



RÉMY COINTREAU

***Interim Results***

*Six months ended  
30 September 2012*

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***London  
28 November 2012***

François Hériard Dubreuil

**Chairman**

# Strategic choices:

- Strategic commitment to position our brands in premium and ultra-premium market segments
- Ambitious pricing policy, creating value
- An active innovation policy
- Significant investment targeted by brand and market
- Commitment to product quality to ensure value and long-term strategy

# Performance

		% Change	
		Organic	Published
■ Sales	€595.8m	+13.3	+25.5
of which own brands:	€489.4m	+15.6	+28.7
■ Current operating profit	€141.5m	+18.0	+33.2
■ Current operating margin	23.7%		
■ Net profit (exc. non-recurring items)	€88.5m		+43.9
■ Net financial debt	€266.0m		
■ <i>Net debt/EBITDA ratio</i>	0.86		
■ <i>Net earnings per share (basic)</i>	1.80		+87.5

# A value creation strategy based on:

- A pertinent choice of very upmarket positioning
- A geographically balanced sales split
- Craftsmanship and authentic terroirs
- Talented teams
- Rigorous management

***Looking to the future with renewed ambitions***

# Review of Activities

Jean-Marie Laborde

**Chief Executive**

# Six Months Highlights

- Growth in all regions: Group brands up 15.6%
  - Asia and the US remain dynamic
  - Europe: slowdown in growth
- Recent acquisition of Bruichladdich, included in the Liqueurs & Spirits division since 1 September 2012
- An increase in operating margin of more than one percentage point: 23.7%
- A sound financial position

# Six Months Highlights

## Brands

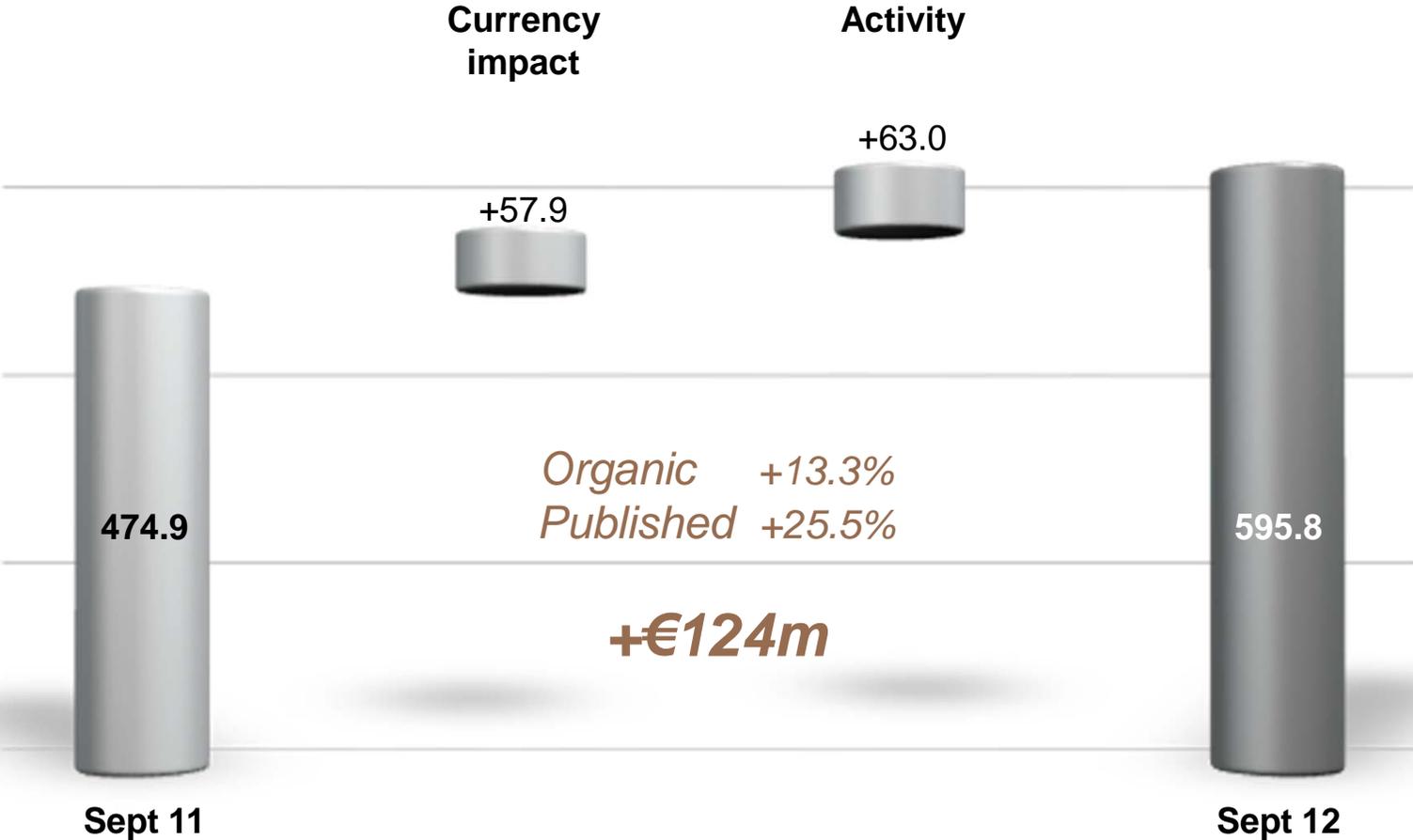
- Excellent performance by Rémy Martin, double-digit organic growth
- Growth of Cointreau in the US and in Europe

