



RÉMY COINTREAU

ANNUAL REPORT
2011 | 2012



Contents

Chairman and Chief Executive's Statement	2
Strategy	4
Distribution	6
The House of Rémy Martin	10
Liqueurs and Spirits	18
Corporate and environmental responsibility	26
Corporate governance	38
Finance	40

Bernadette Langlais
Cointreau Master Distiller

We seek
nothing
but
Perfection.

€1.026

billion
turnover

+13.0%

€207.7

million current
operating profit

+24.4%

€110.8

million net profit
Group share

+57.2%

20.2%

operating
profit margin

1,560

employees

Validity of upmarket positioning

Last year was an excellent financial year confirming the course of action followed for many years: that of a long-term value strategy, by focusing our brands on upmarket segments, a motivated distribution network and innovation inspired by an in-depth knowledge of our markets. The results are evident. Rémy Cointreau achieved consolidated sales of €1.026.1 billion, an increase of 13%, and a 24.4% growth in operating profit. These performances are a repeat, albeit of a greater magnitude, of those recorded in the two previous years.

Maintaining the spirit of a *challenger*

Chairman and Chief Executive's Statement

Jean-Marie Laborde
Chief Executive Officer



Dominique Hériard Dubreuil
Chairman



Geographic *balance*

In Asia, America and also in Europe where the economic climate differed from one market to another, our brands have seen solid growth. At the forefront of buoyant markets, Asia continues to be a growth driver. The appetite that Chinese consumers have shown for upmarket and premium cognacs explains the success of Rémy Martin Fines Champagnes and Louis XIII Grande Champagne, which represent a significant portion of sales in this country. Similarly, Vietnam, Indonesia and other countries in South-East Asia are emerging as significant new sources of growth in which we will continue to invest. The Japanese market remained difficult; however, we regard this as a strategic market and we will be persistent in maintaining a presence there.

One of the highlights of the year was the US market's substantial recovery, paving the way for a very optimistic outlook for growth, for the performance of our liqueurs and for the success of one of our bold creations, *Rémy Martin V*, which should benefit from the American people's appetite for novel flavours in cocktails. Another point of great satisfaction was the continued strong growth in Travel Retail and the remarkable increase in sales in Russia: this market is breaking all records, boosted by the younger generation's taste for luxury products.

Alongside cognac, which makes up 60% of sales, our liqueurs and spirits have enjoyed renewed momentum: Cointreau and *Cointreau Black*, launched recently in North and South America, Mount Gay Rum, the rum of choice for yachtsmen, Metaxa in Central European countries, etc. Again, this momentum was achieved by means of an aggressive strategy of moving our products upmarket and the vitality of our brands in the field.

Understanding the passage of *time*

The results are evident and, combined with a debt reduction policy and a share buyback programme, they have enhanced our options and enable us to plan for an even more ambitious future. New markets are opening up to us. We are also monitoring acquisition



opportunities, as we deem appropriate. We will not, however, compromise on quality. Our roots as winemakers continually remind us that we are still craftsmen who must understand the relentless passage of time: that which shapes the authenticity of the centuries-old vineyards and the aroma of the eaux-de-vie; that which allows our cellar masters, with their collective expertise, to create the most valuable blends and that which is also needed to gradually teach those who love our products to appreciate their subtlety. Time is our greatest ally. In the search for perfection, it forces us to be vigilant at all times and to remain constantly alert. Particularly in our most glorious moments, we must maintain the spirit of a challenger.

The search for *perfection*

Strategy



2011 was a remarkable year in view of the number of records broken and we can now reap the rewards of the decisive choices made in previous years: to refocus the brand portfolio on a limited number of leading brands, or potential leaders in their respective markets; control over the distribution network which is now 85%-owned; major investment to stimulate the on-trade and duty-free markets and priority for upmarket innovation. All this was achieved whilst remaining on course in the search for perfection. In the same manner as the results which have been achieved, the emerging outlook unequivocally demonstrates that the search for perfection is the most promising of strategies.

Christian Liabastre
Executive Vice President
Brands Strategy and Development



Tradition and innovation

The recovery in the US, the boom in Asia, and the growth in Europe, despite an uncertain economic climate, has meant that all the brands in Rémy Cointreau's markets recorded growth, at times remarkable. The figures demonstrate the validity of consistently pursuing an upmarket strategy, both upstream and downstream: the nobility of ingredients which Rémy Martin is determined should remain the symbol of Fine Champagne; the selection of orange peel which underlies the aromatic intensity of Cointreau; loyalty to the Muscat grapes of the Aegean Sea islands which spark Metaxa's bouquet; the unequalled craftsmanship of the cellar masters and the determination of the teams who, step-by-step, introduce prescribers to the subtle complexity of *Louis XIII* in the world's most prestigious venues and a relentless search for pride of place in every bar.

Nothing is left to chance in the search for superiority based on which Rémy Cointreau determines its course. This explains the remarkable position of *Rémy Martin VSOP* in the Chinese market, Cointreau's strength of character in the US, St-Rémy's leadership in countries favouring brandy, the ground gained by Mount Gay Rums in new regions, etc. The extensive innovation implemented throughout the year was all in the name of this superiority: the launch of *Rémy Martin Centaure*, the deployment of *Rémy Martin V*, the move upmarket for Metaxa with *Metaxa 12 Stars* and the aggressive strategy for *St-Rémy Cream*.

The epitome of this search for innovation through perfection was clearly expressed at the ceremony which accompanied the emergence of the first *Louis XIII* Jeroboams: this was a superb tribute to the generations that have protected the heritage of eaux-de-vie, which are unique throughout the world.

The strength of our values

Rémy Cointreau's strength, represented by its brands, is its ability to reinvent itself whilst retaining the patience required for the eaux-de-vie ageing process. Hence the importance of the *Rémy Cointreau Brand Academy*. This internal mobile university has been



established to share this culture of perfection, embodied by the cellar masters and master distillers. All 1,560 employees who are part of brand development can embrace the values on which their success is based. The number of sessions increased rapidly in 2011, with high demand from our teams throughout the world.

At the edge of China, all the young dragons of South-East Asia markets with strong purchasing power for cognac. Cointreau has its eye on India as well as Japan. Russia has proved to be a growth driver for all luxury brands, as has Brazil, South Africa and Australia. Each of these markets naturally requires a specific approach and awareness, however "nothing but perfection", Rémy Cointreau's new signature, will remain the common inspiration.

Orchestrating the call of *desire*

Distribution



Perfectly in tune with Rémy Cointreau's upmarket strategy, the distribution network performed extremely well in its contribution to managing the exposure of Group brands and their premium and ultra-premium positioning. Bolstered by new talent, this structure allowed for a strong acceleration in sales in Asia, the Group's No. 1 market, and considerably strengthened its position in all key markets. The deployment of specialised ultra-premium teams contributed to consolidating the dominance of *Louis XIII* in all major countries and to building its reputation in the most elite circles of Brazil and India. Meanwhile, the drive to innovate has meant that the distribution network has been called upon to launch several new creations such as *Cointreau Noir* in the US, *Mount Gay Black* in the Caribbean, *Rémy Martin Centaure* in China and *Metaxa 12 Stars* in Europe.

This has been an excellent year for the Group. The figures highlight the validity of our upmarket positioning and the excellence of our distribution network. Also, we are reaping the rewards of our investment in the sales force, either by strengthening our presence in strategic, mature or emerging markets or recruiting specialised competencies. Never has such imagination been put into the promotion of our brands.

Damien Lafaurie
Executive Vice President
Global Markets



Asia-Pacific, unequaled *growth*

Rémy Cointreau has had another record year in Asia. At the pinnacle of this success is China, where the growth of ultra-premium cognacs from the House of Rémy Martin has gained momentum. Systematic investment in the on-trade, both modern and traditional, proved



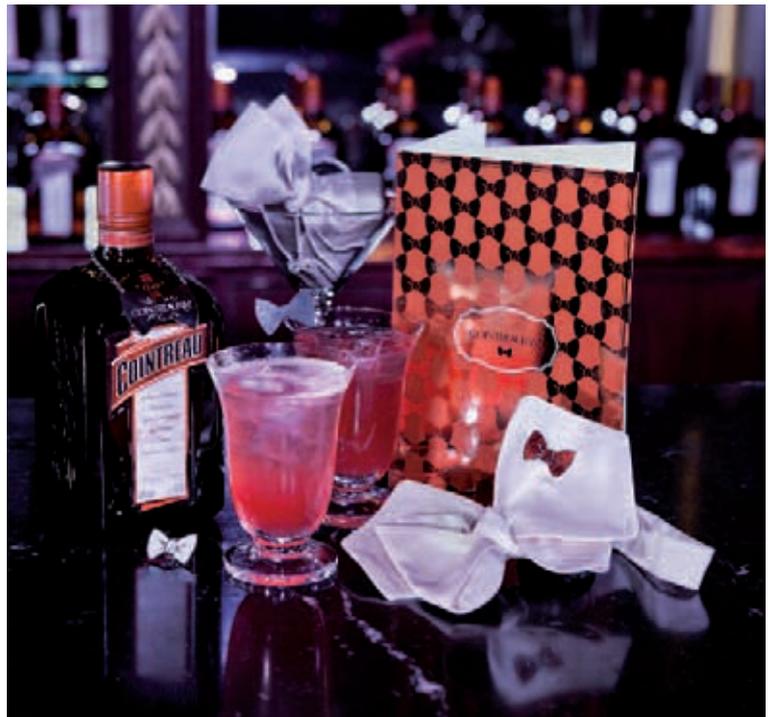
particularly astute. The Group's brands are now essential to the most renowned establishments in the 70 largest cities in China. In trendy bars, Graffiti Parties organised to attract young affluent urban people have strengthened the affinity with prestigious names.

