RÉMY COINTREAU

Preliminary Results
Year ended 31 March 2005

Value Strategy

Dominique Hériard Dubreuil

2004/05: Value Strategy

Continued acceleration and strengthening of the value strategy

2004/05: Value Strategy

Organic growth

Markets

Key brands

2004/05: Value Strategy

Operational improvements

Strengthened distribution

Management reorganisation

Key Figures

€m	March 05	March 05	Published Change	Organic Performance
Turnover	905.3	888.3	+ 1.9%	+ 5.1%
Operating profit	167.7	173.5	(3.3)%	+ 14.4 %
Profit on ordinary activities*	78.8	74.2	+ 6.2%	
Operating margin	*18.5%*	*19.5%*		*21.3%*
Operating cash flow	122.1	99.3	+€22.8m	

- 7% reduction in net debt (- €60.7m)
- Profit on ordinary activities per share*: + 4% to €1.75
- Profit per share: €0.54 after the exceptional charge on brands

**Group share*

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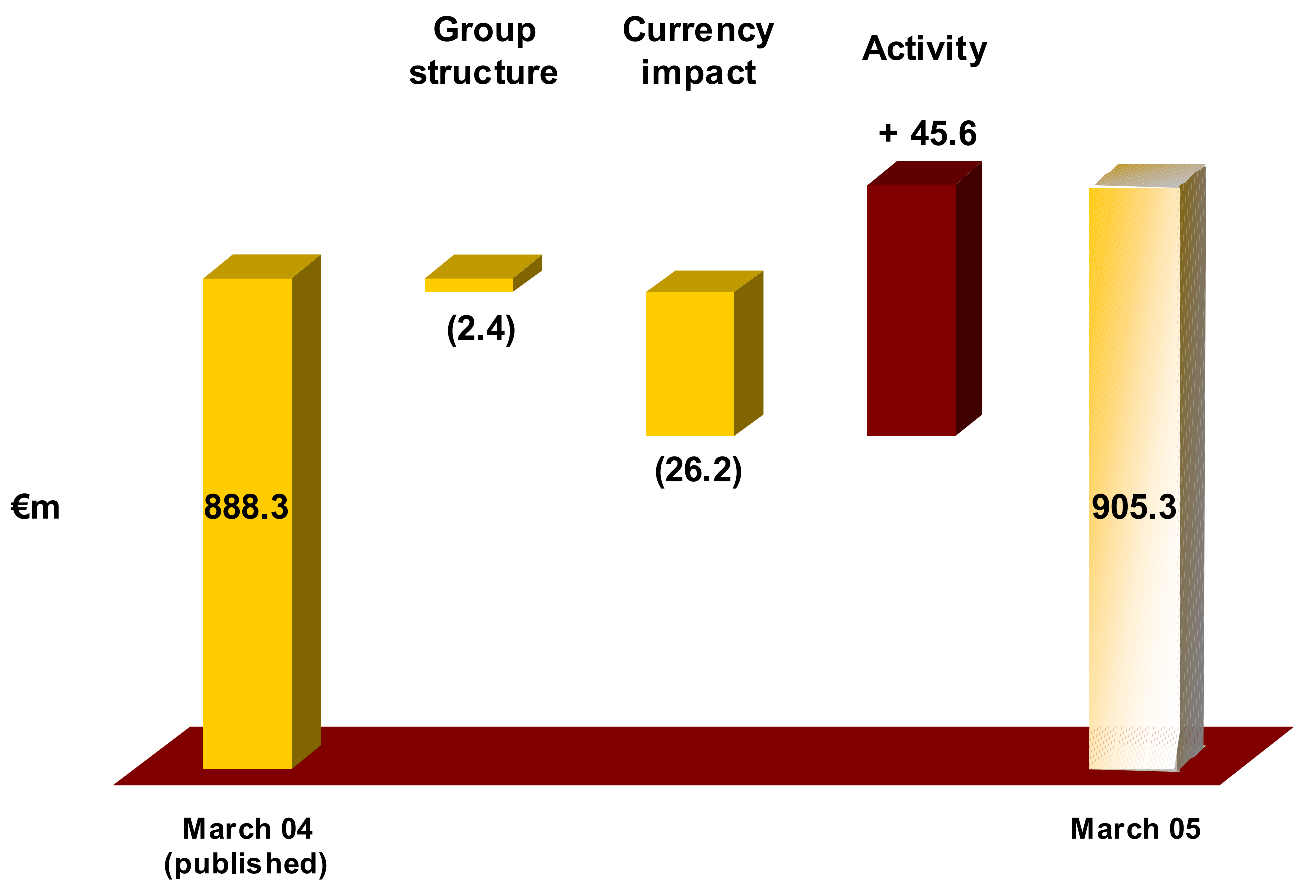
Review of Activities

Jean-Marie Laborde

Turnover

Organic growth*: + 5.1%



On a like-for-like basis

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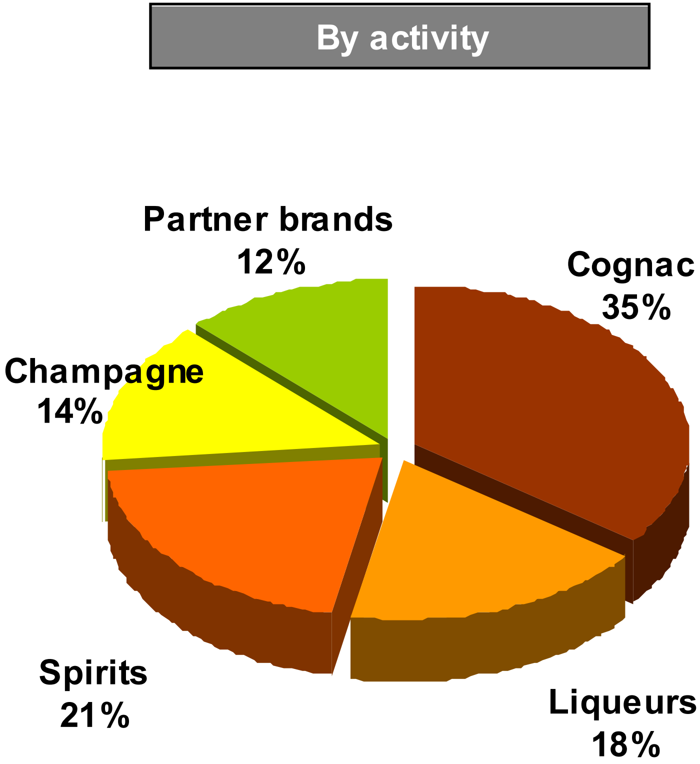
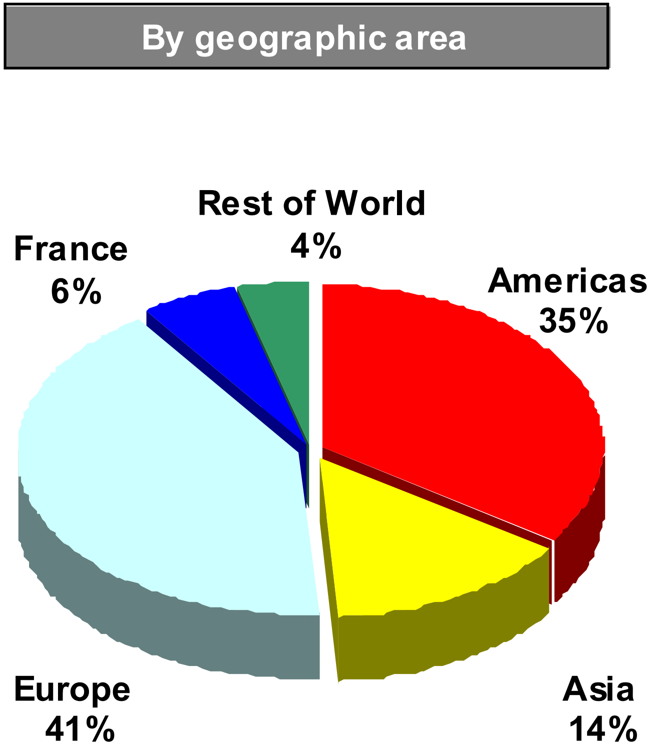
Breakdown of Turnover