## Markets

- Continued growth in Asia
- Improved performance in the US
- Contrasting situation in Europe, with Russia still driving growth

# Sales

€m



# Breakdown of Sales by Activity

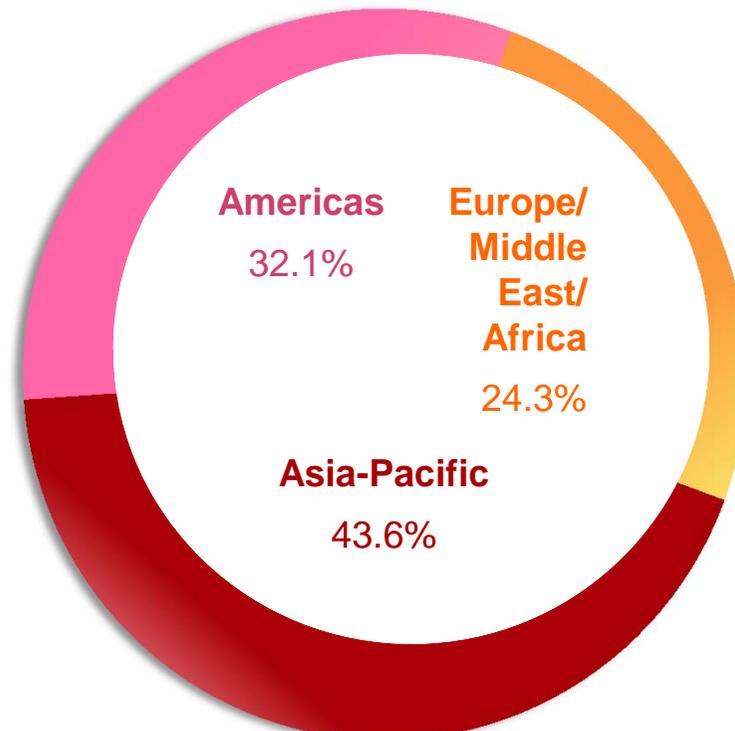
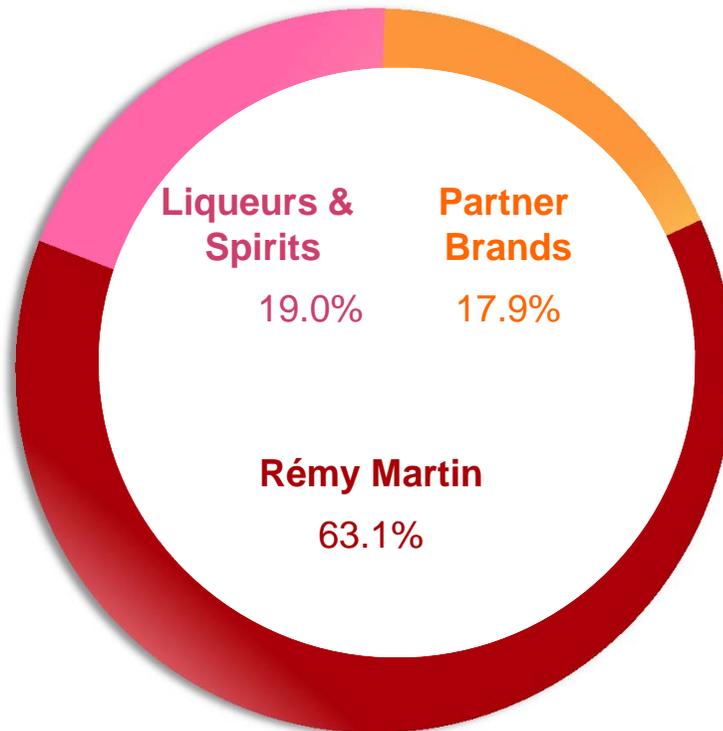
	% Change	
	Organic	Published
<b>H1</b>		
Rémy Martin	+20.1	+35.6
Liqueurs & Spirits	+ 3.5	+ 9.9
<b>Sub-total – Group brands</b>	<b>+15.6</b>	<b>+28.7</b>
Partner brands	+ 4.1	+12.6
<b>Total</b>	<b>+13.3</b>	<b>+25.5</b>

