



RÉMY COINTREAU

**Preliminary Results
Year ended 31 March 2007**

25 June 2007



A Significant Vintage

Dominique Hériard Dubreuil

A Significant Vintage

- **Finalisation of strategic repositioning**
 - ▶ Premium and ultra Premium
 - ▶ General and sequential price increases
 - ▶ Increase in marketing investment
- **Priority brands and markets**
- **Ongoing productivity efforts**
- **Decision to leave Maxxium**



**Double-digit organic growth in operating profitability
for the third consecutive year**

Key Figures

		Organic	Published
■ Turnover	€785.9m	+ 3.8%	+ 0.7%
▶ of which own brands:	€682.9m	+ 6.8%	+ 3.9%
■ Current operating profit	€153.8m	+ 20.0%	+ 10.2%
■ Operating margin	19.6%	20.7%	
■ Net loss (Group share)	(€23.0m)		
■ Provision for leaving Maxxium	€241m	(€164m after tax)	
■ Debt: reduced by 27%	€562.1m		

2006/07 Highlights

Brands

- Rémy Martin at the heart of global Cognac dynamics
- Piper and Charles Heidsieck driving the strength of Champagne
- Acceleration in Cointreau (*on-trade*) repositioning
- Success confirmed for the very top of the range qualities

Markets

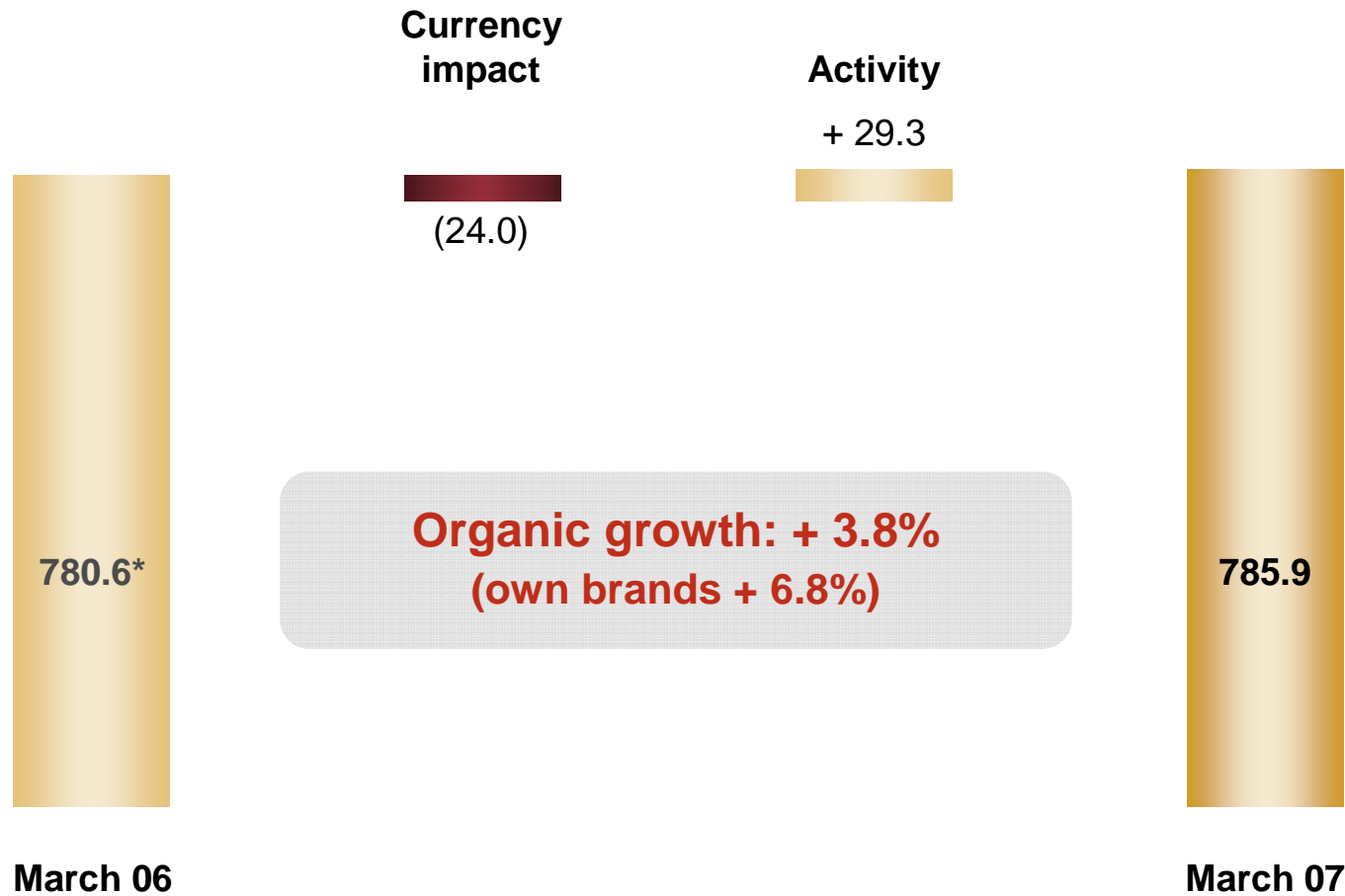
- Development in Asia (China and Japan)
- Growth in the US
- Take-off in Russia
- Maintained leadership in *Global Travel Retail*