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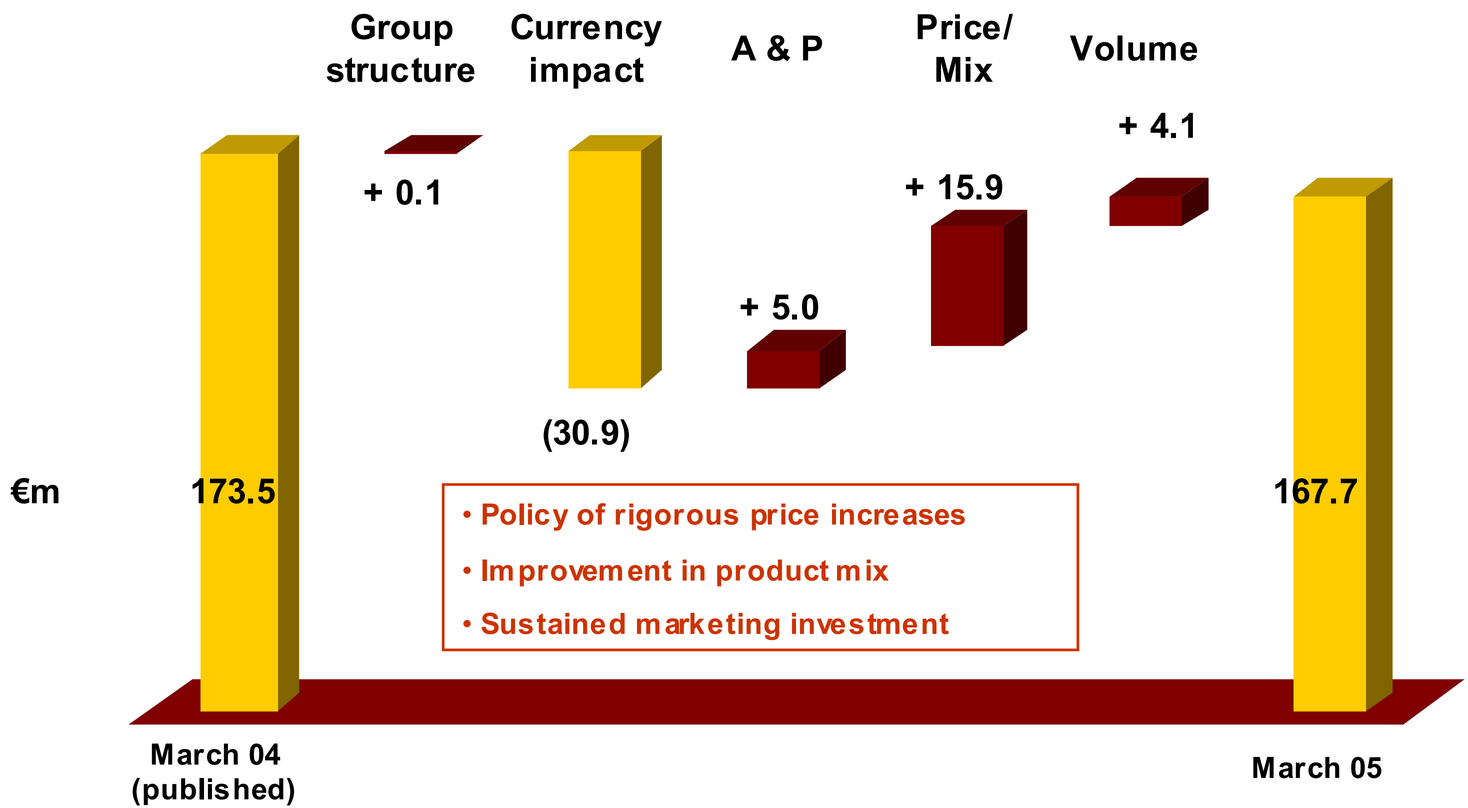
Operating Profit

Organic growth*: + 14.4%



- Policy of rigorous price increases
- Improvement in product mix
- Sustained marketing investment

**On a like-for-like basis*

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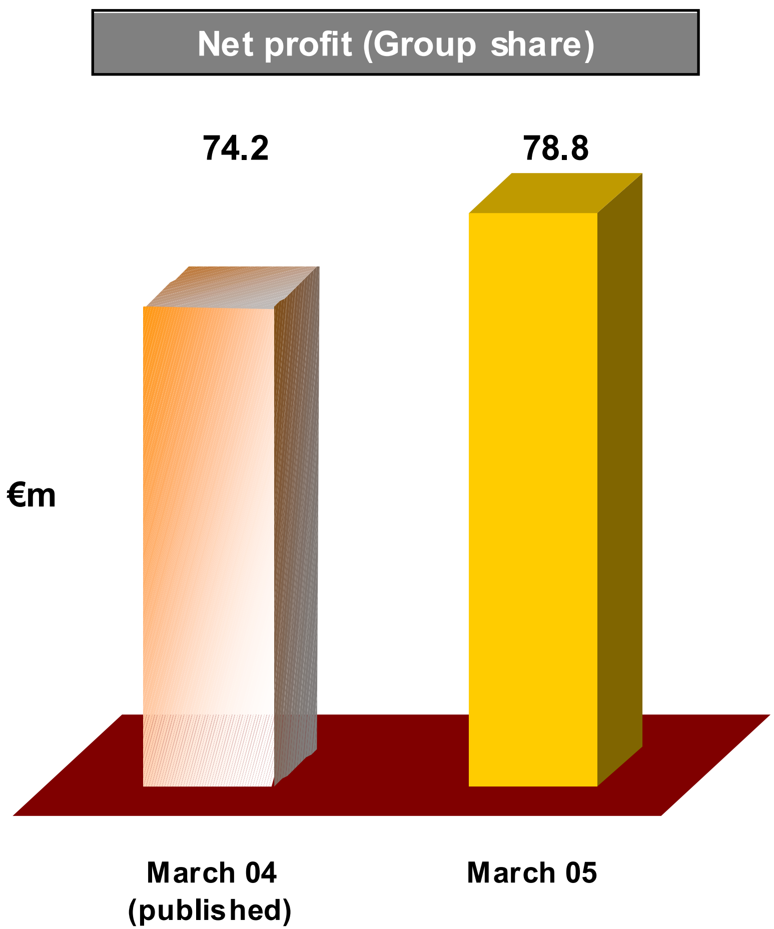
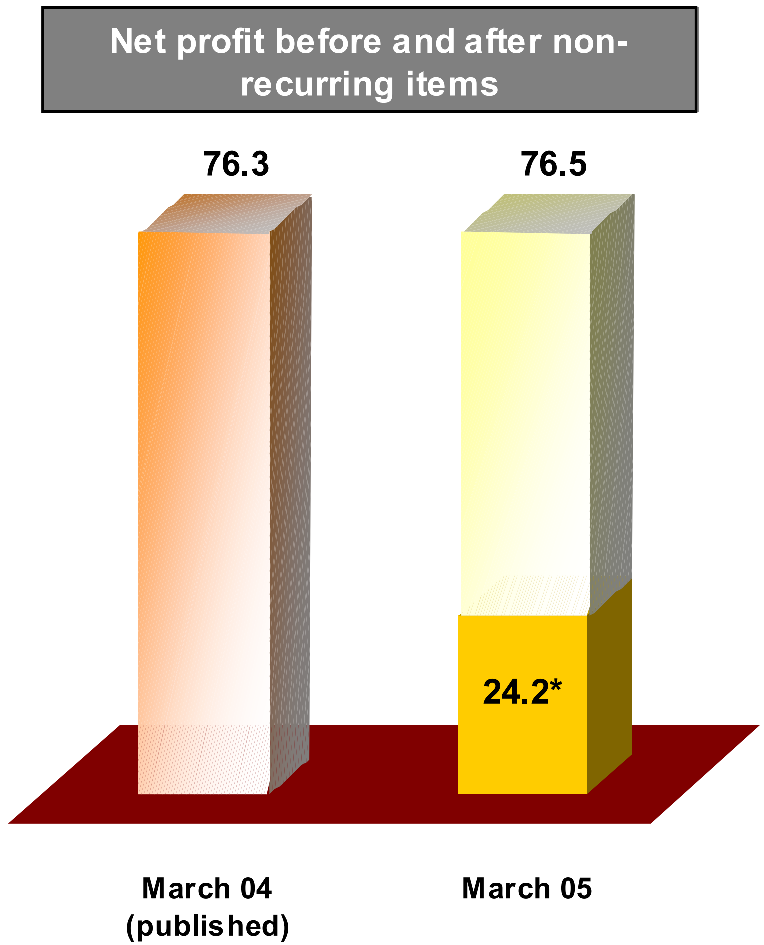
Net Profit on Ordinary Activities