# Breakdown of Sales

## by activity

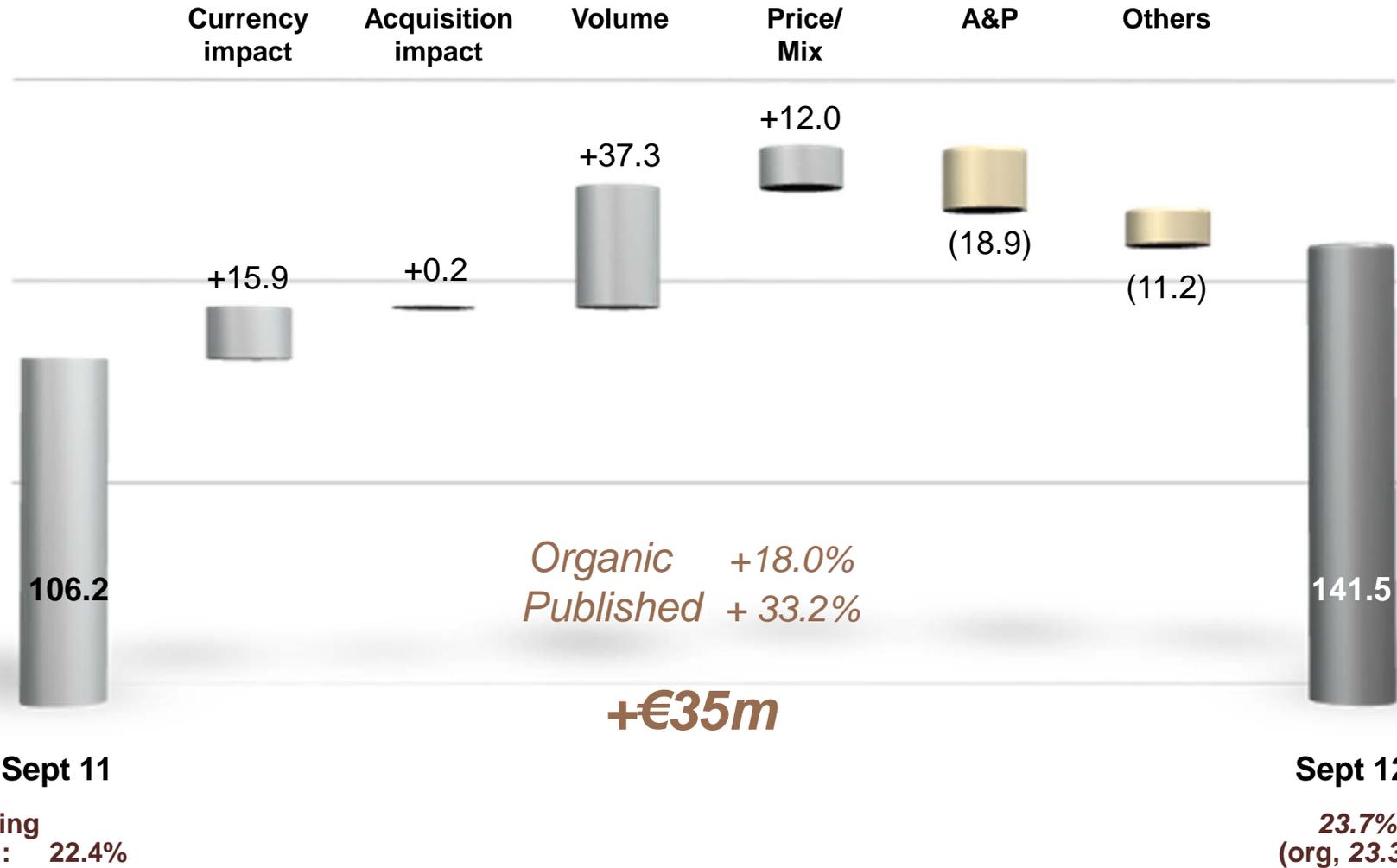
## by geographic area

Sales: €595.8 million



# Current Operating Profit

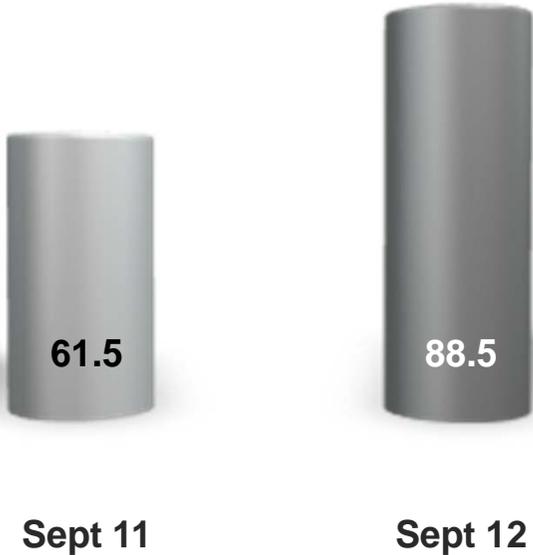
€m



# Net Profit

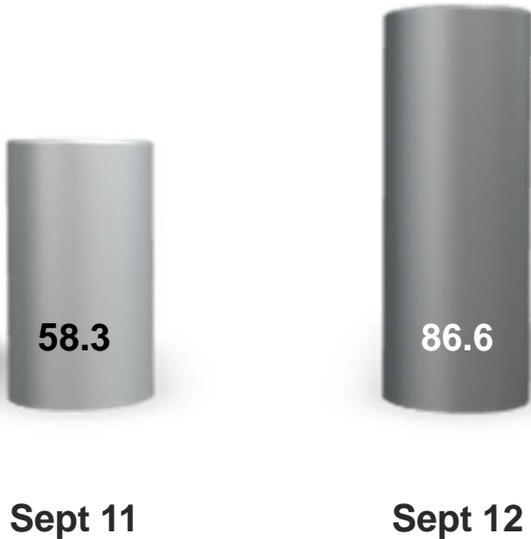
**Net profit exc. non-recurring items (€m)**

