



RÉMY COINTREAU

***Interim Results***  
***Six Months to 30 September 2006***

**12 December 2006**

# Value Strategy

**Dominique Hériard Dubreuil**

# Value Strategy

- Profit from operations + 21.9% (organic)
- Profit from operations margin + 3.2 pp (organic)
- Net profit – Group share + 76.5%
- Reduction in net debt of 21%
- Control of distribution regained
  - ▶ Exit from Maxxium

# Key Figures

(€ millions)	Sept 06	Sept 05*	Performance	
			Gross	Organic
Turnover	354.4	353.2	+ 0.3%	+ 1.3%
Profit from operations	61.9	54.9	+ 12.8%	+ 21.9%
<i>Profit from operations margin</i>	17.5%	15.5%	+ 2pp	18.7%
Operating profit	58.9	54.9	+ 7.3%	
Net profit from continuing operations	34.0	18.2	+ 86.8%	
Net profit from discontinued operations	42.1	20.9	x 2	
Net profit – Group share	75.7	42.9	+ 76.5%	

\*Sept 2005, after reclassification of profit from disposed operations at end 2005/06

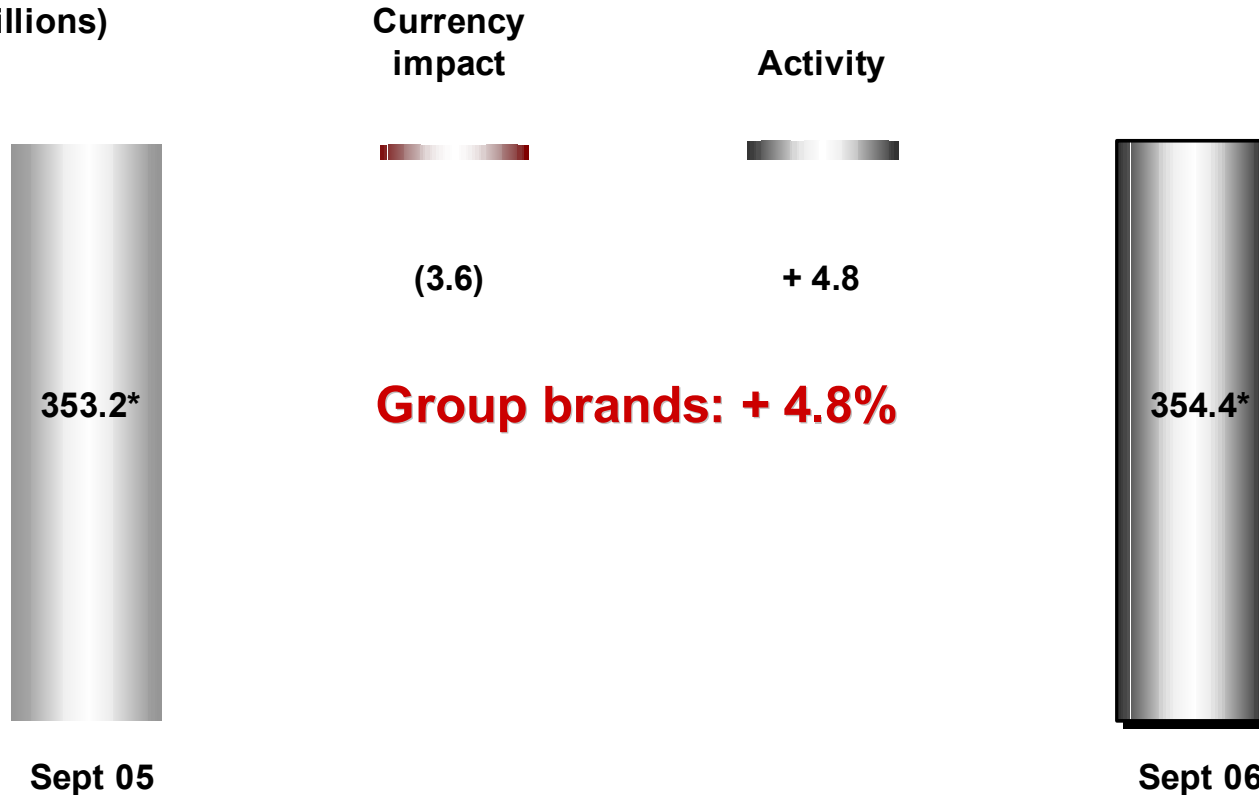
# Group Performance

Jean-Marie Laborde

# Turnover

Organic growth + 1.3%

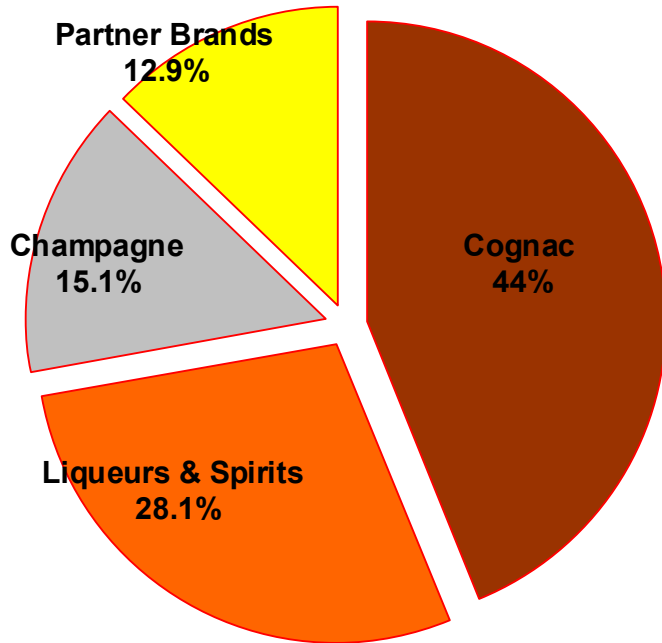
(€ millions)