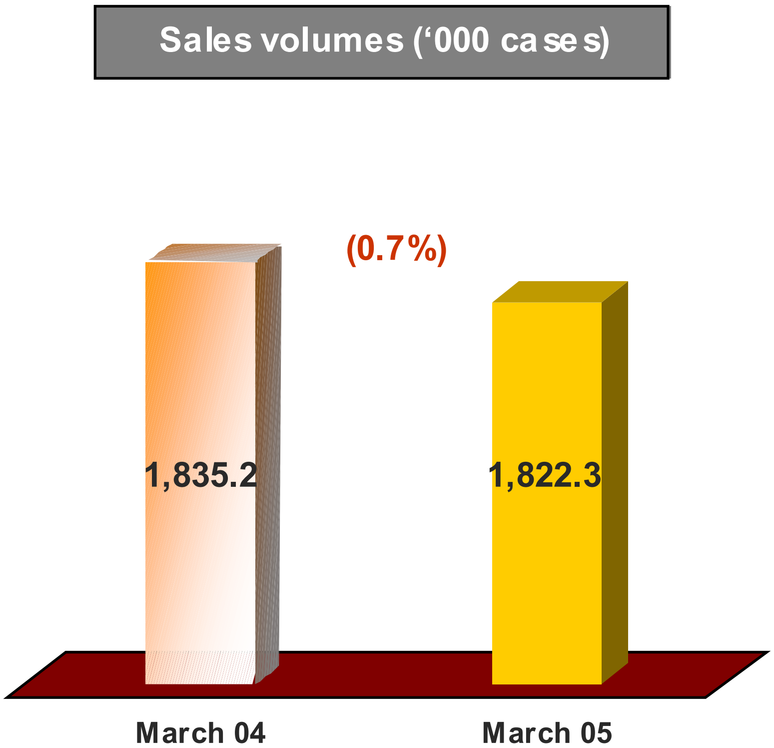


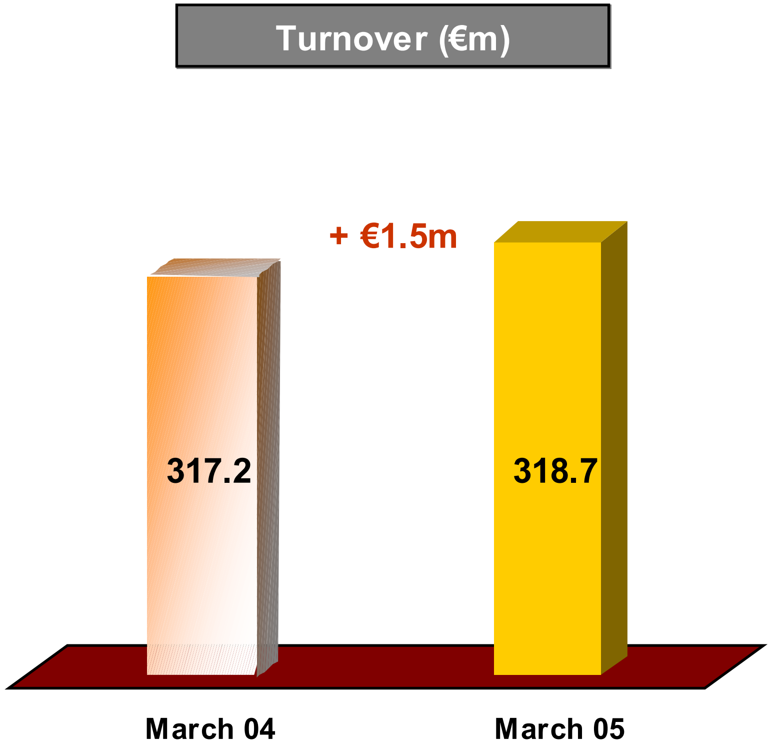


**After provision of €52.3m for exceptional writedown of brands*

Cognac

Organic growth in turnover*: + 6%





***On a like-for-like basis**

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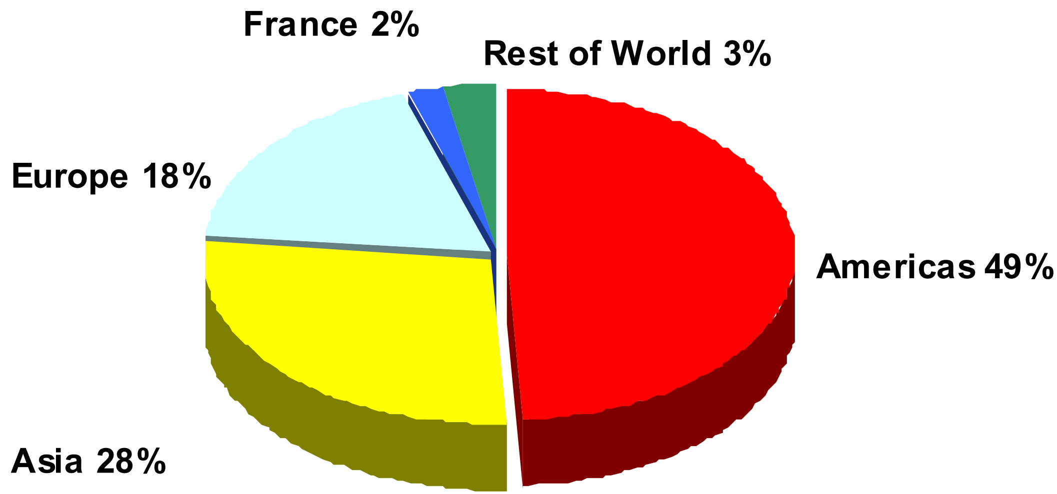
Cognac

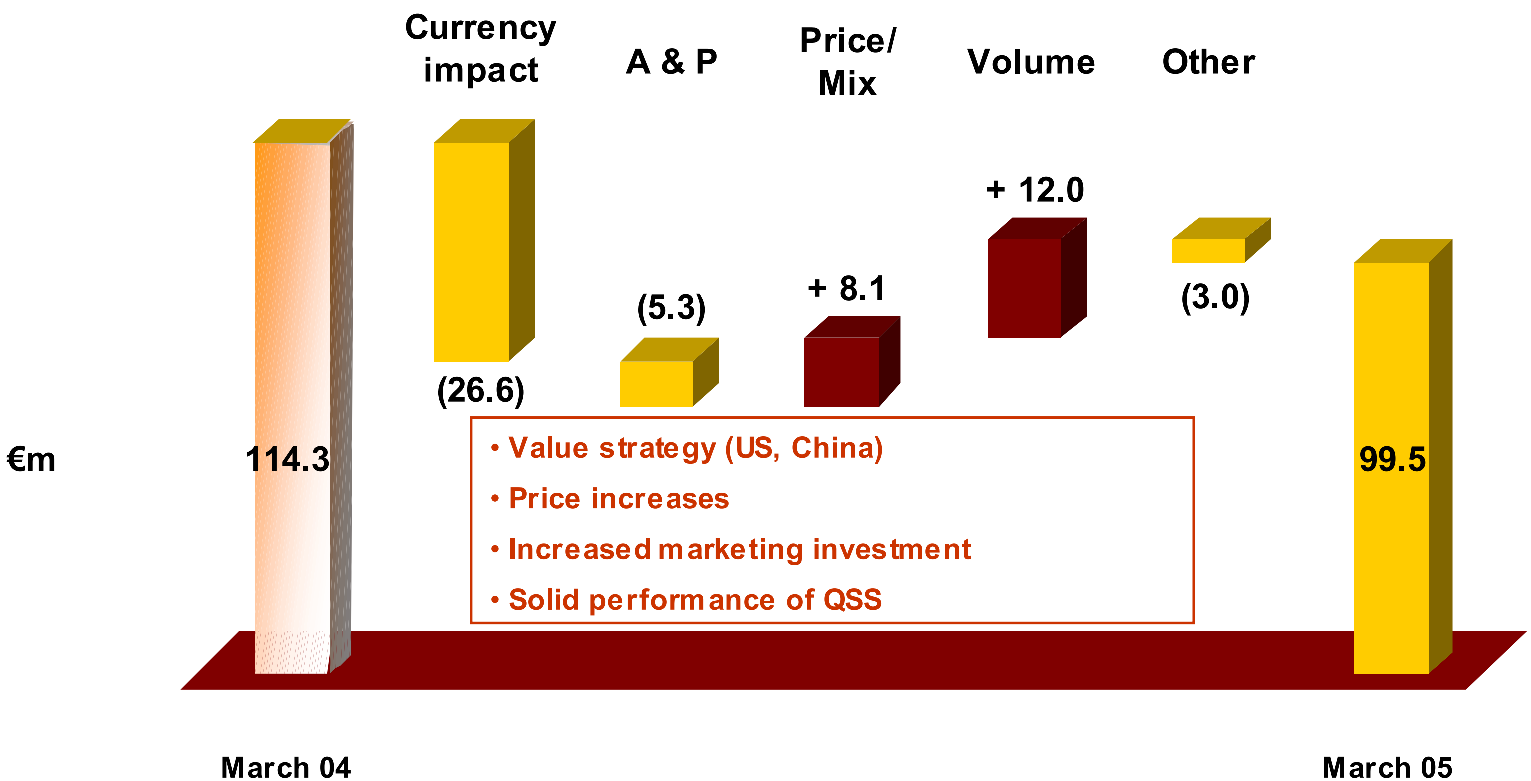
Turnover by geographic area



Cognac

Organic growth*: + 10.3%

Operating Profit



- Value strategy (US, China)
- Price increases
- Increased marketing investment
- Solid performance of QSS

