0.9**	**994.5**
At 31 March 2011	**814.8**	**(0.6)**	**248.5**	**(7.7)**	**7.9**	**1,062.9**	**0.9**	**1,063.8**
Net profit for the period	-	-	47.3	-		**47.3**	0.2	**47.5**
Gains (losses) recorded in equity	-	-	(0.2)	14.8	(11.1)	**3.5**	-	**3.5**
Share-based payments	-	-	1.8	-	-	**1.8**	-	**1.8**
Capital increase	1.3	-	-	-	-	**1.3**	-	**1.3**
Transactions on treasury shares	-	(1.6)	-	-	-	**(1.6)**	-	**(1.6)**
Dividends	-	-	(113.7)	-	-	**(113.7)**	-	**(113.7)**
At 30 September 2011	**816.1**	**(2.2)**	**183.7**	**7.1**	**(3.2)**	**1,001.5**	**1.1**	**1,002.6**

STATEMENT OF CASH FLOWS

In € millions

	Notes	September 2011	September 2010	March 2011
Current operating profit		106.2	83.5	167.0
Adjustment for depreciation, amortisation and impairment charges		7.1	7.1	14.2
Adjustment for share-based payments		1.8	1.2	3.1
Dividends received from associates	5	1.4	1.7	2.8
EBITDA		116.5	93.5	187.1
Change in inventories		4.4	16.4	(11.4)
Change in trade receivables		(37.2)	(20.3)	26.6
Change in trade payables		(39.7)	(32.1)	2.5
Change in other operating receivables and payables		(3.5)	26.1	21.8
Change in working capital requirement		(76.0)	(9.9)	39.5
Net cash flow from operations		**40.5**	**83.6**	**226.6**
Other operating income/(expenses)		(0.2)	(0.3)	(1.9)
Net financial expenses		(12.8)	(15.5)	(20.3)
Net income tax		(56.8)	(12.4)	(31.1)
Other operating cash flows		(69.8)	(28.2)	(53.3)
Net cash flow from operating activities – continuing operations		**(29.3)**	**55.4**	**173.3**
Impact of discontinued operations		(0.6)	(15.1)	8.4
Net cash flow from operating activities		**(29.9)**	**40.3**	**181.7**
Purchases of non-current assets	3/4	(8.7)	(17.9)	(27.4)
Purchases of investment securities	5/6	-	(0.2)	(0.7)
Net cash flow from sale of non-current assets		0.6	0.3	0.5
Net cash flow from sale of investment securities	6	1.3	-	-
Net cash flow from other investments	6	0.7	(0.9)	61.9
Net cash flow from investing activities – continuing operations		**(6.1)**	**(18.7)**	**34.3**
Impact of discontinued operations		71.3	0.5	0.8
Net cash flow from investing activities		**65.2**	**(18.2)**	**35.1**
Capital increase	10	1.3	1.5	7.0
Treasury shares	10	(1.6)	0.1	(0.2)
Increase in financial debt		2.4	335.5	329.8
Repayment of financial debt		(60.7)	(338.3)	(517.4)
Dividends paid to shareholders of the parent company		-	-	(41.2)
Other cash flows from financing activities		-	(2.9)	-
Net cash flow from financing activities- continuing operations		**(58.6)**	**(4.1)**	**(222.0)**
Impact of discontinued operations		175.3	-	-
Net cash flow from financing activities		**116.7**	**(4.1)**	**(222.0)**
Translation differences on cash and cash equivalents		4.6	-	(0.5)
Change in cash and cash equivalents		**156.6**	**18.0**	**(5.7)**
Cash and cash equivalents at start of period	9	**80.6**	**86.3**	**86.3**
Cash and cash equivalents at end of period	9	**237.2**	**104.3**	**80.6**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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INTRODUCTION

Rémy Cointreau is a société anonyme (joint stock company) with a Board of Directors subject to French legislation and subject in particular to the French Commercial Code. Rémy Cointreau shares are listed on NYSE Euronext Paris.

The consolidated financial statements presented below were approved by the Board of Directors on 22 November 2011 pursuant to a recommendation from the Audit Committee following its meeting of 18 November 2011.

1 ACCOUNTING POLICIES

Rémy Cointreau's financial year runs from 1 April to 31 March.

In accordance with European Regulation (EC) No. 1606/2002, of 19 July 2002, the consolidated financial statements of Rémy Cointreau are prepared in accordance with the international accounting policies applicable within the European Union as at 30 September 2011.

These standards can be consulted on the website of the European Commission at:
http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm

The condensed consolidated financial statements presented on this document were prepared pursuant to IAS 34 *Interim Financial Reporting*, as adopted by the European Union. They do not include all the notes and disclosures required by IFRS for annual financial statements and must therefore be read in conjunction with the annual financial statements for the year ended 31 March 2011.

The accounting principles applied in the preparation of the interim financial statements for the period ended 30 September 2011 are the same as those applied for the year ended 31 March 2011.

The following standards and interpretations have become applicable to Rémy Cointreau at 1 April 2011:

- IAS 24 - *Related parties – Related party disclosures,*
- IFRS 1 - *Limited exemptions from comparative IFRS 7 disclosures for 1st time adopters*,
- IFRIC 14 - *The limit on a defined benefit asset, minimum funding requirements and their interaction*
- IFRIC 19 - *Extinguishing financial liabilities with equity instruments*,
- 2010-2011 IFRS improvements.