Review of Activities

Jean-Marie Laborde

Turnover

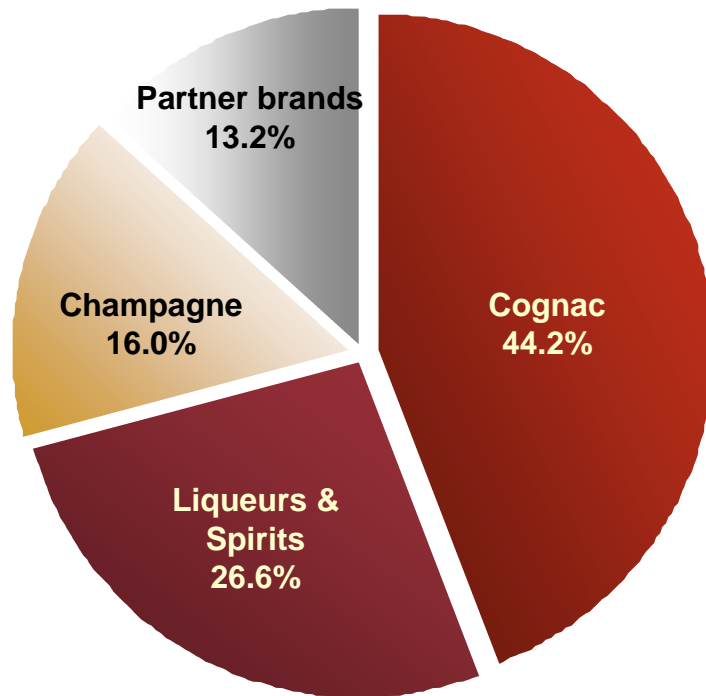
€m



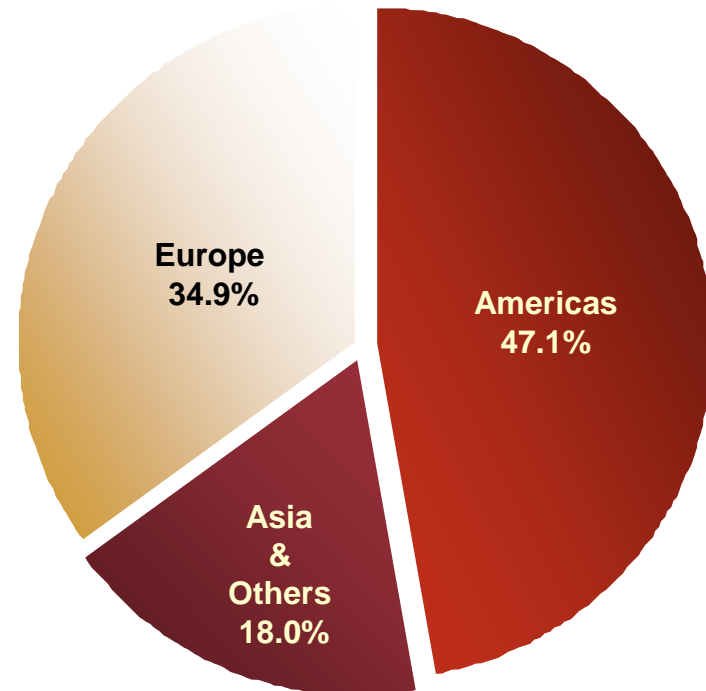
*Bols Hungary disposal in April 06

Breakdown of Turnover

By division

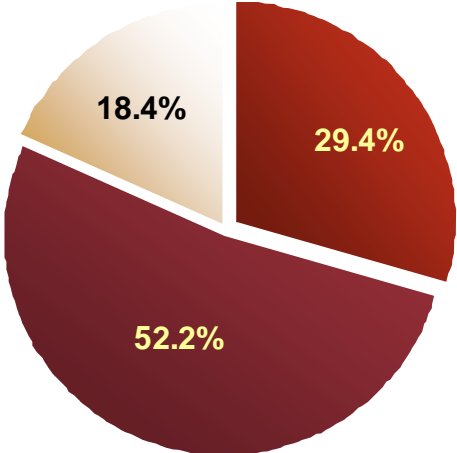


By geographic area

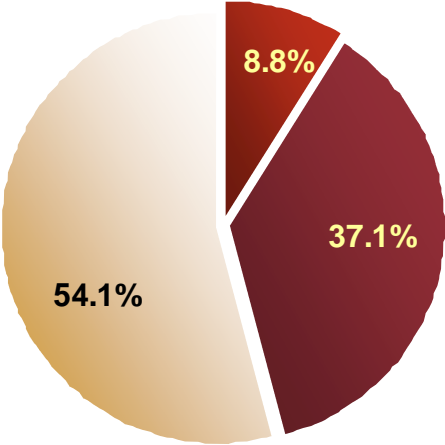


Breakdown of Turnover

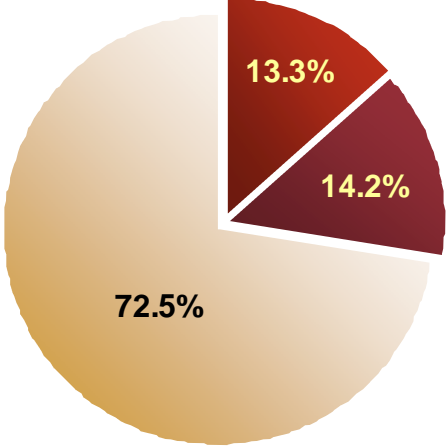
(By division/geographic area)