A spectacular performance was also registered in South-East Asia. Not only is the dominance of *Louis XIII* now firmly rooted, but the entire range recorded growth. In India, where the Group now has a subsidiary, in Vietnam and, more recently, in Indonesia, our portfolio of brands appeals to a generation of new entrepreneurs seeking points of reference. Japan remains a market in transition where Rémy Cointreau has established its own distribution structure and consolidated the foundations which will enable it to leverage its presence when the market recovers.

The Americas, a *development* taking full advantage of recovery

Far from abandoning the US market during the crisis, the Group invested in this market in anticipation of a recovery. The decision to maintain premium positioning in the US proved to be the right one. The upmarket segment has weathered the economic downturn much better than cheaper spirits. The recovery was clear from 2011 onwards and all Rémy Cointreau brands have fully benefited from it. Numerous mobile consumer educational programmes have been deployed, contributing to a better appreciation of the excellence of Rémy Martin cognacs. Cointreau continued to develop fun events, introducing people to the many ways in which this liqueur can be used in preparing cocktails.

In emerging markets, such as Mexico, a major increase in prices did not prevent Rémy Martin's strong performance, particularly for VSOP cognac. Cointreau continued its outstanding growth in Brazil.



Europe, *profitable* markets in the West and Russia



With teams mobilised and motivated in all key countries in Europe, the Group achieved the feat of recording growth despite an economic climate which did nothing to boost consumer confidence, particularly in Southern Europe. In Russia, the combination of our resources with those of our exclusive distributor successfully supported the entire portfolio of brands, in particular Rémy Martin and Metaxa. Metaxa honourably withstood the tumult that shook Greece by making the most of its roots. It also stood out in the Czech Republic and in Slovakia with good off-trade results. In the UK and Germany, the Group achieved outstanding double-digit growth for most of its brands. *Louis XIII's* profile was raised in the most exclusive areas of London, promoting its splendour, and *Cœur de Cognac* proved to be the undisputed leader in its category.

Global Travel Retail, the *windows* on the world

For Rémy Cointreau, the Travel Retail market fulfils two strategic objectives, by providing exposure to its brands in areas frequented by affluent people and through the remarkable growth in its contribution to sales. This year, the brands recorded strong growth in this market, an encouraging sign of an economic recovery and the result of the synergies developed by the teams between duty-free points of sale and domestic markets. Whilst all the luxury brands seek the most prominent spots in upmarket airports, Rémy Cointreau has managed to strengthen its presence in the world's most coveted windows. *Louis XIII* has succeeded in recreating a world apart around the majestic decanter, evoking magnificence and exception. Duty-free shops are an irreplaceable window for luxury brands and, once again this year, have proven to be the ideal area for testing and launching new products.



37.8%

Asia-Pacific

31.3%

Americas

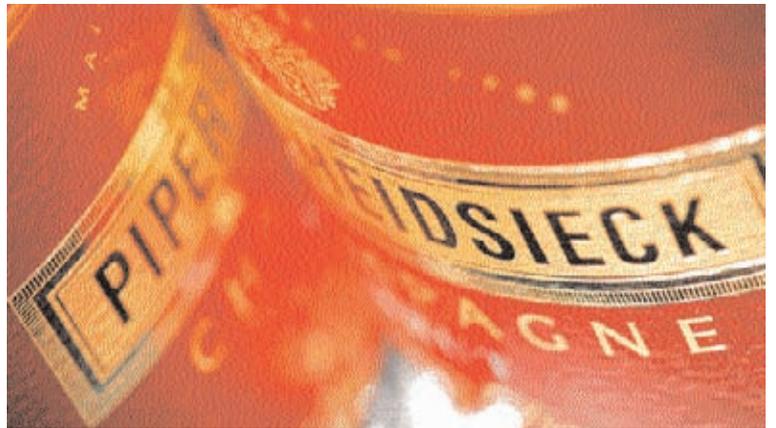
30.9%

Europe/Middle-East
and Africa

Sales by region

Major name *partnerships*

Amongst the brands for which Rémy Cointreau manages distribution, two names are particularly familiar: Piper-Heidsieck and Charles Heidsieck champagnes, now owned by the EPI Group. The transition has been completed in the best possible manner and the Rémy Cointreau teams are pleased to continue to provide these two great brands with their expertise.



In the US, the teams have strengthened the leadership of *The Macallan* Scotch whisky, a prestigious single malt, and successfully repositioned Brugal rum. Finally, we should highlight the exceptional results from the listing in Travel Retail of Russian Standard vodka, one of the flagship brands in Russia, for which we have great aspirations and which is now available everywhere in duty-free.



The pursuit of *excellence* as a driver of strong *growth*

€592.5

million
turnover

€173.0

million current
operating profit

29.2%

operating
profit margin

+21.9%

+23.1%



The *saga* unfolds



For the third consecutive year, the House of Rémy Martin has achieved a remarkable performance with strong increases in sales and profits in all geographic regions. This growth has been coupled with a continued increase in the appeal of its Rémy Martin and Louis XIII brands among consumers throughout the world, whose desire for excellence, luxury and rarity continues to grow. Everywhere, the House of Rémy Martin has accelerated the development of its wonderful Petite and Grande Champagne eaux-de-vie, which guarantee the superiority of its cognacs. Through its upmarket and innovative strategy, the House of Rémy Martin is in a good position to continue to grow in value and seize every opportunity for development in the coming years, capitalising on the exceptional refinement of its products and their ability to appeal to new generations of consumers.



Patrick Piana
CEO of the House of Rémy Martin

无装饰的诚意
人头马诚印



RÉMY MARTIN

Several factors combined to explain this increased momentum: firstly, a continued strategy of moving upmarket and sustained price increases on every continent. This strategy has helped promote the exceptional quality of the various eaux-de-vie from which Rémy Martin cognacs are made. We have had a succession of successful innovative projects, with the aim of adjusting the range of flavours to adapt as closely as possible to changing tastes and consumption patterns, whilst maintaining a regular dialogue with our target consumers. Finally, the activation of our brands, supported by significant marketing and commercial investment, contributed to enhancing recruitment and to ensuring the retention of consumers worldwide.

The dynamism of the House of Rémy Martin has been remarkably visible on the three most buoyant continents. Asia is still at the forefront of the major markets contributing to growth: not only China, but also the countries of South-East Asia, where the taste for upmarket cognacs continues to grow. The success of *1898* and *Rémy Martin Club* is obvious proof of this.

Another major market that experienced renewed vitality during the year was the US market. All the premium products from the House of Rémy Martin recorded growth in that market. *Rémy Martin 1738 Accord Royal* stood out, in particular, with an excellent performance, proving consumers' appeal for high quality cognacs. In a very different style, the clear bottle of *Rémy Martin V* is now displayed in a growing number of bars with the aim of competing with other premium white spirits in making cocktails.

No.1
Fine Champagne
Cognac



In Europe, despite the austerity measures introduced in southern countries, performances have been very satisfactory. *Cœur de Cognac* continues on a trend of double-digit growth, notably in Germany and the UK, where lovers of full-bodied and fruity cognacs, served over ice, are on the rise. Russia remains a market whose vitality fully justified the investment in the first televised campaign.

Beyond national borders, the Travel Retail market confirmed its importance and the strategy of moving upmarket continues to be implemented. Rémy Martin is working to create dedicated, promotional areas offering travellers magnificent displays and a unique experience.

Rémy Martin VSOP Fine Champagne continued to increase in value and volume thanks to its ability to innovate, through daring and dynamic limited editions and also through continuously updated displays in sales outlets, and on-trade premises. Thus, in the US, in 2011, *Rémy Martin VSOP* increased its exposure and desirability at night through Ring Leader, a programme that aims to identify and celebrate the most charismatic personalities, in line with *Rémy Martin VSOP's* image, where they can win and spend an evening living as a star.

In Vietnam, thousands of consumers took part in the Centaur Dance Program through social networks, night club events and on television. At the end of 2011, the Urban Lights limited edition from *Rémy Martin VSOP* celebrated the night and its unique energy in major cities throughout the world.