The standards, interpretations and amendments whose application is compulsory after 30 September 2011 and where the Group has not elected for early application for the half-year consolidated financial statements at 30 September 2011, are as follows:

- amendments to IAS 1 on the presentation of other items of comprehensive income,
- amendments to IAS 12, "Income tax": recovery of underlying assets
- amendments to IAS 19, primarily aimed at removing the option to postpone the recognition of all or part of actuarial differences (corridor method),
- amendment to IAS 27, "Consolidated and separate financial statements",
- amendment to IAS 28, "Investments in associates and joint ventures",
- amendments to IFRS 7, "Financial instruments: disclosures": transfers of financial assets,
- IFRS 10, "Consolidated financial statements",
- IFRS 11, "Joint arrangements",
- IFRS 12, "Disclosure of interests in other entities",
- IFRS 13, "Fair value measurement".

Historically, Group sales are not evenly split between the first half-year and the second half-year. As a result, the interim results at 30 September 2011 are not necessarily indicative of those expected for the full year ending 31 March 2012.

In respect of the interim financial statements, the tax charge for the period is an estimate of the effective annual rate which is applied to the profit before tax of the period excluding significant exceptional items. Possible exceptional items in the period, such as the disposal of securities or the effect of a tax dispute, are recorded with their actual tax effect.

2 CHANGE IN CONSOLIDATION SCOPE

Following exclusive negotiations initiated on 28 February 2011, the Rémy-Cointreau and EPI groups signed an agreement on 31 May 2011 for the sale of the entire shareholding in Piper-Heidsieck – Compagnie Champenoise to EPI, which was implemented on 8 July 2011, enabling the latter to assume control of the Champagne operations in Reims and of Piper Sonoma in the US. In addition, Rémy Cointreau and EPI have signed a global distribution agreement for the Piper-Heidsieck, Charles Heidsieck and Piper Sonoma brands. These transactions were restated and recognised in accordance with IFRS 5 in the annual financial statements at 31 March 2011 and in the interim financial statements covered in this report. The income statement of operations disposed of in the period ended 31 September 2010 was thus reclassified line by line to “Net profit from discontinued operations”. The effects of the transfer on the income statement are specified in Note **20.**

3 BRANDS AND OTHER INTANGIBLE ASSETS

(In € millions)	Brands	Distribution rights	Other	Total
Gross value at 30 September 2010	**622.8**	**9.2**	**28.5**	**660.5**
Gross value at 31 March 2011	**485.7**	**9.0**	**21.6**	**516.3**
Additions	-	-	0.4	0.4
Disposals, items scrapped	-	(2.1)	-	(2.1)
Other movements	-	-	0.1	0.1
Translation differences	0.5	0.1	0.1	0.7
Gross value at 30 September 2011	**486.2**	**7.0**	**22.2**	**515.4**
Accumulated amortisation and impairment at 30 September 2010	**48.4**	**7.4**	**20.3**	**76.1**
Accumulated amortisation and impairment at 31 March 2011	**48.2**	**7.2**	**13.8**	**69.2**
Charges	3.8	-	1.1	4.9
Disposals, items scrapped	-	(2.1)	-	(2.1)
Translation differences	0.1	-	0.1	0.2
Accumulated amortisation and impairment at 30 September 2011	**52.1**	**5.1**	**15.0**	**72.2**
Net carrying amount at 31 March 2010	**574.4**	**1.8**	**8.2**	**584.4**
Net carrying value at 31 March 2011	**437.5**	**1.8**	**7.8**	**447.1**
Net carrying amount at 30 September 2011	**434.1**	**1.9**	**7.2**	**443.2**

“Other” includes mainly software licences and leasehold rights.

At 30 September 2011, the value in use of brands for which there is an indication of impairment was subject to an impairment test. The methodology used to determine the current value of brands is described in Note **1.8** of the note to the consolidated financial statements.

For tests carried out in the period, the current value used was the recoverable value, determined on the basis of discounting future cash flows taken from medium term plans (5 to 7 years according to the business) approved by the Board of Directors.

On completion of these tests, two secondary brands held by the Group were subject to an impairment charge of €3.8 million, reflecting the difference between their recoverable value and their carrying value.

4 PROPERTY, PLANT AND EQUIPMENT

(in € millions)	Land	Buildings	Other	In progress	Total
Gross value at 30 September 2010	**42.1**	**115.2**	**193.6**	**3.7**	**354.6**
Gross value at 31 March 2011	**8.2**	**81.3**	**168.5**	**3.7**	**261.7**
Additions	-	0.6	4.6	0.8	6.0
Disposals, items scrapped	(0.1)	-	(0.4)	-	(0.5)
Other movements	-	1.3	(0.5)	(0.8)	-
Translation differences	-	0.4	0.9	-	1.3
Gross value at 30 September 2011	**8.1**	**83.6**	**173.1**	**3.7**	**268.5**
Accumulated depreciation and impairment at 30 September 2010	**2.1**	**41.4**	**104.2**	**-**	**147.7**
Accumulated depreciation and impairment at 31 March 2011	**1.0**	**32.9**	**86.8**	**-**	**120.7**
Additions	0.2	1.1	4.6	-	5.9
Disposals, items scrapped	-	-	(0.3)	-	(0.3)
Other movements	-	0.4	(0.4)	-	-
Translation differences	-	-	0.6	-	0.6
Accumulated depreciation and impairment at 30 September 2011	**1.2**	**34.4**	**91.3**	**-**	**126.9**
Net carrying amount at 30 September 2010	**40.0**	**73.8**	**89.4**	**3.7**	**206.9**
Net carrying amount at 31 March 2011	**7.2**	**48.4**	**81.7**	**3.7**	**141.0**
Net carrying amount at 30 September 2011	**6.9**	**49.2**	**81.8**	**3.7**	**141.6**