Cognac



Liqueurs & Spirits

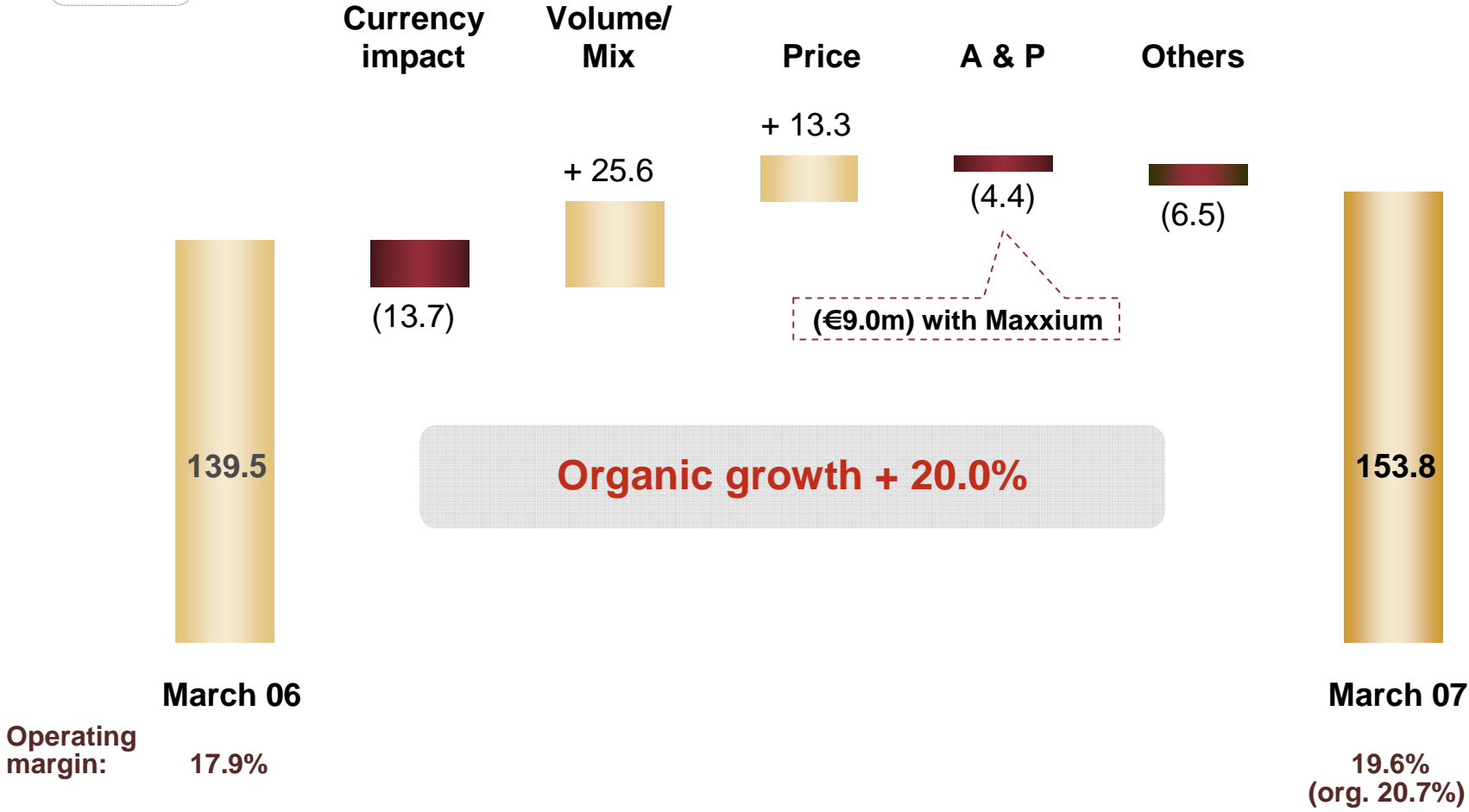


Champagne

■ Asia ■ Americas ■ Europe

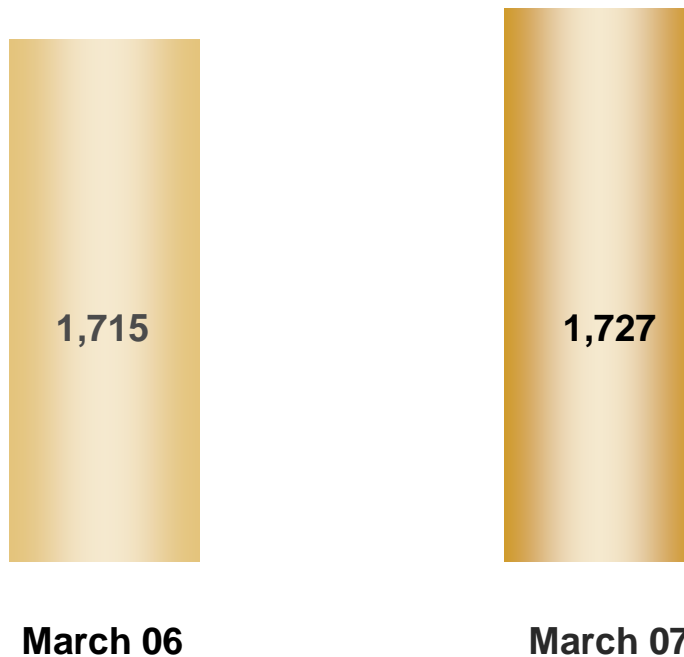
Current Operating Profit

€m

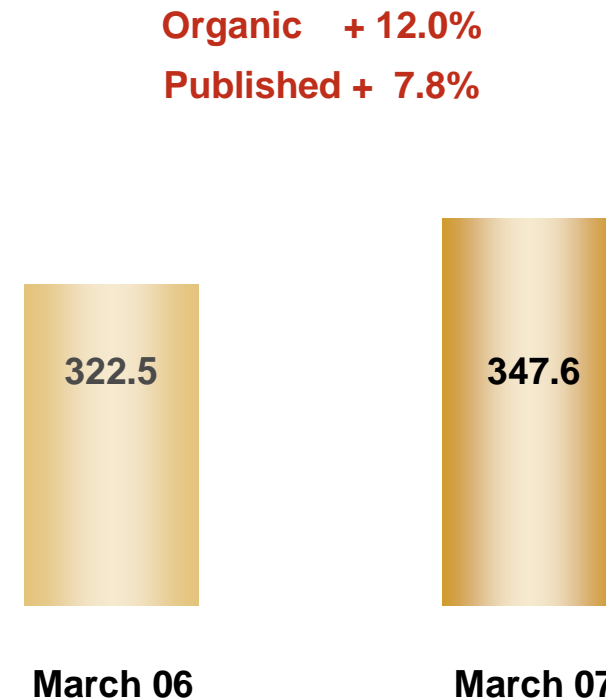


Cognac

Volume sales ('000 cases)



