



RÉMY COINTREAU

FINANCIAL REPORT
2009 | 2010

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2009/2010

FINANCIAL REPORT.

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CHAPTER 1

RÉMY COINTREAU GROUP.

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1. HISTORY

The Rémy Cointreau Group, whose origins date from 1724, is the result of the merger in 1990 of the holding companies of the Hériard Dubreuil and Cointreau families that controlled E. Rémy Martin & Cie SA and Cointreau & Cie SA respectively. It is also the result of successive alliances between companies operating in the same business segment of wines and spirits.

KEY DATES AND EVENTS IN RÉMY COINTREAU'S HISTORY

1724

Establishment of the house of Rémy Martin Cognac

1849

Creation of Cointreau & Cie by the Cointreau brothers

1888

Creation of the Metaxa brand

1924

Acquisition by André Renaud of E. Rémy Martin & Cie SA

1965

André Hériard Dubreuil takes over from his father-in-law, André Renaud

1966

Creation of Rémy Martin's international distribution Network

1980

Creation by Rémy Martin of the French-Chinese joint venture Dynasty Winery in partnership with the city of Tianjin (China)

1985

Acquisition by the Rémy Martin Group of Charles Heidsieck champagne

1986

Creation of the Passoa brand

1988

Acquisition by the Rémy Martin Group of Piper-Heidsieck champagne

1989

Acquisition by the Rémy Martin Group of Mount Gay Rum

1990

Transfer by Pavis SA of Rémy Martin shares to Cointreau & Cie SA

1991

Adoption by the Group of the corporate name of Rémy Cointreau

1998

Dominique Hériard-Dubreuil becomes Chairman of Rémy Cointreau

1999

Establishment of the Maxxium distribution joint venture with three partners, the Rémy Cointreau Group, the Edrington Group and Jim Beam brands Worldwide (Fortune Brands)

2000

Acquisition of Bols Royal Distilleries including, in particular, the Bols and Metaxa brands

2001

Vin & Sprit joins the Maxxium network and becomes its fourth partner

2005

Initial public offering of Dynasty Fine Wines Group on the Hong Kong Stock Exchange

Disposal of Bols Polish operations to CEDC

Maxxium reinforced by taking over the distribution of a number of Allied Domecq brands acquired by Fortune Brands

2006

Disposal of the Dutch and Italian liqueurs and spirits operations

Decision by Rémy Cointreau to fully resume control of its distribution with a deadline of March 2009

2008

Year of transition with the intention of exiting Maxxium

Establishment of a new distribution organisation

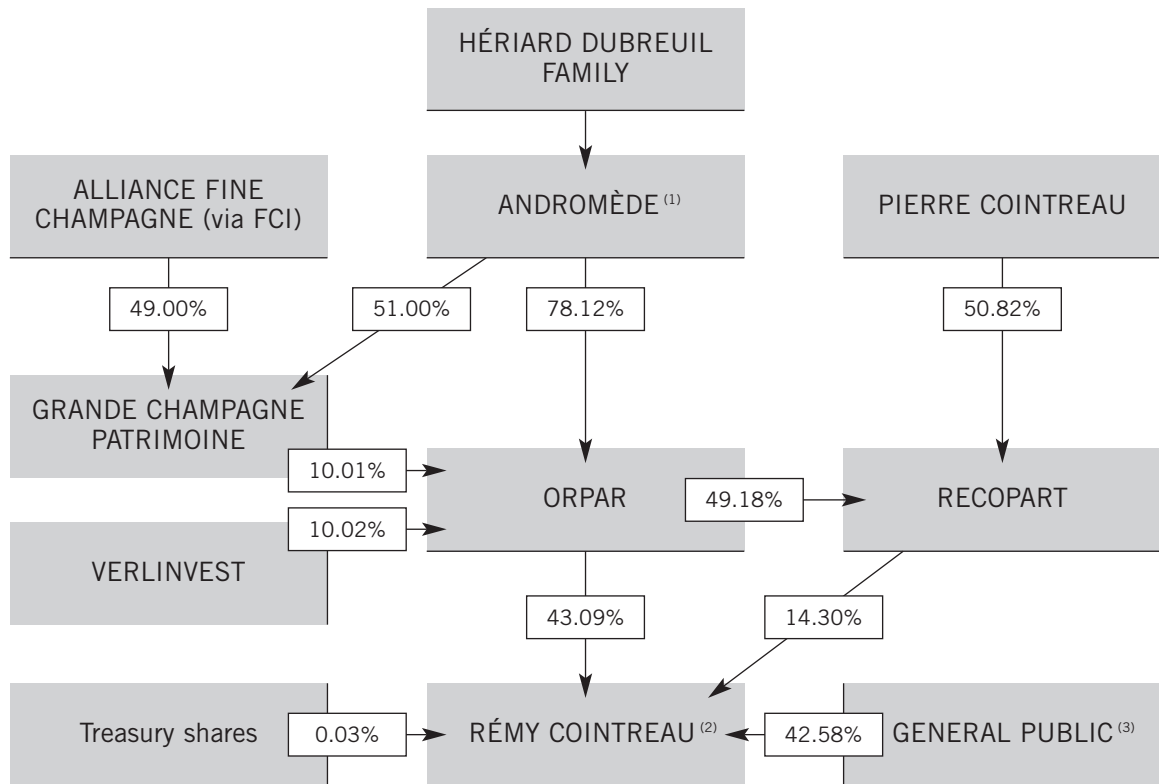
2009

30 March, Rémy Cointreau exits the Maxxium distribution joint venture

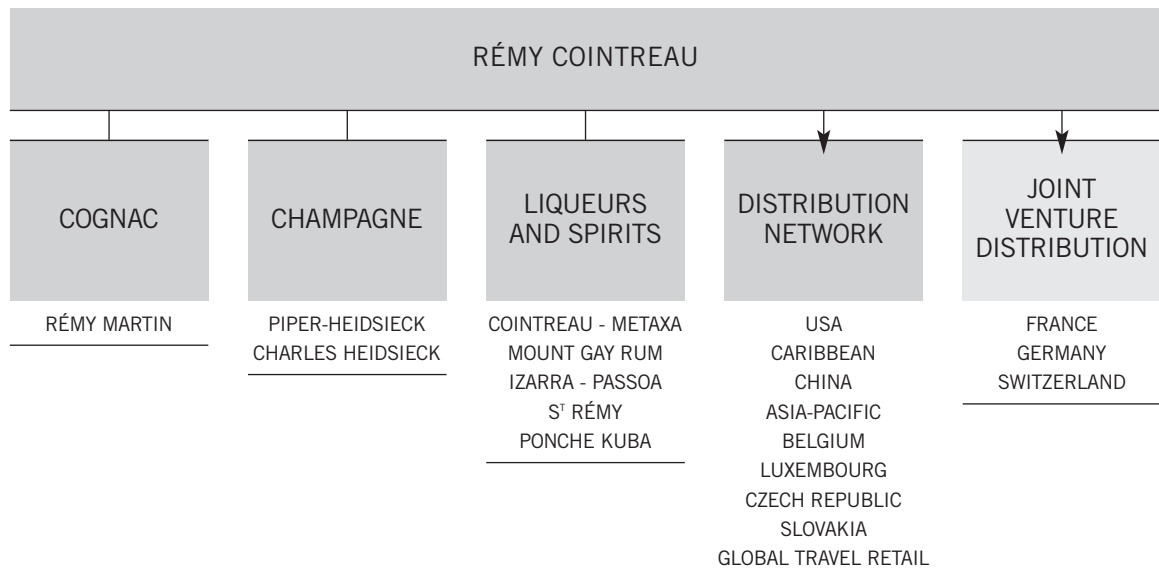
1 April, Rémy Cointreau now controls 80% of its distribution

2. OWNERSHIP STRUCTURE AND ORGANISATION CHART

AT 31 MARCH 2010 (% OF CAPITAL)



(1) Rémy Cointreau is consolidated within the Andromède Group.
 (2) Only Rémy Cointreau shares are traded on the Stock Market.
 (3) Inc. Arnhold and S. Bleichroeder, LLC 9.93%.



3. KEY FIGURES

Data in millions of euros for the periods from 1 April to 31 March	2010	2009	2008
Turnover	807.8	714.1	817.8
Current operating profit	140.0	137.0	159.6
As % of turnover	17.3%	19.2%	19.5%
Net profit - Group share	86.3	86.1	98.4
Purchase of non-current assets	28.2	31.5	27.3
Equity	1,017.2	970.7	911.5
Net financial debt	501.4	531.9	440.9
Dividends paid during the financial year (per share in €):			
Earnings per share (in €):	1.30	1.30	1.20
Net earnings from continuing operations	1.79	1.84	2.03
Net earnings - Group share	1.80	1.84	2.12

Turnover by division	% total	2010	2009	2008
Cognac	50.2%	405.7	311.9	362.3
Liqueurs and Spirits	25.6%	206.5	196.0	211.7
Champagne	12.0%	96.7	125.9	142.4
Total Group brands	87.8%	708.9	633.8	716.4
Partner brands	12.2%	98.9	80.3	101.4
Total	100%	807.8	714.1	817.8

Current operating profit	2010	2009	2008
Cognac	105.9	80.2	98.9
Liqueurs and Spirits	51.6	57.6	56.4
Champagne	(4.0)	13.9	14.1
Total Group brands	153.5	151.7	169.4
Partner brands	4.4	0.6	3.4
Holding company	(17.9)	(15.3)	(13.2)
Total	140.0	137.0	159.6

Current operating margin	2010	2009	2008
Cognac	26.1%	25.7%	27.3%
Liqueurs and Spirits	25.0%	29.4%	26.6%
Champagne	(4.1)%	11.0%	9.9%
Total Group brands	21.7%	23.9%	23.6%
Partner brands	4.4%	0.6%	3.4%
Total	17.3%	19.2%	19.5%

Turnover by geographic region	% total	2010	2009	2008
Europe	34.8%	281.0	275.1	303.3
Americas	34.1%	275.7	283.0	350.6
Asia & others	31.1%	251.1	156.0	163.9
Total	100%	807.8	714.1	817.8

Turnover by currency	% total	2010	2009	2008
Euro	31.8%	257.0	227.2	245.5
US Dollar, HK Dollar, Chinese Yuan	56.6%	457.5	371.3	434.3
Other currencies	11.6%	93.3	115.6	138.0
Total	100%	807.8	714.1	817.8

4. BOARD OF DIRECTORS AND MANAGEMENT

4.1 BOARD OF DIRECTORS

Mr Pierre Cointreau

Honorary Chairman

Mrs Dominique Hériard Dubreuil

Chairman

Mr François Hériard Dubreuil

Mr Marc Hériard Dubreuil

Sir Brian Ivory

Mr Jean Burelle⁽¹⁾

Mr Jacques Etienne de T'Serclaes⁽¹⁾

Mr Gabriel Hawawini⁽¹⁾

Mr Timothy Jones

Mr Patrick Thomas⁽¹⁾

Mr Didier Alix⁽²⁾

Orpar (permanent representative Mrs. Marie Barbaret)

(1) Independent Director.

(2) Pending his appointment by the Annual General Meeting on 27 July 2010.