5 INVESTMENTS IN ASSOCIATES

(In € millions)	Dynasty	Lixir	Diversa	Total
At 31 March 2010	**55.6**	**1.3**	**7.4**	**64.3**
Dividends paid	(1.0)	(0.7)	-	**(1.7)**
Net profit for the period	1.9	0.4	(0.2)	**2.1**
Translation differences	0.2	-	-	**0.2**
At 30 September 2010	**56.7**	**1.0**	**7.2**	**64.9**
Dividends paid	(1.1)	-	-	**(1.1)**
Net profit for the period	1.6	0.2	0.4	**2.2**
Translation differences	(1.4)	-	-	**(1.4)**
Other movements	0.3	-	-	**0.3**
At 31 March 2011	**56.1**	**1.2**	**7.6**	**64.9**
Dividends paid	(0.8)	(0.6)	-	**(1.4)**
Net profit for the period	0.5	0.3	(0.2)	**0.6**
Translation differences	4.4	-	-	**4.4**
At 30 September 2011	**60.2**	**0.9**	**7.4**	**68.5**

6 OTHER FINANCIAL ASSETS

(In € millions)	September 2011	September 2010	March 2011
Non-consolidated equity investments	4.6	5.2	6.6
Prepayments into post-employment benefit schemes	0.4	0.4	0.4
Seller's loan	76.0	61.8	-
Loans to non-consolidated equity investments	0.1	2.1	0.1
Liquidity account excluding Rémy Cointreau's shares	2.1	3.0	3.0
Other	1.2	0.8	0.8
Total	**84.4**	**73.3**	**10.9**

As part of the disposal of the Champagne division, which took place on 8 July 2011, the Remy Cointreau Group granted a seller's loan of €75 million, over a maximum term of nine years (maturing on 8 July 2020), bearing interest at 5% during the first 5 years and 6% during the last three years. Interest will be capitalised in the first three years.

At 30 September 2011, this loan was recognised at the present value of cash flow to be collected by Rémy Cointreau in the event that the loan is repaid on maturity in accordance with the terms and conditions of the contract.

At 30 September 2010, the "seller's loan" heading related to the loan granted following the disposal of the Lucas Bols division. This loan, valued at €61.8 million, was repaid during the financial year ended 31 March 2011.

7 INVENTORIES

(In € millions)	September 2011	September 2010	March 2011
Goods for resale and finished goods	154.7	129.1	93.5
Raw materials	43.5	57.6	30.0
Ageing wines and "eaux-de-vie"	549.6	741.7	579.9
Other	3.4	4.1	2.1
At cost	**751.2**	**932.5**	**705.5**
Provision for impairment	(4.3)	(4.1)	(6.3)
Carrying value	**746.9**	**928.4**	**699.2**

8 TRADE AND OTHER RECEIVABLES

(In € millions)	September 2011	September 2010	March 2011
Trade receivables	202.1	213.1	157.9
Receivables related to taxes and social charges (excl. income tax)	20.1	15.0	10.8
Sundry pre-paid expenses	7.8	6.5	6.4
Advances paid	9.2	16.8	16.9
Receivables related to asset disposals	0.1	1.4	0.1
Other receivables	14.7	8.6	21.5
Total	**254.0**	**261.4**	**213.6**
of which, provision for doubtful debts	(6.1)	(6.3)	(4.4)

9 CASH AND CASH EQUIVALENTS

(In € millions)	September 2011	September 2010	March 2011
Financial assets measured at fair value through profit and loss	174.0	33.7	0.1
Associates' current accounts	-	0.3	-
Cash at bank	63.2	70.3	80.5
Total	**237.2**	**104.3**	**80.6**

The increase in "cash and cash equivalents" was partly due to the proceeds of the disposal of the Champagne division.

10 EQUITY

10.1 Share capital and premium, treasury shares

	Number of shares	Treasury shares	Total number of shares	Share capital	Share premium	Treasury shares
At 31 March 2010	**48,509 769**	**(14,853)**	**48,494,916**	**77.6**	**708.2**	**(0.4)**
Exercise of options	92,277	-	92,277	0.1	2.4	-
Part payment of dividend in shares	565,770	-	565,770	0.9	20.9	-
Liquidity contract	-	2,253	2,253	-	-	-
Other treasury shares	-	(350)	(350)	-	-	-
At 30 September 2010	**49,167,816**	**(12,950)**	**49,154,866**	**78.6**	**731.5**	**(0.4)**
Exercise of options	171,686	-	171,686	0.4	4.2	-
2008 free share plan	88,900	-	88,900	0.1	-	-
Other treasury shares	-	(8,360)	(8,360)	-	-	(0.2)
At 31 March 2011	**49,428,402**	**(21,310)**	**49,407,092**	**79.1**	**735.7**	**(0.6)**
Exercise of options	51,000	-	51,000	0.1	1.2	-
Liquidity contract	-	(29,500)	(29,500)	-	-	(1.7)
Other treasury shares	-	3,250	3,250	-	-	0.1
At 30 September 2011	**49,479,402**	**(47,560)**	**49,431,842**	**79.2**	**736.9**	**(2.2)**

10.1.1 Share capital and premium

At 30 September 2011, the share capital comprised 49,479,402 shares with a nominal value of 1.60 euros.

During the period 1 April 2011 to 30 September 2011, 51,000 shares were issued in connection with the exercise of stock options to subscribe for shares granted to certain employees.

10.1.2 Treasury shares

At 30 September 2011, Rémy Cointreau held:

- 18,060 shares arising from the balance of transactions related to option Plans No 12 and 13. These shares were recorded as a deduction from equity for €0.5 million.
- 29,500 shares in respect of the liquidity contract (contract implemented in November 2005, as specified in Note 1.18 to the consolidated financial statements for the year ended 31 March 2011). These shares were recorded as a deduction from equity for €1.7 million.