Turnover (€m)



Cognac

Current operating profit (€m)

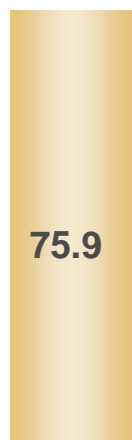
Currency impact

Volume/ Mix

Price

A & P

Others



March 06



March 07

Organic growth + 28.0%

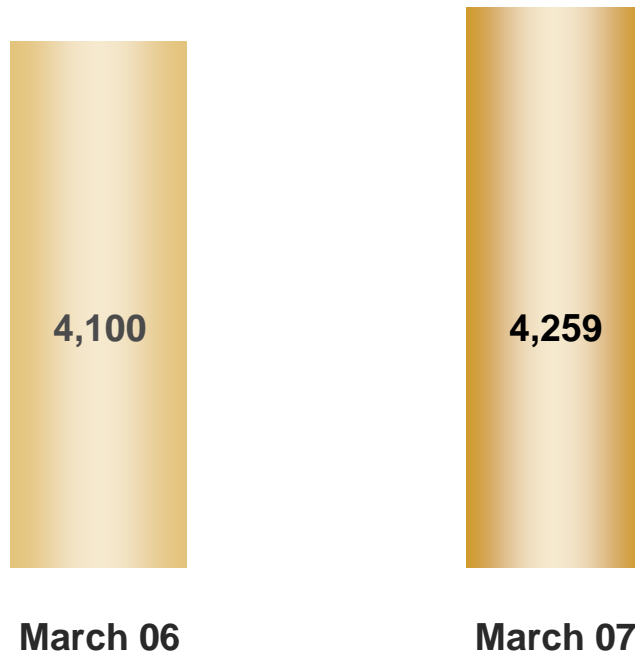
- Strength of QSS
- Price increases
- Good performances in key markets: US, China and Russia

Operating margin: 23.5%

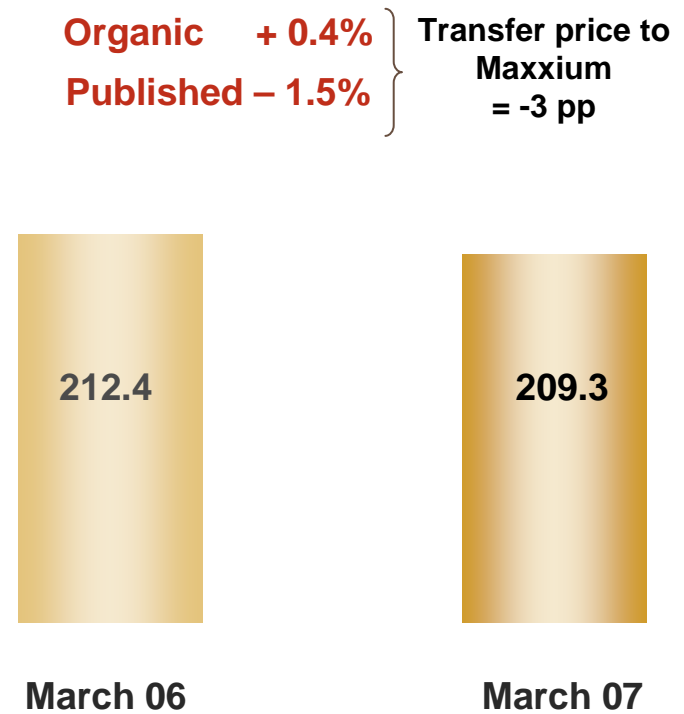
25.1%
(org. 26.9%)