A meeting and a symbol

Nearly 1,000 winemakers, all members of the Fine Champagne Alliance, met in the House of Rémy Martin in July 2011 for a comprehensive review of activities and ongoing projects. Discussions focused on the consistent quality of supply and cooperation between the Alliance and Rémy Martin. This partnership with the Petite and Grande Champagne winemakers enables the Cellar Master to further her search for quality and perfection in new blends, by focusing exclusively on the two most prestigious vineyards of the Appellation Region.



The attraction of *excellence*

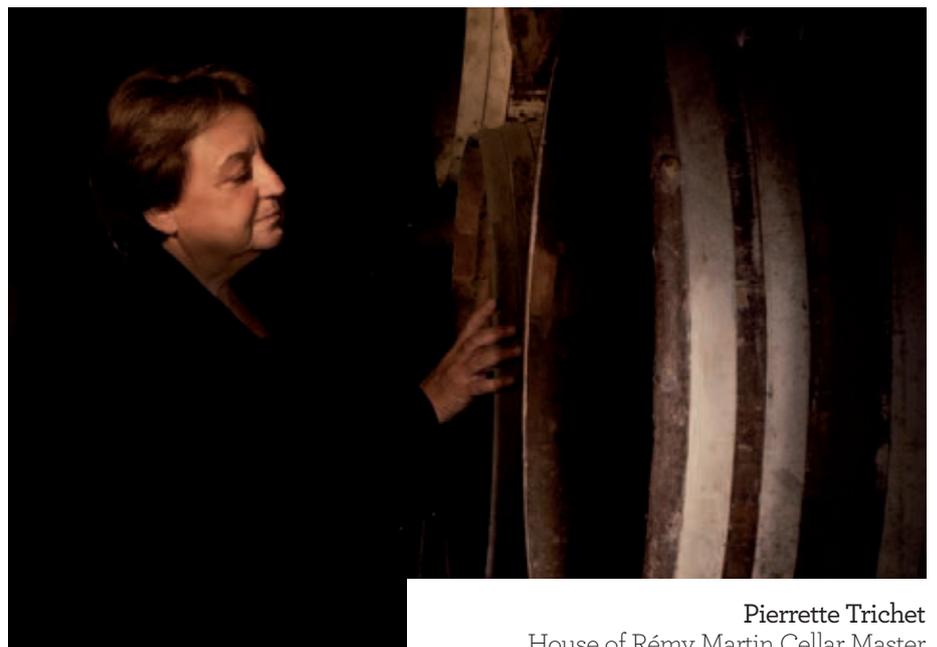


Marked by both traditional and modern tastes, in the spring of 2012, Rémy Martin launched its new *Rémy Martin VSOP* edition destined for the European market. *VSOP Mature Cask Finish* has a slightly woodier, softer and fruitier finish thanks to a year of blending performed exclusively in old oak barrels. For the third consecutive year, *Rémy Martin VSOP* designed a stunning limited edition bottle for the 2012 Cannes Film Festival, packaged in gold and metal, exclusively for Global Travel Retail.

In the Chinese market, the highlight has been the launch of *Rémy Martin Centaure*, an extra old cognac created to appeal to a new generation of young businessmen who are more concerned about authenticity and less inclined to formality than previous generations. Pierrette Trichet, the Cellar Master, selected fruit and honey flavours to accompany special moments.

Rémy Martin VSOP's ability to reinvent itself has thus resulted in very robust growth in all key markets and a host of opportunities to create a buzz on the internet, particularly among young consumers.

Conscientious
about *authenticity*



Pierrette Trichet
House of Rémy Martin Cellar Master

The decanter, simply adorned by the raised seal of the centaur, magnifies the sensuality of this cognac, presented in the heart of summer on the volcanic island of Hainan. The product required an ambassador who could match its ambition: Anthony Wong, the famous Hong Kong actor with beguiling charm and a direct and frank personality, accepted this role. This was the perfect combination of talents. As before with

Rémy Martin Club in Asia, 1738 in the US, and *Cœur de Cognac* in Europe, this new combination looks set to fulfil great ambitions.

Modern ways
steeped
in *tradition*

Distributed worldwide, *XO Excellence*, with an intensely velvety texture, experienced sustained growth, both in volume and value.

Higher up in the range of exceptional cognacs, *Centaure de Diamant*, exclusively launched in duty-free last year, is now starting to be consumed in domestic markets, particularly in China. *Centaure de Diamant* consists of many hundreds of carefully selected and blended eaux-de-vie and represents the epitome of the House of Rémy Martin's expertise.



The supremacy of absolute *luxury*



A symbol of rarity, Louis XIII has a global status which surpasses that of all other cognacs. Its incomparable eaux-de-vie, legendary history and the silhouette of the bottle have made it an icon. The House of Rémy Martin is extremely careful in managing the jewel of its heritage and does its utmost to turn this supremely luxurious cognac, the product of a combination of 1,200 Grande Champagne eaux-de vie-aged from between 40 and over 100 years, into a unique experience: in Japan, a Louis XIII room has been created in an exclusive hotel in Tokyo, the setting for a tasting session and a museum all in one place, which can be reserved for special occasions. The classification of the product as a rarity has inspired a new approach in the US: a close partnership with "Certified Retailers" and deployment of "Fortresses", which are genuine showcases among the most prestigious establishments in the world, and special links with connoisseur clubs that favour exceptional goods. In Shanghai, Singapore and London, regular tasting dinners for local celebrities maintain the legend. As a wonderful crowning tribute to its legend, Louis XIII was richly talked about at the launch of a Jeroboam bottle, consisting of three litres of the precious elixir in five kilos of crystal. The first 100 units were reserved immediately and the waiting list for the next batch continues to expand.

Creativity and *refinement*

€215.8

million
turnover

+3.7%

€52.6

million current
operating profit

+23.5%

24.4%

operating
profit margin



Cutting edge and refined, Cointreau is captivating



2011 was marked both by the growth and innovation of our Liqueurs and Spirits brands. Each brand excelled in making the most of the recovery, showing renewed momentum in the search for new consumers, whilst respecting the tradition of excellence which characterises all of them.



Justin Weston
Managing Director Liqueurs



Three major countries stood out this year, each registering double-digit growth: the US, Brazil and Russia. In an American market that shows a great deal of potential, the brand invested carefully to benefit from the recovery. Consumption of legendary cocktails such as the *Cosmopolitan*, the *Side Car* and the Margarita has recovered and is now as strong as ever. The latter was adapted by Dita Von Teese, the brand's Ambassador, whose *Margadita*, created as a tribute to Margarita Sames, was a great success.

In Brazil, the country which gave us Caïpirinha, another piece of history is being created: the *Caïpi-Cointreau* is enjoying great success in the Copacabana and Sao Paulo bars. In Russia, similar growth has also been seen. Russia's young adults now choose more sophisticated cocktails, with Cointreau enjoying pride of place.

In Northern Europe, growth continued at a steady pace. *Cointreapolitan*, the brand's flagship cocktail, continued to gather momentum and is attracting more and more European women. France, in particular, remains the core market for liqueurs. *Cointreau Privé*, a temporary cocktail bar which gained fame after just two events in Montmartre, Paris, and in London, was established in the heart of Paris's golden triangle at the beginning of 2012. For this third event, Cointreau asked Alexis Mabille, a talented fashion designer, to create a truly luxurious setting. Cointreau is also venturing into the currently thriving world of cookery with an original and bold creation: a Cointreau concentrate which can be sprayed to your taste on either sweet or savoury dishes. Cointreau Cuisine is available in some luxury delicatessens and direct sales outlets and has already attracted a large



audience of gourmets and amateurs alike. Beyond its traditional markets, Cointreau is laying the foundations for fame in South-East Asia, again with the efficient collaboration of Dita Von Teese. Her tour of Singapore and the surrounding countries contributed in a spectacular way to conveying the glamour of Cointreau.

Finally, Travel Retail distinguished itself with an excellent performance, establishing its place as an increasingly important market. This is confirmation of the outlook for the coming years: more than ever, Cointreau's refinement fascinates people beyond all borders.



St-Rémy: The art of being *No.1*



St-Rémy, the world's No. 1 brandy, continues to be indispensable in the markets where it has its aficionados: in Nigeria, its home ground, where it experienced a particularly exceptional year, and also in Australia, New Zealand and Canada. The brand intends to further broaden its reach. It has continued to increase investment in its distribution network, focusing mainly on South Africa, and has renewed marketing efforts in South-East Asia and Russia.

Always at the forefront of innovation, St-Rémy launched a cream-based brandy in Canada that stands out from its competitors. *St-Rémy Cream* is an elegant combination of authenticity and the smoothness of cream. It is the latest creation from Martine Pain, St-Rémy's Cellar Master. Once you have taken a sip, it releases a range of the subtle aromas of hazelnuts and caramel, with a hint of chocolate. It can be drunk neat on ice, or as a long drink with coffee, as favoured by the Canadians. In every bar that displays *St-Rémy Cream*, the white bottle, with a picture of a pretty cow surrounded by green pastures, has proved irresistible. The next step is the Russian market. The leader of French brandies will rely on its excellence and its reputation to introduce a new tasting etiquette.