+43.9%



**Net profit from continuing activities (€m)**

+48.5%



# Rémy Martin Excellent growth

## Third year of double-digit growth in H1



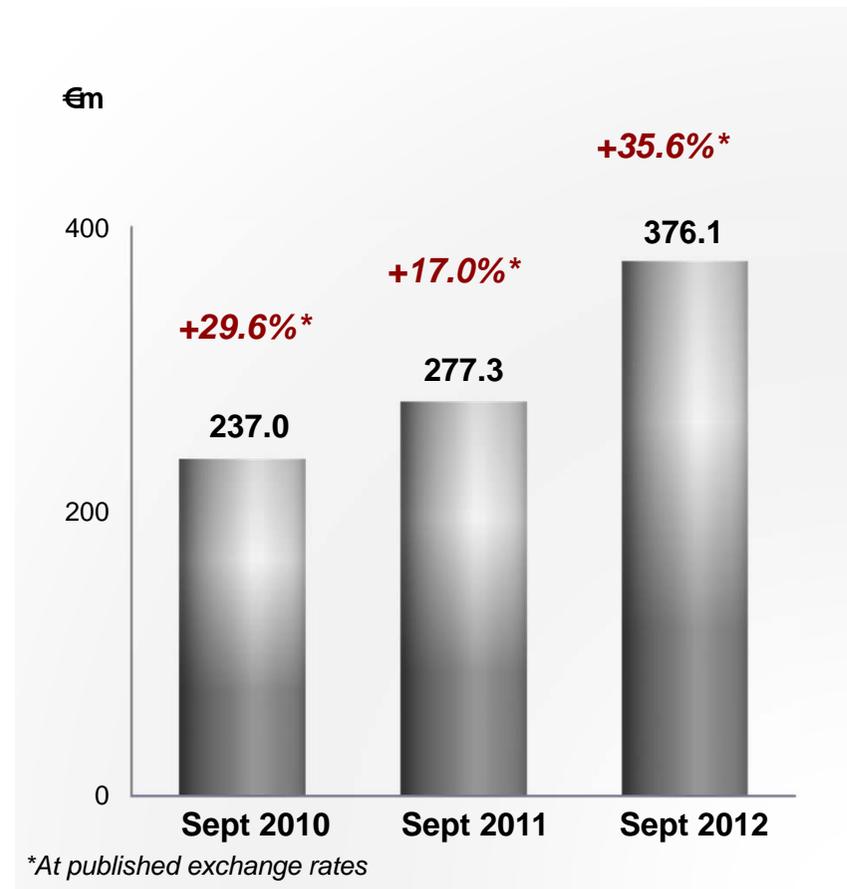
Louis XIII



Centaure de Diamant

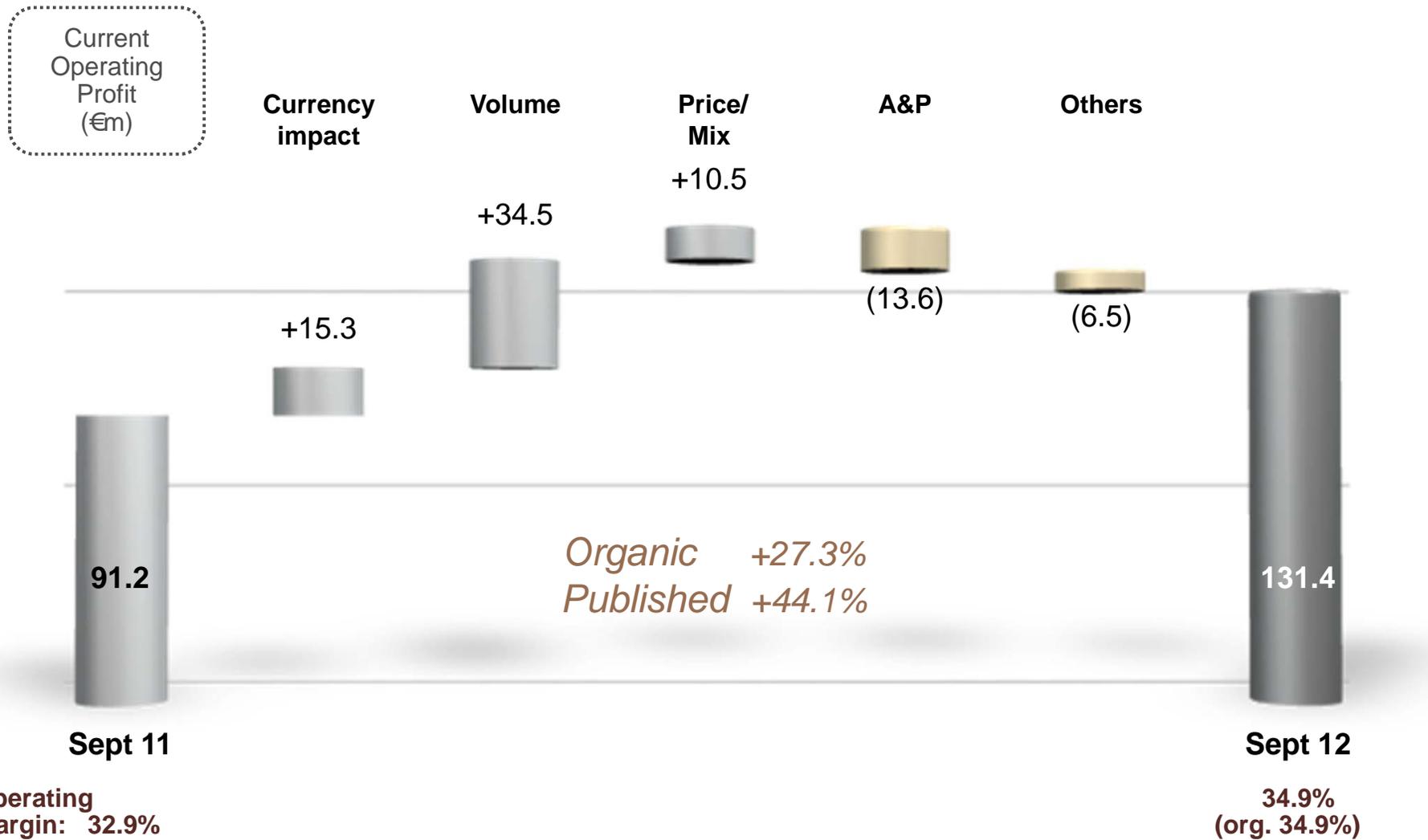


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# Rémy Martin

## Strong growth in profitability



# Liqueurs & Spirits

## An expanded portfolio



Bruichladdich