Liqueurs & Spirits

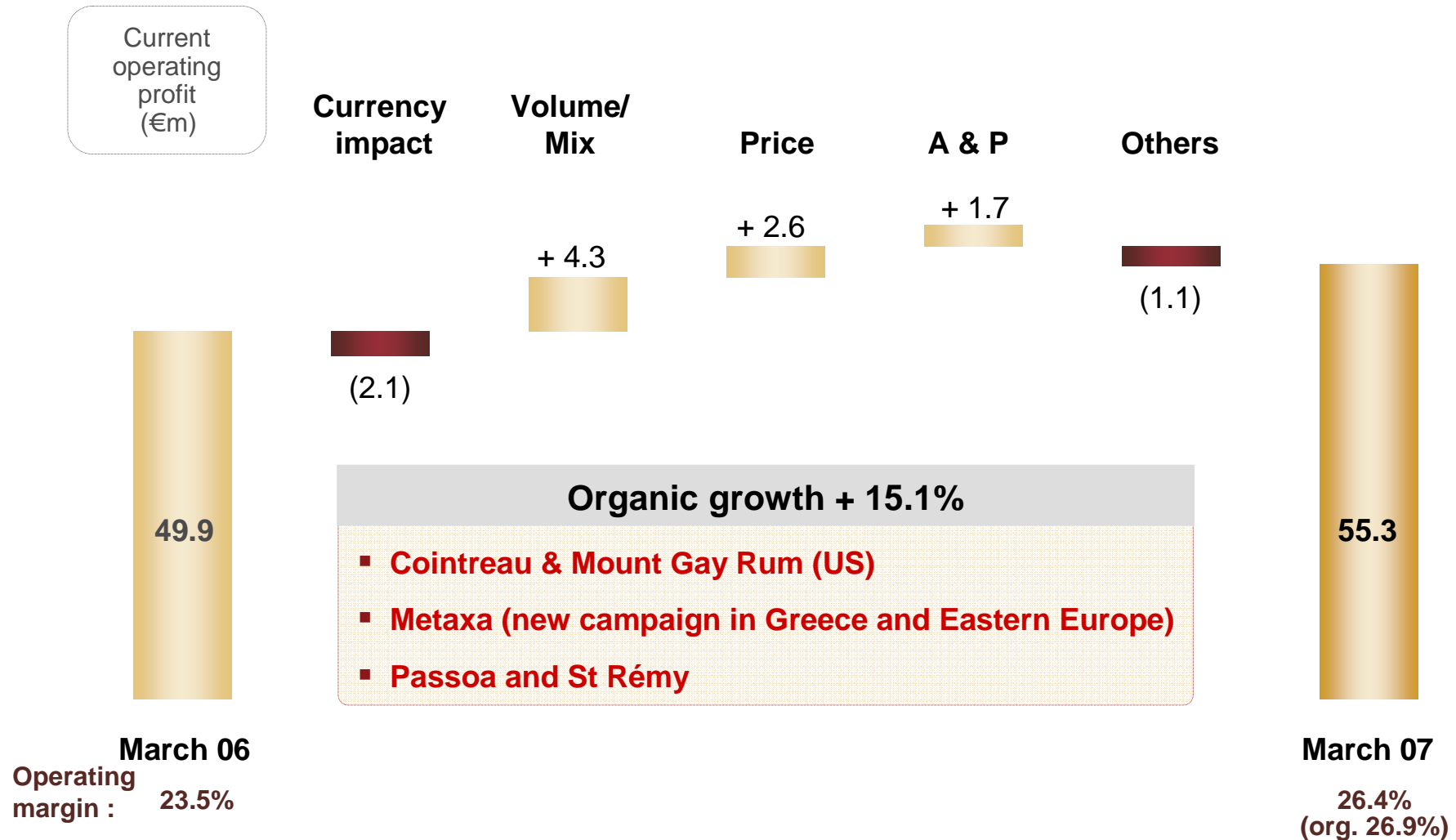
Volume sales ('000 cases)



Turnover (€m)

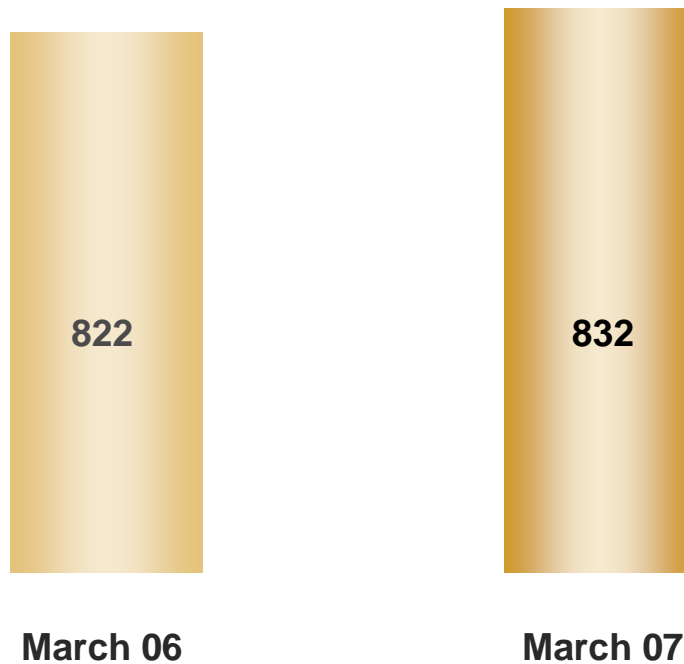


Liqueurs & Spirits



Champagne

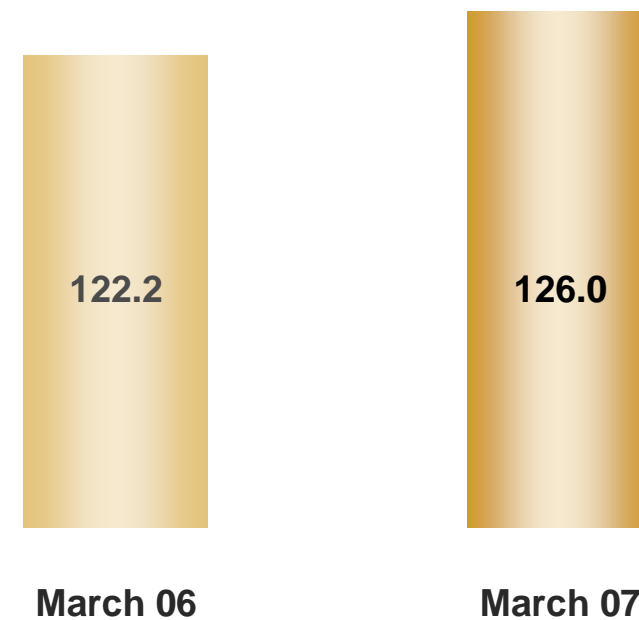
Volume sales ('000 cases)