OM	36.0%	31.2%

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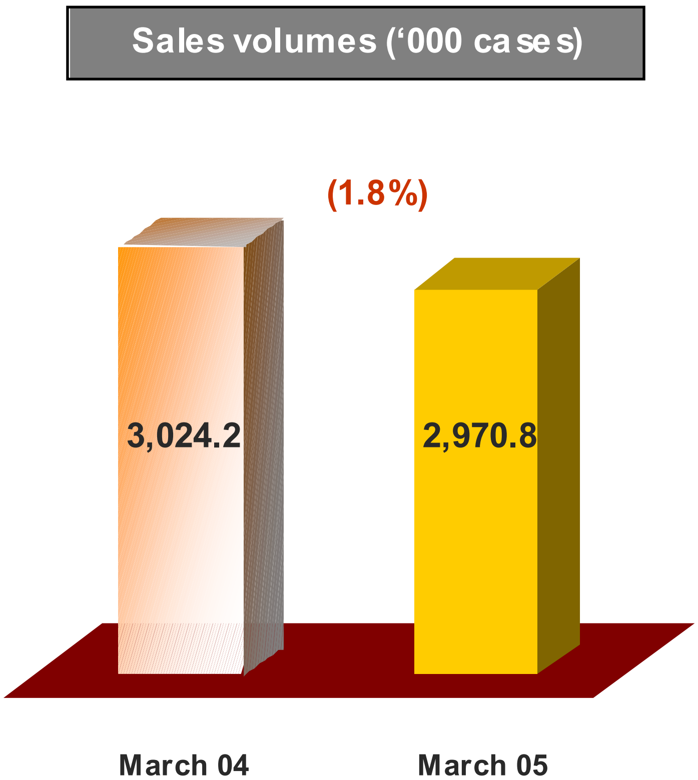
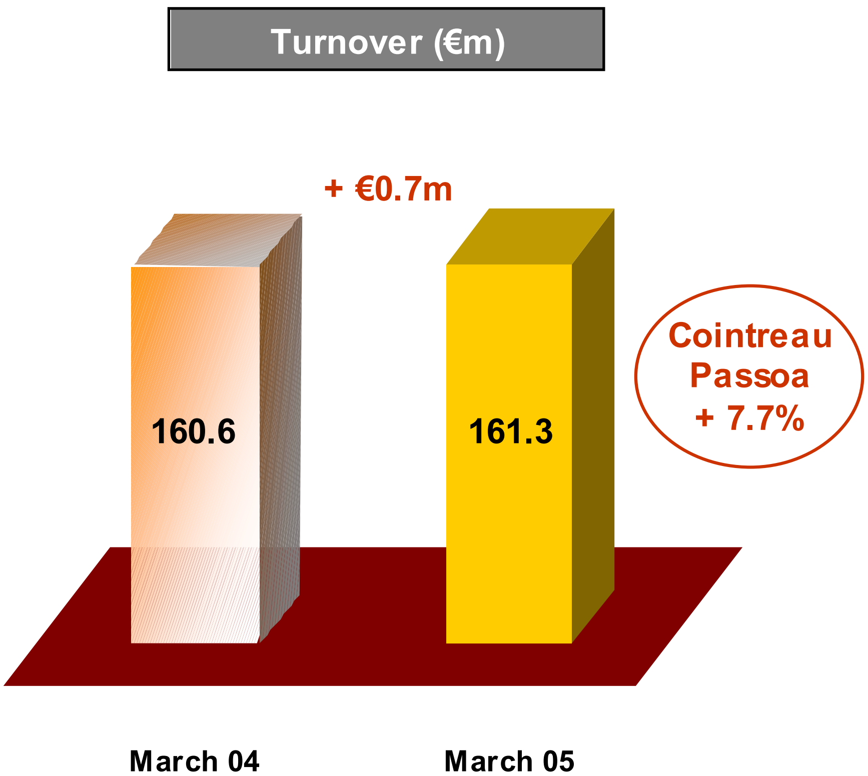
Liqueurs

Organic growth in turnover*: + 3.0%



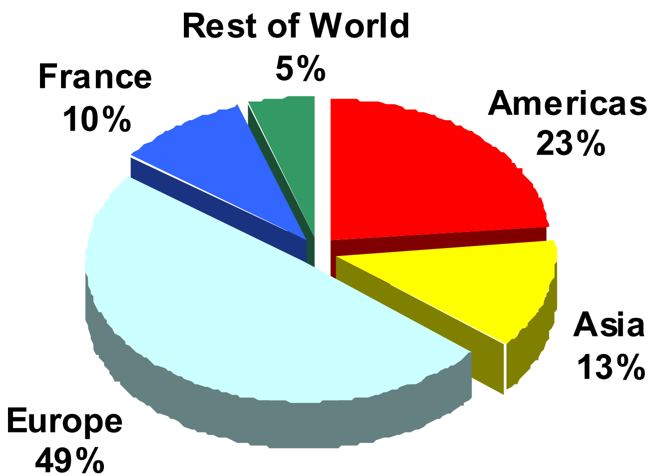


**On a like-for-like basis*

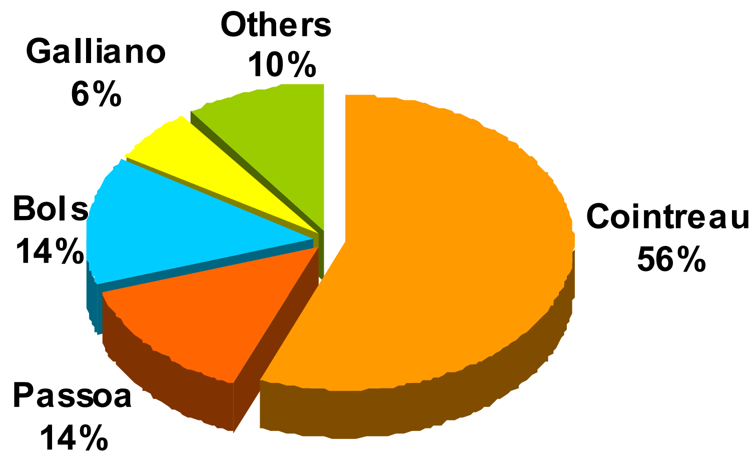
RÉMY COINTREAU

Liqueurs

Turnover by geographic area



Turnover by brand



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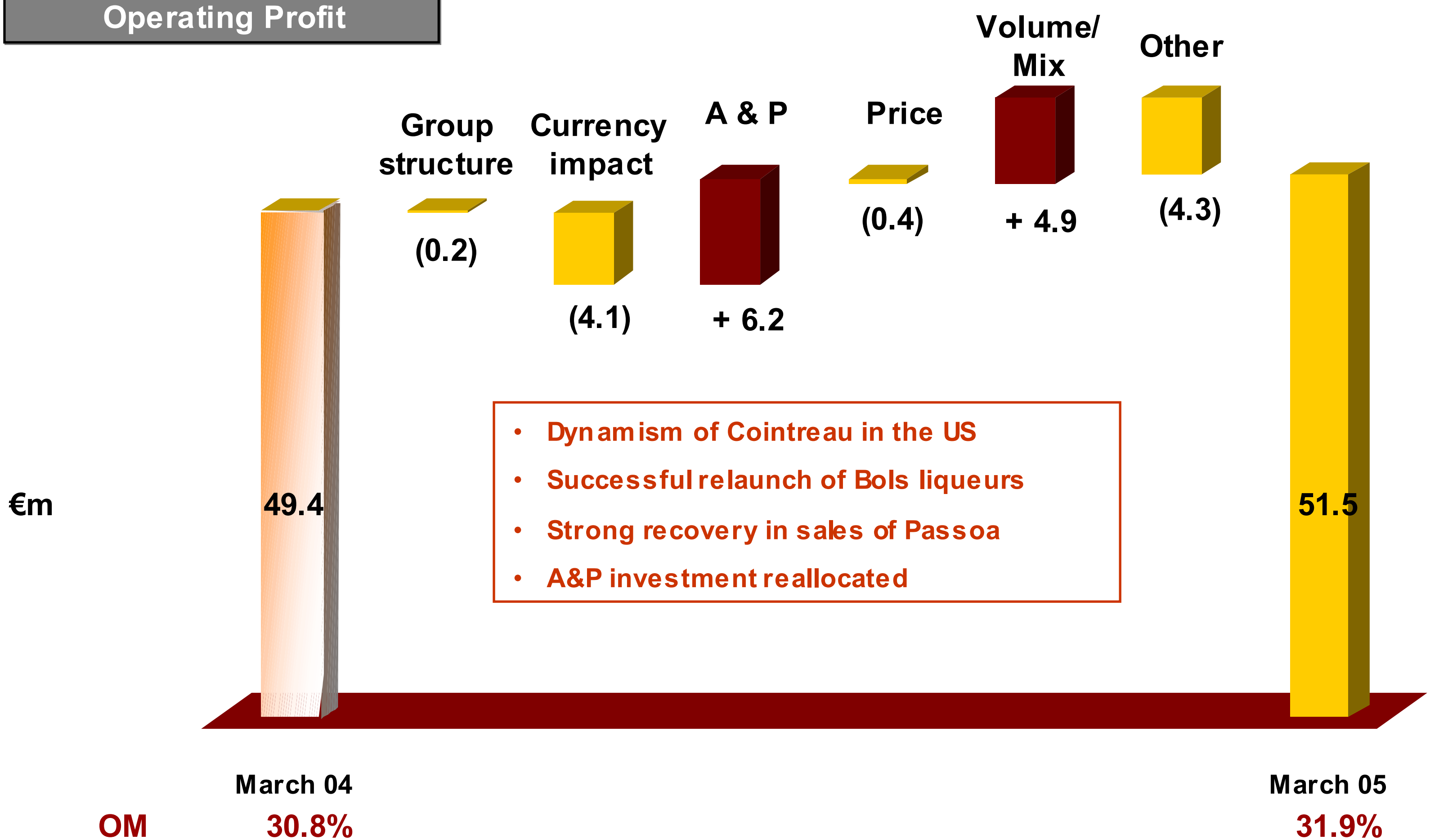
Liqueurs

Organic growth*: + 12.8%



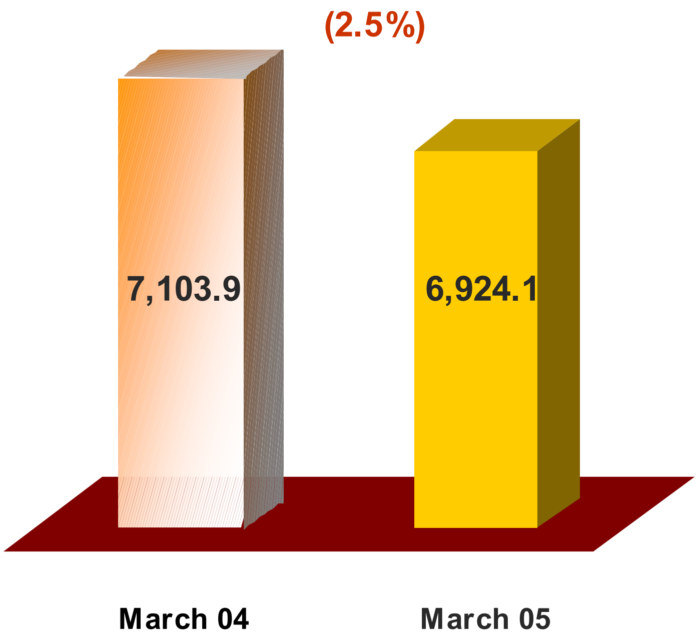
- Dynamism of Cointreau in the US
- Successful relaunch of Bols liqueurs
- Strong recovery in sales of Passoa
- A&P investment reallocated