10.2 Number of shares used for the calculation of earnings per share

	September 2011	September 2010	March 2011
Average number of shares (basic):			
Average number of shares	49,466,641	48,582,874	49,012,762
Average number of treasury shares	(47,560)	(12,950)	(21,310)
Total used for calculating basic earnings per share	**49,419,081**	**48,569,924**	**48,991,452**
Average number of shares (diluted):			
Average number of shares	49,419,081	48,569,924	48,991,452
Dilution effect of stock options (1)	224,477	335,150	257,404
Total used for calculating diluted earnings per share	**49,643,558**	**48,905,074**	**49,248,856**

(1) The Rémy Cointreau share price used as a reference when calculating the shares that could be issued in the future as a result of the exercise of options was €57.68 for September 2011, €43.14 for September 2010 and €47.25 for March 2011.

10.3 Dividends

The General Meeting of 26 July 2011 approved:

- the payment of a dividend of €1.30 per share in respect of the year ended 31 March 2011
- the payment of an exceptional dividend of €1.00 per share, deducted from the distributable amount after allocation of the ordinary dividend.

Both dividends were paid together in cash in October 2011. At 30 September 2011, the corresponding value of €113.7 million was deducted from equity and is shown under "Other liabilities".

10.4 Non-controlling interests

(In € millions)	September 2011	September 2010	March 2011
Non-controlling interests in Mount Gay Distilleries	1.1	0.9	0.9
Total	**1.1**	**0.9**	**0.9**

11 FINANCIAL DEBT

11.1 Net financial debt

	September 2011			September 2010			March 2010		
(In € millions)	**Long term**	**Short term**	**Total**	**Long term**	**Short term**	**Total**	**Long term**	**Short term**	**Total**
Gross financial debt	339.2	12.0	351.2	567.7	21.3	589.0	377.7	31.8	409.5
Cash and cash equivalents	-	(237.2)	(237.2)	-	(104.3)	(104.3)	-	(80.6)	(80.6)
Net financial debt	**339.2**	**(225.2)**	**114.0**	**567.7**	**(83.0)**	**484.7**	**377.7**	**(48.8)**	**328.9**

11.2 Breakdown by type

	September 2011			September 2010			March 2011		
(In € millions)	**Long term**	**Short term**	**Total**	**Long term**	**Short term**	**Total**	**Long term**	**Short term**	**Total**
Bonds	198.6	-	198.6	197.4	-	197.4	198.0	-	198.0
Private placement	139.0	-	139.0	138.7	-	138.7	138.1	-	138.1
Drawdown on syndicated credit	-	-	-	230.0	-	230.0	40.0	-	40.0
Other financial debt and overdrafts	-	1.0	1.0	-	-	-	-	0.1	0.1
Accrued interest	-	4.7	4.7	-	4.4	4.4	-	7.4	7.4
Total Rémy Cointreau S.A.	**337.6**	**5.7**	**343.3**	**566.1**	**4.4**	**570.5**	**376.1**	**7.5**	**383.6**
Other financial debt and overdrafts	1.6	1.2	2.8	1.6	13.4	15.0	1.6	15.1	16.7
Borrowings by special purpose entities	-	5.1	5.1	-	3.5	3.5	-	9.2	9.2
Total subsidiaries	**1.6**	**6.3**	**7.9**	**1.6**	**16.9**	**18.5**	**1.6**	**24.3**	**25.9**
Gross financial debt	**339.2**	**12.0**	**351.2**	**567.7**	**21.3**	**589.0**	**377.7**	**31.8**	**409.5**

11.3 Bonds

In June 2010, Rémy Cointreau proceeded with the issue of new bonds of €205.0 million nominal value with a 6.5 year life. The bonds, with a unit nominal value of €50,000 were issued at 97.745% of their nominal value (an issue discount of 2.255%) and carrying interest of 5.18% payable on 15 June and 15 December of every year. They are repayable at par on maturity (15 December 2016).

This loan is unsecured.

The issue contains early repayment clauses by the issuer, principally in the event of a public or reserved capital increase or material change in the tax regime applicable to payments made by the issuer on the bonds after the date of issue. In addition, all bearers have the right to request repayment of their bonds at a price of 101% in the event of a change in control.

In the event of disposal of assets and the absence of the use of the proceeds of the disposal for authorised transactions, Rémy Cointreau must propose within a period of 365 days from the receipt of the proceeds of the disposal, an early repayment of the issue up to the value of the proceeds of the disposal. Moreover, the contract provides covenants that may limit the capacity for dividend distribution, particularly in the event of a loss.

11.4 Private placement

Rémy Cointreau concluded a syndicated financing (private placement) with financial institutions on 10 June 2010. This contract covers €140.0 million for a period of five years (maturing 10 June 2015). This structured financing comprises a loan of two tranches of €65 million (tranche A) and €75 million (tranche B) respectively as well as various swap contracts exactly embedded in these two tranches guaranteeing a fixed rate of 3.6675% for the period of the contract.

After deducting the commitment fee, the net proceeds from the issue were approximately €138.6 million, which was an effective interest rate of around 3.94%. The proceeds were allocated to the repayment of drawdowns on the syndicated credit.

This contract is unsecured. Availability of the funds is subject to the A ratio (see Syndicated Credit) remaining below 3.5 at the end of each half-year period for the duration of the contract.

11.5 Syndicated credit

Rémy Cointreau has access to a syndicated loan entered into on 7 June 2005. The agreement provides for a revolving credit facility of €346 million which expires on 7 June 2012.