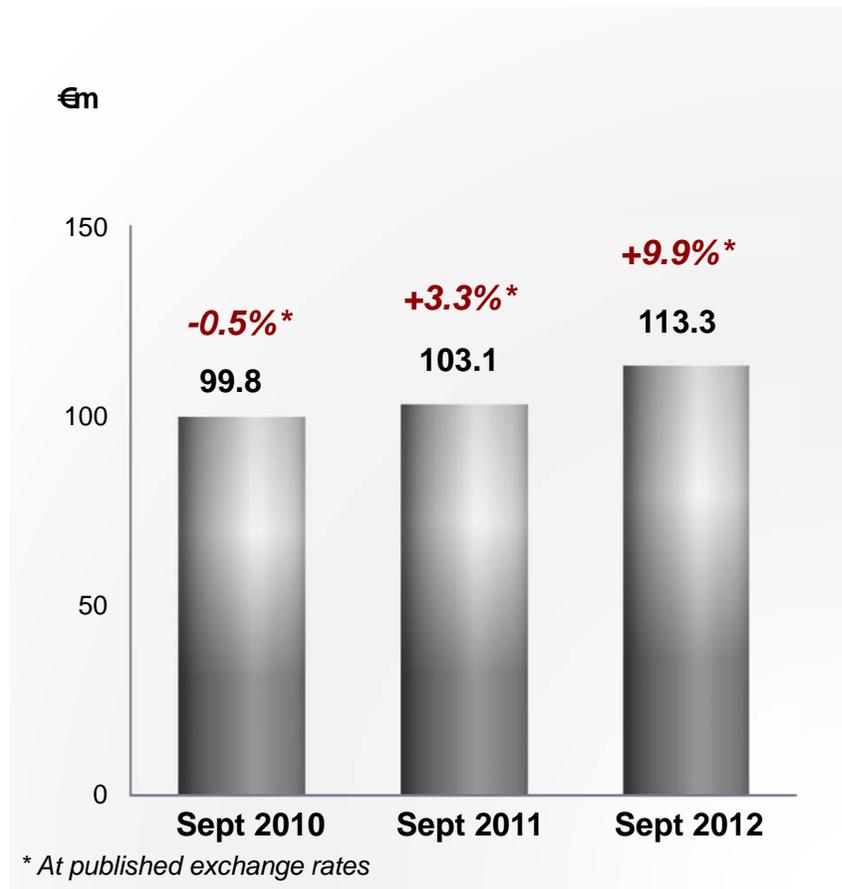


Cointreau



St Rémy XO réserve privée

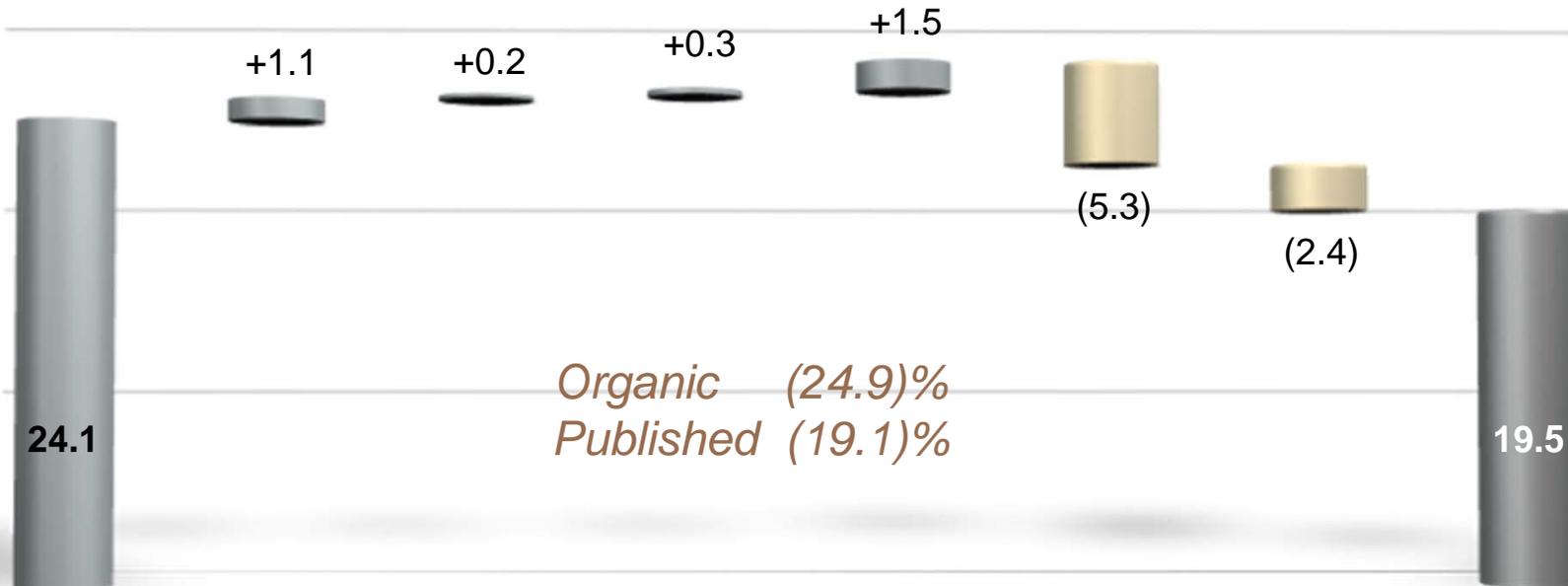
## Sales growth



# Liqueurs & Spirits

Current  
Operating  
Profit  
(€m)

Currency impact    Acquisition impact    Volume    Price/Mix    A&P    Others



*Organic (24.9)%*  
*Published (19.1)%*

**Sept 11**

**Sept 12**

**Operating margin: 23.3%**

**17.2%  
(org. 17.0%)**