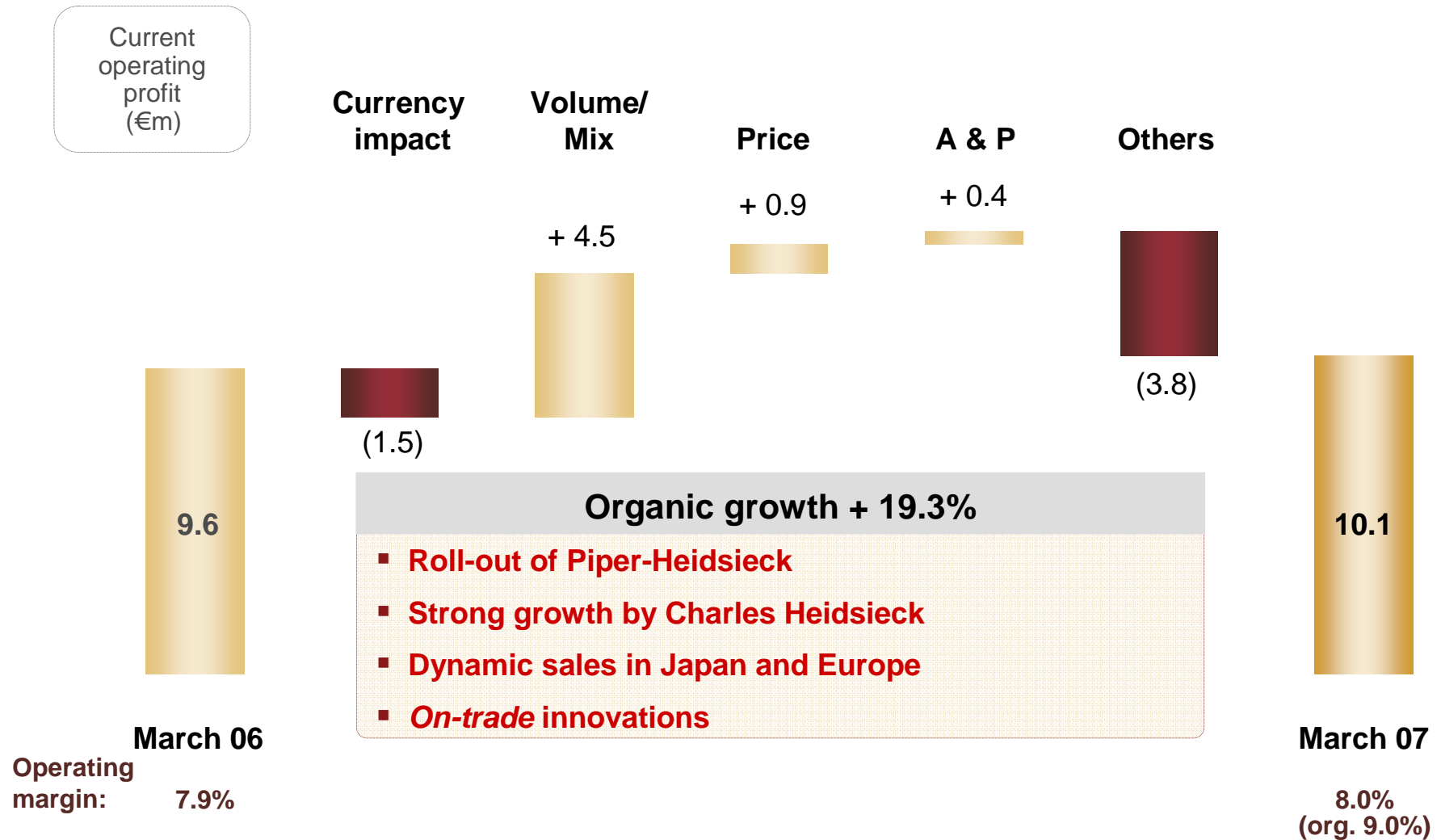
Turnover (€m)

Organic + 4.4%
(Piper & Charles + 7.3%)