Martine Pain
St-Rémy Cellar Master

Passoã, *passion* in motion



With a great deal of determination, Passoã's exotic flavour has braved the gloom of European countries affected by the economic crisis. This young brand relies on the attraction of its exclusive ingredient: passion fruit, a true symbol. In order to cope with very aggressive competition, the strategy has been to increase the potential for promoting the brand through organised events and to increase the buzz on social networks. Through limited editions, activations around the Rio carnival, displays at concerts and other music festivals and associations with artists, Passoã has maximised these great opportunities to establish its influence in the trade and in the blogosphere. Indeed, at the end of 2011, an exclusive partnership with star DJ, Laurent Wolf, led to the production of a limited edition bottle bearing his signature. The Passoã bottle displayed a code which enabled the customer to download an exclusive music mix, and was a great success. Another promising partnership was agreed with pop rock group Pony Pony Run Run, who are currently on a world tour. The Passoã Party Pump Fountain, an invitation to measure the quantity of various cocktails, continues to attract new fans in bars and at home. Finally, the brand launched its first "ready to serve" drink, a major innovation: a cocktail made from orange, cranberry and passion fruit juice served over crushed ice. Its success paves the way for other innovations.

Izarra, which means "Star", is a symbolic brand for the Basque country and is, once again, becoming very popular in its home region. Its sumptuous green edition, in particular, lends itself to all kinds of combinations. Izarra is enjoyed over crushed ice, but is particularly popular as a long drink with bitter lemon, or even as a cocktail. A number of tasting sessions and events have been arranged in bars and restaurants, supported by increased listing in local supermarkets. Extolling its Basque identity, the brand has also enjoyed great exposure at the *ferias*. The welcome it has received has certainly matched the investment made in it, to the point at which sales have tripled in the French Basque Country.

Izarra, a celebration of *green*



Mount Gay, the *oldest* rum in the world sails in downwind conditions



Mount Gay is a brand for connoisseurs, and its rays shine well beyond the shores of the Caribbean. The US is still its largest market. Barbados's British heritage has made it easier to establish Mount Gay in the UK, Canada, Australia and New Zealand. It brings a breath of sea air to Travel Retail through lively, colourful promotional events. The same applies in Russia and in many other countries in Europe, including France, where it was introduced in 2011.

Thanks to the talent of the Master Blender, Allen Smith, Mount Gay Rum is marketed in a variety of ways, elegant and refined, that seduce both lovers of cocktails and those rum aficionados who prefer it neat, or on ice. In 2011, *Mount Gay Eclipse Black* was successfully launched, a deep and intense rum with rich aromas of ripe banana and dry fruit, supported by notes of exotic spices. Its robust flavour makes it particularly popular with male consumers. Finally, the brand dared to release limited edition bottles decorated in the colours of the nautical flag alphabet, which were warmly welcomed by sailors. *M* and *G* for Mount Gay were the first in the series. "The rum that invented rum" continues to reinvent itself.

Raphael Grisoni
CEO Mount Gay Rum



Costas Raptis
Metaxa Cellar Master



Metaxa,
a trend *inspired*
by the sun



Metaxa returned to growth, in both volume and value, after three consecutive years of decline due to the economic crisis in Greece. The new Metaxa management team has implemented the "New Ambitions" plan: the House has returned to its roots to inspire its creations and its communications. Since 1888, Metaxa has been delivering a unique, smooth flavour, a tradition which is perpetuated to this day by the Cellar Master, Costas Raptis. *The Metaxa Academy* was created to enable trade prescribers to discover all the beauty of this unique art. Everything begins under the sun which shines on the vineyards and its Muscat grapes by the Aegean Sea and continues into the Metaxa cellars near Athens, where the secrets of the ageing and maturity process are unveiled to experts.

In 2011, Metaxa's presence in duty-free was boosted in order to increase its exposure and its image of quality. *Metaxa 12 Stars*, the pinnacle of the prestigious star-studded range, was debuted at Roissy Charles de Gaulle airport. This success led to it being displayed in major airports in New York, Chicago, London, Melbourne, Moscow and Dubai. Metaxa polished its lifestyle image with *Metaxa Bay*, which was launched in Berlin during the summer of 2011: a beach scene was created on the banks of the Spree using the brand's colours as a theme. It proved popular with trendy young people.

Now back on track, the brand benefits enormously from the power of the Group's distribution network. A good example of this has been Metaxa's strong growth in Russia this year. Metaxa is improving its outlook based on the groundwork carried out in 2011.

Panos Sarantopoulos
CEO Metaxa

A Corporate and Environmental Responsibility policy *integral* to our *value* strategy

Sustainable Development

Economic strategy and a CER policy are closely linked in all aspects of our operations. We apply the same rigour and the same creativity to our economic development as we do to the preservation of natural resources and the promotion of talent.

Our CER strategy is supported everyday by a policy which has been implemented both locally and internationally. We implement our commitments at our production sites and in our commercial practices: progressing in a resolute manner and constantly improving our practices. This state of mind is shared by all our stakeholders, employees, suppliers, shareholders and other members of the public. Lessons learned from previous initiatives helped us to structure our CER 2015 plan, a three-year programme for responsible growth.

Patrick Marchand
Operations Senior Vice President



A *voluntary* and transparent CER policy

The transparency of the information we communicate is undoubtedly the best possible proof of our commitment to a tangible and realistic CER policy. For the first year, a voluntary assessment of an environmental indicators panel was carried out by an external third-party, Ernst & Young's teams who specialise in the Environment and Sustainable Development. The environmental indicators traditionally used are supplemented by ratios based on production (value per standard case).

Starting in the 2012/13 financial year, our priority will be to meet the requirements of Article 225 of the Grenelle Environmental Forum on companies' obligations for transparency in corporate and environmental matters.

We are already preparing for this legislation: in respect of greenhouse gas emissions (GHG), we started to assess our sites some years ago, which meant we had begun to reduce our carbon footprint before the Grenelle Environmental Forum texts were published. We are preparing our teams and making them aware of the next plan to reduce GHG while promoting our growth. The preparation for implementing the order regarding CER reporting, which applies as from 31 December 2012, has gone smoothly.

A major item in CER governance during the year was the preparation of our Code of Business Ethics. This means the Group now has a single reference document which combines codes of conduct enacted by all Rémy Cointreau Departments, the CER commitments and the international guidelines we adhere to, including the Global Compact Charter and OECD recommendations.

Bringing our *commitments* into line with ISO 26000

As from next year, the six pillars of our strategy will be restructured in accordance with the new ISO 26000 standard.

There is, therefore, total consistency between our policy and our adaptation to the new challenges relating to CER, in terms of developments in laws and standards, climate change and reports on working conditions. Thus, in the medium-term, our commitments and initiatives will be part of an ISO 26000 assessment, thereby adding to the certifications already granted and which are regularly renewed, in particular those relating to the ISO 9001, ISO 14001, OHSAS 18001 and ISO 22000 standards.

Christian Lafage
Sustainable Development Director

The Code of Business Ethics covers the Group's commitments in six major chapters:

- behavioural principles (notably matters relating to a conflict of interest or corruption),
- compliance with environmental and labour standards integrating the standards in force,
- protection of privacy,
- self-regulation of practices in terms of responsible communication and consumption and commitments to our consumers and suppliers,
- compliance with laws and, finally,
- protection of assets.

“This project, launched at the request of the Board of Directors, is aimed at all employees across the three continents on which the Group operates: Europe, America and Asia. The document will be translated into English, French and Chinese. In order for the Code of Ethics to be adopted by everyone, a control and alert system is in place should there be a breach, together with a monitoring process and possible sanctions”, explains Patrice Guyenne, *Head of Internal Audit*.



Winemaking

Our commitments

To implement economically competitive and environmentally-friendly growing methods combined with traditional expertise in our vineyards and promote them to our suppliers.

An exemplary certification process

Environmental certification is the best way to reassure our customers that strict processes govern our winemaking practices. In 2007, Rémy Martin's Cognac vineyards obtained "Agriculture Raisonnée" (Integrated Agriculture) certification. Cognac employees also took advantage of 22 days training which enabled them to continue to learn about the applications of integrated agriculture. (Corresponding GRI indicator: LA 10).

The Grenelle Environmental Forum has established a new certification entitled "Agriculture à Haute Valeur Environnementale (AHVE)" or High Environmental Value Agriculture, which includes and reinforces the Integrated Agriculture criteria.

"Since it came into force in June 2011, we have taken the necessary measures to turn our vineyards' Integrated Agriculture certification into level 2 AHVE certification. The changeover is subject to a successful audit, with the aim of achieving level 3 certification (level of excellence) between now and the end of the 2012/13 financial year", says Denis Fougère, Manager of Rémy Martin vineyards.