**On a like-for-like basis*

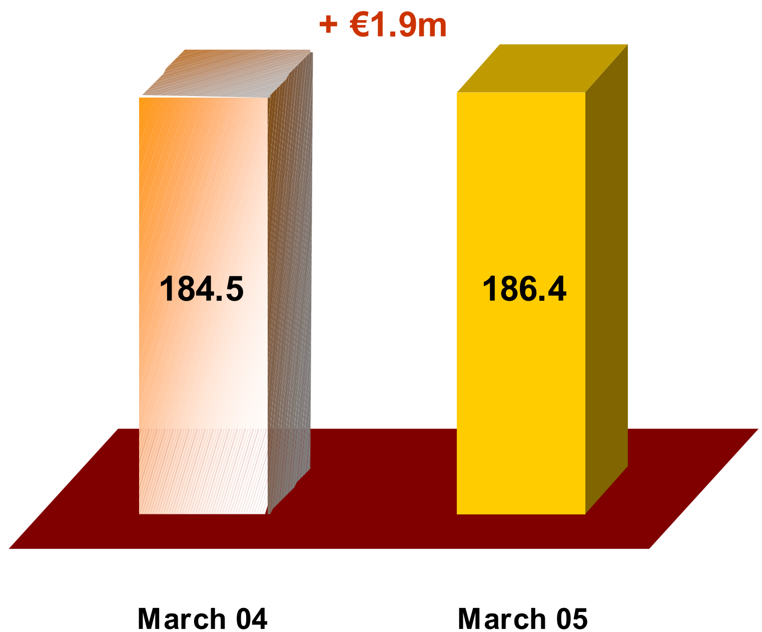
Spirits

Organic growth in turnover*: + 1.3%

Sales volumes ('000 cases)



Turnover (€m)



***On a like-for-like basis**

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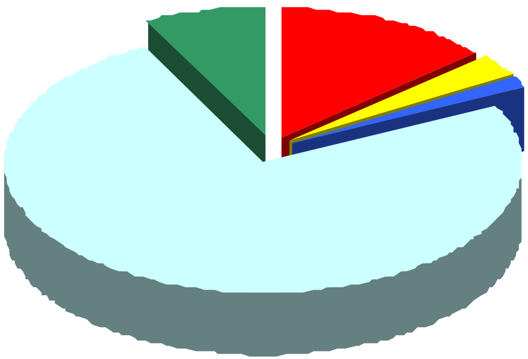
Spirits

Turnover by geographic area



Turnover by products

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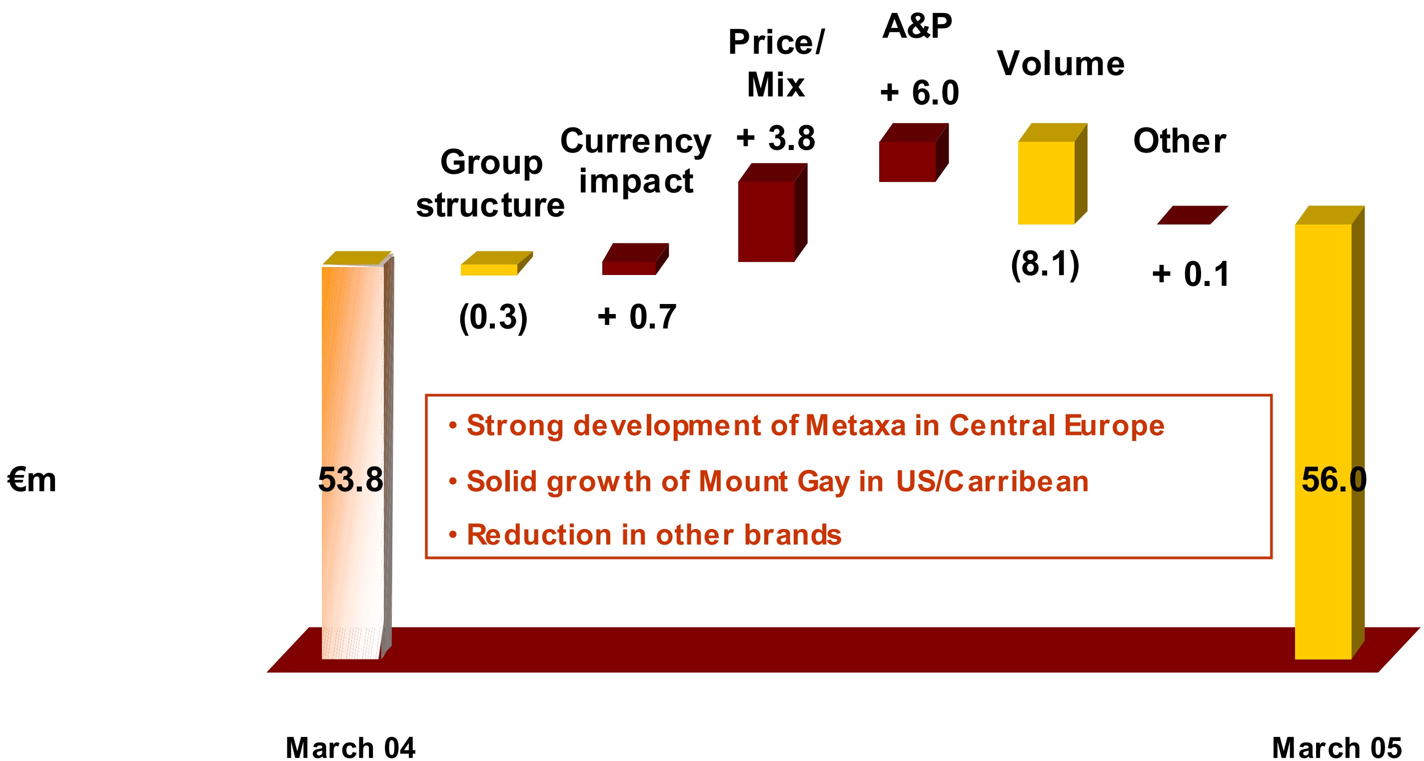
Spirits

Operating Profit

Organic growth : + 3.3%



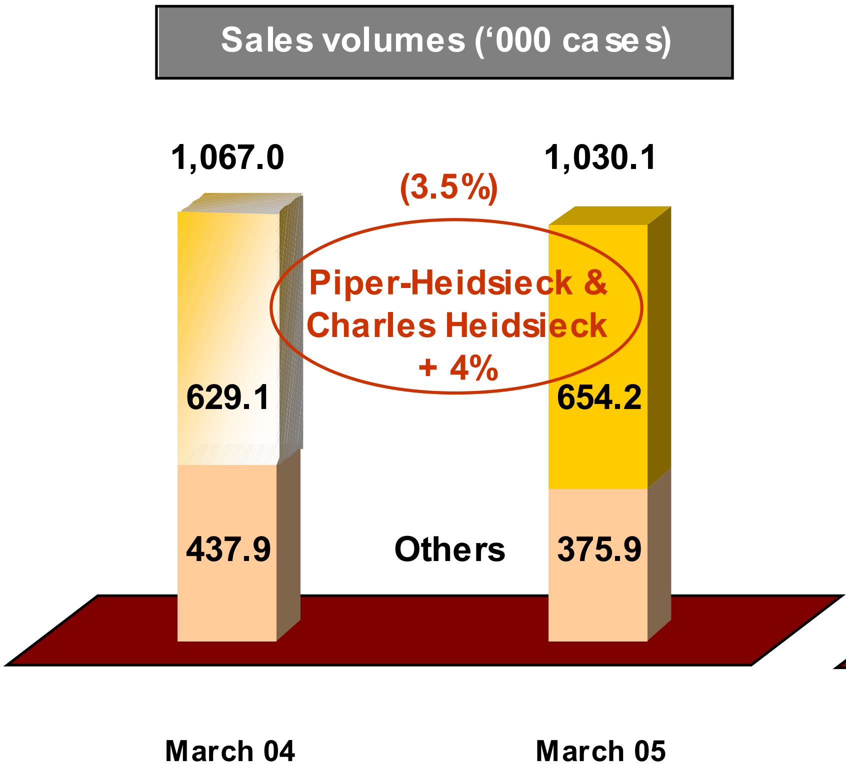
- Strong development of Metaxa in Central Europe
- Solid growth of Mount Gay in US/Carribean
- Reduction in other brands