Published + 3.1%

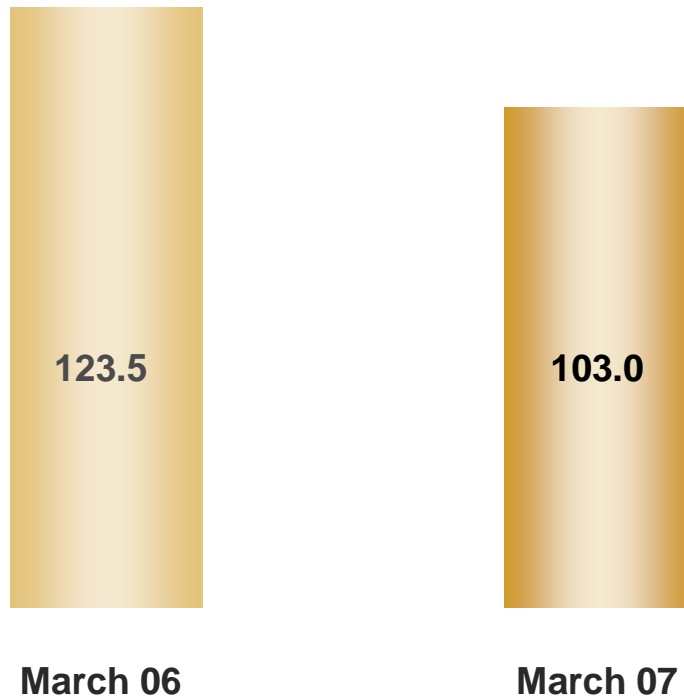


Champagne

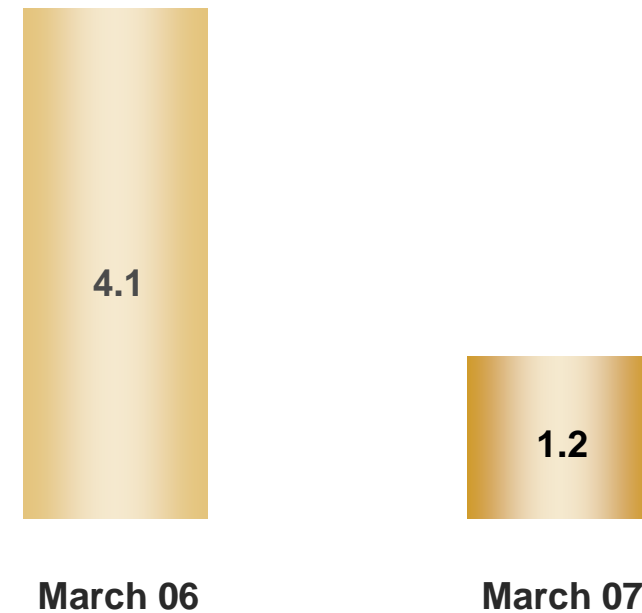


Partner Brands

Turnover (€m)



Current operating profit (€m)



Maxxium

- **Belief in our value strategy's strong potential**
 - ▶ Priority given to strong brands
 - ▶ Increased need for direct control of our key markets

- **Current background very different from 1999**
 - ▶ Rémy Cointreau portfolio (*super premium*)
 - ▶ Dynamism of markets (Chinese Asia)
 - ▶ Competition

Maxxium

- **Continued partners' support during this transition period**
- **Objectives for 2009/10 network:**
 - ▶ Own subsidiaries for key markets
 - US, China, and South East Asia
 - ▶ Country by country agreements in the rest of the world
 - Distributors
 - Bilateral joint ventures

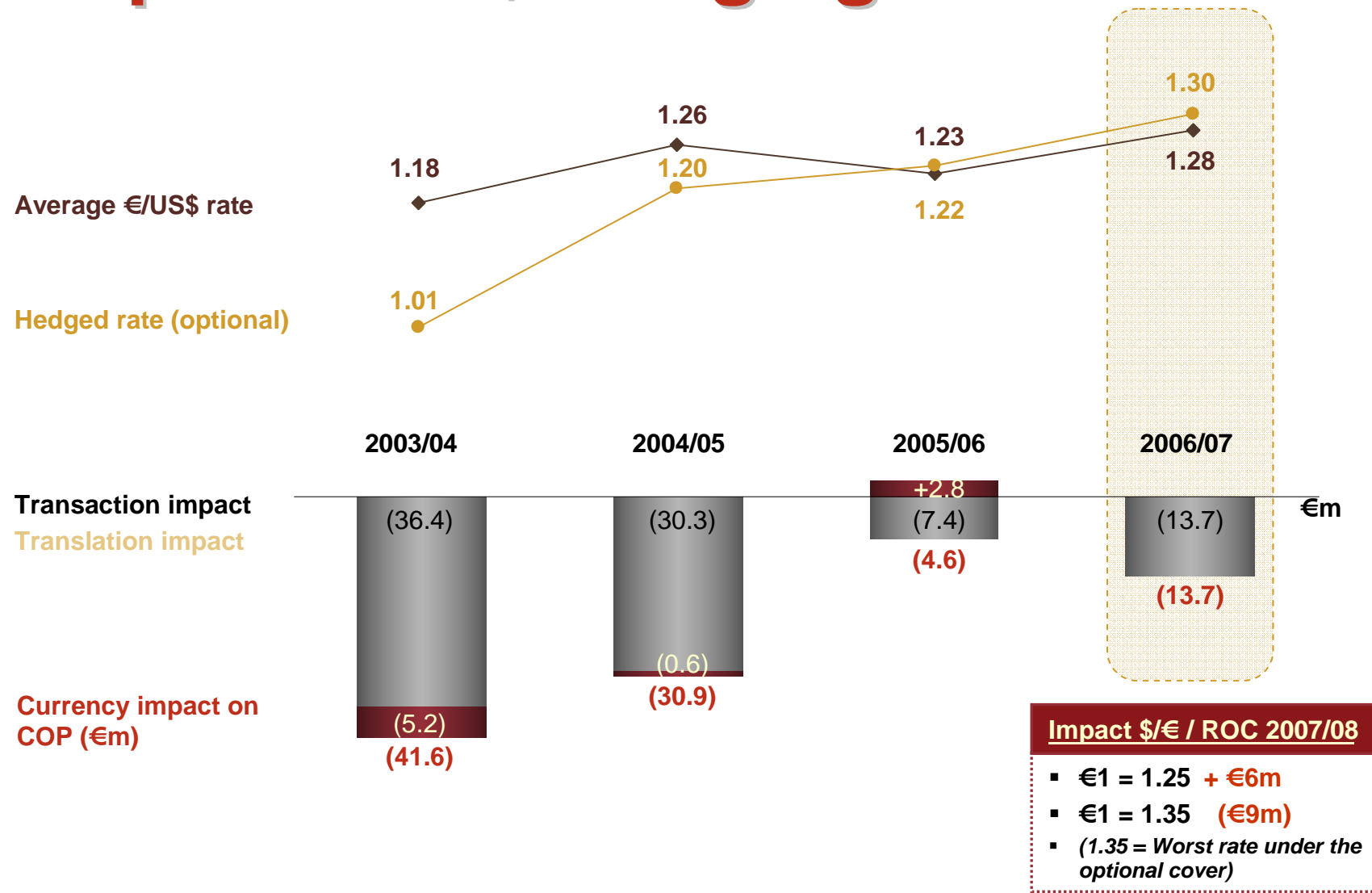
Consolidated Results

Hervé Dumesny

Analysis of Operating Profit

(€m)	Performance			
	March 07	March 06	Published	Organic
Turnover	785.9	780.6	+ 0.7%	+ 3.8%
Gross profit	417.3	398.9	+ 4.6%	+ 9.4%
Sales & marketing expenses	(192.5)	(190.7)	+ 0.9%	-
Administrative expenses	(81.1)	(80.2)	+ 1.1%	-
Other income & expenses	10.1	11.5	(12.2%)	-
Current operating profit	153.8	139.5	+ 10.2%	+ 20.0%
Operating margin	19.6%	17.9%	-	20.7%
Other operating expenses	(243.4)	(18.2)	-	-
Operating profit/(loss)	(89.6)	121.3	-	-