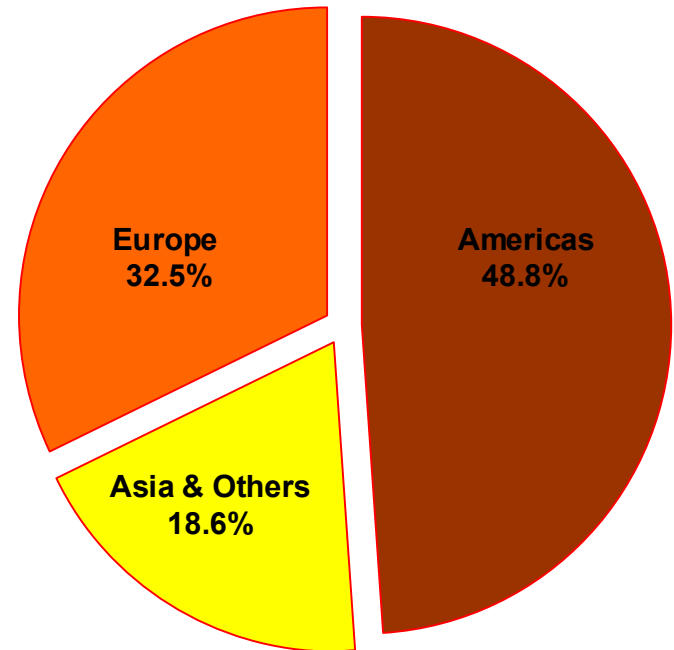
*\*Group structure, excluding operations disposed of or held for disposal in 2005/06*

# Breakdown of Turnover

By activity

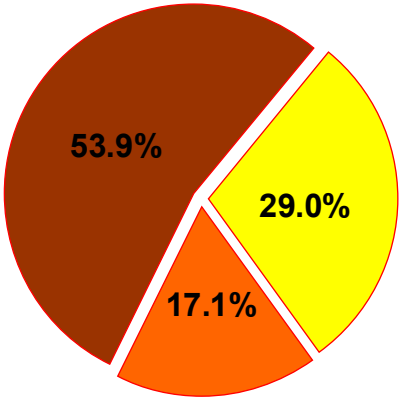


By geographic area

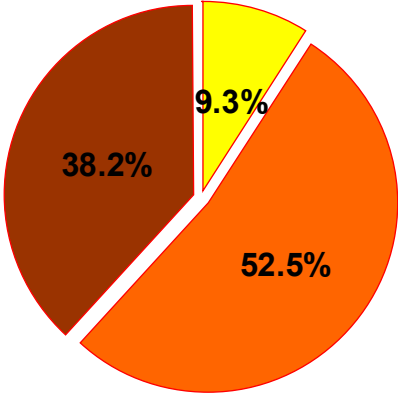


# Breakdown of Turnover

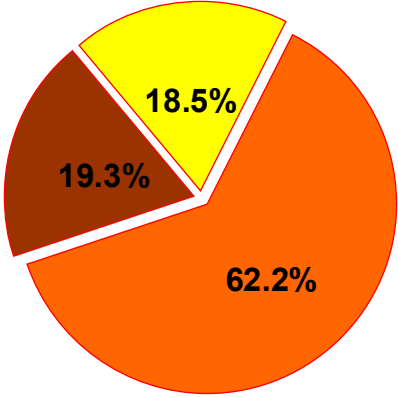
(by category/geographic area)