Best practices for winemakers and recognition of their expertise

Rémy Cointreau is at the forefront of the best practices it promotes and it helps Fine Champagne Alliance winemakers to become aware of the many standards and regulations on environmental issues. The Group initiated a self-assessment project of practices with the help of a training institute. Once the assessment was completed, the winemakers were invited to review the results, receive advice and attend a demonstration of wastewater treatment at one of the Rémy Martin vineyard sites. Almost 170 people took part in this training programme during April 2011.

In the same way, HACCP assessment audits on food safety are always followed by practical advice sessions, common discussions on the implementation of alternative solutions and assistance with administrative formalities.

"In parallel, the Group is looking at the feasibility of a collective AHVE certification for Fine Champagne Alliance winemakers. A pilot group has already been established", explains Laura Mornet, Agronomist.

The Group not only encourage best practices in winemaking, but also rewards the expertise of its suppliers. Each year, the *Centaures de la Distillation* ceremony, a recognised accolade in the profession, is an opportunity for the Group to acknowledge the quality of the work carried out by its most deserving distillers.



Environmentally-friendly growing methods

The Rémy Martin vineyards are continuing their programme to reduce the use of pesticides. Since 2011, the site has been committed to the Ecophyto 2018 plan as a member of the network of DEPHY Ecophyto farms. The aim is to reduce the use of pesticides by 50% by 2018 as required by the Grenelle Environmental Forum.

This year, the use of these products in the vineyards was 30% lower than approved levels and none of the pesticides used are harmful to nature. Eventually, the Group wants to demonstrate that it is possible to create sustainable cropping systems that save on pesticides and perform economically.

The Group is making a particular effort to train its teams on the best ways to use pesticides. Regulations in force provide that everyone who uses these products must have received an individual training certificate between now and 2014: all Rémy Martin vineyard

employees (about 20 staff) have already completed this training. True to its principle of exemplary behavior, Rémy Martin encourages winemakers to actively seek training and the thought process was begun by setting up a “crop-spraying” forum at the vineyards, organised by the Charente Chamber of Agriculture. This training day led to the publication of a video which was posted online.

In order to preserve biodiversity and practise balanced growing methods, 31% of the vineyards are covered by natural grass, a healthy alternative to weeding and tillage. Chemical weed killers have not been used in those areas for five years. Fertiliser levels are monitored through regular soil analysis, which was carried out eight times this year in Cognac.

Finally, 100% of the vineyards use natural predators to prevent the proliferation of pests on the vines.



Quality, safety and the environment

Our commitments

To guarantee the premium nature of our products through ongoing investment in research, a constant demand for quality, food safety and industrial safety, and continued actions to protect the environment.

€4

million invested in QSE

+12% increase compared with 2010/11 (corresponding GRI indicator: EN30)

€1.6

million dedicated to safety

349

people trained in safety this year (Corresponding GRI indicator: LA10)

A certification policy that is determined to reduce the impact of our business on the environment

Quality, safety and the environment are major issues for Rémy Cointreau. This is evidenced by the renewal of ISO 9001 and ISO 22000 certification in Angers and ISO 14001 certification in Cognac. This policy drives the Group to implement training programmes. This was the case in Angers, where packaging operators have been trained on quality assurance. More generally, 2,519 hours of QSE training have been devoted to quality, safety and the environment, with 359 people participating in training sessions (Corresponding GRI indicator: LA 10). Personal safety and security of property also remained important issues.

In respect of prevention, the sites have created risk sheets in order to help identify potentially dangerous situations and to put the necessary preventative measures in place. The rate of work accidents remained low: Frequency: 13 - Severity: 0.25 (Corresponding GRI indicator: LA 7).

In line with ISO 22000, additional consideration was given to suppliers who are in direct contact with products. From next year, Cognac will implement integrated certification which will cover the three standards - ISO 9001, ISO 14001 and ISO 22000.

Energy Consumption

Rémy Cointreau's total energy consumption declined by 3.6%, due primarily to lower direct energy consumption (gas and oil) at the sites. Electricity consumption remained stable, which confirms the reduction noted over the last five years. (Corresponding GRI indicator: EN 3/ EN 4/ EN 5).

Efforts to reduce energy consumption continue with visible results: reducing the heat settings has led to an energy saving of 7-11%, depending on the site. The restoration of the cellars was an opportunity to install energy saving light bulbs, an initiative which was awarded an EDF energy saving certificate.

Alongside these technical implementations, employees are made aware of simple actions such as paying attention to the use of lights in workshops and offices, shutting down machines and conveyer belts during breaks and using heating control units correctly. Overall, the figures have decreased and bear out the Group's efforts. The reduction in energy consumption is also bolstered by the Green IT initiative which has changed the IT system and the way people work. 80% of workstations have been replaced, which has meant a saving on electricity of almost 40%, thanks to the eco-friendly supplier who was chosen.

"This is a continuous effort and we are closely monitoring technological developments to implement them within the Group. In addition, we are continuing our internal awareness programmes, which focus on energy saving and the well-being of our employees", says Mickael Boluen, Director of Operational IT.

12%
reduction in the weight of a Rémy Martin 1738 bottle

70
tonnes of glass saved
(Corresponding GRI indicator: EN 26)

Eco-design and preservation of natural resources

Rémy Cointreau strives to reduce its impact on the environment with new products. It uses BEE software to measure the environmental impact of its packaging. One of the steps taken by the Group has been to reduce the weight of the glass used to make its bottles.

The Group still relies on the bottle library which was created to compare the products, to see where they stand and to find tangible and measurable ways to reduce their environmental impact.

The work on the eco-design of products is continuing unrelentingly and some of the packaging has been changed. An example of this is the Club Cognac bottle which is sold in Asia. The aim of reducing the environmental impact of the packaging drives the Group to optimise products sold in France. Their average weight continues to fall and all today's initiatives represent a reduction of 84 tonnes in the weight of the glass used.

In respect of the preservation of natural resources, Rémy Cointreau has undertaken different tasks to reduce water and paper consumption. Total water consumption (Corresponding GRI indicator: EN 8) has increased by 9.8% primarily due to the creation of the new green area in Angers.

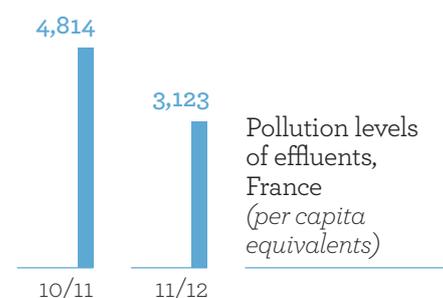
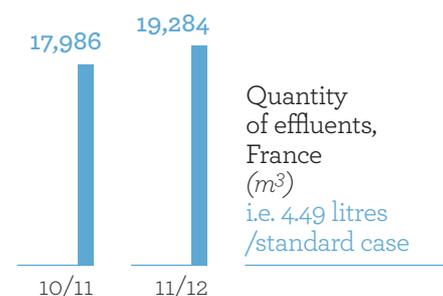
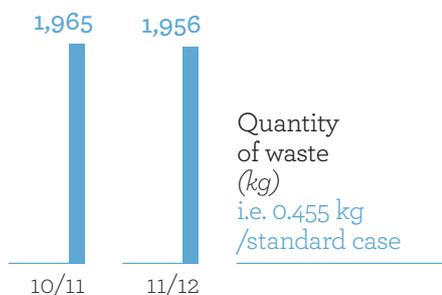
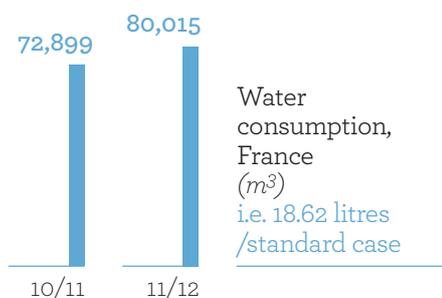
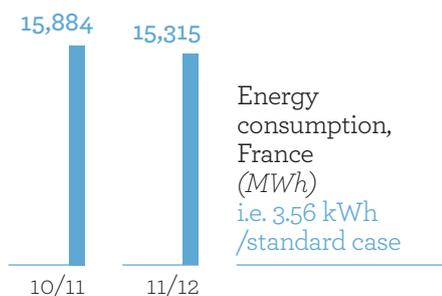
Internally, campaigns to promote awareness of eco-friendly actions continue to be widely adopted. Through the implementation of a new water-saving procedure, Cognac has reduced the amount of water it uses for cleaning.

In terms of paper consumption, the reduction that has been recorded for the past five years was sustained this year, despite a slight increase with 3.1 million sheets of paper used (Corresponding GRI indicator: EN 1).