Amounts drawn down bear interest at EURIBOR plus a margin fixed at the outset at 0.675% per annum that may vary as shown in the following table based on the average net debt/EBITDA ratio (A ratio):

A ratio	**Applicable margin**
A > 4.25	0.875%
3.75 < A < 4.25	0.675%
3.25 < A < 3.75	0.525%
2.75 < A < 3.25	0.425%
A < 2.75	0.325%

The commitment fee on the undrawn portion of the borrowing is 37.5% of the margin applicable if A > 3.75 and 35% if A < 3.75.

This facility is not subject to any security.

Under this agreement, Rémy Cointreau undertakes that the A ratio be below 3.5 at 30 September and 31 March each year until the final maturity date.

At 30 September 2011, the A ratio was 1.06 (September 2010: 2.78; March 2011: 2.19).

12 PROVISIONS FOR LIABILITIES AND CHARGES

12.1 Analysis of change

(In € millions)	Restructuring	Early retirement plan	Other	Total
At 31 March 2010	**7.1**	**0.1**	**17.7**	**24.9**
Increase	-	-	4.8	4.8
Discounting	(2.1)	(0.1)	(3.2)	(5.4)
Uses	(1.6)	-	(3.5)	(5.1)
Releases unused	(2.7)	-	(0.4)	(3.1)
Translation differences	-	-	(0.1)	(0.1)
At 31 March 2011	**0.7**	**0.0**	**15.3**	**16.0**
Increase	0.1	-	1.0	1.1
Discounting	(0.3)	-	(1.9)	(2.2)
At 30 September 2011	**0.5**	**0.0**	**14.4**	**14.9**

12.2 Maturity

The provisions are intended to cover probable items of expenditure payable as follows:

(In € millions)	September 2011	March 2011	September 2010
More than one year or unknown	6.7	6.5	4.9
Less than one year	8.2	9.5	17.0
Total	**14.9**	**16.0**	**21.9**

13 TRADE AND OTHER RECEIVABLES

(In € millions)	September 2011	September 2010	March 2011
Trade payables – eaux-de-vie	142.4	147.7	186.1
Other trade payables	82.9	99.3	82.5
Advances to customers	6.9	8.6	11.7
Payables related to tax and social charges (exc. income tax)	42.0	38.8	37.9
Excise duties	1.5	2.6	1.3
Advertising expenses payable	54.7	42.4	46.3
Miscellaneous deferred income	15.9	1.5	1.4
Other liabilities	44.4	40.5	39.4
Total	**390.7**	**381.4**	**406.6**

14 FINANCIAL INSTRUMENTS AND MARKET RISKS

The Group uses financial instruments to manage its interest rate and currency risk exposure. The policy for managing market risks complies with the prudent rules approved by the Board of Directors. Specifically the sale of options is limited to tunnel strategies and the resale of previously purchased instruments that are subject to approval on an individual basis.

All hedging transactions are entered into with top-tier international banks.

With regard to currency risk, the Group endeavours to hedge its budgeted net commercial exposure over a rolling period of approximately 15 to 18 months. This is achieved by entering into firm or optional currency hedging agreements in accordance with the guidelines set by the Board of Directors.

The Group does not hedge the currency risk arising from the translation into euros of the financial statements of companies outside the Euro zone.

The Group's hedging policy allows only for the hedging of short-term currency risk. It is not intended to protect the Group against the economic effects of long-term money market trends on the Group's turnover and margins.

14.1 Breakdown of derivative financial instruments (interest rate and exchange rate)

(In € millions)	September 2011	September 2010	March 2011
Assets			
Interest rate derivatives	-	0.4	-
Exchange rate derivatives	12.8	13.2	16.4
Total	**12.8**	**13.6**	**16.4**
Liabilities			
Interest rate derivatives	12.3	10.8	3.8
Exchange rate derivatives	13.9	2.4	0.7
Total	**26.2**	**13.2**	**4.5**

14.2 Interest rate derivative instruments

At 30 September 2011, derivative financial instruments on recent rates were as follows:

(In € millions)	September 2011	September 2010	March 2011
Assets			
Purchases of cap	-	-	-
Purchases of floor	-	0.4	-
Total	**-**	**0.4**	**-**
Liabilities			
Sales of floor	-	0.4	-
Interest rate swaps	9.6	8.5	2.5
Instruments related to the Private Placement	2.7	1.9	1.3
Total	**12.3**	**10.8**	**3.8**

(In € millions)	Nominal amount	Initial value	Market value	of which FVH [(1)]	of which Trading [(1)]
Purchase of cap					
Maturity March 2012	250.0	0.6	-	-	-
	250.0	**0.6**	**-**	**-**	**-**
Total assets		**0.6**	**-**	**-**	**-**
Interest rate swaps					
Maturity before March 2015	150.0	-	9.6	-	9.6
	150.0	**-**	**9.6**	**-**	**9.6**
Swaps related to the private placement [(2)]	140.0	-	2.7	2.2	0.5
Total liabilities		**-**	**12.3**	**2.2**	**10.1**

[(1)] *Cash Flow Hedge: hedging future cash flows; Trading: held for trading purposes*

[(2)] *See Note 11.4, the maturity of these swaps is 10 June 2015*

During the period ended 30 September 2011, a pre-tax expense of €2.3 million was recognised directly in equity corresponding to the movement in the effective value of instruments qualifying as a cash flow hedge (CFH).

14.3 Interest rate derivative instruments

In order to hedge commercial flows, the Group uses options and future instruments. The commercial flows of the period that are not collected at the date of closing are covered by exchange swaps. In addition, Rémy Cointreau SA, which centralises the Group's financing needs, and its subsidiary Financière Rémy Cointreau make intra-Group loans and borrowings denominated in the counterparty's currency. The Group uses currency swaps to perfectly match these loans and borrowings. The maturity of such transactions ranges from one month to one year.