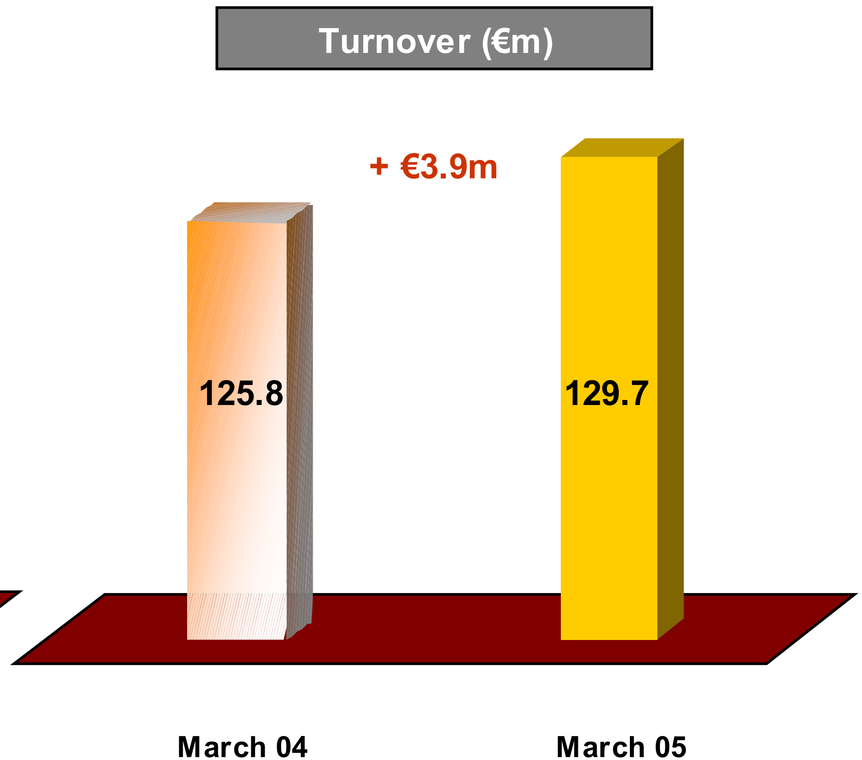
OM	29.2%	30.0%

On a like-for-like basis

Champagne

Organic growth in turnover*: + 4.5%

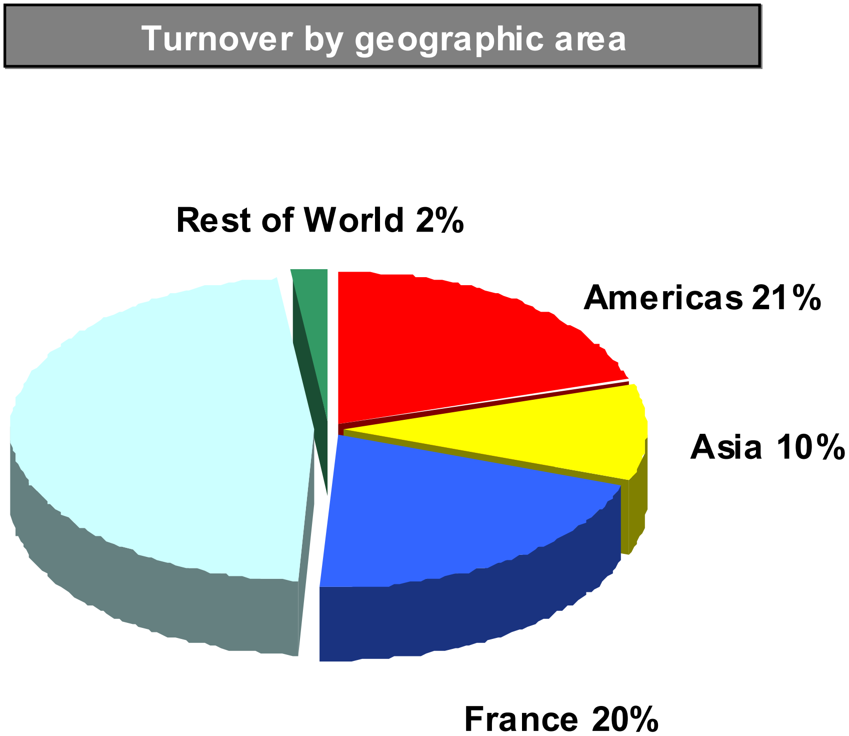




**On a like-for-like basis*

RÉMY COINTREAU

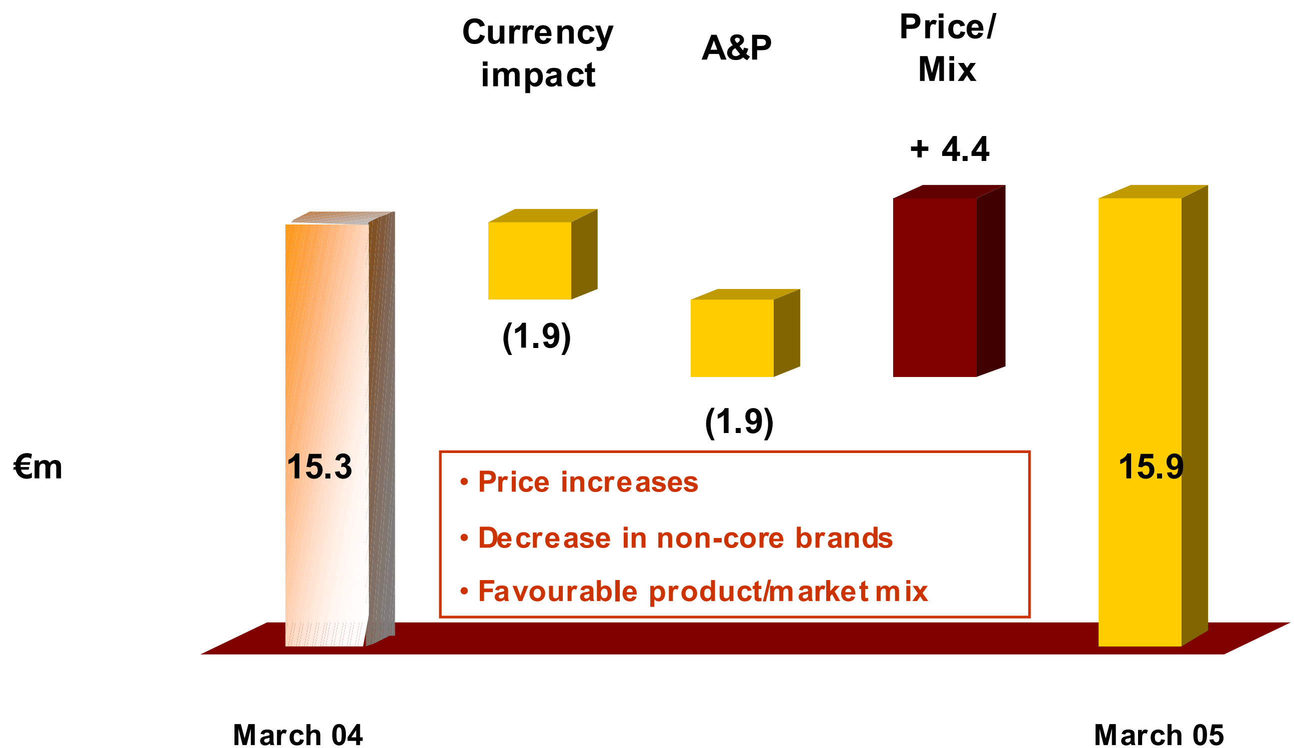
Champagne


Turnover by geographic area
Rest of World 2%
Americas 21%
Europe 47%
Asia 10%
France 20%

Champagne

Organic growth*: + 16.3%

Operating Profit



- Price increases
- Decrease in non-core brands
- Favourable product/market mix

	March 04	March 05
OM	12.2%	12.3%

***On a like-for-like basis**

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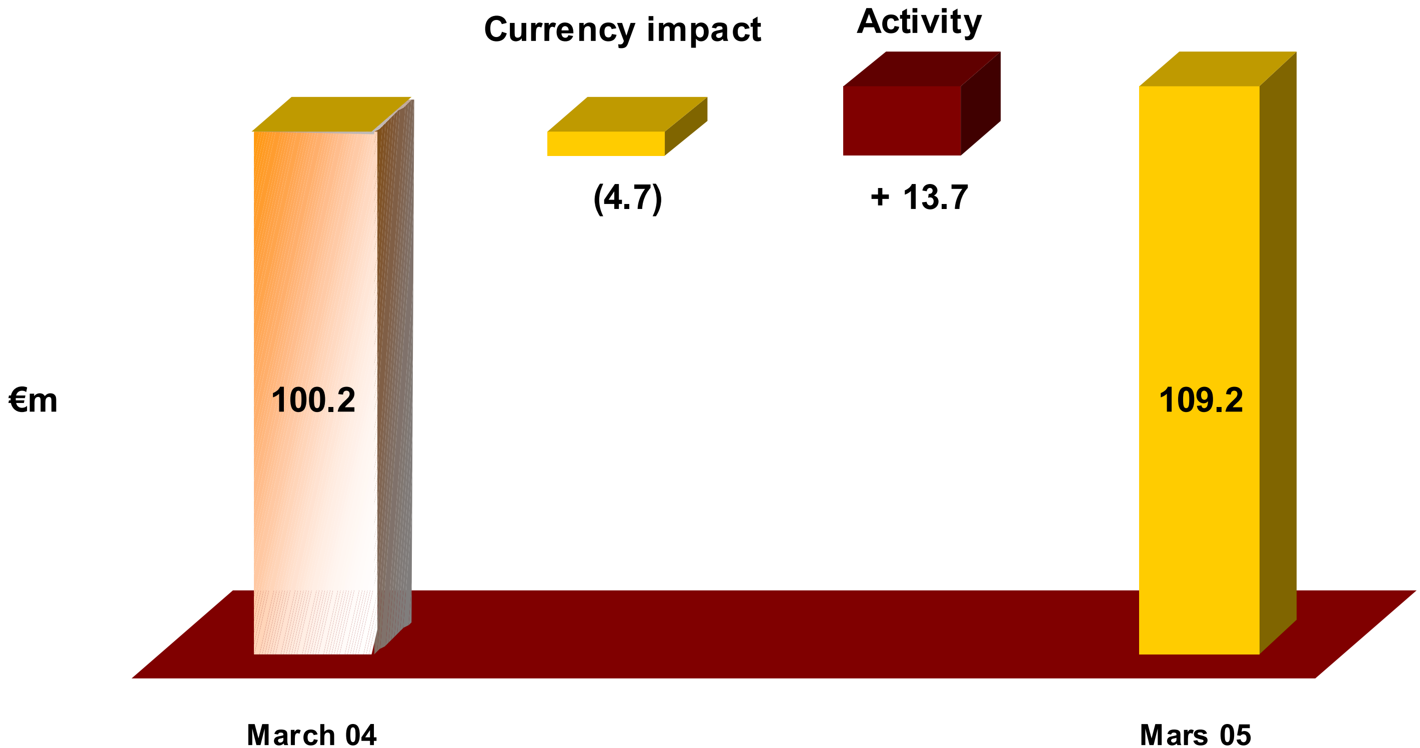
Partner Brands