Waste and effluents

The Group continues its efforts to reduce effluents and waste. To that end, awareness of how to sort waste is regularly promoted by visits to waste treatment centres. The volume of waste, mainly comprising ordinary industrial waste, was stable overall. (Corresponding GRI indicator: EN 22). The sorting and recycling rates were also stable (93%).

The volume of effluents increased by 7.2%. Conversely, pollution levels fell substantially by 35%. (Corresponding GRI indicator: EN 21).



Greenhouse Gas Emissions

The carbon footprint system, which assesses the level of greenhouse gas emissions for business activities, is an essential process for Rémy Cointreau. This helps to create a carbon footprint in accordance with Grenelle regulations (Scopes 1 and 2).

The Group voluntarily meets the requirements of Decree No. 2011-829 of July 2011 of the Grenelle Environmental Forum, by referring to version 6 of the Ademe Carbon Footprint tool and reports from the Ademe database.

Scopes 1 and 2 include emissions from indirect energy consumption (electricity) and direct energy consumption (gas, oil), refrigerant gasses and company-owned vehicles.

Beyond the regulatory scope of the carbon footprint, Rémy Cointreau continued its own initiatives to reduce carbon emissions. The total saving was 1,385 Teq CO₂ (*Corresponding GRI indicator: EN 18*) due primarily to the increased use of video conferencing, eco-design projects and a reduction in energy consumption.

The Group has also prioritised the acquisition of electric vehicles when renewing company cars in Cognac and Angers.

Biodiversity

In the Rémy Martin vineyards in Cognac, beekeeping set-asides for the preservation of bees combine economic efficiency and participation in the proper functioning of the ecosystem.

Afforestation projects on the Group's land continue. The project involves poplar trees which help to increase the profitability of the fields whilst helping to develop ecological fauna and flora.

Last year, a 3-hectare experimental floodplain forest was created on the banks of the Charente with the aim of preserving the quality of the soil and water.

For the third consecutive year, Rémy Cointreau has renewed its financial support for an afforestation project in partnership with the *Office National des Forêts*. The Group finances a 40-hectare oak tree plantation programme in the state-owned Senonches forest in France.



The Group's overall emissions were 2,366 Teq CO₂ (0.551 kg eqCO₂ per standard case) which are divided into Scope 1 (1,692 Teq CO₂) and Scope 2 (674 Teq CO₂). (*Corresponding GRI indicator: EN 16*). These emissions are mainly due to direct and indirect energy consumption, representing 91% of total emissions.



Suppliers

Our commitments

To involve our suppliers in our corporate and environmental commitments, to monitor their genuine involvement and support them in their approach to improvement.

Mindful of the actual commitment of its suppliers to a process of corporate and environmental responsibility, Rémy Cointreau is committed to ensuring that everyone respects the principles laid down by international charters. In particular, compliance with the Global Compact Charter is assessed through audits carried out on suppliers by the firm, SGS. The audit covers working conditions and labour relations, as well as safety and the environment. This also ensures that suppliers' practices comply with the Group's quality requirements. In order to share the stringency of its culture with its partners

and involve them in a continuous improvement process, Rémy Cointreau helps them implement concrete short- and medium-term progress plans. During this year alone, three progress plans were identified. Of the initiatives required by these plans, 60% have already been effectively implemented by the relevant suppliers.

The Code of Business Ethics is an extension of the Purchasing Code of Conduct. It also confirms that the Group's requirements in respect of its suppliers demand an irreproachable conduct on its part and great respect for their work.



Human resources

Our commitments

To guarantee social fairness and the personal development of all our employees, encourage their adherence to the Company's business strategy and involve them in the Group's socially responsible actions, within the framework of Rémy Cointreau's fundamental values of listening and dialogue.

A training policy focused on excellence

The creation of the "Rémy Cointreau Academy" this year marked a new stage in Rémy Cointreau's Human Resources policy. This internal university is perfectly tailored to train all 300 managers and introduce them to a Group-specific culture.

- The "Brand Academy" covers the marketing and commercial specificities of the Group's brands and the luxury goods sector from a strategic perspective.
- The "Sales Academy" trains participants in negotiation and marketing skills through a practical and innovative approach, which can be employed in the markets to support the brands and create value for both partners and customers, in line with the Group's strategy. Initially, the courses have mainly been rolled out in Asia.

11,773

hours of training provided
(Corresponding GRI indicator: LA 10)

- The "Finance Academy" ensures that participants understand all the Group's efficiency criteria, through a more widely shared financial culture.

HR management training will concentrate on aspects more exclusively linked to leadership and oversight of the management function.

In parallel, the training plan supports the professional development of employees, in particular through e-learning to teach languages, with free-access to a development library to encourage voluntary learning.

Seizing every opportunity to promote employees

The Human Resources policy notably strives to make employees jointly responsible and accountable for their professional future. This includes the formalisation of a proactive process for managing positions and skills to enable the Company to adapt its resources and anticipate its needs.

In Cognac, the creation of specific roles to optimise production is part of an investment and industrial overhaul plan. Around 10 experienced employees have been offered an interface role between the production and management teams.

Rémy Cointreau implements a recruitment policy that aims to attract strong profiles and develop their potential. The courses are taken individually to help identify internal talent and encourage employees to develop their skills.

Learning is another preferred way of recruiting and training tomorrow's talent. At the French sites, around 10 interns, ranging from secondary school students to students at post-graduate level, are learning their job in an environment where rigour and creativity are encouraged. Some of the trainees are offered voluntary international experience contracts.

Calm, corporate dialogue to facilitate the integration and well-being of employees

Rémy Cointreau is keen to work in a labour relations climate conducive to the Group's performance and employee fulfilment and has signed several agreements with social partners: one regarding a salary policy, one on employee profit-sharing and finally, one on the proactive management of positions and skills. Furthermore, an agreement on gender equality covers aspects such as recruitment, remuneration, career development, etc.

In addition, the Angers and Cognac sites are running psycho-social diagnostics with the regional association for the improvement of working conditions. While considering the favourable results, the Group has implemented concrete measures to encourage the recognition of everyone's work, the development of skills, better working conditions and more straightforward and efficient labour relations.

Seeing opportunities in diversity

The Group wants to offer everyone the possibility to feel fulfilled professionally. In terms of diversity, following two years which have helped establish a strong policy, the Group has striven to promote diversity amongst its new recruits, with a balance of men and women, the inclusion of disabled workers and local-level reintegration initiatives. In partnership with Pôle Emploi (Job Centres), Cognac is recruiting individuals who are coming back to the workplace, which has resulted in some of them being hired on permanent contracts.

46%

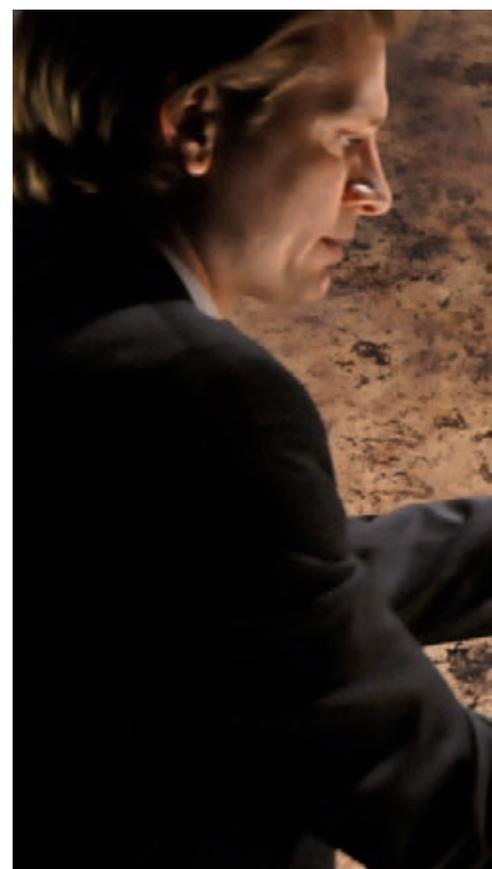
of employees are women
(Corresponding GRI indicator: LA 13)

€1.09

million devoted to improving working conditions

4%

absenteeism





Communication and responsible drinking

Our commitments

To support the international development of our brands by promoting responsible consumption, based on transparent principles shared with all our stakeholders, while supporting scientific research into alcoholology.

Rémy Cointreau provides financial support to the IREB (the French Institute for Scientific Research on Beverages), founded in 1971 by producers and distributors of alcoholic beverages. The IREB carries out and subsidises projects that develop scientific knowledge of alcohol. It has an independent scientific committee. Christian Lafage, the Group's Sustainable Development Director, is currently Chairman of the IREB.

Maintaining the course of responsible communication with clear commitments

The promotion of responsible consumption and communication is central to the CER commitments made by the Group within the framework of the Global Compact Charter. For the past few years, attentive to society's and public authorities' expectations concerning the impact of its communications, Rémy Cointreau has implemented prerequisites for all communication campaigns and an internal monitoring process.