4.2 EXECUTIVE COMMITTEE

Mr. Jean-Marie Laborde, Chief Executive Officer

Mr. Jean-François Boueil,
Human Resources Senior Vice President

Mr. Hervé Dumesny, Chief Financial Officer

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

4.3 STATUTORY AUDITORS

Ernst & Young & Autres

Represented by Mrs. Marie-Laure Delarue

Auditeurs & Conseils Associés

Represented by Mr. Oliver Juramie

4.4 COMMITTEES

Each committee comprises at least one independent Director.

“Audit and Finance” Committee

“Nomination-Remuneration” Committee

“Development and Marketing Strategy” Committee

“Ethics, Environment and Sustainable Development” Committee

5. REMY COINTREAU GROUP OPERATIONS

The Rémy Cointreau Group is one of the principal operators in the world market for wines and spirits with a portfolio of international premium brands that include Rémy Martin

cognac, the orange liqueur Cointreau, Passoa liqueur, Metaxa brandy, Mount Gay rum and Piper-Heidsieck and Charles Heidsieck champagnes.

The Group is:

- the market leader with Rémy Martin in Fine Champagne cognac;
- a leading international player in the champagne business with Piper-Heidsieck, and
- a leading producer and distributor of liqueurs in Europe with Cointreau and Passoa.

Rémy Cointreau is quoted in compartment A (Deferred Settlement Service) of Eurolist on the Euronext Paris Stock Exchange, ISIN FR 0000130395 and is a component of the CAC MID 100 and SBF 120 indices. Approximately 42% of the shares comprise the free float. Rémy Cointreau is held by the Orpar and Récopart family holding companies.

Rémy Cointreau SA has been rated “BB -” stable prospects by Standard & Poor's.

5.1 STRATEGY

The wine and spirits market feature an extensive number of co-existing large local and international brands, which result in a particularly competitive environment.

Against this background, Rémy Cointreau has, for many years, implemented a value strategy aimed at developing its premium brands in high growth and high profitability global markets.

Implementing this strategy has thus led the Group, over the past few years, to dispose of brands and other assets deemed less adapted to its strategy and to decide, in November 2006, to leave the Maxxium distribution network in March 2009 in order to regain control of its distribution in its key markets.

Since 1 April 2009, Rémy Cointreau has been rolling out its new international distribution structure, which enables the Group to control over 80% of its turnover and to carry out the only price and distribution strategy compatible with its upmarket positioning.

Supported by this new distribution asset, which is more responsive and closer to its customers and benefiting from a sound financial position, the Group is able to step up the development of its exceptional brands. The majority of these brands are centuries old whilst being totally contemporary and incorporating sustainable development values.

Rémy Cointreau is thus in a position to accelerate market gains and to meet the expectations of its consumers, who are ever more demanding in terms of excellence and singularity.

5.2 ORGANISATION

Rémy Cointreau is organised into three product divisions (Cognac, Liqueurs and Spirits and Champagne) and seven marketing divisions covering Europe, Americas and Asia-Pacific. A fourth division, “Partner brands”, brings together third party brands distributed by the Group's subsidiaries. This matrix organisation also includes support functions (finance, IT, legal, taxation, human resources, supply chain, etc.) which benefit the divisions as well as the brands. Group operational management is the responsibility of the Chief Executive Officer, assisted by a five-member Executive Committee.

SECTOR REVIEW

Respective relative size of each division

Data for the financial year ended 31/03/10	Turnover	Current ⁽¹⁾ Operating Profit
Cognac	50.2%	67.0%
Liqueurs and Spirits	25.6%	32.7%
Champagne	12.0%	(2.5)%
Total Group brands	87.8%	97.2%
Partner brands	12.2%	2.8%
Total	100%	100%

(1) Exc. holding company costs.

5.3 ACTIVITIES

COGNAC

The Cognac business, which brings together the various products of the Rémy Martin brand, is the Group's principal division in terms of turnover and operating profit.

Rémy Martin cognacs are solely produced from Petite Champagne and Grande Champagne eaux-de-vie, the two best vineyards in the cognac region as they possess the best ageing potential. Rémy Martin's priority is to be in the premium segment with, in particular, its three flagship products, VSOP Fine Champagne, XO Excellence Fine Champagne and Louis XIII Grande Champagne.

KEY FIGURES

(€ millions or %)	2010	2009	2008
Turnover	405.7	311.9	362.3
Geographical analysis:			
Europe	14.5%	18.4%	19.4%
Americas	32.9%	42.8%	46.3%
Asia & others	52.6%	38.8%	34.3%
Total	100%	100%	100%
Current operating profit	105.9	80.2	98.9
As % of turnover	26.1%	25.7%	27.3%
Capital employed exc. brands	543.8	558.3	557.8
Purchase of non-current assets	20.3	22.4	14.0

DESCRIPTION OF "APPELLATION D'ORIGINE CONTRÔLÉE" COGNAC"

Cognac is a brandy (eaux-de-vie distilled from grapes) with the "appellation d'origine contrôlée" from the Cognac region of France). The "Appellation" is based on six vintages, of which the best two for superior quality Cognac production are "Grande Champagne" and "Petite Champagne".

"Fine Champagne" designates a cognac that comes exclusively from Grande Champagne (a minimum of 50%) and Petite Champagne.

There are a number of quality levels classified according to legal standards in respect of the average age of the eaux-de-vie:

- VS ("Very Superior"), with a minimum legal age of two years;
- QS ("Qualité Supérieure"), covering all the VSOP and QSS labels:
 - VSOP ("Very Superior Old Pale"), with a minimum legal age of four years,

- QSS ("Qualité Supérieure Supérieure"), with a minimum legal age of six years,
- XO ("Extra Old") is included in the QSS category.

This year the House of Rémy Martin launched a new Louis XIII rare edition, Louis XIII Rare Cask 43°.

COMPETITIVE RANKING

Four Cognac brands share 80% of the world market: Rémy Martin (Rémy Cointreau), Hennessy (LVMH), Martell (Pernod Ricard) and Courvoisier (Fortune Brands). Rémy Martin is the second Cognac brand with a 13% market share (source: BNIC 2010). Rémy Martin achieves around 90% of its shipments in the superior qualities (QS) segment which represents over 51% of the total Cognac market (source: BNIC 2010). Rémy Martin, the leader in this segment holds a 20% market share.

LIQUEURS AND SPIRITS

The Liqueurs and Spirits division brings together brands that operate in a high volume market featuring many contributors in terms of product categories (liqueurs, vodkas, gins, whiskies, rums, brandy, local specialties, etc.) and brands with a local or international reach.

Thus in Europe (excluding the CIS), the market can be analysed as follows:

Volume (8.4 L/case)	2006	2007	2008
Vodka	419,587	420,407	420,464
Flavoured Spirits	75,868	76,478	75,751
Liqueurs	46,336	46,467	45,723
Brandy	45,871	45,959	45,349
Scotch Whisky	43,559	44,384	43,957
Local Spirits	32,795	31,310	29,742
Gin/Tequila/Others	27,137	26,365	25,003
Rum/Cane	22,591	23,434	23,940
Other Whisky	10,519	10,861	11,184
Cognac/Armagnac	4,219	4,237	4,092
Total	728,482	729,903	725,204

Source: The IWSR 2009.

Rémy Cointreau's principal brands are the orange liqueur Cointreau (43% of divisional sales), the Greek brandy Metaxa (22%), Passoa liqueur (12%), St Rémy brandy (10%) and Mount Gay rum (10%).

The Group's strategy is to focus investment on a defined number of high potential markets for each of its brands.

The products marketed by the Group come essentially from the production site in Barbados for rum and Angers (France), the origin of the Cointreau brand, for the other brands, with the exception of Metaxa which comes from Greece.

KEY FIGURES

(€ millions or %)	2010	2009	2008
Turnover	206.5	196.0	211.7
Geographic analysis:			
Europe	58.7%	59.6%	57.1%
Americas	31.6%	33.4%	34.5%
Asia & others	9.7%	7.0%	8.4%
Total	100%	100%	100%
Current operating profit	51.6	57.6	56.4
As % of turnover	25.0%	29.4%	26.6%
Capital employed exc. brands	55.2	67.2	56.1
Purchases of non-current assets	4.6	5.6	4.8

COMPETITIVE RANKING

The Liqueurs and Spirits industry is very fragmented due to a great variety of products. New products are launched regularly. The principal producers and distributors are Diageo, Pernod Ricard, Fortune Brands and BacardiMartini. The Group brands also compete with both local and international brands.

CHAMPAGNES

Rémy Cointreau is one of the principal producers of champagne with average sales of 10.1 million bottles over the last three years.

The Group's two leading brands in the division are Piper-Heidsieck and Charles Heidsieck, each with a distinct market positioning.

Piper-Heidsieck is aimed at the "major brands" segment and ranks fourth among export brands (source: Impact 2009). It is a leading brand in France, Germany, Japan, Belgium and the UK. Charles Heidsieck, which is positioned in the "Wines" top of the range segment, is distributed through specialist channels, mainly in France, Italy, the US and the UK.

KEY FIGURES

(€ millions or %)	2010	2009	2008
Turnover	96.6	125.9	142.4
Geographic analysis:			
Europe	69.9%	75.0%	74.6%
Americas	12.5%	10.4%	13.3%
Asia & others	17.6%	14.6%	12.1%
Total	100%	100%	100%
Current operating profit	(4.0)	13.9	14.1
As % of turnover	(4.1)%	11.0%	9.9%
Capital employed exc. brands	300.6	276.7	265.4
Purchases of non-current assets	2.5	3.2	8.2

DESCRIPTION OF "APPELLATION D'ORIGINE CONTRÔLÉE CHAMPAGNE"

Champagne is a sparkling wine carrying the "appellation d'origine contrôlée" (AOC), and is produced according to strict criteria, principally:

- grapes must come from specific vineyards (32,946 hectares in 2008) in the Champagne region of France;
- the yield of the vines is limited and an annual amount is set to preserve quality;
- only three grape varieties are permitted: Pinot Noir, Pinot Meunier and Chardonnay; and
- a minimum ageing of 15 months in the bottle is required for non-vintage champagnes and three years for vintage champagnes.

Due to these production constraints, champagne may be regarded as a rare, even deluxe, product.

In 1990, the price of grapes was deregulated. However, a general agreement was established within the industry to moderate, at five year intervals, the inflationary tendencies arising from the limit on production volumes.

Champagne's major markets are France (61%), the UK (10%), the US (4%) and Germany (4%) (source: CIVC 2009).

COMPETITIVE RANKING

Piper-Heidsieck competes with Moët & Chandon, Pommery Mumm, etc in the Champagne market and is seventh place worldwide by volume. It is however in fourth place in Champagne exports (source: Impact 2009).

PARTNER BRANDS

At the time of taking over two subsidiaries from Maxxium, in Belgium and the Czech Republic, the relative size of partner brands within the Group increased overall. They were added to already existing distribution agreements in the US. The most significant contract concerns the Edrington Group's Scotch whiskies (in particular The Famous Grouse and The Macallan brands).

Partner brands represented 12.2% of turnover and 2.8% of current operating profit in the financial year ended 31 March 2010.

5.4 DISTRIBUTION

The new distribution network, in preparation since November 2006, has been operational since 1 April 2009.

Rémy Cointreau now has 12 of its own distribution subsidiaries in Asia (China, Taiwan, Singapore and Japan), and in Europe (Belgium, Luxembourg, the Czech Republic and Slovakia), which also cover the duty-free business worldwide. Two equity partnerships have also been created in Germany and in France, following Switzerland.

Seventeen new distribution contracts have been signed to ensure the Group's products are marketed in its other markets.