The following table summarises all currency hedging instruments in the portfolio at the period end. All these instruments mature within 18 months.

(In € millions)	Nominal amount [(1)]	Initial value	Market value	of which FVH [(2)]	of which CFH [(2)]	of which Trading [(2)]
Put options and tunnel options						
Seller USD (vs EUR)	303.6	6.1	0.9	-	0.9	-
Other currencies (vs EUR)	39.2	0.7	0.6	-	0.6	-
	342.8	**6.8**	**1.5**	-	**1.5**	-
Forward sales						
Seller USD (vs EUR)	81.5	-	(1.3)	-	(1.3)	-
Other currencies (vs EUR)	31.4	-	0.2	-	0.2	-
	112.9	**-**	**(1.1)**	**-**	**(1.1)**	**-**
Exchange swaps (sale) purchases on commercial flows [(3)]						
Seller USD (vs EUR)	(79.6)	-	(1.5)	-	-	(1.5)
Buyer HKD (vs USD)	(0.1)	-	-	-	-	-
Other currencies (vs EUR)	(14.6)	-	0.2	-	-	0.2
	(94.3)	**-**	**(1.3)**	**-**	**-**	**(1.3)**
Currency swaps – purchases (sale) on financing activities [(3)]						
Seller USD (vs EUR)	(25.6)	-	(0.3)	-	-	(0.3)
Other currencies (vs EUR)	5.4	-	0.1	-	-	0.1
	(20.2)	**-**	**(0.2)**	**-**	**-**	**(0.2)**
Total	**341.2**	**6.8**	**(1.1)**	**-**	**0.4**	**(1.5)**

[(1)] *Nominal amount in foreign currency translated at the closing rate.*

[(2)] *FVH: Fair Value Hedge; CFH: Cash Flow Hedge; Trading: held for trading purposes.*

[(3)] *Difference between closing price and future price.*

For the period ended 30 September 2011, a pre-tax income of €11.7 million was recognised directly in equity, related to the calculation of the portfolio of exchange rate derivatives, of which €7.4 million was recycled to profit following their expiry or change to non-hedging status of the instruments. The balance, of €4.3 million, is the change in the effective value of instruments qualifying as Cash Flow Hedge (CFH).

15 SEGMENT REPORTING

Rémy Cointreau has applied IFRS 8 – *Operating segments* since 1 April 2009. Under this standard, the segments to be presented are the operating segments for which separate financial information is available internally and that the "chief operating decision maker" uses to take operational decisions. The chief operating decision maker of Rémy Cointreau is the Executive Committee. This committee examines the operating performance and allocates resources on the basis of financial information analysed at the operating level of Rémy Martin, Liqueurs & Spirits and Partner brands. As a result, the Group has identified these four divisions as the operating segments to be presented. In addition, a "Holding Company" segment contains the costs of holding companies that are not allocated to operating segments.

Information given by operations is identical to that presented to the Executive Committee.

15.1 Operations

Brands are broken down into four divisions which thus comprise the principal products and brands, as follows:

Rémy Martin	
Liqueurs and Spirits	Cointreau, Passoa, Metaxa, Saint Rémy, Mount Gay
Partner brands	Non-Group brands and, by extension, those not entirely produced by the Group, which are marketed through the Group's own distribution network. It includes mainly the Edrington Group Scotch whiskies in the US and Piper-Heidsieck and Charles Heidsieck.

(In € millions)	Turnover			Current operating profit		
	September 2011	September 2010	March 2011	September 2011	September 2010	March 2011
Rémy Martin	277.3	237.0	486.0	91.2	71.5	140.5
Liqueurs and Spirits	103.1	99.8	208.0	24.1	21.0	42.6
Sub-total Group brands	380.4	336.8	694.0	115.3	92.5	183.1
Partner brands[(1)]	94.5	91.3	213.8	1.5	0.5	2.1
Holding	-	-	-	(10.6)	(9.5)	(18.2)
Total	**474.9**	**428.1**	**907.8**	**106.2**	**83.5**	**167.0**

[(1)] after reclassification of the champagne division to Partner brands

There are no intra-segment sales.

15.2 Geographic regions

(In € millions)	Turnover		
	September 2011	September 2010	March 2011
Europe	136.9	127.7	293.9
Americas	146.4	147.1	306.6
Asia & others	191.6	153.3	307.3
Total	**474.9**	**428.1**	**907.8**

Turnover is allocated on the basis of the destination of the goods sold.

16 ANALYSIS OF OPERATING EXPENSES BY TYPE

(In € millions)	September 2011	September 2010	March 2011
Personnel costs	(64.3)	(58.9)	(122.8)
Advertising and promotional expenses	(93.2)	(80.5)	(170.9)
Depreciation, amortisation and impairment of non-current assets	(7.1)	(7.1)	(14.2)
Other costs	(47.6)	(43.7)	(91.3)
Costs allocated to inventories and production costs	21.5	20.5	42.0
Total	**(190.7)**	**(169.7)**	**(357.2)**
of which:			
Distribution costs	(153.2)	(135.2)	(284.4)
Administrative expenses	(37.5)	(34.5)	(72.8)
Total	**(190.7)**	**(169.7)**	**(357.2)**

Distribution costs comprise marketing and advertising expenses, commission income or expenses, brand royalties, ordinary write-downs of inventories and trade receivables and the overheads of Group distribution companies.

Administrative expenses comprise all the overheads of the holding companies and production companies.

Other income and expenses correspond to the profit generated by activities that are peripheral to the sale of cognac, liqueurs, spirits and partner brands products.