The Ethics Charter designed by the Group in 2004 serves as a guideline for all the marketing teams. The document lays down fundamental principles in addition to the strict legal framework governing the promotion of spirits.

Its contents were reviewed and improved this year. All campaigns must conform to these commitments.

At the end of 2011, the Group signed the Union des Annonceurs' (Union of Advertisers) Responsible Communication Charter. Membership commits the Group more widely to a set of communication best practices covering, for example, the eco-design of communication materials and media.

The Responsible Communication Committee, an essential guarantee of self-regulation practices

The Responsible Communication Committee (RCC), a key forum in the operation of Rémy Cointreau, ensures the proper implementation of the Group's commitments. The protection of minors and the use of internet and digital media are matters about which the committee is particularly vigilant. Procedures were reviewed this year and the marketing teams have been made aware of new approval procedures. The RCC is made up of the relevant functions, namely legal, marketing, sales and advertising and analyses and checks that all campaigns comply with the Charters signed by Rémy Cointreau. (*Corresponding GRI indicator: PR 6*).

"This campaign assessment phase is crucial; all our teams worldwide must comply with it and the committee is committed to being highly responsive. This is why the procedure for the submission of documents relating to campaigns is completely paperless. This year, six campaigns and promotional projects were submitted, primarily in relation to the Rémy Martin, Cointreau and Metaxa brands", says Alain Rouchard, Director of External Affairs.

To support the RCC, the "Alcohol and Society" monitoring unit studies the state of public opinion, the practices of other players and the latest scientific studies on risks relating to alcohol consumption. This is an essential tool in helping to self-regulate practices.





Stakeholders and sustainable regional development

Our commitments

To share the experience we have acquired on sustainable development with all our stakeholders and take specific action at regional level where the Group operates to make this sustainable development a reality at local level.

Sharing our experiences with stakeholders, in France and abroad

Rémy Cointreau is fully transparent in communicating its policy and its CER action plan in response to requests from its stakeholders. This is particularly true in terms of its distribution networks in Europe, where its efforts regarding CER have been acknowledged. This education of stakeholders is also valued by ratings agencies and SRI Fund managers. The Group is keen to explain and demonstrate that CER and luxury are not contradictory approaches. On the contrary, there is a strong link between the demand for excellence which makes the reputation of its products, and CER practices. Rémy Cointreau has been asked to comment on this emerging theme and the Group is increasingly vocal about its overall CER approach.

“We are committed to bringing our convictions to life outside France through philanthropic initiatives. This year, the *Louis XIII* brand gave its support to The Film Foundation initiative which acts to protect the legacy of cinema by restoring old films. Founded in 1990 by Martin Scorsese, the foundation shares the same commitment as Rémy Cointreau and *Louis XIII* to the preservation of a legacy. “In each of our fields, we bring to life, with the same passion, a knowledge which is over 100 years old”, says Augustin Depardon, *Director of Marketing for Louis XIII*.”



Acting in the name of sustainable regional development

The Group pays particular attention to CER best practices in local areas where it operates. For this reason, it continues to be involved with Revico, the company which processes distillation stillage from the Cognac vineyard to produce green energy.

Acting locally also involves meeting students in surrounding schools and universities that provide specialised training on sustainable development. Apart from classes and employee contributions in these schools, it is worth noting that these institutions are also interested in making their own operations more sustainable. Aside from these aspects, the Group continues its local social initiatives. It supports the 2nd Chance foundation which helps those who are experiencing difficulties to set up realistic and sustainable professional projects, including recognised training and business creation. In partnership with a local association, the EGEE, Rémy Cointreau presented the foundation's initiatives at a forum in Angoulême, an initiative which facilitated dialogue with local associations and authorities. Finally, in line with activities with *Pôle Emploi*, some employees took the initiative of mentoring people in their reintegration by providing them with advice and putting their social network at their disposal.

Environmental Indicators

A methodological note on environmental indicator reporting is available in the 2011/12 Reference Document.

	2010-2011	2011-2012
Total energy consumption (MWh)		
Total for France	15,884	15,315
Cointreau	7,452	7,913
E. Rémy Martin & Co.	8,432	7,402
Direct energy consumption (gas, fioul, MWh) (GRI indicator: EN3)		
Total for France	7,912	7,384
Cointreau	5,060	5,367
E. Rémy Martin & Co.	2,852	2,017
Indirect energy consumption (electricity MWh) (GRI indicator: EN4)		
Total for France	7,973	7,931
Cointreau	2,393	2,546
E. Rémy Martin & Co.	5,580	5,384
Water consumption (m³) (GRI indicator: EN8)		
Total for France	72,899	80,015
Cointreau	27,800	32,048
E. Rémy Martin & Co.	45,099	47,967
Paper consumption (millions of sheets) (GRI indicator: EN1)		
Total for France	3.08	3.12
Cointreau	0.75	0.66
E. Rémy Martin & Co.	1.44	1.78
Administration offices in Paris	0.89	0.68
Quantity of waste (tonnes) (GRI indicator: EN22)		
Total for France	1,965	1,956
Cointreau	1,136	1,062
E. Rémy Martin & Co.	829	894
Waste sorting rate (%)		
Total for France	93.9	92.9
Cointreau	96.5	96.5
E. Rémy Martin & Co.	90.4	88.8
Waste recycling rate (%)		
Total for France	93.5	92.6
Cointreau	96.1	96.0
E. Rémy Martin & Co.	90.0	88.6
Volume of effluents (m³) (GRI indicator: EN21)		
Total for France	17,986	19,284
Cointreau	10,407	10,749
E. Rémy Martin & Co.	7,579	8,535
Effluent pollution level (equiv. per capita) (GRI indicator: EN21)		
Total for France	4,814	3,123
Cointreau	1,045	859
E. Rémy Martin & Co.	3,769	2,264
GHG emissions (Scopes 1 and 2 - teqCO₂) (GRI indicator: EN16)		
Total for France	-	2,366
Cointreau	-	1,348
E. Rémy Martin & Co.	-	1,018
GHG emissions (Scope 1 - teqCO₂)		
Total for France	-	1,692
Cointreau	-	1,131
E. Rémy Martin & Co.	-	560
GHG Emissions (Scope 2 - teqCO₂)		
Total for France	-	674
Cointreau	-	216
E. Rémy Martin & Co.	-	458



Board of *Directors*
and *management*

Corporate governance

Board of Directors

Mrs. Dominique Hériard Dubreuil ^(c)
Chairman

Mr. François Hériard Dubreuil ^(d)
Mr. Marc Hériard Dubreuil ^(b)
Sir Brian Ivory ^(j)
Mr. Jean Burelle ^(f)
Mr. Jacques Etienne de T'Serclaes ^(k)
Mr. Gabriel Hawawini ^(e)
Mr. Timothy Jones
Mr. Patrick Thomas ^(h)
Mr. Didier Alix ^(e)
Mrs. Caroline Bois ^(g)
Mrs. Laure Hériard Dubreuil ⁽ⁱ⁾

* Independent Directors.



Executive Committee

Mr. Jean-Marie Laborde
Chief Executive Officer

Mr. Jean-François Boueil
Human Resources Director

Mr. Damien Lafaurie
Executive Vice President Global Markets

Mr. Christian Liabastre
Executive Vice President
Brands Strategy and Development

Mr. Patrick Marchand
Operations Senior Vice President

Mr. Frédéric Pflanz
Chief Financial Officer

Committees

Audit and Finance Committee
Chaired by
Mr. Jacques-Etienne de T'Serclaes

**Nomination and
Remuneration Committee**
Chaired by Sir Brian Ivory

**Development and
Marketing Strategy Committee**
Chaired by
Mrs. Dominique Hériard Dubreuil

Each committee comprises at least
one Independent Director

Statutory Auditors

Ernst & Young & Autres
Represented by Mrs. Marie-Laure Delarue

Auditeurs & Conseils Associés
Represented by Mr. Olivier Juramie

A year of *solid*
growth,
a *strengthened*
financial position

Finance

This year, with net sales of €1.026 billion, Rémy Cointreau has crossed the symbolic threshold of one billion euros and has achieved growth in current operating profit of 24.4% – exceeding the announced target. The Group enjoyed a very strong year. Growth in profitability was achieved without compromising on building our brands, as we continued to strengthen investment across all of them.

This financial performance was accompanied by significant debt reduction during 2011, having sold the Piper-Heidsieck and Charles Heidsieck brands to the EPI Group in July 2011, whilst retaining worldwide distribution. Rémy Cointreau's debt is now at its lowest since its IPO. The bank ratio of net debt/EBITDA decreased from 2.6 to 0.67 in one year. The Company has thus regained a substantial amount of leeway which enables optimal management and, potentially, carefully-chosen acquisitions.

Frédéric Pflanz
Chief Financial Officer



A tried and tested model

In addition to financial discipline, the effective takeover of distribution and the relevance of a value-driven strategy, which is now independently controlled, should also be mentioned. In recognition of the confidence demonstrated by its shareholders, the Group will pay a dividend of €1.30 and an exceptional dividend of €1.00 per share.