# Bruichladdich – Founded in 1881



- Islay, a symbolic island for malt whiskies
- An upmarket positioning
- Bruichladdich, the benchmark for malts, recognised by both professionals and amateurs



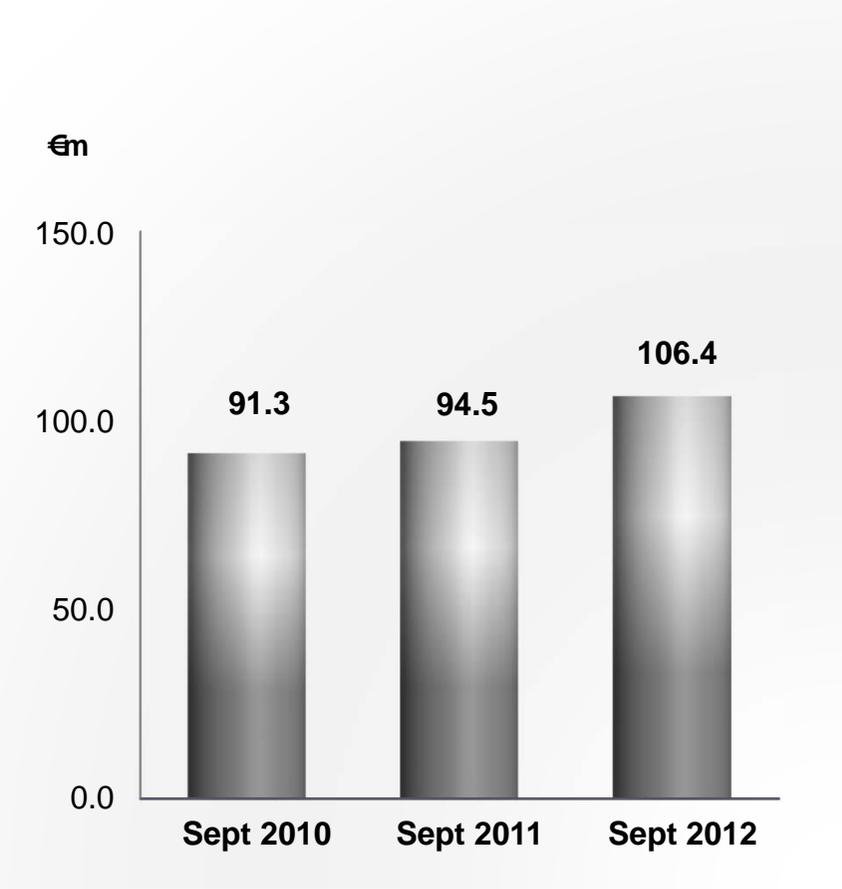
- Significant ageing inventories
- A range of quality products, from mellow to very peaty Scotch whiskies
- A profound respect for the terroir