Finally, three markets were subject to agreement renewals with Edrington (the Nordic Countries and Korea) and with Lucas Bols in the Netherlands.

In the US and the Caribbean, existing subsidiaries continue to ensure the distribution of the Group's products.

In the US market, where customers are wholesalers, Rémy Cointreau's subsidiary has initiated a distribution alliance with Bacardi and Brown Forman, the gradual expansion of which will generate a dedicated sales force to deal with wholesalers throughout the US.

5.5 SUPPLY AND SUB-CONTRACTING

The production of champagne and cognac is undertaken within the rules of the "appellation d'origine contrôlée" governed by the strict regulations and applicable climatic conditions.

CHAMPAGNE SUPPLY

In Champagne, 94% of Rémy Cointreau's supplies depend on medium-term contracts of 5 to 9 years and over, entered into with the principal co-operatives in the region and several hundred growers. This contractual arrangement, which covers around 875 hectares of the 32,946 hectares within the appellation, is a strategic factor in developing the Group's brands in a region with limited production capacity. Since 1990, the Group has enriched and strengthened its supply capacity by seeking to improve its qualitative criteria: the renewal of contracts expiring in 2009 (54% of the total) was completed under conditions that ensured a level of supply for the next five years in harmony with its development requirements.

The renewal of contracts which expire in 2010 is under way and represents 7% of the total.

SUPPLY OF EAUX-DE-VIE

Since 1966, creation of Cognac eaux-de-vie stocks has relied on partnership contracts concluded with producers of Grande and Petite Champagne. This policy has enabled the Group to manage its long-term supply and to respond to demands for the quality of the Rémy Martin brand.

The establishment of this partnership is mainly by means of the co-operative, Alliance Fine Champagne (AFC), which brings together a total of 1,000 members that operate just under 65% of the vineyards of the leading two vintages. Two types of contracts formalise the relationship between AFC and the Rémy Cointreau Group via CLS Rémy Cointreau:

- collective contracts, involving approximately 850 members, which specify the volume of the new harvest to be delivered to the co-operative as well as the desired volume over the coming years. These stocks become the property of the co-operative and are financed in part by payments on account from CLS Rémy Cointreau and the balance from the co-operative's own banking resources and its own funds. CLS Rémy Cointreau is irrevocably committed to the acquisition in time of these stocks when the eaux-de-vie has been accepted as suitable for the brand and accepted as part of the AFC stock. The price is contractually agreed at the time it is accepted as part of the stock and is then increased by the actual storage and finance costs incurred by the co-operative;
- individual contracts involving approximately 440 members, who manage supplies by age and whose storage is assured and financed by the home distillers. These contracts are between CLS Rémy Cointreau and the members concerned. Since April 2005, CLS Rémy Cointreau has transferred purchase commitments and the management of three-year contracts with the distillers to AFC.

Rémy Cointreau consolidates as a special purpose entity the inventories of the AFC co-operative as well as the contractual commitments related to the Rémy Martin brand. Based on the analyses of operating modes defined for the management of these contracts and the price formula applicable at delivery, risks and benefits pertaining to eaux-de-vie inventories held by home distillers were deemed to have been transferred to AFC (thus to CLS Rémy Cointreau) from the time the eaux-de-vie passed Rémy Cointreau's quality tests and the home distiller subscribed to shares in the co-operative for delivery commitments.

The balance of contractual commitments not yet produced is disclosed in the off-balance sheet commitments.

OTHER SUPPLIES AND SUB-CONTRACTING

The Group's liqueurs and other spirits do not suffer from significant supply or production constraints.

The Group's top ten suppliers represent 51% of raw material supplies, excluding eaux-de-vie and wine.

The Rémy Cointreau Group sub-contracts part of its bottling operations to other companies located abroad:

- US for Mount Gay rum;
- Brazil for Cointreau (bottling in Venezuela ceased during the 2009/10 financial year, as this market is now being supplied from the Angers site);
- Greece for Metaxa.

Sub-contracting represents 21% of the total volume of Group brands.

In addition, since April 2005, logistic operations have been outsourced to a specialist service provider, which manages Rémy Cointreau's deliveries from a storage platform located in Angers. A second service provider manages deliveries from Reims.

CHAPTER 2

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REPORT OF THE BOARD OF DIRECTORS TO THE COMBINED GENERAL MEETING OF 27 JULY 2010

Dear Shareholders,

In accordance with the law and our bylaws, we have called you to the Combined General Meeting to present the operating report of your Company for the year ended 31 March 2010 and to submit the financial statements for this year for your approval, and the allocation of the profit, as well as to authorise the purchase or sale by the Company of its own shares, the reduction in share capital by the cancellation of treasury shares held by the Company, the renewal of the delegation to the Board of Directors to increase the share capital with or without the pre-emption right to subscribe, to increase the number of securities to be issued in the event of excess demand, to proceed with the issue of shares and marketable securities giving access to capital and setting the issue price, to allocate share subscription or purchase options and, finally, to reduce the share capital.

1. BUSINESS REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 March 2010

Since 1 April 2009, Rémy Cointreau Group has been rolling out its new distribution network, which took over from the Maxxium BV joint venture which the Group exited on 30 March 2009. In a continuing difficult economic environment, the Group generated current operating profit of €140.0 million over the financial year ended 31 March 2010, which was an increase compared with the previous financial year (up 2.2% as published and up 7.2% organically), as well as an operating margin of 17.3% of turnover.

The banking ratio to which availability of the Group's main financing facility is subject (a €500 million syndicated loan) was met (this ratio must remain below 3.50; it was 3.17 at 31 March 2010).

1.1 COMMENTS ON THE CONSOLIDATED INCOME STATEMENT

All data is presented in millions of euros for the financial year ended 31 March. The organic change was measured on a constant foreign exchange rate basis compared with the previous year.

a) Key figures

(€ millions)	2010	2009	% Change	
			Gross	Organic
Turnover	807.8	714.1	13.1%	12.0%
Current operating profit	140.0	137.0	2.2%	7.2%
As % of turnover	17.3%	19.2%	-	18.4%
Other operating income and expenses	(7.5)	14.9		
Operating profit	132.5	151.9		
Net financial expense	(22.3)	(31.3)		
Income tax	(29.1)	(37.5)		
Share of profit of associates	4.9	3.0		
Net profit from continuing operations	86.0	86.1		
Net profit on activities sold or held for disposal	3.0	-		
Net profit for the year - attributable to owners of the parent company	86.3	86.1		
Basic earnings per share (€):				
Earnings from continuing operations	€1.79	€1.84		
Earnings per share - Group share	€1.80	€1.84		

b) General comments on current operating profit

Compared with March 2009, the movement in current operating profit can be analysed as follows:

Current operating profit - March 2009	137.0
Exchange rate movements (net of hedges)	(6.8)
Change in the business and product mix	(18.6)
Price increases effect on turnover	45.6
Change in marketing expenses (Group brands)	(15.8)
Impact of new network	0.2
Other	(1.6)
Current operating profit - March 2010	140.0

The net foreign exchange effect was a negative €6.8 million, primarily reflecting an unfavourable USD effect. The €/US\$ exchange rate was an average of 1.41 over the financial year, compared with 1.43 over the previous year. The Group achieved an average collection rate of 1.41 on the net US Dollar cash flows generated by its European entities. This rate had been 1.37 for the financial year ended 31 March 2009.

The Group's new business organisation must be taken into consideration when comparing the previous financial year. In a number of markets, including Asia, the Group integrated an additional distribution level and therefore generated higher turnover. In return, all operating structure costs and advertising and promotional expenses were consolidated (they were previously included in transfer prices to the Maxxium network). The effect is estimated at €73.1 million on turnover, of which €39.5 million is related to Group brands (including €32.5 million for Cognac) and €33.6 million for partner brands distributed by newly acquired or created companies. As announced in the first half-year, the full-year impact of the new organisation was conversely neutral at the current operating profit level.

The Group continued its ambitious pricing policy for all its brands, especially on Cognac in China, where it now fully controls distribution. This offset the effects of the current environment on other geographic regions or certain categories, particularly Champagne, which was severely affected by the economic crisis. In respect of the Liqueurs & Spirits division, the fall in volume was due to the continuing implementation of the pricing policy and, for a number of brands, by a difficult environment for the on-trade market in Europe and the US.

The total negative effect of movements in volume represented €18.6 million, analysed as follows:

Cognac	7.9
Liqueurs & Spirits	(12.7)
Champagne	(13.9)
Total Group brands	(18.7)
Partner brands	0.1
Total	(18.6)

Additional business from partner brands distributed by the European subsidiaries acquired from Maxxium is included under "impact of new network".

c) Revenue and operating profit

Turnover by sector

(€ millions)	2010	2009	Change	
			Gross	Organic
Cognac	405.7	311.9	+30.1%	+28.2%
Liqueurs and Spirits	206.5	196.0	+5.4%	+4.9%
Champagne	96.7	125.9	(23.2)%	(23.7)%
Total Group brands	708.9	633.8	+11.8%	+10.7%
Partner brands	98.9	80.3	+23.0%	+22.1%
Total	807.8	714.1	+13.1%	+12.0%

Turnover by geographic region:

(€ millions)	2010	2009	Change	
			Gross	Organic
Europe	281.0	275.1	+2.1%	+2.7%
Americas	275.7	283.0	(2.6)%	(4.0)%
Asia & others	251.1	156.0	+61.0%	+57.3%
Total	807.8	714.1	+13.1%	+12.0%

Current operating profit⁽¹⁾:

(€ millions)	2010	2009	Change	
			Gross	Organic
Cognac	105.9	80.2	+32.0%	+37.8%
Liqueurs and Spirits	51.6	57.6	(10.4)%	(7.8)%
Champagne	(4.0)	13.9	(128.8)%	(123.7)%
Total Group brands	153.5	151.7	+1.2%	+5.7%
Partner brands	4.4	0.6	N/A	N/A
Holding companies expenses	(17.9)	(15.3)	(17.0)%	(17.0)%
Total	140.0	137.0	+2.2%	+7.2%

(1) Following the implementation of IFRS 8 on segment reporting, the presentation of current operating profit by operating segments has changed. Holding companies expenses are no longer allocated to the various segments but presented separately. Comparative data has been restated accordingly.

Current operating margin:

	2010	2010 Organic	2009
Cognac	26.1%	27.6%	25.7%
Liqueurs and Spirits	25.0%	25.8%	29.4%
Champagne	-4.1%	-3.4%	11.0%
Total Group brands	21.7%	22.9%	23.9%
Partner brands	4.4%	4.5%	0.7%
Total	17.3%	18.4%	19.2%

In the year ended 31 March 2010, the Rémy Cointreau Group generated turnover of €807.8 million, an increase of 13.1% compared with the previous period (up 12% organically).

All movements are provided as organic changes in the following comments.

By geographic region, the Asia region reported organic growth in excess of 50%, reflecting renewed business dynamics in the Chinese market. Europe posted growth of 2.7% in spite of the highly unfavourable current climate (particularly for champagne). Finally, the economic situation in the US continued to hamper the region's performance, even though the situation improved over the second half-year. This region reported a 4.0% organic decline. Over all markets, the Group drew on increased control over distribution and favoured the continuing implementation of its pricing policy in all categories.