The Group benefited from the growth driver that emerging countries, particularly in Asia, have been, and also from the recovery of the North American market and Western European markets. Rémy Martin was the best performing brand and greatly contributed to the Group's profitability.

The Group's strong international profile means it needs to closely monitor developments in foreign exchange risks and the risks inherent in the countries in which it operates. In this respect, the Group has put the appropriate tools in place and improves them through constant vigilance. 70% of Rémy Cointreau's business is exposed to the US dollar. During the 2011/12 financial year, the US dollar gained some ground against the euro (1.34 versus 1.37) and foreign exchange had a slightly favourable impact on current operating profit.

Stock market performance

A further source of satisfaction was the growth in the share price, which increased by 17% over the 2011 financial year, while the CAC 40 and SBF 120 indices lost 17% and 16%, respectively, during the same period. Since the beginning of 2012, the share price has continued to rise, recording an increase of 33%.



Rémy Cointreau's confirmed credit facilities are solid and highly competitive: they include a private placement of €140 million, maturing in June 2015 and bearing interest at 3.67%, a €205 million bond issue maturing in December 2016 and bearing interest at 5.17%, and a syndicated revolving credit line of €255 million, renewed on 5 June 2012, maturing in 2017.

The relentless pursuit of excellence and the innovative capacity of each Group brand have enabled it to achieve or to consolidate its leadership in every market, justifying the confidence the Group has in facing the coming years, whilst remaining highly vigilant regarding its costs and the allocation of its resources.

Shareholders' calendar

19 July 2012

Q1 sales to 30 June 2012

26 July 2012

Annual General Meeting

18 October 2012

H1 sales to 30 September 2012

27 November 2012

Interim results at 30 September 2012

Statement of financial position

<i>(at 31 March, in € millions)</i>	2012	2011	2010
Brands and other intangible assets	443.2	447.1	629.9
Property, plant and equipment	146.4	141.0	208.6
Investments in associates	68.4	64.9	64.3
Other financial assets	86.9	10.9	71.2
Deferred tax assets	44.0	30.3	27.1
Non-current assets	788.9	694.2	1,001.1
Inventories	792.6	699.2	969.8
Trade and other receivables	207.9	213.6	248.1
Income tax receivables	3.9	1.6	8.3
Derivative financial instruments	5.6	16.4	3.2
Cash and cash equivalents	190.1	80.6	86.3
Assets held for sale	0.2	485.3	-
Current assets	1,200.3	1,496.7	1,315.7
Total assets	1,989.2	2,190.9	2,316.8
Share capital	79.4	79.1	77.6
Share premium	738.2	735.7	708.2
Treasury shares	(95.8)	(0.6)	(0.4)
Consolidated reserves and profit of the year	244.4	256.4	232.4
Translation reserve	8.6	(7.7)	(0.2)
Equity - attributable to the owners of the parent	974.8	1,062.9	1,017.6
Non-controlling interests	1.2	0.9	0.9
Equity	976.0	1,063.8	1,018.5
Long-term financial debt	340.0	377.7	537.7
Provision for employee benefits	21.8	20.5	23.8
Long-term provisions for liabilities and charges	6.9	6.5	5.1
Deferred tax liabilities	98.4	121.8	199.8
Non-current liabilities	467.1	526.5	766.4
Short-term financial debt and accrued interest	38.7	31.8	50.0
Trade and other payables	467.5	406.6	439.3
Income tax payables	13.0	39.2	11.9
Short-term provisions for liabilities and charges	1.5	9.5	19.8
Derivative financial instruments	25.4	4.5	10.9
Liabilities held for sale	-	109.0	-
Current liabilities	546.1	600.6	531.9
Total equity and liabilities	1,989.2	2,190.9	2,316.8

Consolidated income statement

<i>(at 31 March, in € millions, exc. earnings per share)</i>	2012	2011	2010
Net sales	1,026.1	907.8	807.6
Cost of sales	(396.1)	(389.5)	(361.7)
Gross margin	630.0	518.3	445.9
Distribution costs	(344.8)	(284.4)	(238.8)
Administrative expenses	(79.0)	(72.8)	(70.3)
Other income/(expense)	1.5	5.9	5.2
Current operating profit	207.7	167.0	142.0
Other operating income/(expense)	(3.0)	(46.5)	(2.2)
Operating profit	204.7	120.5	139.8
Net finance costs	(26.9)	(27.3)	(22.0)
Other financial income/(expense)	(8.4)	(2.4)	2.7
Net financial income/(expense)	(35.3)	(29.7)	(19.3)
Profit before tax	169.4	90.8	120.5
Income tax	(47.3)	(21.7)	(32.5)
Share in profit of associates	(0.4)	4.3	4.9
Profit from continuing operations	121.7	73.4	92.9
Net profit/(loss) from discontinued operations	(10.6)	(2.8)	(3.9)
Net profit/(loss) for the year	111.1	70.6	89.0
Attributable to:			
- non-controlling interests	0.3	0.1	2.7
- owners of the parent	110.8	70.5	86.3
Net earnings per share - from continuing operations (€)			
- basic	2.47	1.50	1.94
- diluted	2.46	1.49	1.93
Net earnings per share - attributable to owners of the parent (€)			
- basic	2.25	1.44	1.80
- diluted	2.24	1.43	1.79
Number of shares used for the calculation			
- basic	49,324,332	48,991,452	47,989,124
- diluted	49,473,230	49,248,856	48,191,494

Comments and Outlook

Rémy Cointreau's turnover for the year ended 31 March 2012 increased by 13% to €1,026.1 million. Current operating profit rose by 24.4% to €207.7 million, an outstanding performance as it was achieved on the back of the previous year, which had already shown strong growth. The current operating margin, which included a further increase in marketing investment, was 20.2%.

This performance reflects the Group's buoyant business activities worldwide. All regions reported growth, with double-digit growth in Asia-Pacific and the US. Europe was driven by Western Europe and Russia.

Net profit, excluding non-recurring items, was €123.9 million, an increase of 15.3% compared with the previous year.

The Group's net debt is at an all-time low of €188.6 million (€328.9 million in 2010). The net debt/EBITDA ratio was 0.67.

The 2011/12 financial year was marked by:

- a double-digit increase in current operating profit,
- an excellent performance by Rémy Martin, whose sales growth went hand-in-hand with strong profitability,
- continued rapid growth in Asia,
- the disposal of the Champagne division, and
- a sound financial position.

Turnover was €1,026.1 million, an increase of 13% (15.6% organic).

Current operating profit rose by 24.4% to €207.7 million (up 20.2% organically), with an increase in the operating margin to 20.2% compared with the previous year. This performance was achieved thanks to a significant improvement in gross profit, accompanied by increased advertising and marketing investment to support the brands.

Operating profit was €204.7 million after taking into account a €3.8 million impairment charge on two secondary brands. In 2010, the Metaxa brand was subject to a €45 million impairment charge (€33 million after tax).

Net financial expenses amounted to €35.3 million, an increase of €5.6 million which included a €7 million reduction in the cost of financial debt thanks to a significant reduction in Group debt and a €7 million negative movement in interest rate hedging instruments.

The income tax charge of €47.3 million reflected an effective tax rate of 27.9%. The share in the loss of associates was €0.4 million, originating primarily from Dynasty, a Group joint-venture established in 1980 and a major player in the Chinese wine market.

The Group's share of net profit, excluding non-recurring items, was €123.9 million, an increase of 15.3% compared with the previous year.

The Group's share of net profit increased by €40.3 million to €110.8 million.

Net financial debt was €188.6 million, a significant reduction of 43% compared with €328.9 million at 31 March 2011. This improvement was primarily due to the disposal of the Champagne division. The net debt to EBITDA ratio was 0.67.

Shareholders' equity was €976 million with a stronger balance sheet.

In December 2011, a share buyback programme was implemented. At 31 March 2012, 1,421,003 Rémy Cointreau shares had been purchased by the Group at a cost of €95.6 million. This programme was terminated on 23 May 2012.

During the 2011/12 financial year, the Euro/US Dollar rate improved slightly compared with the previous year, from USD 1.37/€1 to USD 1.34.

An ordinary cash dividend of €1.30 as well as a special dividend of €1 will be put to a shareholders' vote at the Annual General Meeting to be held on 26 July 2012, with an option of a full payment in cash or in shares.

Outlook

The momentum recorded throughout the 2011/12 financial year, despite an uncertain economic and monetary environment in Europe, demonstrates that Rémy Cointreau is in a good position to continue to grow its brands. The Group will therefore remain true to its value strategy whilst considering potential growth opportunities.

Rémy Cointreau focuses on creating value with its brands and continues to rely on a policy of constant product innovation, whilst strengthening the efficiency of its distribution network. Thanks to this strategy, Rémy Cointreau will continue to generate steady and profitable growth.



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