Cognac



Liqueurs & Spirits



Champagne

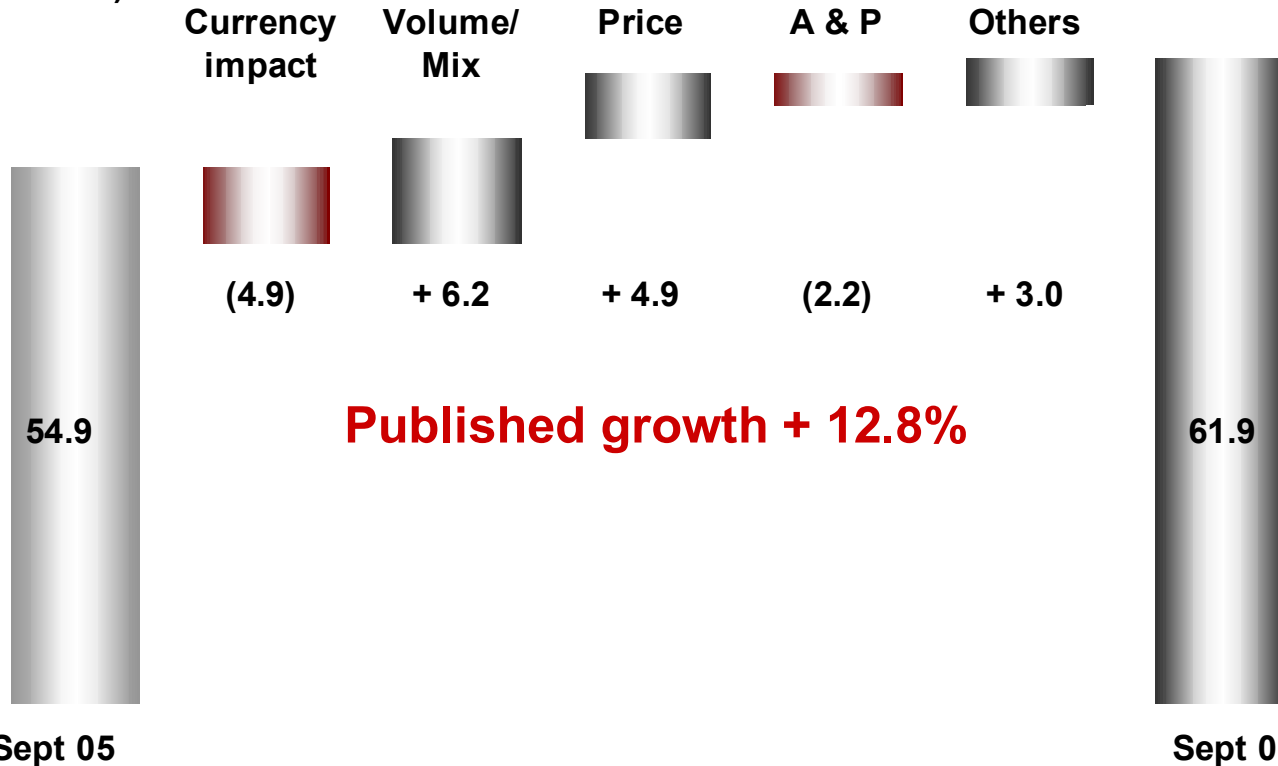




# Profit from Operations

**Organic growth + 21.9%**

(€ millions)



**Published growth + 12.8%**

% of Turnover: 15.5 %

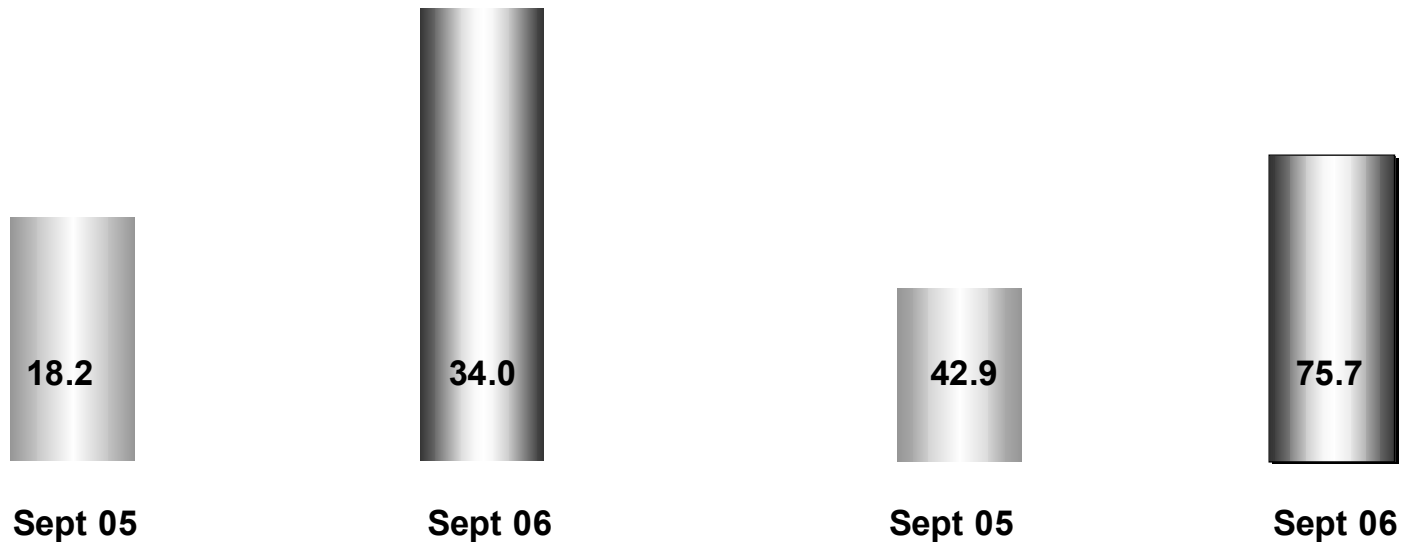
17.5% (org. 18.7%)

# Net Profit

**Continuing operations**  
**+ 86.8%**

**Group share**  
**+ 76.5%**

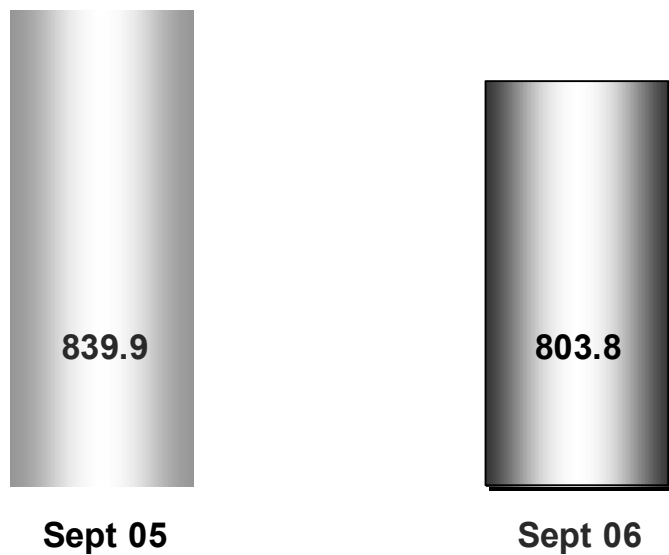
(€ millions)