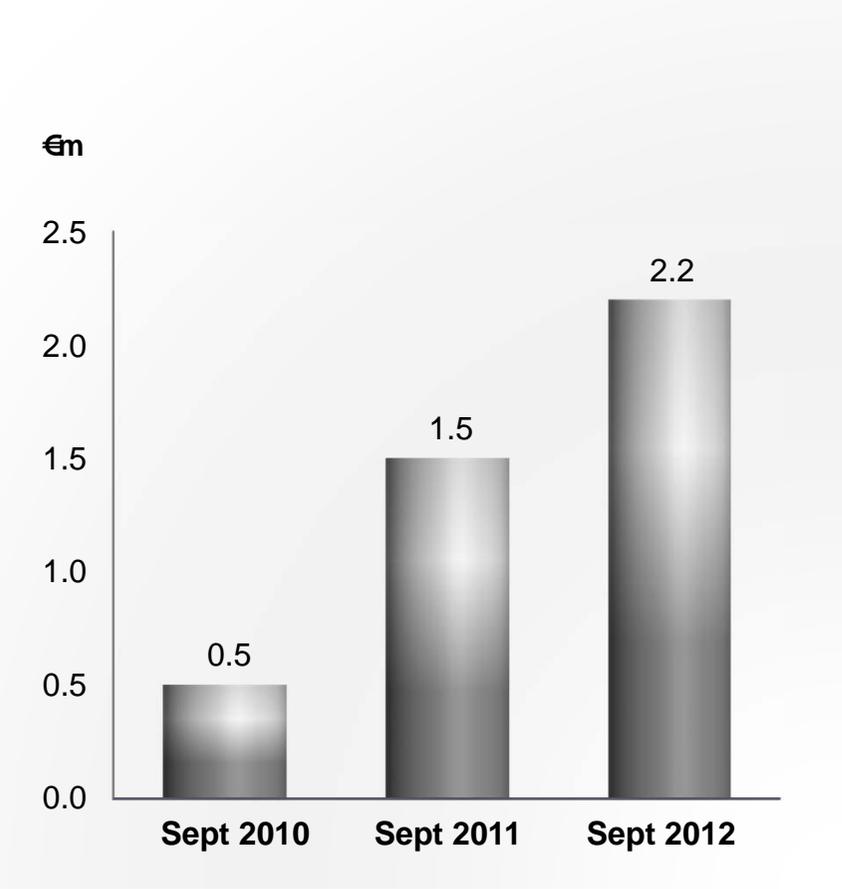
- An authentic distillery and a traditional production process
- Significant production capacity
  - ➔ Objective: to double the production
- Superior expertise and a multi award-winning Master Blender

# Partner Brands

Sales



Current Operating Profit



# Consolidated Interim Results

Frédéric Pflanz

**Finance Director**

# Analysis of Operating Profit

(€m)	2011	2012
Sales	474.9	595.8
Gross profit	295.7	374.2
<i>in %</i>	62.3%	62.8%
Sales & marketing expenses	(153.2)	(192.0)
Administrative expenses	(37.5)	(41.9)
Other income & expenses	1.2	1.2
Current operating profit	106.2	141.5
<b>Current operating margin</b>	<b>22.4%</b>	<b>23.7%</b>

# Net Profit

(€m)	2011	2012
Current operating profit	106.2	141.5
Other operating income/(expenses)	(3.7)	(2.7)
Operating profit	102.5	138.8
<b>Net financial expense</b>	<b>(23.2)</b>	<b>(9.5)</b>
Profit before tax	79.3	129.3
Income tax	(21.6)	(41.8)
Share in profit of associates	0.6	(0.9)
Profit from continuing operations	58.3	86.6
Profit/(loss) from discontinued operations	(10.8)	-
<b>Net profit (exc. non-recurring items)</b>	<b>61.5</b>	<b>88.5</b>
<b>Net profit</b>	<b>47.5</b>	<b>86.6</b>