COGNAC

Sales of the category grew by 28.2% to €405.7 million. Growth of 72.7% was achieved in the "Asia and others" region, under the combined effect of significant price increases, distribution integration and Rémy Martin's satisfactory performance in these markets. This region represented 52% of category sales at the end of March, compared with 39% at the end of March 2009.

Sales declined by 1.4% in the Americas region, where sales had fallen by 10.7% in the first half-year.

In Europe, sales rose by 3%, posting a marked recovery compared with the first half-year (down 18.5%), due, in particular, to the UK's satisfactory performance.

In terms of current operating profit, the Cognac business exceeded the €100 million mark, growing by 37.8% to €105.9 million at 31 March 2010. The current operating margin was 27.6% of turnover (organic), 2 percentage points higher than the previous year (25.7%). Marketing investment increased by more than 30%, primarily in Asia.

LIQUEURS & SPIRITS

Divisional turnover increased by 4.9% to €206.5 million. The diversified composition of the division's brand portfolio and geographic coverage provided satisfactory resilience. Metaxa ended the financial year on a decline but reported renewed growth in the last quarter. Turnover of Cointreau, Passoa, Mount Gay Rum and St Rémy increased this year.

Liqueurs & Spirits reported a current operating profit of €51.6 million, down 7.8%. The current operating margin was 25.8% of turnover (organic), in decline compared with the previous period (29.4%). Marketing investment remained at a high level.

CHAMPAGNE

Sales of the category declined by 23.7% to €96.7 million, an improved situation compared with the first half-year where the decrease was 42.7%. This development was noted by all the Champagne houses and reflected the highly magnified impact of the economic crisis on the main markets of the division, i.e. France, the UK, Benelux, the US and Germany, as well as a resolute policy of maintaining prices.

As a consequence of volume contraction, a current operating loss of €4 million was reported (compared with a profit of €13.9 million at 31 March 2009). The Group took difficult but necessary steps at the end of the financial year aimed at achieving a rapid uplift in profitability for this business.

PARTNER BRANDS

This business achieved a turnover of €98.9 million, which was a notable growth of 22.1% due to the integration of the portfolio of partner brands of distribution subsidiaries acquired on 31 March 2009 in Belgium, Luxembourg, the Czech Republic and Slovakia, representing additional turnover of €33.6 million.

After allocating a share of general sales and administrative expenses, this business generated a current operating profit of €4.4 million.

d) Operating profit

Operating profit was €132.5 million after taking into account other operating expenses of €7.5 million, primarily relating to a restructuring plan initiated within the Champagne division.

At 31 March 2009, the Group had recorded a net income of €14.9 million, of which €13.6 million related to the Maxxium exit transactions.

e) Net financial expense

Net financial income (expense) was an expense of €22.3 million, a marked improvement over the previous financial year.

	2010	2009	Change
Average net debt	642.8	477.8	165.0
Average interest rate	3.86%	5.55%	-
Cost of gross financial debt	(24.8)	(26.5)	1.7
Other financial income and expenses	2.5	(4.8)	7.3
Net financial expense	(22.3)	(31.3)	9.0

The decrease in interest rates offset the effect of higher average debt, primarily due to the cash outflows that occurred in March 2009 in relation to the termination of relations with Maxxium BV.

At 31 March 2009, the "Other financial income and expenses" item included a €10.4 million expense relating to the discounting of the provision for Maxxium compensation.

f) Net profit from continuing operations

The tax charge amounted to €29.1 million, representing an effective tax rate of 26.4%, lower than the 31.1% rate at March 2009, which had been affected by the non-tax deductible capital loss incurred on the disposal of the Maxxium shares.

The share of profit of associates totalled €4.9 million, a €1.9 million increase that included €1.7 million relating to the Dynasty Group.

Net profit from continuing operations was €86.0 million, giving basic earnings per share of €1.79 (€1.78 diluted).

g) Net profit - Group share

The Group generated a €3.0 million capital gain over the financial year ended 31 March 2010, primarily originating from the Polish businesses sold in 2006 to CEDC, following the liquidation of entities jointly retained since then with Takirra Investment Corp. €2.7 million of this income was reallocated to minority interests.

Net profit Group share thus amounted to €86.3 million, which was close to that of the previous year (€86.1 million), giving basic earnings per share of 1.80 (€1.79 diluted).

1.2 COMMENTS ON THE CONSOLIDATED BALANCE SHEET

	2010	2009	Change
Brands and other intangible assets	629.9	629.8	0.1
Property, plant and equipment	208.6	197.0	11.6
Investments in associates	64.3	62.1	2.2
Other investments	71.2	61.1	10.1
Non-current assets (other than deferred tax)	974.0	950.0	24.0
Inventories	969.8	958.4	11.4
Trade and other receivables	248.1	282.1	(34.0)
Trade and other payables	(439.3)	(452.9)	13.6
Working capital requirement	778.6	787.6	(9.0)
Net financial derivatives	(7.7)	3.9	(11.6)
Assets held for disposal	-	0.2	(0.2)
Net current and deferred tax	(176.3)	(203.9)	27.6
Provisions for liabilities and charges	(48.7)	(37.0)	(11.7)
Other net current and non-current assets	(232.7)	(236.8)	4.1
Total	1,519.9	1,500.8	19.1
Financed by:			
Equity	1,018.5	968.9	49.6
Long-term borrowings	537.7	592.4	(54.7)
Short-term borrowings and accrued interest	50.0	28.9	21.1
Cash and cash equivalents	(86.3)	(89.4)	3.1
Net borrowings	501.4	531.9	(30.5)
Total	1,519.9	1,500.8	19.1
For information:			
Total assets	2,316.8	2,319.3	(2.5)

Non-current assets increased by €24 million (up 3%), including:

- a €12.1 million increase in net property, plant and equipment, compared with €16.7 million the previous year. The Group strives to maintain high performance industrial equipment that meets the specific safety and environmental standards of its business;

- the €7.9 million revaluation of the seller loan, subject to repayment in April 2011 (the maximum term being April 2013).

Working capital requirement items declined by €9 million (down 1%) compared with March 2009:

- net inventories rose, reflecting declines of €8 million for finished goods and a €19 million increase in ageing wine and eaux-de-vie inventories;

- trade receivables increased by €37 million, primarily in China, under the combined effect of increased turnover and the change of distribution compared with the previous year;

- other operating receivables fell by €71 million, of which €43 million was due to a VAT movement on the Maxxium compensation (offset by a similar amount in other operating liabilities);

- trade payables increased by €3.6 million;

- other operating liabilities decreased by €17.2 million, including a €43 million decline due to a VAT movement relating to the Maxxium compensation, a €17.7 million increase in provisions for advertising expenses and €8.9 million in advances received by customers in China.

Financial derivatives were a net liability of €7.7 million, including €6.0 million in respect of interest rate hedge instruments measured in accordance with IFRS principles.

Net tax decreased by €27.6 million, primarily reflecting the increase in advances paid.

The movement in provisions for liabilities and charges includes a €5.6 million charge relating to the restructuring of the Champagne division.

The increase in equity may be analysed as follows:

Net profit for the year	89.0
Movement in the value of financial instruments	(4.5)
Actuarial differences on pension commitments	(3.5)
Movement in the value of "AFS" securities	0.1
Impact of stock option and similar plans	3.4
Movement in translation reserves	0.3
Increase in share capital and share premium	24.5
Transactions in treasury shares	1.9
Dividends paid in respect of the 2008/09 financial year	(61.6)
Total change	49.6

During the financial year ended 31 March 2010, Rémy Cointreau SA paid a total dividend of €1.30 per share in relation to the financial year ended 31 March 2009, with an option allowing 50% of it, i.e. €0.65 to be paid in shares. The share dividend was paid on 15 September for a total of €23.0 million, corresponding to the issue of 980,095 shares at a price of €23.45 each. The balance of €38.5 million was paid in cash in October 2009.

Net debt totalled €501.4 million, a 5.7% decrease compared with March 2009 (€531.9 million).

At 31 March 2010, Rémy Cointreau had confirmed financial resources of €804.4 million, comprising:

- €192.4 million in bond issues (interest rate: 5.2%, maturity: January 2012);

- €500.0 million "revolving" syndicated loan facilities (Euribor + 0.425%, of which €34 million will mature in June 2010 and €466 million in June 2012);

- three new bilateral facilities totalling €80 million (maturing in the course of the financial year ended 31 March 2011).

The ratio A ⁽¹⁾ (Average net debt/EBITDA), which defines the margin applicable to the syndicated loan was 3.17 at 31 March 2010. According to the terms and conditions of the syndicated loan, this ratio, calculated every half-year, must remain below 3.5% from 1 October 2008 to maturity.

(1) The ratio A is calculated every half-year. It is the ratio of (a) the arithmetic average of the net debt at the end of the half-year and the end of the previous half-year - here the end of March 2010 and the end of September 2009 - after the restatements to eliminate the impact of IFRS on the calculation of the net debt and (b) gross operating profit (EBITDA) for the preceding twelve months.

1.3 COMMENTS ON THE CONSOLIDATED CASH FLOW STATEMENT

(€ millions)	2010	2009	Change
Gross operating profit (EBITDA)	161.6	156.8	4.8
Change in working capital requirement	11.9	3.3	8.6
Net cash flow from operations	173.5	160.1	13.4
Other operating income and expenses ⁽¹⁾	(1.9)	(6.3)	4.4
Net financial expenses	(29.5)	(17.6)	(11.9)
Net income tax	(53.8)	27.9	(81.7)
Other operating cash flows ⁽¹⁾	(85.2)	4.0	(89.2)
Net cash flow from operating activities exc. Maxxium compensation ⁽¹⁾	88.3	164.1	(75.8)
Maxxium compensation and ancillary expenses	-	(226.2)	226.2
Proceeds from sale of Maxxium securities	-	60.4	(60.4)
Other net cash flow from investing activities - continuing operations	(32.7)	(31.2)	(1.5)
Net cash flow before financing activities - continuing operations	55.6	(32.9)	88.5
Impact of discontinued operations	1.6	(0.7)	2.3
Net cash flow before financing activities	57.2	(33.6)	90.8
Capital increase	1.4	0.9	0.5
Treasury shares	1.9	(2.2)	4.1
Dividends paid to shareholders of the parent company	(38.5)	(39.2)	0.7
Cash flow relating to capital	(35.2)	(40.5)	5.3
Increase in borrowings	1.5	136.6	(135.1)
Repayment of borrowings	(30.0)	(2.3)	(27.7)
Change in gross financial debt	(28.5)	134.3	(162.8)
Net cash flow from financing activities	(6.5)	60.2	(66.7)
Translation differences on cash and cash equivalents	3.4	(8.1)	11.5
Change in cash and cash equivalents	(3.1)	52.1	(55.2)

(1) In order to facilitate comparison, the cash outflow relating to the Maxxium compensation and ancillary expenses was presented separately.

Gross operating profit (EBITDA) ⁽²⁾ grew by €4.8 million in line with current operating profit growth.

The change in working capital requirement, resulting from strict management, was similar to the previous period. The Group notably put in place factoring plans that resulted in faster trade receivable collection, totalling €11.9 million at 31 March 2010.

Cash flow from other operating income and expenses primarily included outflows relating to provisions for restructuring recognised in previous financial years.

The net cash outflow relating to financial expenses was €29.5 million, an increase of €11.9 million compared with the previous financial year, due to the different timing of interest payment on the variable share of the financial debt.