# Review of Activities

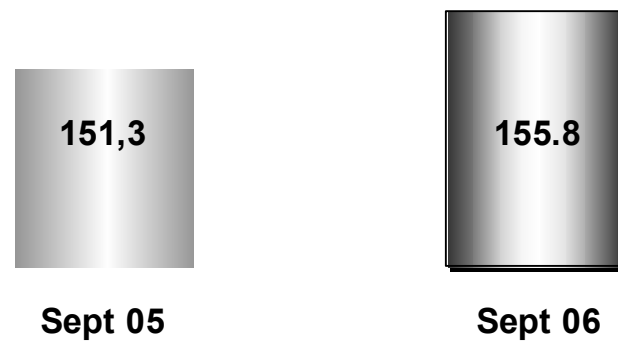
# Cognac

Volume sales\* ('000 cases)



Turnover\* (€ millions)

Organic growth + 4.2%

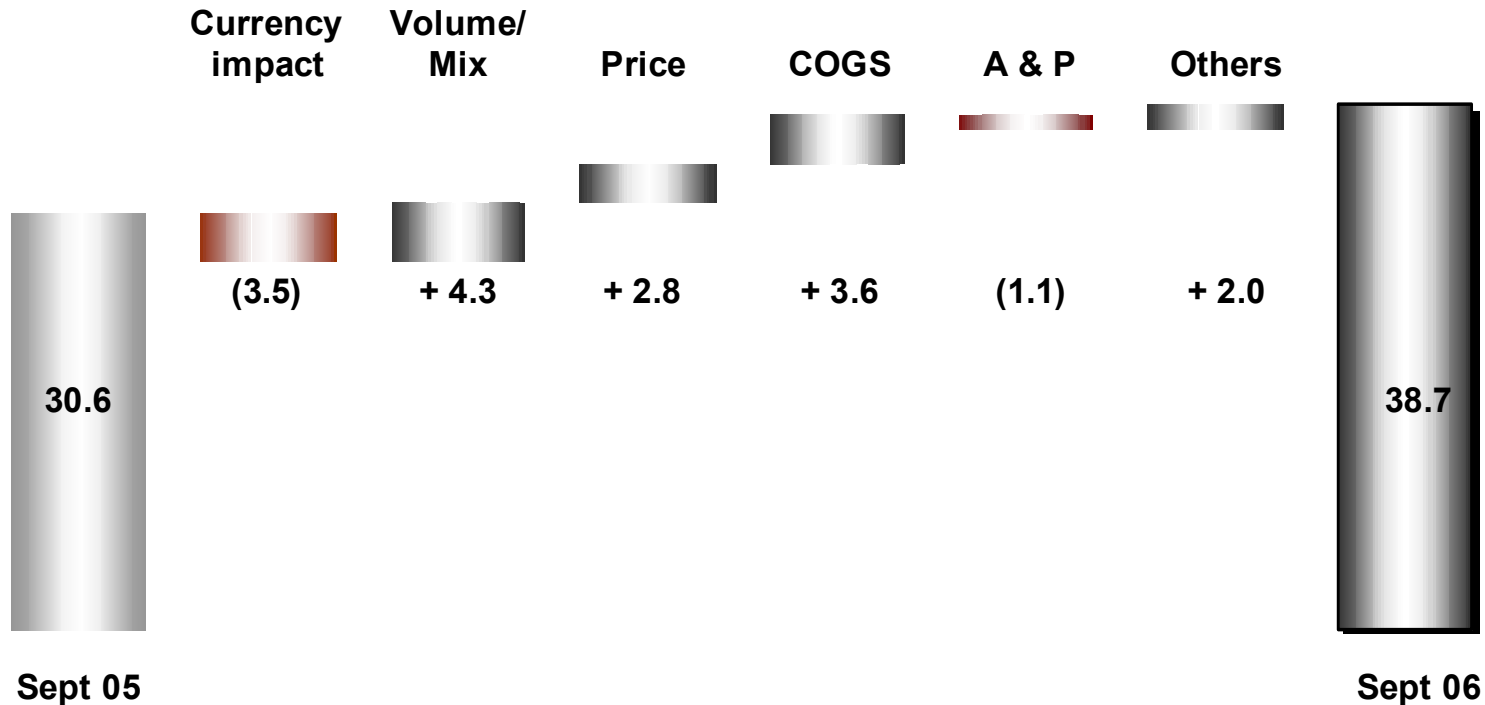


\*Exc. Cognac de Luze

# Cognac

Organic growth + 38.1%

Profit from operations  
(€ millions)

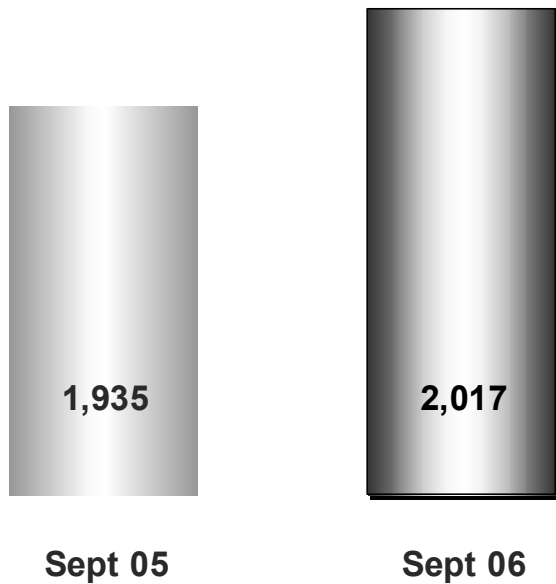


% of Turnover: 20.2%

24.9% (org. 26.8%)