# Financial Charges

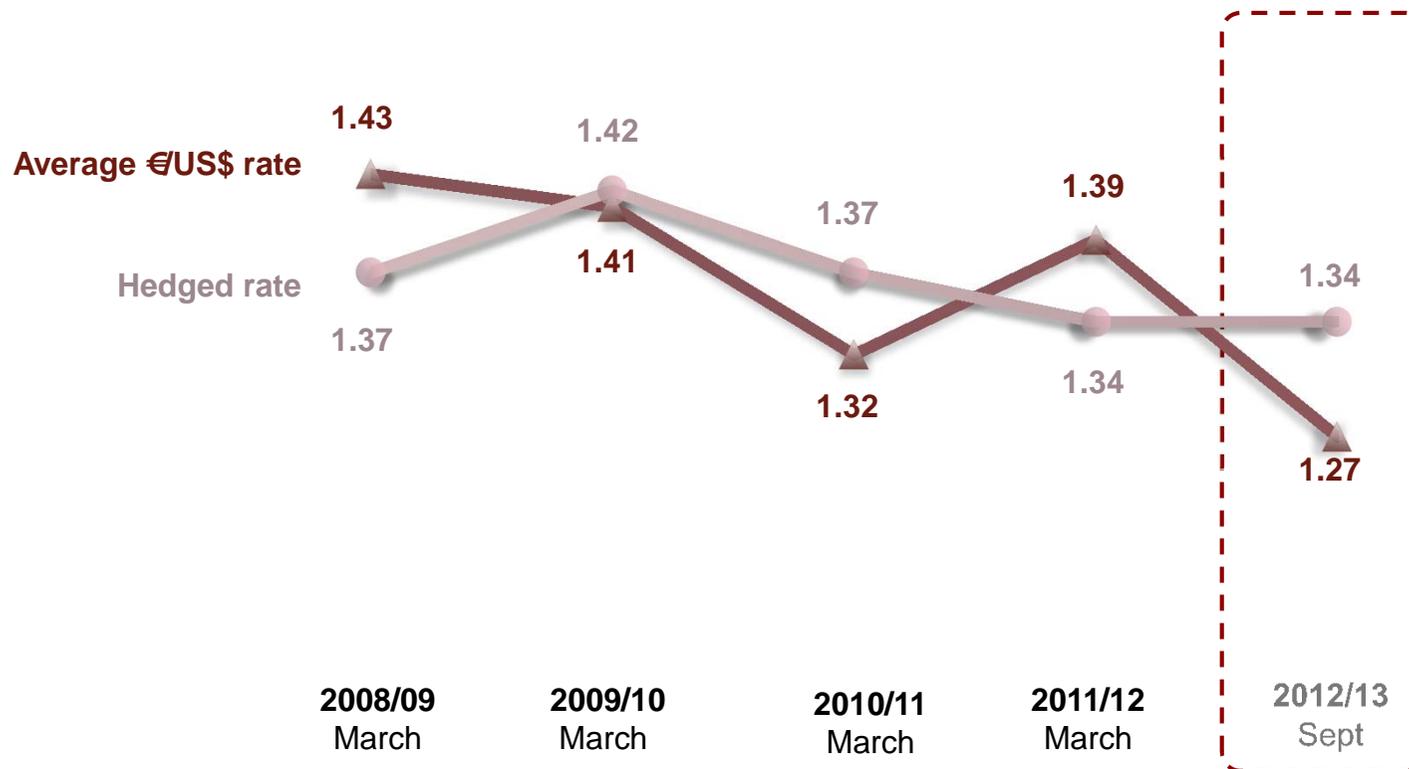
<i>(€m)</i>	<b>2011</b>	<b>2012</b>
Cost of gross financial debt	(10.4)	(11.7)
Investment income	0.8	1.5
<i>Sub-total</i>	<i>(9.6)</i>	<i>(10.2)</i>
Impact of interest rate instruments not qualifying as hedges	(7.1)	(1.2)
Currency gains/(losses)	(5.1)	2.9
Other financial expenses (net)	(2.4)	(1.0)
Effect of IFRS 5 reclassification (disposal of Champagne)	1.0	-
<b>Net financial expense</b>	<b>(23.2)</b>	<b>(9.5)</b>

# Financial Debt & Cash Flow

(€m)	2011	2012
Net debt	(114.0)	(266.0)
<b>Net debt from operating activities of continuing operations</b>	<b>(29.3)</b>	<b>7.1</b>
Capital expenditure	(6.1)	(12.8)
Impact of changes in Group structure	70.7	(62.6)
Increase/(decrease) in cash flow before financing activities	35.3	(68.3)

***Net debt/EBITDA ratio = 0.86***  
*(1.06 at end Sept. 2011)*

# Foreign Exchange Hedging Impact



# Balance Sheet at 30 September

	<i>Assets</i>			<i>Liabilities</i>	
	2011	2012		2011	2012
<b>Non-current assets</b>	774.8	847.8	<b>Shareholders' equity</b>	1,002.6	1,048.7
<b>Current assets</b>	1,016.0	1,145.8	<b>Current and non-current liabilities</b>	674.2	678.9
<i>of which inventories</i>	746.9	837.0			
<i>of which trade receivables</i>	254.0	299.2			
<b>Cash and cash equivalents</b>	237.2	171.2	<b>Gross financial debt</b>	351.2	437.2
<b>Total assets</b>	2,028.0	2,164.8		2,028.0	2,164.8

# Highlights of H1 2012

- On 3 September 2012, the Group acquired the Bruichladdich Distillery Company. This acquisition is consistent with the Group's value and long-term strategy and opens the strategic market of single malt Scotch whiskies to Rémy Cointreau
- On 5 June 2012, the Group signed a *revolving* credit facility of €255m, which strengthens its financial position and maintains its long-term funding, replacing the previous facility that had matured
- On 23 May 2012, Rémy Cointreau terminated its share buyback programme

# Post-Balance Sheet Events

- On 31 October 2012, Rémy Cointreau announced that it had entered into exclusive negotiations with a view to acquiring a majority of the share capital of the Cognac company, Larsen

Founded in 1926, Larsen has built up inventories of aged eaux-de-vie, enabling it to guarantee the quality of its production and to optimise its purchasing power

# Outlook for 2012/13

- Confidence in our activities
  - In a more uncertain global economic environment, particularly in Europe
- Priority to be given to high added-value markets
- Efficiency of our international network to support premium brands
- Maintain strict cost control

***Rémy Cointreau confirms its objective of significantly improving its full-year earnings***