Turnover

Organic growth: + 13.8%



OM 15.4% 15.4%

**On a like-for-like basis*

RÉMY COINTREAU

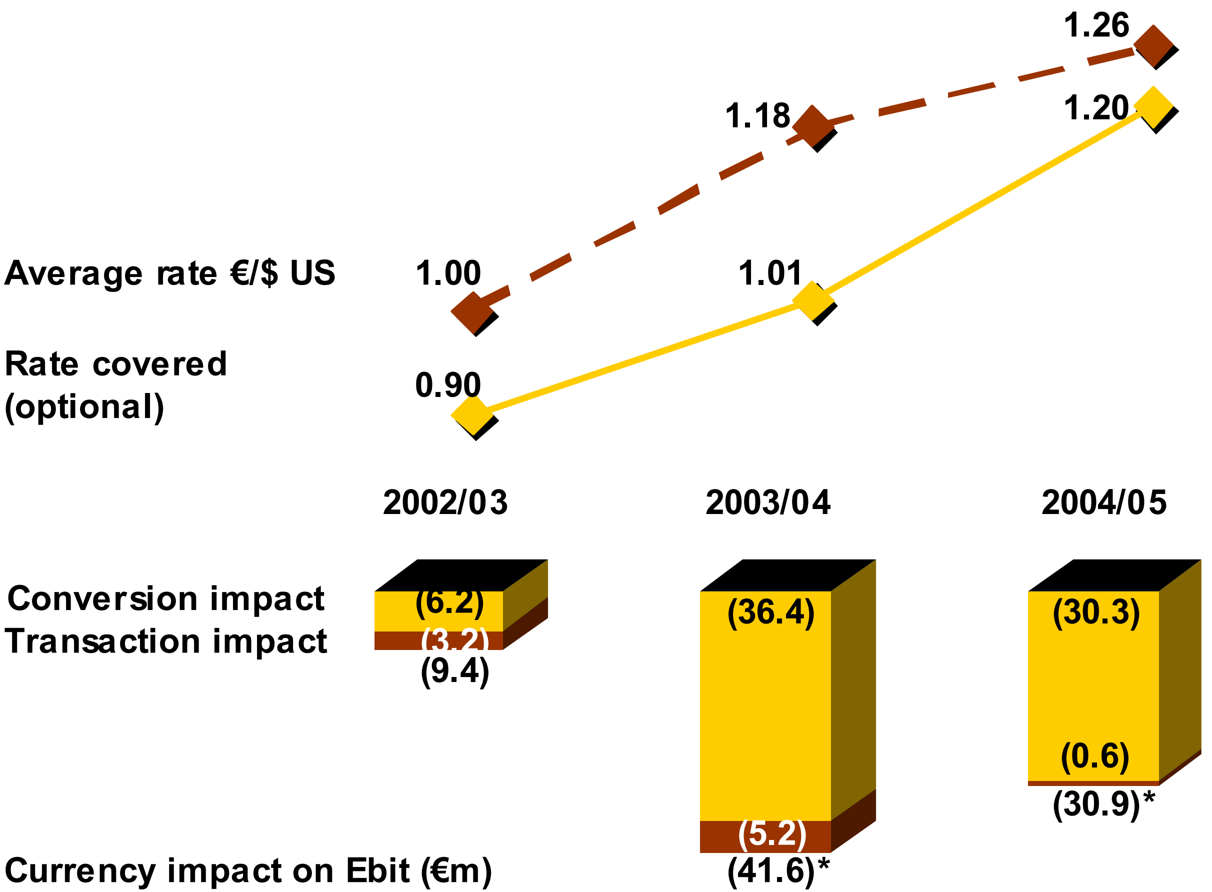
Financial Results

Hervé Dumesny

Analysis of Operating Profit

(€m)	March 05	March 04	Organic Performance
Turnover	905.3	888.3	+ 5.1%
Marketing investment	171.5	175.5	- 0.3%
Divisional operating profit	239.7	248.2	+ 9.8%
Central and distribution costs	(72.0)	(74.7)	- 0.7%
Operating profit	167.7	173.5	+ 14.4%
Operating margin	18.5%	19.5%	21.3%

Hedging Strategy €/$



<u>Currency impact/EBIT 2005/06</u>

• €1 = 1.30

(€21m)

(1.30 = Rate of cover optional)

<u>Example of sensitivity</u>

• €1 = 1.23

(€10m)

€m

On a like-for-like basis

Net Profit

(before goodwill amortisation and associated undertakings)

(€m)	March 05	March 04	% Change
Operating profit	167.7	173.5	(3.3)
Financial charges	(53.1)	(64.1)	(17.2)
Profit on ordinary activities before tax	114.6	109.4	+ 4.8
Taxation	(38.3)	(38.3)	-
%	*33.4%*	*35.0%*	
Minority interests	(3.1)	(1.0)	
Net profit before goodwill amortisation and share of profit in associated undertakings	73.2	70.1	+ 4.4

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Net Profit

(€m)	March 05	March 04
Net profit before goodwill amortisation and share of profit in associated undertakings	73.2	70.1
Goodwill amortisation	(2.9)	(2.8)
Maxxium – equity accounted	3.4	1.8
Dynasty – equity accounted	5.1	5.1
Net profit on ordinary activities	78.8	74.2
Number of shares ('000)	45,023	44,270
Profit on ordinary activities/per share (€)	1.75	1.68
Net profit after non-recurring items (after provision of €52.3m/impairment test)	24.2	76.3
Earnings per share (€)	0.54	1.72

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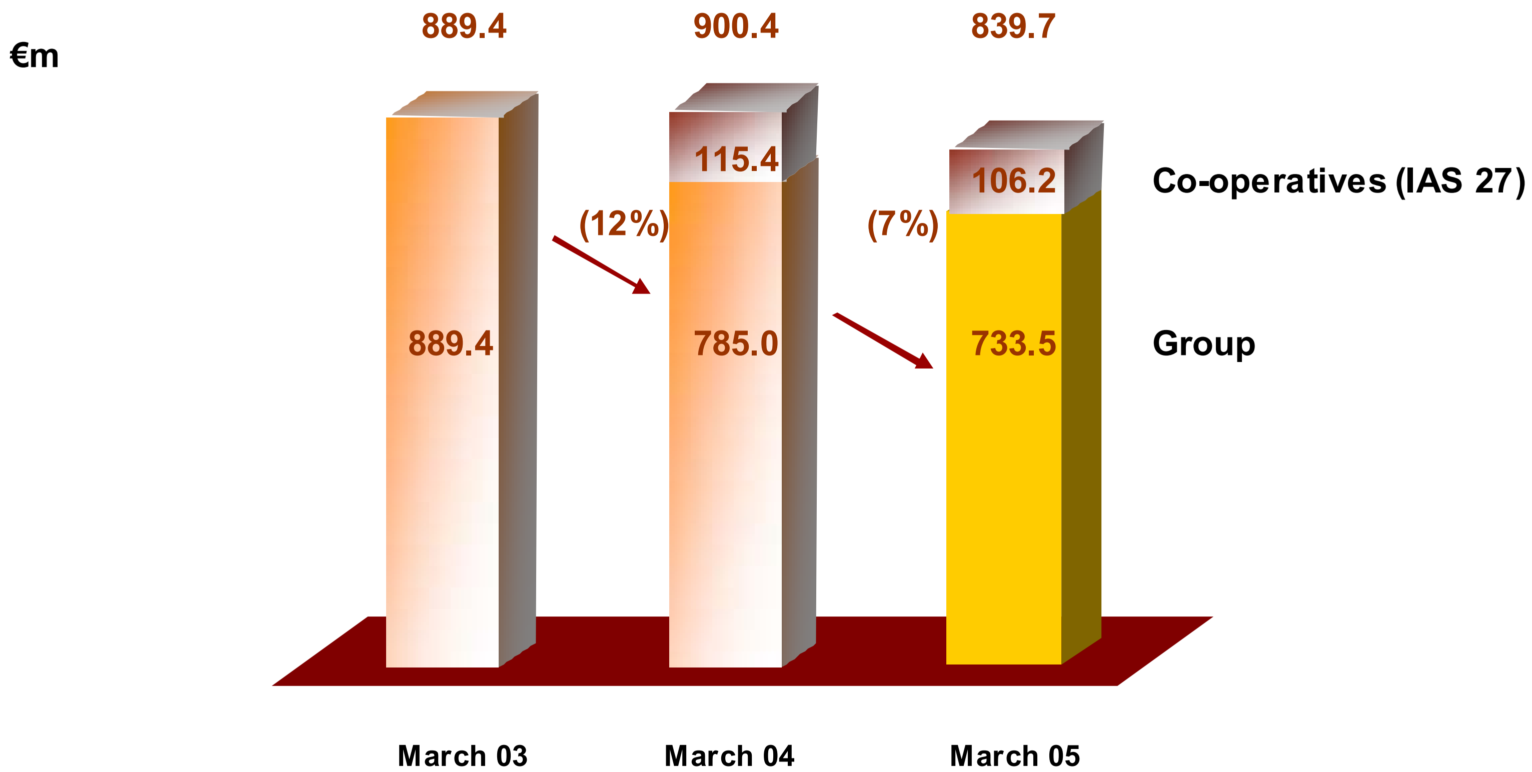
Financial Debt