The net outflow relating to income tax was €53.8 million for the financial year ended 31 March 2010, of which €26.9 million originated from outflows relating to the previous financial year. During the previous financial year, the Group had benefited from a “carry-back” procedure in France.

(2) Gross operating profit (EBITDA) is calculated as current operating profit, adjusted by adding back depreciation and amortisation charges on property, plant and equipment and intangible assets and charges in respect of share-based payments and dividends received from associates during the period.

The €32.7 million cash flow from investing activities include:

- 24.8 million in respect of capital expenditure for the period (2009: €31.5 million);
- €10.7 million in outflows relating to the four distribution entities acquired from Maxxium on 31 March 2009 and the creation of a joint venture with Underberg in Germany on the same date.

Cash flow from financing activities include the effect of the sale of treasury shares as part of the liquidity contract at 31 March 2009 (86,000 shares) for €1.9 million. Drawdowns from confirmed facilities decreased by €30 million.

After translation differences, cash and cash equivalents declined by €3.1 million to €86.3 million.

1.4 OUTLOOK

In an uncertain economic environment, Rémy Cointreau maintains its long-term value strategy and focuses its investment on developing its principal brands.

At the end of this first year, the effects of its new distribution model have already proven highly positive. The Group was able to benefit from this new strength, which enables it to resolutely tackle the difficult economic environment faced by a number of its markets.

The Group remains confident in its capacity to successfully weather this unfavourable background, due to the power of its brands, the vitality of its new business resources and its control over costs.

1.5 RISK FACTORS AND INSURANCE POLICY

1.5.1 SEASONALITY OF THE BUSINESS

Rémy Cointreau generates a significant part of its sales around Christmas and New Year's Eve (November and December) and the Chinese New Year (January and February).

As a result, any event arising during these periods may have an impact on the Group's annual results

1.5.2 DELIVERY COMMITMENTS

Normally, Rémy Cointreau's distributors (subsidiaries or exclusive distributors) hold two to three months stock. The Group has never suffered a major curtailment in operations.

1.5.3 PRINCIPAL CONTRACTS AND CUSTOMERS

There is no dependence by Rémy Cointreau on customers, exclusive independent distributors, or distribution contracts for third party spirits, likely to have a substantial effect on the results, net assets or financial position of the Group.

Normally, contracts concluded by Group companies are in the ordinary course of business and the commitments therein conform to international business practices.

There are no contracts with third parties by a Group company that carry major obligations or commitments for the entire Group. Note that the joint venture agreement with Maxium Worldwide NV terminated on 30 March 2009.

The Group's top ten customers represent 41% of consolidated turnover.

1.5.4 EXCHANGE RATE EXPOSURE

Rémy Cointreau's results are sensitive to movements in exchange rates as the Group realises around 70% of its turnover outside the euro zone, whereas most of the production is inside this zone.

The Group's exchange rate exposure is mainly in respect of sales in currencies other than the euro, by production companies to the various components of the distribution network. The principal currencies involved are the US Dollar (USD), Hong Kong Dollar (HKD), Australian Dollar (AUD), Canadian Dollar (CAD), Yen (JPY) and Pound Sterling (GBP).

The policy for managing exchange rate exposure is based on prudent rules and an agreed decision-making process by the Board of Directors.

In particular, the Group aims to cover its net budgeted commercial position on a maximum moving horizon of 15-18 months. This is carried out using fixed or option contracts.

Option sales are restricted to the resale of options to cancel a previous purchase or to hedge transactions that are approved on a case-by-case basis.

This hedging policy only allows cover for short-term exposure. It cannot shelter Rémy Cointreau from the long-term economic effects of monetary trends on Group turnover and margins.

The Group does not cover the risks of translating financial statements of companies based outside the euro zone into euros.

The USD position structurally represents 80% of hedge flows (this position includes HKD flows which are systematically converted into USD).

During the financial year ended 31 March 2010, the Group thus hedged its USD/EUR flows with a total hedging volume of USD 275 million, resulting in a EUR/USD collection rate of 1.41 identical to the average rate over the period.

In respect of the financial year ended 31 March 2011, the Group has already subscribed, at 31 March 2010, to hedges of a nominal value of USD 240 million, representing around 80% of this currency's estimated net cash flow with a worse-case scenario of EUR/USD 1.44. It should be noted that these hedges primarily comprise options.

The foreign exchange rate hedging portfolio and the resulting sensitivity are detailed in note 14.5 to the consolidated financial statements.

1.5.5 INTEREST RATE EXPOSURE

As part of its interest rate management and to cover the increased interest rate risk on its debt, the Group has structured its resources by splitting its debt into fixed rate and variable rate.

At 31 March 2010, the financial debt was analysed as follows:

(€ millions)	Long-term	Short-term	Total
Fixed rate	191.5	-	191.5
Variable rate	346.2	47.6	393.8
Accrued interest, not mature	-	2.4	2.4
Gross financial debt	537.7	50.0	587.7

The variable rate debt was covered by hedging contracts, the terms and conditions and sensitivity of which is described in note 14.4 to the consolidated financial statements.

1.5.6 LIQUIDITY RISK

The liquidity risk is primarily induced by the maturity and availability of financial resources. Total gross financial debt at the year-end had a nominal value of €587.7 million, compared with confirmed resources of €804.4 million. Out of this amount, €146.0 million will fall due over the next financial year and €192.4 million over the following. Of the €804.4 million in confirmed resources at 31 March 2010, €550 million was made available subject to maintaining the

“Ratio A” (see note **11.7** to the consolidated financial statements) below 3.50 over all half-year periods until maturity. Rémy Cointreau’s management has made it a priority to comply with these ratios and is confident in the Group’s capacity to do so over the coming half-year periods.

The Group’s financial resources are detailed in note **11** to the consolidated financial statements. Other liquidity risk items are also provided in note **14.7**.

1.5.7 FINANCING POLICY

At 31 March 2010, the Group had no significant specific financing linked to its assets.

1.5.8 BRANDS

The Rémy Cointreau Group attaches particular importance to the protection in France and worldwide of the intellectual property rights to its brands, which constitute the principal asset of its business.

Rémy Cointreau’s brands and products can be counterfeited or copied. As a result, the Group has an active policy of following up trademark filings and internet domain names in their category and markets, and takes all steps necessary to combat counterfeiting, particularly in Asia and in Eastern Europe, as well as any unfair competition.

An integrated legal team permanently monitors the Group’s intellectual property rights throughout the world. The team works in close partnership with external consultants, recognised for their expertise, as well as professional organisations specialising in combating counterfeiting worldwide.

In January 2010, the Brand’s Office of the Popular Republic of China recognised the three ideograms “REN TOU MA”, by which the Rémy Martin brand is recognised by Chinese consumers, as a well-known brand. This recognition is a powerful addition to the process of combating counterfeit goods implemented by the Group in China.

Since 2006, Rémy Cointreau has significantly developed its internal resources in the fight against counterfeiting, notably with the appointment of a co-ordinator who co-operates closely with the various lawyers responsible for the Group’s brands. The co-ordinator of the fight against counterfeiting firstly ensures the follow up of the report on any counterfeiting of the Group’s brands together with specialist organisations, distributors, sales staff, customs authorities, DRE and economic missions. He then reports this information, having verified its reliability, shares the best anti-counterfeiting practices with other major groups in wines and spirits and ensures the consistency of the steps to be taken by the lawyers and other concerned internal players.

As at today, there is no significant litigation or risk identified in the area of ownership of the Rémy Cointreau brands.

1.5.9 LEGAL RISKS

The production and sales operations of Group products are subject in France and abroad to regulations that are more or less strict according to each country, particularly in respect of production, packaging and marketing of those products. The Group has, for all important aspects of its activities, all the required authorisations and has not encountered any specific constraints in this area likely to have a significant impact on its operations.

In France, Group operations are subject to the Public Health Code that sets precise rules in respect of advertising alcoholic drinks. The circulation of the latter is subject to indirect taxation. The intra-community circulation of alcoholic drinks has been standardised in the area of indirect duties, called excise duties, which comprise taxation on the circulation and consumption of such drinks. The circulation of tax-free products within the EU is covered by an accompanying document prepared by the sender and approved prior to the movement of the goods concerned.

Spirits are subject, depending on their definition and presentation, to the provisions of CE Regulation N°. 110/2008. The raw materials, processes authorised, sales denominations, minimum alcohol content, labelling rules and conditions to obtain protected geographical indication status are also precisely defined for spirits.

In relation to Champagne wines, the Group is subject to CE Regulation N°. 607/2009 of the Commission of 14 July 2009 that set a number of application provisions for CE Regulation N°. 479/2008 of the Council on protected appellations of origin, labelling and presentation of certain products of the vine-growing and wine-making sector.

In the US, Federal law “The Federal Alcohol Administration Act (FAA Act)”, regulates all commercial practices among importers, such as the Group’s subsidiary Rémy Cointreau USA, wholesalers and retailers, as well as local production of alcoholic drinks.

Internationally, this Federal law regulates the composition of products, the content of the documentation from the producing country, labelling constraints and the custom duty position.

The “Bioterrorism Act”, which was signed on 12 June 2002 and came into force on 13 December 2003, stepped up the conditions of entry for all merchandise to the US. Additional entry documents and prior notice of shipping information is an ongoing requirement for importers, freight forwarders and customs brokers.

In December 2008, Rémy Cointreau and Rémy Cointreau USA became certified members of the Customs-Trade Partnership Against Terrorism (“C-TPAT”). This is a programme that links suppliers and US Customs & Border Patrol (“CBP”) to ensure that each participating US importer’s supply chain is secure and that there is security integrity between suppliers and US ports. Beyond the security benefits, CBP offers benefits to certified C-TPAT members including a reduced number of container inspections and a reduction in border delay times. Additionally, in the event of border tightening due to a terrorism related incident, C-TPAT members may not be exposed to increased border scrutiny thus facilitating ongoing container clearance.

In addition, each of the 50 states has local laws regulating the transport, purchase and sale of alcoholic drinks. These State laws also regulate the advertising and promotion of such drinks. The rules, in this respect, are very similar to those in force in France with regard to the protection of young people.

This regulatory environment relating to the production and marketing of alcoholic drinks is most likely to evolve in France, within the European Union or in the rest of the world and to affect Rémy Cointreau’s business segment or increase the liability of the companies operating within that segment.

At the date of the current report, the Group is not aware of any such regulatory changes that may be significant in that respect or that may become applicable at a specific date.

At the date of the current report, neither Rémy Cointreau SA nor any of its subsidiaries have been involved or is involved in a legal process in respect of liability due to defective products that has given or is likely to give rise to a legal decision against the Company.

In addition, the Group attaches the utmost importance to protecting its worldwide industrial property rights. Consequently, it pays great attention to brand defence, brand registration and renewal, either directly, through the implementation by intellectual property advisors of modern brand management procedures, or through intellectual property advisors whose expertise is recognised globally. The Group never hesitates to initiate litigation, anywhere in the world, each time it considers that a brand registration application may impair its property rights. It is also a member of professional organisations that combat counterfeiting.

The Group is careful never to be legally dependent on third parties likely to significantly affect its industrial or commercial operations. The scope of its various contractual commitments complies with international business practices.

No contracts were concluded with third parties by a Group company involving obligations or commitments of particular significance for the Group as a whole.

An integrated legal department, organised by brand groups but operating in a cross-group partnership spirit, permanently manages the Group's legal affairs. It carries out preventative checks on all legal risks, either internal or external, that may adversely affect the achievement of the Group's objectives. If necessary, the team can request the assistance of international lawyers recognised for their expertise in specific commercial legal areas.