17 OTHER OPERATING INCOME AND EXPENSES

(In € millions)	September 2011	September 2010	March 2011
Impairment of brands	(3.8)	(45.0)	(45.0)
Tax adjustments (excluding income tax)	-	(0.5)	(1.6)
Other finance costs	0.1	-	0.1
Total	**(3.7)**	**(45.5)**	**(46.5)**

The €45.0 million impairment of brands for the period ended 30 September 2010 and the financial year ended 31 March 2011 related to the Metaxa brand. The €3.8 million impairment recognised for the period ended 30 September 2011 related to secondary brands.

18 FINANCIAL RESULT

18.1 Cost of net financial debt

(In € millions)	September 2011	September 2010	March 2011
Bonds	(5.8)	(6.3)	(12.4)
Private placement	(2.6)	(1.7)	(5.1)
Syndicated credit and unconfirmed lines	(0.6)	(1.6)	(3.0)
Finance costs of special purpose entities	(1.3)	(1.6)	(3.1)
Impact of interest rate derivatives	-	(2.2)	(4.7)
Other finance costs	(0.1)	-	0.4
Sub-total	(10.4)	(13.4)	(27.9)
Early repayment premium and accelerated amortisation of the issue costs of the 5.2% bonds	-	(3.7)	(3.7)
Change in value of the portfolio of unmatched interest rate and foreign exchange hedges	(7.1)	-	-
Cost of gross financial debt	**(17.5)**	**(17.1)**	**(31.6)**
Investment income	0.8	-	-
Cost of net financial debt before reclassifications	**(16.7)**	**(17.1)**	**(31.6)**
Reclassification to profit and loss of discontinued operations	1.0	2.0	4.3
Cost of net financial debt	**(15.7)**	**(15.1)**	**(27.3)**

Financial debt is described in Note **11**.

Given that the net financial debt averaged €321.0 million for the period ended 30 September 2011, the average interest rate was 5.98%, excluding the change in value of the portfolio of unmatched interest rate and foreign exchange hedges.

Excluding the early repayment premiums and accelerated amortisation of the issue of the previous bonds, the average interest cost is 4.41%, for the period ended 30 September 2010 and 4.97% for the financial year ended 31 March 2011.

18.2 Other financial income/(expenses)

(In € millions)	September 2011	September 2010	March 2011
Exchange gains	-	0.7	1.1
Interest and revaluation of the seller's loan	1.0	1.1	1.1
Other financial income	**1.0**	**1.8**	**2.2**
Exchange losses	(5.1)	-	-
Other financial expenses of special purpose entities	(2.6)	(2.7)	(4.4)
Discounting charge on provisions	(0.2)	-	(0.1)
Other	(0.6)	(0.8)	(0.1)
Other financial expenses	**(8.5)**	**(3.5)**	**(4.6)**
Other financial income/(expenses)	**(7.5)**	**(1.7)**	**(2.4)**

The exchange gains and losses comprise mainly the effect of recognition of hedging under IAS 39 relative to the portfolio of financial instruments qualified as "cash flow hedge" as well as exchange gains and losses related to financial flows. Exchange gains and losses related to operating flows are included in gross margin.

19 INCOME TAX

19.1 Net income tax charge

(In € millions)	September 2011	September 2010	March 2011
Current tax (expenses)/income	(35.0)	(25.6)	(61.2)
Deferred tax (expenses)/income	13.4	19.4	39.5
Income tax charge	**(21.6)**	**(6.2)**	**(21.7)**
Effective tax rate	-27.3%	-29.3%	-24.0%

19.2 Income tax receivable and payable

(In € millions)	September 2011	September 2010	March 2011
Recoverable income tax	2.1	1.5	1.6
Income tax liability	(15.7)	(21.3)	(39.2)
Net position – asset/(liability)	**(13.6)**	**(19.8)**	**(37.6)**

20 NET PROFIT FROM DISCONTINUED OPERATIONS

(In € millions)	September 2011	September 2010	March 2011
Champagne			
Pre-tax profit for the period	-	(4.5)	0.4
Income tax charge for the period	-	1.4	(0.5)
Disposal costs	(0.4)	-	-
Other disposal-related expenses	(0.6)		
Restatement to the EPI distribution contract	(9.8)	-	-
Value restatement of discontinued assets [1]	-	-	(3.8)
Sub-total Champagne	**(10.8)**	**(3.1)**	**(3.9)**
Other profit from discontinued operations	-	0.1	1.1
Total	**(10.8)**	**(3.0)**	**(2.8)**

[1] *comprising a loss before tax of €17.6 million and a positive tax effect €13.8 million for the financial year ended 31 March 2011.*

Pursuant to IFRS, part of the disposal price of the Champagne branch was allocated to the distribution contract, the terms of which are favourable to the buyer in the first few years. This amount was recognised as a liability and will be released over the periods concerned. The related tax charge was €9.8 million.

21 NET PROFIT EXCLUDING NON-RECURRING ITEMS

The net profit excluding non-recurring items corresponds to net profit restated for other operating income and expenses (as described in Note **17**), the related tax effects and the profit/(loss) from discontinued operations.