*Accrued interest not yet matured included

Debt & Cash-Flow

	March 05	March 04	Change (€m)
Net debt	839.7	900.4	(60.7)
Improvement in working capital requirements	29.8	28.6	
Operating cash flow	122.1	99.3	+ 22.8

Maxxium – Key Figures

(€m) At 31 March*	2004/05	2003/04
Managed turnover	1,462.6	1,383.9
Contribution	211.2	202.7
Margin (%)	*14.4*	*14.7*
Expenses & distribution costs	(173.2)	(160.6)
Turnover (%)	*11.8*	*11.6*
Profit on ordinary activities before tax and goodwill amortisation	27.8	28.0
Contribution to Rémy Cointreau's net profit	3.4	1.8

**Rémy Cointreau financial year*

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Balance Sheet
Brand Valuation

- Impairment test realised with the help of an independent consultant
  - Approved by statutory auditors
  - Context of follow up under IFRS (impairment/goodwill amortisation)
- Global value of key brands significantly higher than historically recognised
  - No accounting re-evaluation
- The impairment relates to certain regional brands following recent trends in European markets
- Exceptional provision (non-cash) for a writedown of €52.3m
- Brand valuation thus goes from €952m to €907m

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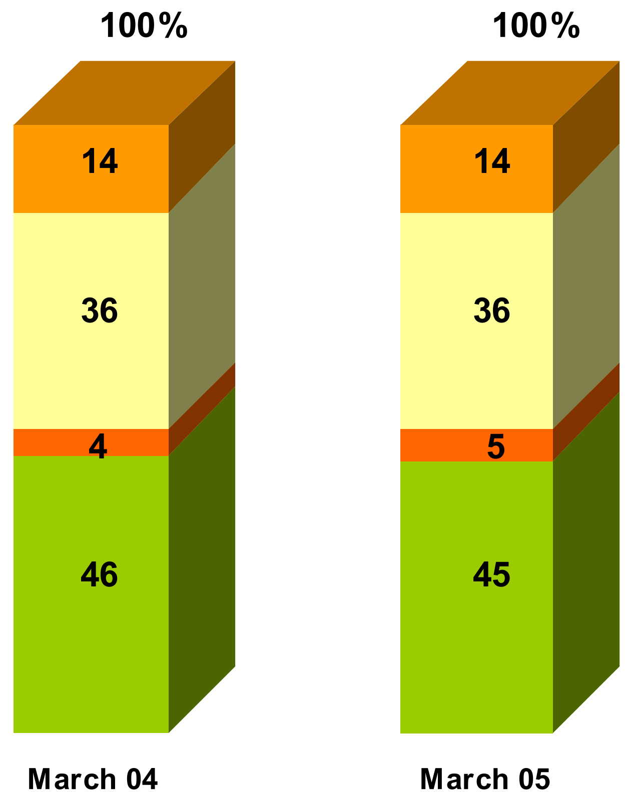
Balance Sheet Summary

Assets



Total	€2,433.4m	€2,333.8m

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Balance Sheet Summary

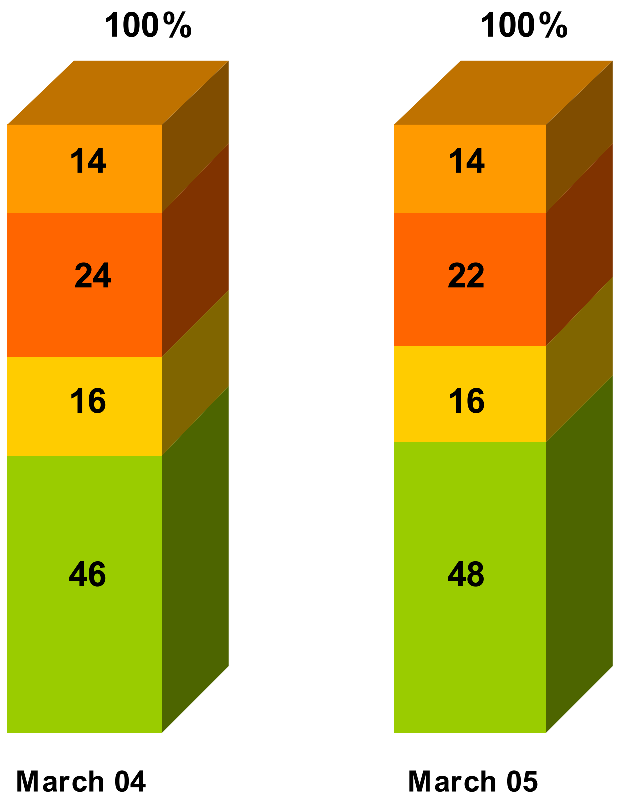
Liabilities

Other operating liabilities

Short and long
term debt

TSDI & bonds

Shareholders' equity
and minorities



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IFRS – Major Impacts

- Transition balance sheet 31 March 2004
- First accounts published under IFRS 30 September 2005
  - IAS 27: consolidation of co-operatives already effective (2003/04 financial year)
  - IAS 12/16: reduction of approx. 20% in shareholders' equity (deferred tax, periods of amortisation/depreciation)
  - IAS32/39: have not been applied to the transition balance sheet
  - Income statement: reclassification as operating expense of most items included in exceptionals

IFRS - Transition Balance Sheet

Reduction in shareholders' equity

Shareholders' Equity at 31 March 2004 - (€m)	1,111	
Requirement to record a tax charge at current rate on the difference between the value on consolidation of the brands and their tax value	(276)	-25%
Retroactive application in respect of the new economic life of the assets (after tax)	39	4%
Possibility of recording the unamortised actuarial differences on retirement commitments (after tax)	(9)	-1%
Accounting for the commitment for retirement health benefits (after tax)	(4)	0%
Others net	(1)	0%
Shareholders' equity - IFRS opening balance at 31 March :	861	-23%

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IFRS – Operating Profit

- Elimination of separate presentation of exceptional expenses: current operating profit will become "operating profit for ordinary activities"
- Certain commercial costs will be reclassified as a deduction against turnover (impact less than 1% for Rémy Cointreau)
- Expensing of stock options as administrative costs (- €0.7m to - €1.0m per year)
- Reduction in fixed assets (intangibles and property, plant and equipment) amortisation and depreciation charges: (+ €1m per year)
- Maxxium goodwill no longer amortised (equity accounted) + €4.4m per year
- Neutralisation of certain tax rulings (tax amortisation of brands in The Netherlands) on a consolidated basis: – €3.4m per year
- NB: Financial expenses and foreign exchange (IAS32/39)
- IAS14/IAS36: Presentation of results by business segment: merger of current Liqueurs and Spirits business segments

Outlook

❑ Poland – Strategic alliance with CEDC

- Completion in Q3 2005
- Approx. 10% of shareholding in CEDC, the leading Polish distributor
  - Rémy Cointreau becomes one of the key shareholders, along with its current partner
  - Quoted on NASDAQ
- Disposal of Bols Sp.zo.o. CEDC exploits vodka in Poland and in Russia, and distributes the Rémy Cointreau brand portfolio in Poland
- Balance of 40-50% paid in cash by CEDC (€60-80m before tax)
- Accounting treatment of the equity stake in CEDC under review

Outlook

❑ Ongoing value strategy

- **REMY MARTIN**
  - Creation of Alliance Fine Champagne
  - Continued price increases
  - VSOP: new dynamic
  - Acceleration in the development of QSS

Outlook

❑ Ongoing value strategy

- **LIQUEURS & SPIRITS**
  - **Continuing growth in the US, acceleration of development in Asia**
  - **Bols: the preferred brand of bartenders**
  - **Launch of new Passoa flavours**
  - **Mount Gay: at the heart of the sector's premiumisation**
  - **Development of the unique positioning of Metaxa**

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Outlook

❑ Ongoing value strategy

- **PIPER-HEIDSIECK CHARLES HEIDSIECK**
  - **Restructuring**

    - Site

    - Improvement in the profitability of capital employed
  - **Focus on Piper-Heidsieck**
  - **New strategy for Charles Heidsieck**
  - **Improvement in mix**

Outlook

- Undeniably Premium
- Value strategy
- Operating excellence
- Cash generation

Double digit organic growth in EBIT

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