The legal department strives to only initiate litigation processes if all possibilities of reaching out-of-court settlements have proved unsuccessful.

Ongoing litigation at the date of this report is mentioned in chapter 3.2.

The Group's insurance coverage policy is specified in chapter 1.5.11 of this report.

1.5.10 OTHER RISKS

CUSTOMER/COUNTRY RISK

Rémy Cointreau does not, or seldom, operate in so-called unstable regions, either in terms of structure or sales. Therefore, Rémy Cointreau is virtually unexposed to any country risk.

Historically, Rémy Cointreau has had very little exposure to customer risk. In that respect, relentless efforts to optimise distribution at a global level is a factor in limiting this risk.

PERFORMANCE DRIVEN BY INTERNATIONAL OPERATIONS

The majority of Rémy Cointreau's turnover is generated by exports, primarily to North America, Asia and Europe. Group performance is also strongly linked to the economic situation, consumer purchasing power, as well as duties or customs regulations applicable in each market.

Due to its international reach and as a significant share of its turnover is realised within the dollar zone, Rémy Cointreau is also subject to currency risks. This topic is covered in the chapter on exchange rate exposure.

COMPETITION

The wines and spirits industry is highly competitive and very fragmented. In such a market, Rémy Cointreau has to permanently focus on the image of its brands, the quality of its products, their price and the optimisation of their distribution. These combined actions enable Rémy Cointreau's brands to stand out in a highly competitive marketplace.

INDUSTRIAL AND ENVIRONMENTAL RISKS

The management of industrial and environmental risks, as well as product related risks, is principally handled by the Quality/Safety/Environment departments working at each Group site, under the ultimate responsibility of the Group Operations Manager.

Safety/Environment audits are carried out at production sites by personnel and certified external auditors, leading to action plans followed by quarterly committee meetings.

Due to the Group's wines and spirits activities, its main production sites in France are subject to authorisation by the Prefect. The Cognac site is classified as Seveso high threshold due to the quantities of eaux-de-vie stored there. The site is subject to a comprehensive Safety Management System (SMS).

The Cognac and Angers sites are ISO 14001 certified. This certification is validated by annual follow-up audits. These audits did not reveal any anomalies. Indicators used by ISO 14001 certification have also been rolled out to other Group sites.

Normally, regulatory compliance of sites is an ongoing concern and close relationships are maintained with all the administrations involved. In addition, significant training is provided to the personnel and to external providers who work on the sites.

During the financial year, more than €3.9 million was invested in the fields of safety and quality of the environment.

In terms of product risks, the Group refers to the HACCP standard (Hazard Analysis of Critical Control Point): an international method for implementing a system that guarantees the hygiene of food served to consumers, as well as the ISO 22000 standard: an internationally recognised standard for certification of production sites' HACCP plans. The Reims site, received its certificate in October 2009. It is the second Group plant, following Angers in 2008, to be awarded the ISO 22000 certification. The plan to roll this out to other sites will be implemented during 2010/11.

During the financial year ended 31 March 2010, no significant disaster was reported at the various Group sites, either in terms of industrial or product safety.

IT RISKS

The Rémy Cointreau Group's processes are based on the extensive use of IT systems, which are thus exposed to the risk of failure. The processes concerned may be interrupted or sensitive data may be lost or corrupted if these systems were to become totally or partly unavailable. For this reason a data backup plan has been implemented in each company, as well as an ongoing operation plan, in order to protect the Group against such risks.

1.5.11 INSURANCE

The Rémy Cointreau Group has always been committed to a voluntary risk management policy, which implements both identification procedures for individuals and assets and an overall approach to insurance contracts.

The Group has also worked for many years in close partnership with the prevention departments of insurance companies. This partnership has enabled prevention and safety audits to be carried out at all sites and their facilities to be upgraded to the current standards. The prevention policy reduces the Group's operational risks to a minimum.

In order to increase its responsiveness to a major incident, in 1997 the Rémy Cointreau Group drew up a crisis management plan to deal at the outset with all consequential damage of any kind suffered by the Group.

The Rémy Cointreau Group works closely with a worldwide insurance broker and all its policies were subscribed to with a number of major insurance companies with recognised financial strength.

The main insurance cover is part of integrated international programmes for strategic risks such as general civil liability, withdrawal of delivered products, damage to property and consequent loss of profit, transport of goods and public liability for senior executives.

In view of the nature of its operations, the Group focuses, in particular, on the risks related to storage, raw material transport and finished products.

Excess levels were optimised depending on the coverage of each risk and the cost of overall coverage.

Limits to contractual guarantees were established on the basis of disasters with extreme consequences, evaluated according to current insurance market rules (Maximum Possible Disaster).

These programmes are contracted and managed by the Group Insurance Team within the Legal Affairs Department.

These policies have the following main features:

Insurances

Guarantees and limits

Material Damage
and Loss of Profit

The industrial operations of the Group are covered as part of an international policy based in France.

Material damage is covered in the form of "All risks except".

This policy was taken out for a multi-year period, and operates under Difference in Conditions and Difference in Limits of local policies.

Damage related to contamination or pollution is covered under this policy.

Cover

- replacement value as new for goods and property;
- wine and alcohol at market replacement value;
- 12 months cover for financial losses arising from the cessation of operations as a result of direct damage and for default by suppliers and customers.

Contractual compensation limit

A facility of €275,000,000 per claim has been negotiated on the international insurance market for both material damage and loss of profit. This limit was determined following analysis of the Maximum Possible Disaster study.

General Civil Liability

This is a multi-year contract, which operates under Difference in Conditions and Difference in Limits (DIC/DIL) of local policies.

This policy guarantees the Group is covered for all tangible and intangible damage likely to be caused to third parties.

In the US, local policies have been subscribed to that cover employer civil liability as well as motor insurance civil liability.

Corporate Environmental
Responsibility

This policy guarantees that the Group is covered for environmental risks.

Transport

This policy was taken out on an annual basis and covers transport risks of €10,000,000 per claim.

This policy provides cover for all merchandise in the Group's business transporters, from every point in the world to every point in the world, by every means of transport.

Public Liability policy
for Senior Executives

This policy is renewed each year. The level of the guarantee limit varies according to identified risks and is discounted.

Other insurance policies have been subscribed to in order to cover secondary risks, such as the vehicle fleet, travel, assets, and personnel at the time of business travel.

The Group suffered no significant loss in the 2009/10 financial year where the losses were not recovered under its insurance cover.

Total insurance premiums, excluding collective personnel insurance for the 2009/10 financial year, did not exceed 0.19% of consolidated turnover.

The Group considers that the guarantees provided by all its insurance policies and the premiums are in line with standard practices within the industry.

2. WORKFORCE INFORMATION

2.1 HUMAN RESOURCES POLICY

Over the 2009/10 financial year, the Group maintained its human resources, which forms its long-term vision, whilst setting its priorities based on the Company's current operating requirements.

In terms of human resources, the Rémy Cointreau Group's policy is based on a number of founding convictions that govern its objectives and guide its action plans.

One of these convictions is that employee development, a source of motivation for people and a vehicle for team mobilisation, is the overriding necessity to constantly improve company performance and perfect complementary objectives, backed by the same management principles.

Another of the Group's historic commitments consists of, whenever possible, encouraging collective agreement and a negotiated solution through dialogue and consultation.

At the same time, the human resource policy strives to extract value from the new distribution dimension and spread all the international and multi-cultural wealth contributed by its new distribution network throughout the organisation.

The human resources action plans for the 2009/10 financial year were thus guided by historic convictions and operational priorities.

2.1.1 ENCOURAGING EMPLOYEE DEVELOPMENT

Rémy Cointreau continued its innovative action plans to encourage the development of each Group employee's expertise. The Development Action Plan (DAP) was renewed and implemented in some of the distribution companies.

Sustained by a significant training effort – in France almost 4% of the payroll is invested in training – this programme enables staff members who wish to do so, to become active participants in their career development projects by defining a formal development plan and identifying the steps required to achieve it.

Concurrently, a process to identify key positions, shared by the Executive Committee, ensures that the Group can draw on the skills necessary for its development and/or guide human resource decisions in order to guarantee the Company's ability to operate as a going concern.

2.1.2 MAINTAINING AN AMBITIOUS SOCIAL DIALOGUE

The 2009/10 financial year once again bore fruit from a collective negotiation viewpoint.

At the end of a long discussion process with management and, subsequently, with the trade unions, on 29 April 2010 CLS Rémy Cointreau signed an exemplary agreement on employee ranking. This agreement, which covers job descriptions, expertise requirements and related ranking and pay packages, represents a new tool that is transparent and is shared by everyone in order to guide training plans, shed light on performance appraisals and decisions regarding pay increases, as well as provide a realistic outlook for career development for a given Company position.

The work carried out to encourage the employment of older people is another example of this belief in dialogue and social innovation, as reflected by a new collective agreement signed by all French trade unions, both at CLS Rémy Cointreau and Champagnes P. & C. Heidsieck.

The five selected areas of operation may be sources of progress and will help extend careers within the Group, under conditions that combine collective performance and individual motivation.

Finally, against an ongoing uncertain economic background, CLS Rémy Cointreau signed a framework agreement with trade unions on the 2010 salary and wages policy.

2.1.3 SPREAD THE GROUP'S MULTICULTURAL IDENTITY, SHARE THE DEMAND FOR QUALITY AND PREMIUM FOCUS AND COMMUNICATE THE COMMITMENT TO DIVERSITY

Training activities targeting the Group's 800 French employees were carried out to explain distribution channels and consumption methods in its main markets and to confirm the Group's commitment to quality throughout the preparation process of its products and services, in line with the prestigious nature of its brands.

Finally, the agreement on diversity, signed in 2008, was implemented through uniting activities involving employees from the four French sites. The Group's French employees participated in a diversity awareness programme devoted to communicating the Company's conviction and inviting participants to reflect personally and collectively on the subject.

2.2 MOVEMENTS IN THE SIZE OF THE WORKFORCE

At 31 March 2010, the Group's workforce totalled 1,571 people, a 3.8% increase. This increase was due to additional recruitment in the Asia region, including 111 new recruits, principally in marketing functions and a decline in other regions, as well as 52 departures including 38 in the US following the adjustments made to the organisation at the beginning of the financial year.

2.2.1 ANALYSIS OF THE WORKFORCE BY GEOGRAPHIC AREA

At the end of March 2010, the Asia region represented 20% of the Group's workforce compared with less than 5% at the end of March 2008. This significant increase is the result of setting up distribution subsidiaries in that region with a

strong commercial presence (233 employees) in Taiwan, Vietnam and Singapore for Domestic and Travel Retail operations. For the first time, the number of employees in the Asia region (309 employees) was similar to that of the America region (302 employees).

At the same time, the size of the workforce decreased in both the Europe and America regions.

In Europe, excluding France, the size of the workforce was stable, with 151 employees at the end of March 2010, following the significant increase in March 2009 as a result of the acquisition of two new distribution subsidiaries covering Belgium, Luxembourg, the Czech Republic and Slovakia, which employ a workforce of 105 people.

At the end of March 2010, France had a workforce of 808 people, spread across the three production sites of Cognac for the cognacs, Angers for the liqueurs and Reims for the Champagnes as well as Paris where the Group's head office is located. French employees now represent 52% of the Group's workforce, compared with 68% in March 2008. This is a strong sign of the Group's recent internationalisation.