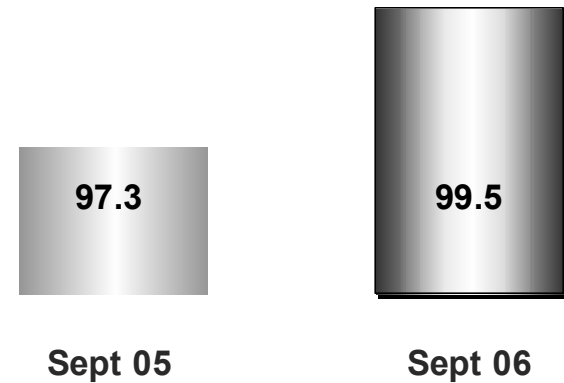
# Liqueurs & Spirits

Volume sales\* ('000 cases)



Turnover\* (€ millions)

Organic growth + 2.7%

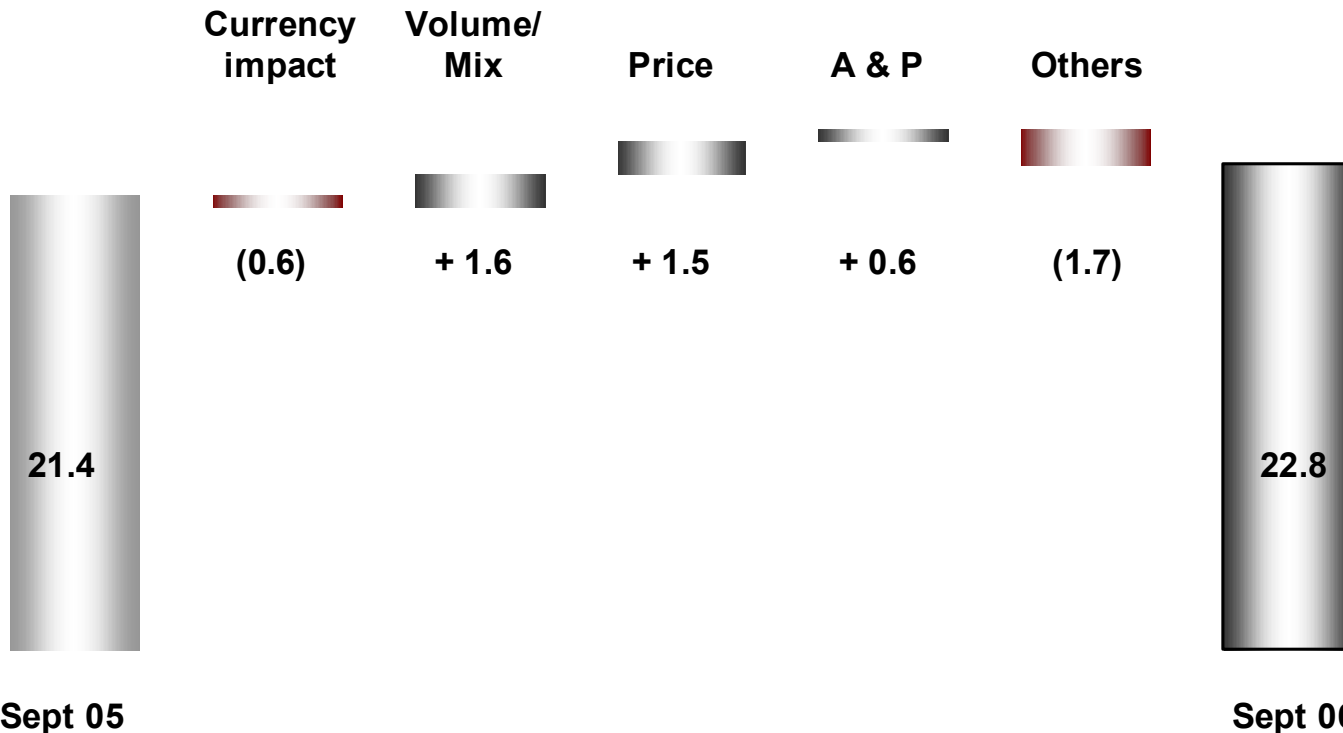


*\*Exc. Bols Hungary*

# Liqueurs & Spirits

Profit from operations  
(€ millions)