Impact of €/\$ Hedging



Net Profit from Continuing Operations

(€m)	March 07	March 06
Operating profit/(loss)	(89.6)	121.3
Financial charges	(37.3)	(63.2)
Profit before tax	(126.9)	58.1
Taxation	50.1	(13.3)
Share in profits of associated undertakings (Maxxium – Dynasty)	10.2	8.5
Net profit/(loss) from continuing operations	(66.6)	53.3

Financial Charges

<i>(€m)</i>	March 07	March 06
Net borrowing cost	(37.2)	(64.1)
of which financial debt	(36.0)	(53.0)
Amortisation/refinancing charges	(1.8)	(6.0)
IAS 32/39	0.6	(5.1)
Other financial income and expenses	(0.1)	(0.9)
Total	(37.3)	(63.2)

Net Profit (Group Share)

(€m)	March 07	March 06
Net profit from continuing operations	(66.6)	53.3
Net profit from discontinued operations or in the process of sale	45.2	20.6
Net profit/(loss)	(21.4)	73.9
Minority interests	(1.6)	3.9
Net profit/(loss) – Group share	(23.0)	77.8

Profit from Operations Sold

(€m)	March 07	March 06
Polish operations	-	17.3
Bols & Italian liqueurs	33.6	1.6
Cognac de Luze	5.8	(0.3)
Hungarian operations	7.1	2.0
Armagnac (in the process of sale)	(1.3)	-
Profit from discontinued operations (or in the process of sale)	45.2	20.6

Financial Debt & Cash Flow

(€m)	March 07	March 06	Change %
Net debt	562.1	771.5	(27.1)
Operating cash flow from continuing operations	96.4	92.5	4.2
Investment cash flow	132.4	24.0	NS
Cash flow before financing activities	228.8	116.5	96.4

Maxxium – Key Figures

(€m)	March 07	March 06
Turnover	1,882.0	1,493.6
of which Rémy Cointreau products:	499.6	440.7
Current operating profit	60.0	28.6
Net profit	32.2	22.5

Exit from Maxxium

- **€241m provision before tax (exit compensation)**
 - ▶ Discounted value provision
 - ▶ Cash outflow 2009
 - ▶ Additional €9m negative impact from financial expenses in 2008 and 2009

- **Tax deduction approved by the French tax authorities**
 - ▶ €77m, or €164m compensation after taxation

- **Maxxium shareholding equity accounted**
 - ▶ “Significant influence”
 - ▶ Estimated at €80.9m at 31 March 2007

Net Debt Structure

(€m)	31 March 2007	31 March 2006	
Long term			
Bonds	372.9	375.5	€175m 6.5% 2010 €200m 5.2% 2012
Syndicated loan	30.0	-	
Others	(0.6)	0.7	
	403.5	376.2	
Short term			
OCEANE	-	331.6	Redeemed in April 2006
Bonds	2.6	2.0	
Unconfirmed credit lines	103.3	-	
Accrued interest, not yet due	5.6	18.6	
Financial debt of special purpose entities	49.9	49.0	
Other financial liabilities and overdrafts	17.8	25.7	End of subordinated perpetual securities in May 2006
	179.2	426.9	
Cash and cash equivalents	(20.6)	(31.6)	
Net debt	562.1	771.5	

Post-Balance Sheet Events

- **Disposal of our shareholding in CEDC**
 - ▶ At 31 March 2007, the share price indicated an unrealised capital loss of €4.2 million; the subsequent disposal of the balance generated an equivalent gain
 - ▶ Overall, the disposal enabled the Group to fully recover the original purchase price, despite the declining value of the US Dollar

- **Repayment of the 6.50% bond (€175 million - 2010)**
 - ▶ Early repayment at the beginning of July 2007 (at 103.25%)

Balance Sheet at 31 March - Assets

(€m)	2007	2006
Intangible assets and PPE	800.0	810.1
Associated companies	127.2	123.6
Investments	97.5	70.7
Deferred tax assets	13.0	12.3
Non-current assets	1,037.7	1,016.7
Inventories	841.7	852.4
Trade accounts receivable	245.6	243.1
Tax recoverable	30.8	11.0
Derivative financial instruments	11.1	6.9
Cash and cash equivalents	20.6	31.6
Assets held for disposal	17.4	204.0
Current assets	1,167.2	1,349.0
Total assets	2,204.9	2,365.7

Balance Sheet at 31 March – Equity and Liabilities

(€m)	2007	2006
Shareholders' equity	852.5	915.5
Non-current liabilities	817.7	597.8
Current liabilities	534.7	852.4
Total equity and liabilities	2,204.9	2,365.7

2007/08 Outlook

Jean-Marie Laborde

2007/08 Outlook

Continuing the value creation strategy

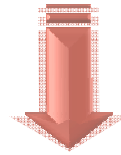
- **Focus on *Premium***
 - ▶ Innovation
 - ▶ Mix improvement
 - ▶ Price increases
- ***On Trade***
- **Key markets**
 - ▶ US, Asia and Russia
- **Preparation for 2009 (distribution)**

2007/08 Outlook

"The Premium attitude"

Resources for profitable growth

Ability to reorganise our distribution



**Significant organic growth
in operating profitability**