In America, Group operations primarily focus on the distribution of products in the US (195 employees) and the production and distribution of our rum brands in Barbados (108 employees).

	March 2010		March 2009		March 2008	
		%		%		%
France	809	52%	825	55%	840	68%
Europe (exc. France)	151	10%	150	10%	41	3%
Americas	302	19%	330	22%	327	26%
Asia and others	309	19%	207	13%	38	3%
Total	1,571		1,512		1,246	

2.2.2 ANALYSIS OF THE WORKFORCE BY DIVISION

Direct control over the distribution network in Asia, part control in Europe and the Duty-Free market naturally resulted in a strong increase in the relative significance of functions dedicated to product distribution in subsidiaries

wholly-owned by the Group. In two years they rose from one quarter (26%) to nearly half (45%) of the Group's workforce, with 719 employees allocated to this function at the end of March 2010.

	March 2010		March 2009		March 2008	
		%		%		%
Cognac, Liqueurs & Spirits	669	42%	682	45%	691	56%
Champagne	165	10%	180	12%	182	14%
Distribution	719	45%	605	40%	318	26%
Holding	49	3%	45	3%	55	4%
Total	1,571		1,512		1,246	

2.2.3 ANALYSIS OF THE WORKFORCE BY FUNCTION AND POSITION

Growth in the Group's distribution activity required extensive recruitment in sales positions (workforce increased by 125% in two years). In order to support the development of this activity and structure distribution subsidiaries, the general management, operational marketing and finance functions were created locally, highlighting respective growth by function over two years to 19%, 33% and 27% of the total workforce.

Assuming direct control by the Group of 80% of its turnover required a significant change at all levels in corporate processes and a greater cross-group emphasis by support functions. This new Group feature provides greater focus on consumer markets and customers. It is now creating opportunities for new skills development, in particular for sales and marketing positions.

	March 2010		March 2009	
		%		%
Sales	391	25%	353	23%
Marketing	190	12%	178	12%
Production, Purchase & Development	373	24%	385	26%
Supply chain	141	9%	144	10%
Ageing	130	8%	127	8%
Financial & Legal	168	11%	159	11%
Information systems	46	3%	46	3%
Human resources	36	2%	34	3%
General services	59	4%	53	4%
General management	37	2%	33	2%
Total	1,571		1,512	

2.2.4 ANALYSIS OF THE WORKFORCE BY GENDER

The analysis of the workforce by gender remained stable with 60% men and 40% women.

Analysed by business function, men tend to make up the majority of personnel in ageing, maintenance and sales. There are more women in marketing, customer services and packaging.

Analysed by country, the workforce of units in the Asia region are predominantly male (over 60%).

2.2.5 ANALYSIS OF THE WORKFORCE BY PROFESSIONAL CATEGORY

Almost 30% of the Rémy Cointreau workforce are managers, primarily employed in Executive Management, Sales and Marketing positions.

The production activities on the four ageing and production sites of Cognac, Liqueurs and Spirits and Champagne total most of the operative and technical positions, of which over 85% are located in France.

Conversely, 80% of the sales workforce is located outside France, primarily in Asia (43%), in the US (26%) and in Europe (11%).

2.2.6 AVERAGE AGE

The average age of Rémy Cointreau's workforce is table at 43 years old, with a marked difference between Asia, 34 years old and other regions, 45 years old in France, 44 years old in Barbados and 41 years old in the US.

By category, there is a higher average age among women in the workers/employees category (49) than men (45).

By position, sales representatives and marketing and finance staff are markedly younger, at 38, than other functions.

2.2.7 AVERAGE LENGTH OF SERVICE

The average length of service of the Group's workforce has remained stable at 13.2 years during 2009/10. The creation of over 300 positions in two years with the recruitment of over 400 employees worldwide automatically lowered the average length of service within the Group.

2.2.8 WORK-LINKED TRAINING CONTRACTS IN FRANCE

The Rémy Cointreau Group continued its proactive work-linked contract policy, with the renewal of all expiring contracts. Thus, over 20 people in a training contract are currently working in French organisations, in partnership with regional training schools where the various sites are located.

2.2.9 ORGANISATION OF THE WORKING WEEK

More than ever, due to the close proximity of markets with other Group functions and positions, organisation of the working week on all sites tends to take into account cyclical customer demands in each market, and the production constraints of each of the Group's products.

In France, the working week is either annualised and/or adjusted for packaging operations in accordance with high and low activity periods, using teamwork to respond better to customer demand. Other operations feature cyclical work organisation, ie ageing, where the organisation is linked to periods of high activity, in particular high levels of eaux-de-vie and wine deliveries.

2.3 REMUNERATION POLICY

In order to ensure consistency in the Group's approach to management, evaluation of the levels of responsibility is carried out using a common method, regardless of the country. Competitive remuneration packages are measured on a local basis, close to the markets. They are compared with groups and companies with similar features, to ensure the best possible positioning.

In this turbulent and uncertain economic climate, the Group's human resources policy contributed to it achieving its ambitious targets in its new markets, while at the same time mobilising the teams and motivating each employee.

The 2010 salary policy was restrained in all countries, with an average salary increase close to inflation and individual pay rises deliberately focused on the best-performing employees.

Conversely, the variable remuneration of Group executives was applied on the basis of a common structure for all countries, while at the same time taking into account the business and financial targets, measured in close connection with the scope of responsibility and according to consistent weighting for all positions.

Finally, depending on the country and on the social and tax regulations, savings plan benefiting from tax exemptions or other benefits are monitored and implemented when they are compatible with allocated budget resources.

2.4 SOCIAL SECURITY AND WELFARE

The implementation of the new distribution structures provided an opportunity to introduce new social security and social welfare provisions into each of these structures, in agreement with the Group's deliberate policy of offering a high level of security compared with market practice, including a significant employer contribution.

In addition, the Group's internationalisation led to it seeking international synergies in respect of collective insurance, particularly pensions and welfare provisions, as well as healthcare expenses.

3. RÉMY COINTREAU AND THE ENVIRONMENT

Rémy Cointreau's Corporate and Environmental Responsibility policy (CER) is an integral part of the Group's strategy. It confirms its growing desire to link its operational development to a keen sense of responsibility, and to take concrete and reasoned steps in favour of an ethical approach to its business, the preservation of the environment and the career development of its personnel.

Rémy Cointreau's Corporate and Environmental Responsibility Charter (CER) confirms its commitment to sustainable development, defined since it signed the Global Compact International Charter in 2003, and it is a major participant in the Grenelle de l'Environnement (multi-party environmental forum), based on six major themes:

1. Winemaking
2. Quality/Safety/Environment
3. Supplier relations
4. Marketing and Sales ethics
5. Stakeholders and Sustainable Development

1. WINEMAKING

As an ambassador for environmentally-friendly winemaking, Rémy Cointreau continues to include winemaking domains within the benchmark certification of "Agriculture Raisonnée" (Integrated Agriculture).

This certification, obtained in 2007, unquestionably creates a strong force for progress and acts as a benchmark for Rémy Cointreau's partner winemakers.

Dedicated information days provide opportunities to discuss Rémy Cointreau's corporate and environmental responsibility and to circulate the principles and methods of integrated agriculture and regional reference documents.

These days are aimed at raising awareness among winemakers as to the future of agriculture, notably with regard to the integration of the "High Environmental Value" agriculture benchmark of the Grenelle Environmental Forum.

Rémy Cointreau also participated in the international year of biodiversity and was involved with the "Diversité pour les abeilles" organisation. Twenty hectares of the Cognac vineyards were transformed into bee-friendly fallow land.

In addition, the same vineyards were PEFC certified (sustainable forest management) in relation to their forest of approximate 30 hectares of poplar trees.

2. QUALITY/SAFETY/ENVIRONMENT

As the same time as guaranteeing the quality of its products, Rémy Cointreau's objectives are part of a long-term drive to ensure quality, food and industrial safety and to implement steps to protect the environment.

An annual update of the Carbon Test identifies the principal CO₂ generating activities. Teams of employees from various departments, who have been made aware of the issues, are involved at each of the sites.

CO₂ emissions, in tons of CO₂ eq. (GRI EN16 indicator):
 SCOPE 1: 3,700
 SCOPE 2: 4,330

Various action plans have led to the reduction of Rémy Cointreau's carbon emissions:

- an 8% decline in emissions over three years linked to energy usage; and
- a 37% decline in emissions over three years linked to paper consumption.

Complemented by using a lighter Champagne bottle and optimising business travel, the annual CO₂ emission reduction was nearly 400 tons this year (GRI EN18 indicator).

Eco-design, involving the teams responsible for product development, enables the Group to measure the environmental impact of each product.

The objective is to enter into a continuous improvement process and to find the best compromise between quality, cost, energy consumption and, taking into account a new parameter, the environmental performance of the products.

Overall, the aim of reducing the consumption of natural resources is shared throughout Rémy Cointreau, in all its businesses.

Energy usage (GRI EN3/EN4 indicators)

In MWh	Electricity	Gas
2007/08	13,870	12,200
2008/09	13,580	11,480
2009/10	12,700	11,260

Water usage (GRI EN8 indicators)

In m ³	Water
2007/08	122,200
2008/09	88,200
2009/10	81,230

The buyers have also taken these criteria into account.

The choice of providers is made in the light of their commitment to more environmentally-friendly processes (i.e. in respect of business trips).

Environmental concerns also involve information technology, through steps taken to reduce energy and paper consumption.

The specific attention paid to reducing consumption of office paper led to a reduction of over 30% in annual paper consumption over three years.

Number of sheets of paper used, in millions of sheets:
 2007/08: 5,554
 2008/09: 4,471
 2009/10: 3,469

Guaranteeing the food safety of products remains the highest priority. All Rémy Cointreau sites have begun an ISO 22,000 certification process. The Angers site was certified at the end of 2008 and the Reims site obtained its certificate this year.

3. SUPPLIERS RELATIONS

Rémy Cointreau's awareness of sustainable development challenges also involves the responsibility of its suppliers. The follow up of its suppliers' Corporate and Environmental Responsibility thus continues to increase.

The specific corporate and environmental risk detection chart relating to the CER policy of 40 suppliers, drawn up last year, was supplemented by a chart of suppliers who should be monitored as a priority. In addition to their commitment to comply with the Global Compact charter, suppliers are set specific requirements relating to professional behaviour and value creation, as well as food safety and the environment, following the Group's Iso 22,000 certification, particularly related to carbon emissions and the consumption of natural resources.

The "Responsible suppliers" action plan has been extended for the next three years, as part of the Group's partnership with a specialist practice with an impeccable reputation.

The audit process must ensure that all local legislation is complied with, particularly in respect of salaries, the minimum working age and working conditions.

In respect of its Global Compact commitments, Rémy Cointreau also continues to implement its policy of supporting the CER steps of its suppliers, by initiating and supporting the progress plans established following the results of any audits.

4. SALES AND MARKETING ETHICS

International development of the brands is based on promoting responsible product consumption and the implementation of impeccable sales and marketing ethics, in respect of its principles and its transparency, transmitted by distribution partners and an efficient Consumer service Department.

Since 2004, when it was signed by the Chairman and the Chief Executive Officer of Rémy Cointreau, the Responsible Communication Charter has listed six fundamental principles, which were the result of discussions with all the stakeholders concerned: consumers, public authorities, NGOs and interprofessional institutions (such as the Bureau National de l'Interprofession du Cognac and the European Spirits Organisation).