21.1 Reconciliation with net profit

The net profit excluding non-recurring items attributable to owners of the parent company reconciles as follows with the net profit attributable to owners of the parent company:

(In € millions)	**September 2011**	**September 2010**	**March 2011**
Net profit - attributable to owners of the parent company	**47.3**	**14.1**	**70.5**
Brand impairment	3.8	45.0	45.0
Tax adjustments excluding income tax	-	0.5	1.6
Other	(0.1)	-	(0.1)
Tax effect	(0.3)	(12.0)	(12.3)
Profit net of tax of operations sold	10.8	3.0	2.8
Net profit excluding non-recurring items - attributable to owners of the parent company	**61.5**	**50.6**	**107.5**

21.2 Net profit excluding non-recurring items per share – attributable to owners of the parent company

(In € millions)		**September 2011**	**September 2010**	**March 2011**
Net profit excluding non-recurring items per share - attributable to owners of the parent company		61.5	50.6	107.5
Number of shares				
basic	10.2	49 419 081	48 569 924	48 991 452
diluted	10.2	49 643 558	48 905 074	49 248 856
Net profit per share excluding non-recurring items - attributable to owners of the parent company (€)				
basic		**1.24**	**1.04**	**2.19**
diluted		**1.24**	**1.03**	**2.18**

22 OFF-BALANCE SHEET COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

22.1 Off-balance sheet commitments

At 30 September 2011, the agricultural warrants on the inventories of Alliance Fine Champagne amounted to €30.0 million compared with €32.8 million at 31 March 2011 and €35.4 million at 30 September 2010.

At 30 September 2011, commitments to buy wine amounted to €30.2 million, compared with €67.7 million at 31 March 2011 and €70.0 million at 30 September 2010. This decline was related to the disposal of the Champagne division.

The other purchase and rental commitments and various guarantees have not changed significantly since 31 March 2011.

At 30 September 2011, guarantees on finance lines amounted to €5.0 million compared with €10.4 million at 31 March 2011 and €11.4 million at 30 September 2010.

The other guarantees granted and not prescribed at 30 September 2011 have not changed significantly since 31 March 2011.

22.2 Contingent liabilities

In connection with disposal transactions, guarantees in respect of liabilities are generally granted to the buyers for defined periods and amounts stipulated in the agreements. Liabilities for tax, excise duties and social security payments that may arise following audits covering periods prior to the sale are generally included until such liabilities lapse under the statute of limitations.

The guarantees granted and still outstanding at 30 September 2011 were as follows:

Disposal transaction	Transaction date	Description of outstanding guarantees	Term	Maximum amount
Lucas Bols	11 April 2006	Tax items Total all guarantees Franchise	11 October 2012	 100 2.6
Bols Hungary	12 July 2006	Tax items Total all guarantees	12 July 2012	 2.4
Piper-Heidsieck Compagnie Champenoise	8 July 2011	Tax and related items Other items	Legal deadline + 90 days 31 December 2012	Unlimited 45.0

23 RELATED PARTIES

During the period ended 30 September 2011, relationships with related parties remained similar to those for the year ended 31 March 2011.

24 POST-BALANCE SHEET EVENTS

There are no events that are likely to have a material impact on the Group financial statements at 30 September 2011 to report.

25 CHANGES IN GROUP STRUCTURE

Companies	Division	% interest September 2011	March 2011
CHANGES IN GROUP STRUCTURE			
Champ. P&C Heidsieck (1)	Production	-	99.98
Champ. F. Bonnet P&F (1)	Production	-	100.00
Piper Heidsieck C.C. (1)	Production	-	100.00
G.V. de l'Aube (1)	Agricultural production	-	100.00
G.V. de la Marne (1)	Agricultural production	-	99.95
Fournier & Cie - Safec (1)	Agricultural production	-	100.00
Société Forestière Agricole et Viticole de Comméteuil (1)	Agricultural production	-	100.00
Ponche Kuba BV (2)	Holding / Finance	-	100.00

(1) Disposed of during the period

(2) Liquidated

AUDITEURS ET CONSEILS ASSOCIES
Nexia International

ERNST & YOUNG et Autres

This is a free translation into English of the statutory auditors' review report on the half-yearly consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with and construed in accordance with French law and professional standards applicable in France.
This report also includes information relating to the specific verification of information given in the group's interim management report.

Rémy Cointreau

Period from April 1 to September 30, 2011

Statutory auditors' review report on the first half-yearly financial information

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Membre de la compagnie
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régionale de Versailles

Rémy Cointreau

Period from April 1 to September 30, 2011

Statutory auditors' review report on the first half-yearly financial information

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meetings and in accordance with article L. 451-1-2 III of the French monetary and financial code (Code monétaire et financier), we hereby report to you on:

- our review of the accompanying condensed half-yearly consolidated financial statements of Rémy Cointreau, for the period from April 1 to September 30, 2011, and

- the verification of the information contained in the interim management report.

These condensed half-yearly consolidated financial statements are the responsibility of the board of directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists in making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that the financial statements, taken as a whole, are free from material misstatements, as we would not become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that these condensed half-yearly consolidated financial statements are not prepared in all material respects in accordance with IAS 34 – IFRS as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information provided in the interim management report in respect of the condensed half-yearly consolidated financial statements that were the object of our review.

We have no matters to report on the fairness and consistency of this information with the condensed half-yearly consolidated financial statements.

Paris and Neuilly-sur-Seine, November 23, 2011

The statutory auditors
French original signed by

AUDITEURS ET CONSEILS ASSOCIES Nexia International	ERNST & YOUNG et Autres
Olivier Juramie	Marie-Laure Delarue

CERTIFICATE OT THE PERSON RESPONSIBLE FOR THE HALF-YEAR REPORT

I certify that, to the best of my knowledge, the interim financial statements for the first half-year 2011/12 were prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, the financial position and the financial performance of the Company and all the companies included in the consolidation, and the half-year operating report presents a true and fair view of significant events which occurred in the first six months of the year, their impact on the half-year financial statements, significant transactions between related parties, as well as the principal risks and uncertainties for the remaining six months of the financial year.

Paris, 22 November 2011

Jean-Marie Laborde
Chief Executive Officier of Rémy Cointreau