Organic growth + 9.1%



% of Turnover: 22.0%

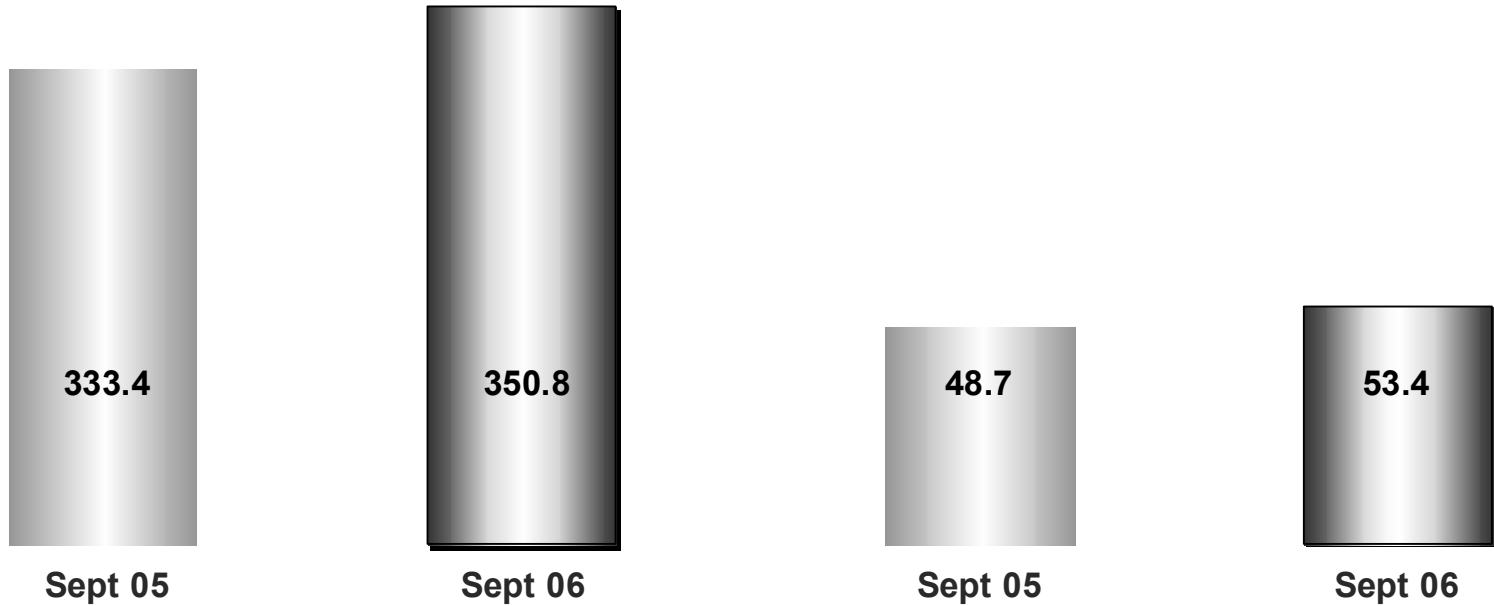
22.9 % (org. 23.4%)

# Champagne

Volume sales ('000 cases)

Turnover (€ millions)

Organic growth + 10.8%

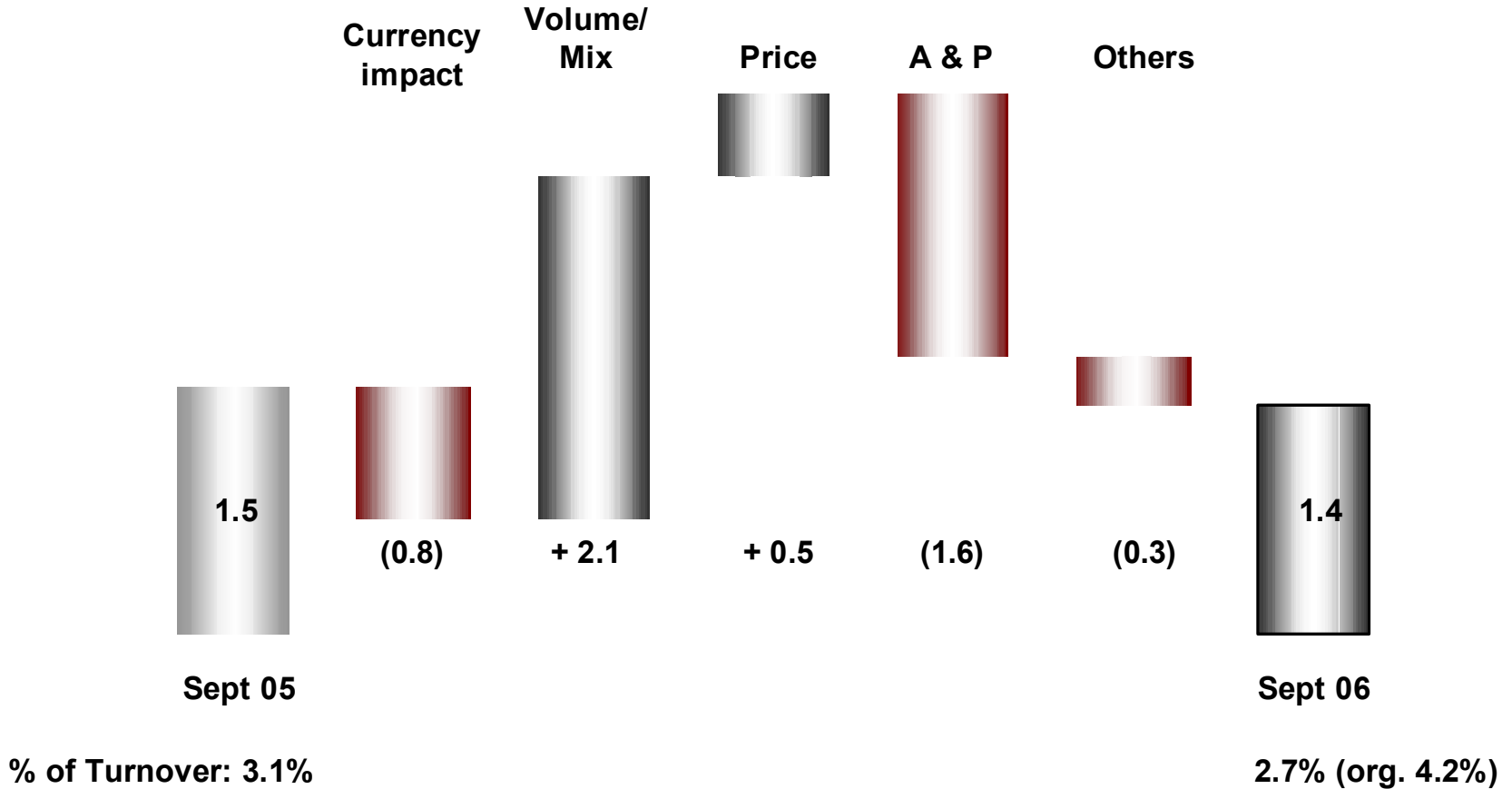




# Champagne

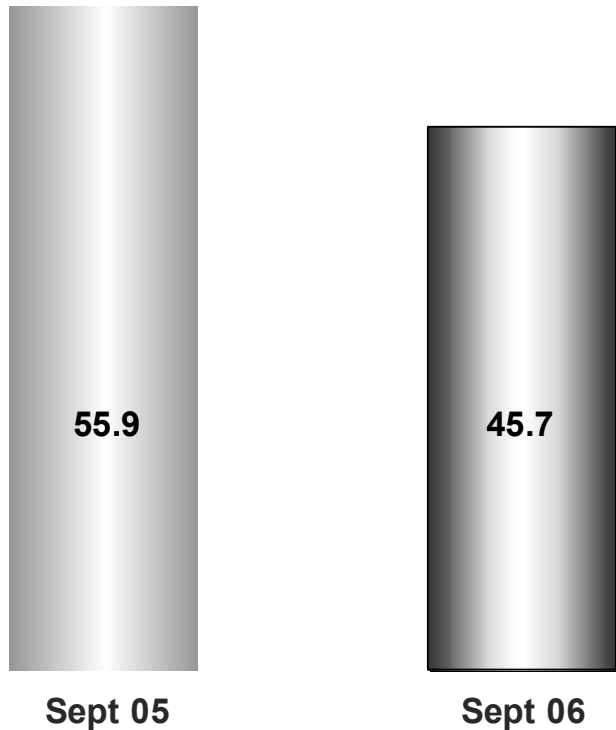
Organic growth + 48.7%

Profit from operations  
(€ millions)

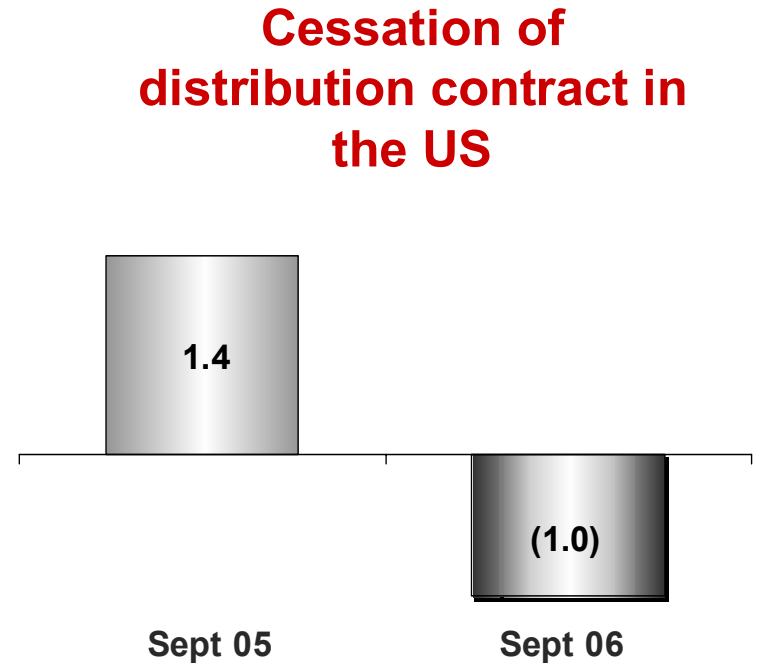


# Partner Brands

Turnover (€ millions)



Profit from operations (€ millions)



# Why leave Maxxium?

- **Confidence in the strong potential of our value strategy**
  - **Focus on our strong brands**
  - **Increasing need to directly control our key markets**
- **Current environment very different from that of 1999**
  - **Rémy Cointreau's portfolio (*super premium*)**
  - **Market dynamics (Chinese Asia)**
  - **Competition**

# Contractual Framework

- **Adhere to the JV agreement with our partners**
  - **Minimum 2 years notice**
- **Optimise operating transition**
  - **Prepare future options**
- **Optimise the financial impact**
  - **Exit in 2 years = compensation**
  - **Value of our stake in Maxxium (25% of capital)**

# Economic Consequences

- **Payment by Rémy Cointreau of compensation estimated to be €240 million before tax. A provision relating to the compensation will be recognised at 31 March 2007, with effective payment in 2009**
- **After 30 March 2009, planned exit of Rémy Cointreau as a Maxxium shareholder, with disposal on a contractual basis of its stake in Maxxium's equity, after deducting restructuring costs, if applicable**
- **For information, Rémy Cointreau's share of equity amounted to €76.9 million at 30 September 2006**

# Economic consequences

- **Liability already factored in by financial markets**
  - **Exit compensation**
  - **Guarantee of Maxxium debt**
- **Positive net present value**
- **The alternative distribution options correspond to Maxxium's current cost**

# Financial Results

Hervé Dumesny

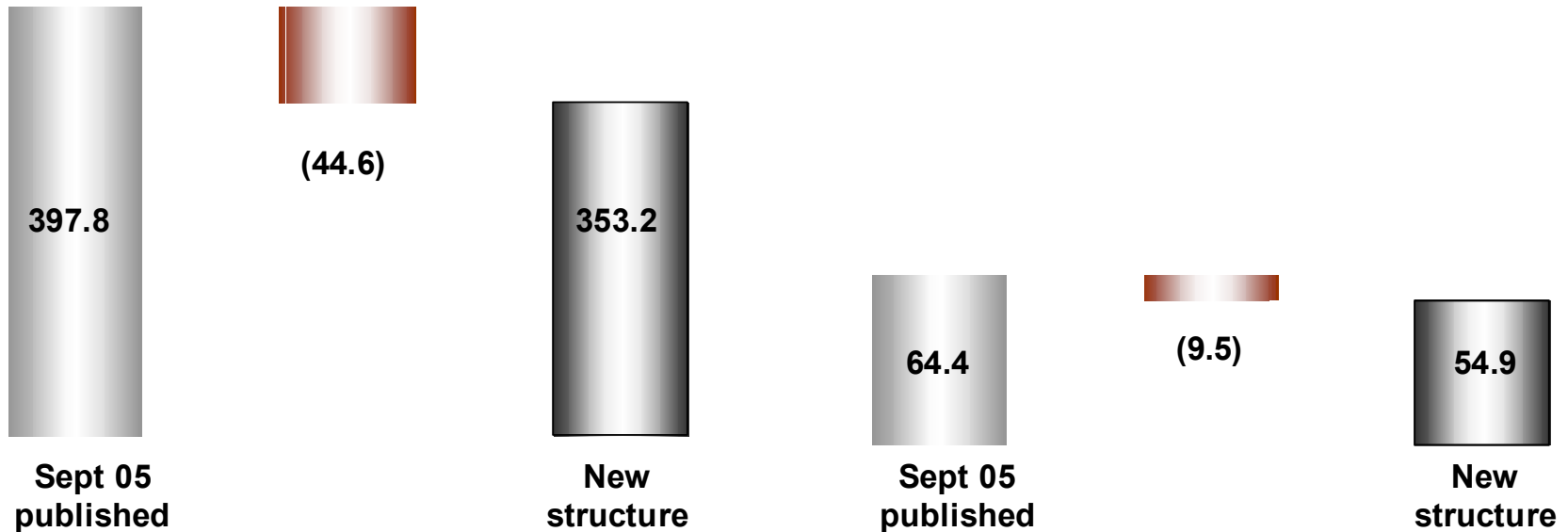


# Operations Sold

Turnover (€ millions)

Profit from operations (€ millions)

- Lucas Bols
- Bols Hungary
- Cognac de Luze





# Analysis of Operating Profit

(€ millions)	Sept 06	Sept 05	Published growth	Organic growth
Turnover	354.4	353.2	+ 0.3%	+ 1.3%
Gross profit	182.4	180.7	+ 0.9%	+ 4.2%
<i>Sales and marketing expenses</i>	(90.7)	(93.2)	(2.7%)	(1.7%)
<i>Administrative expenses</i>	(37.7)	(37.1)	+ 1.6%	+ 1.6%
<i>Other income and expenses</i>	7.9	4.5	+ 75.6%	+ 75.6%
<b>Profit from operations</b>	<b>61.9</b>	<b>54.9</b>	<b>+ 12.8%</b>	<b>+ 21.9%</b>
<i>Profit from operations margin</i>	17.5%	15.5%	-	-
<i>Other operating expenses</i>	(3.0)	-	-	-
<b>Operating profit</b>	<b>58.9</b>	<b>54.9</b>		-

# Net Profit from Continuing Operations

(€ millions)	Sept 06	Sept 05
Profit from operations	61.9	54.9
Operating profit	58.9	54.9
Financial charges	(20.0)	(31.6)
Taxation	(7.7)	(7.4)
Share in profits of associated undertakings (Maxxium – Dynasty)	2.8	2.3
<b>Net profit from continuing operations</b>	<b>34.0</b>	<b>18.2</b>

# Net Profit – Group Share

(€ millions)	Sept 06	Sept 05
Profit from continuing operations	34.0	18.2
Profit from discontinued operations	42.1	20.9
Minority interests	(0.4)	3.8
<b>Net profit – Group share</b>	<b>75.7</b>	<b>42.9</b>

# Financial Debt & Cash Flow

(€ millions)	Sept 06	Sept 05
Net debt	637.3	808.4
Operating cash flow	14.4	(14.4)
Investment cash flow	152.9	43.4

# Balance Sheet at 30 September - Assets

(€ millions)	2006	2005
Intangible assets and PPE	797.4	1,004.6
Associates	119.6	115.4
Investments	105.5	72.6
Deferred tax assets	12.0	2.1
<b>Non-current assets</b>	<b>1,034.5</b>	<b>1,194.7</b>
Inventories	789.8	845.5
Trade and other receivables	261.9	283.2
Tax receivable	11.4	4.8
Derivative financial instruments	11.0	4.2
Assets held for sale	10.8	-
<b>Current assets</b>	<b>1,084.9</b>	<b>1,137.7</b>
Cash and cash equivalent	16.1	20.8
<b>Total assets</b>	<b>2,135.5</b>	<b>2,353.2</b>

# Balance Sheet at 30 September – Equity and Liabilities

(€ millions)	2006	2005
Shareholders' equity and minorities	940.3	878.4
Non-current portion of long-term liabilities	720.2	677.0
Other operating liabilities	475.0	797.8
<b>Total equity &amp; liabilities</b>	<b>2,135.5</b>	<b>2,353.2</b>

# Outlook for 2006/07

**Continue and reinforce:**

- **the movement up-market**
- **strong and profitable growth**
- **our brands' international presence**
- **improved financial ratios**



**Double-digit organic growth in profit  
from operations confirmed**