This Charter guides the work of the sales and marketing teams throughout the world as well as that of the Consumer Service Department.

Monitoring the Charter's effective application is the responsibility of the Responsible Communication Committee (RCC), which includes all the relevant departments for each area concerned: legal, marketing, sales and advertising.

Over and above the legal aspects, the RCC, by giving its opinion from an ethical point of view, also ensures that none of Rémy Cointreau's, or any of its brands' communication projects, is broadcast if it fails to fully comply with the principles contained in the Charter.

In addition this year, the Customer Service Department implemented an innovative initiative relating to the ongoing assessment of service quality.

This genuine performance assessment is carried out every month by distributors and is based on five essential criteria to ensure the highest quality of service.

An action plan is subsequently implemented for the continuous improvement of the supply chain.

5. STAKEHOLDERS AND SUSTAINABLE DEVELOPMENT

Dialogue, experience-sharing in the area of sustainable development, long-term commitment and employee volunteering are the principal features of Rémy Cointreau's relations with its stakeholders, within and outside the Company.

Following meetings in 2007 with employee volunteers, which identified 11 eco-steps, documentation was circulated and steps continued to increase awareness of sustainable development, notably in respect of electricity and paper consumption.

As part of the same approach to employee involvement, Rémy Cointreau demonstrated its support during the appalling natural disaster that affected the Charente region, when the employees offered their support to the disaster victims.

Rémy Cointreau is very committed to the sustainable development of territories and continues to collaborate with the French Institute of Environmental Training and Research, which is dedicated to environmental education in the institutional, educational and entrepreneurial spheres of the Poitou-Charentes region.

Links with the local business community are reflected in Rémy Cointreau's regular involvement in the activities of business organisations that operate within the framework of the sustainable development of local areas.

Moreover, true to its commitment initiated in 2004, Rémy Cointreau works alongside the Fondation de la Deuxième Chance (Second Chance Foundation) in supporting, through a network of 19 voluntary workers, the professional projects of people who are experiencing economic difficulties in the Reims and Cognac regions.

Outlook

Since 2003, Rémy Cointreau has complied with the commitments of the Global Compact Charter, now associated with the expectations of the Grenelle Environmental Forum.

Rémy Cointreau is involved in all these commitments and, two years ago launched its 2011 CER plan, involving six main projects for the 2010/11 year, focusing on:

Its environmental responsibility:

- 2011 Carbon Project, involving the reduction of our CO₂ emissions;
- 2011 Eco-design Project, to optimise our packaging;
- 2011 Eco-steps Project, to preserve natural resources.

and its corporate responsibility:

- "2011 Supplier project", in respect of the corporate and environmental assessment of its suppliers;
- "2011 Marketing Ethics Project", for the application and follow up of our Responsible Communication Charter;
- "2011 Stakeholders project", in order to build permanent dialogue with the participants in Rémy Cointreau's development.

Rémy Cointreau's corporate and environmental responsibility is now a feature of the Company's day-to-day business. It meets the Group's objective by guaranteeing the highest quality of its products, strengthening its international reputation and the power of its brands, while respecting its corporate and environmental commitments towards Rémy Cointreau's stakeholders.

It is an integral part of work methods involving stakeholders upstream, particularly suppliers.

Ongoing discussions with stakeholders, in particular major regional and national players, confirm that Rémy Cointreau is perceived as an active contributor to the sustainable development of territories.

The 2009/10 financial year just ended was also remarkable due to indicators which overall revealed an upward trend. They provide tangible evidence of Rémy Cointreau's commitments and drive for continuous improvement.

The 2009/10 report on Rémy Cointreau's corporate and environmental responsibility showed all Sustainable Development indicators, following the gradual implementation of the GRI's (Global Reporting Initiative) international indicators.

3.1 THE GROUP'S PRINCIPAL ESTABLISHMENTS AND INVESTMENT AND RESEARCH POLICY

3.1.1 THE GROUP'S PRINCIPAL ESTABLISHMENTS ARE:

1) Administrative offices of Rémy Cointreau

which include most of the Group's functional services, based in rented premises in Paris at 21 boulevard Haussmann.

2) Cognac (Rémy Martin)

The units owned by the Group are located on two sites:

- Merpins site (on the edge of Cognac):
 - a 15,000 m² complex used for production (ageing cellars, storehouse, fermenting room, pre-finishing, laboratory and offices);
 - packaging complex of 20,800 m².
- Cognac site:
 - an office complex and ageing storehouse of approximately 18,500 m².

3) Angers (Liqueurs & Spirits)

The units owned by the Group are on the St Barthélémy d'Anjou site with a surface area of 100,000 m².

The complex includes the distillation operations, fermenting area and production and packaging operations (9 lines).

4) Reims (Piper-Heidsieck and Charles Heidsieck)

The units owned by the Group are now spread across two sites:

- Allée du Vignoble site (Reims):
 - a complex comprising offices, reception areas, fermenting areas, workshops and cellars over a 12 hectare area.

Virtually all production and ageing operations are now carried out on this site.

- Chemin Vert site (Reims):
 - a complex comprising a storage area for finished products as well as cellars and former chalk quarries.

5) Barbados (Liqueurs & Spirits)

The ageing, packaging and bottling facilities owned by the Group are based in Brandons and St Lucia.

6) Other establishments

The Group has premises and sales offices of a commercial or administrative nature in the US (principally New York), China (Shanghai and Hong Kong), Germany, Singapore, Moscow and Brussels. The Group does not own any premises in these countries and uses leasing contracts in each place.

3.1.2 INVESTMENT POLICY

CAPITAL EXPENDITURE

The Group considers that the level of investment required to maintain and develop the production and administrative units is between €20-€30 million per annum.

During the financial year ended 31 March 2010, investments thus totalled €28.2 million, an 11% decrease compared with the previous financial year.

These investments involved the following:

- Cognac division for €20.3 million;
- Liqueurs & Spirits division for €4.6 million;
- Champagne division for €2.5 million.

ADVERTISING AND PROMOTIONAL INVESTMENT

Communication and promotional expenditure

	2010	2009	2008
Absolute values	159.3	129.3	138.3
As % of turnover	22.5%	20.4%	19.3%

These expenses include the cost of advertising campaigns, public relations and communication and promotional activities, for brands owned by the Group only.

Payroll costs relating to personnel in charge of these budgets are not included.

3.1.3 RESEARCH POLICY

The production units have Research and Development laboratories that work on both content and packaging.

They have excellent equipment and are in regular contact with private external research centres and universities.

Multi-disciplinary teams comprising technicians, wine experts, engineers and scientific doctors are responsible for in-house activities. Their task is to ensure that the business adopts the advances and innovations that relate to the various operations in growing methods and in the creation of drinks as well as industrial production.

Rémy Cointreau's ongoing determination to achieve excellence in the preparation and production of its products and to maintain irreproachable quality, which has been recognised for decades, relies on this strong involvement in research and development.

Research and development expenditure is the responsibility of each company concerned.

3.2 GROUP EXCEPTIONAL EVENTS AND LITIGATION OR RISKS

At 31 March 2010, Group companies were defendants in action taken by their usual contractual partners as part of their business (service provider, supplier or client) or a spirits producer as part of litigation on one brand. Compensation liable to be paid to a former supplier in the Netherlands by a Group company is estimated at a maximum of €1 million, it being noted that the amount of the damages themselves is the subject of a dispute in a court of competent jurisdiction.

Ongoing litigation at the date of this report is not liable to have, or to have had over the past 12 months, a significant impact on the financial position or profitability of the Company and/or the Group. In this respect, the Group estimates that the provisions recognised in its balance sheet are sufficient to absorb the cost of legal rulings in the event of an unfavourable court decision.

At the date of this report, there was no outstanding governmental, legal or arbitration procedure, including any procedure the Company was aware of, or threatened by, that is likely to have or have had over the past 12 months a significant impact on the financial position or profitability of the Company or the Group.

3.3 POST-BALANCE SHEET EVENTS

No significant event occurred after the approval of the financial statements.

At the start of June 2010, the Group carried out a private placement of €140 million over five years at a rate of 3.6675%.

3.4 OUTLOOK

In an uncertain economic environment, Rémy Cointreau maintains its long-term value strategy and will focus investment on developing its key brands.

At the end of this first year, the effects of the new distribution model have already proven highly positive. The Group was able to benefit from this new strength, which enables it to resolutely tackle the difficult economic environment it still faces in certain markets

The Group remains confident in its capacity to continue its growth and to successfully weather this unfavourable background, due to the power of its brands, the dynamic nature of its new business resources and its control over costs.

CHAPTER 3

REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS. REPORT OF THE BOARD OF DIRECTORS TO THE ANNUAL GENERAL MEETING.

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1. REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

Dear Shareholders,

In compliance with Article L. 225-37 of the Commercial Code, we report to you within this document on:

- the adoption of the Corporate Governance Code;
- the composition and conditions of preparation and organisation of the duties of your Board of Directors;
- internal control procedures and management of risks established by the Company;
- limitations your Board of Directors has imposed on the powers of the Chief Executive Officer;
- specific procedures relating to shareholders' attendance at General Meetings; and
- principles and rules governing the remuneration and benefits paid to executives.

Note that the disclosures required by Article L. 225-100-3 of the Commercial Code are presented in chapter 4.4 of this reference document.

1.1 CORPORATE GOVERNANCE CODE

At its meeting on 20 November 2008, the Board of Directors approved, without any modification or adaptation, the "Listed companies' Corporate Governance Code" published by the AFEP and the MEDEF as a set of recommendations in October 2008, which was subsequently officially published in December 2008. The Board of Directors' meeting of 4 June 2009 confirmed its adoption.

This Code is available for consultation at Rémy Cointreau's head office in Paris and on www.medef.fr

1.2 CONDITIONS OF PREPARATION AND ORGANISATION OF THE DUTIES OF THE BOARD OF DIRECTORS

INTERNAL REGULATIONS

At the meeting on 7 September 2004, the Board of Directors elected to organise directors' information in such a way that all directors, either representing the majority shareholder or independent, have access to the same information. On this occasion, the Board reasserted that it is the sole authority with decision-making powers on matters that have not been delegated to the Chief Executive Officer.

In compliance with these principles, at a meeting on 8 December 2004, the Board elected to set out clearly its internal rules and its relationship with Executive Management.

The Board of Directors updated its internal rules on 5 December 2005 and 5 June 2007. The update was necessitated by legal amendments.

The current report comprises the main clauses of the Board's internal regulations.

COMPOSITION OF THE BOARD

It should be noted that Rémy Cointreau's Board of Directors currently comprises ten members and that at least 30% of them should be, if possible, independent members. There were four independent members during the 2009/10 financial year. A list of all Board Members, as well as their other appointments can be found in this "Corporate Governance" chapter.

The choice of independent members is subject to preliminary recommendations from the "Nomination - Remuneration" Committee. The Board of Directors is regularly updated on the independence of the members. The criteria selected in this respect are reviewed at least once a year. Generally, a director is considered independent when he/she does not have a relationship of any kind with the Company, the Group or its management that may affect his/her freedom of judgment.

All Board members have profound and multidisciplinary experience of the business world and international markets. They were evaluated throughout the year as they participated in Board and Committee meetings. This evaluation is formalised at the end of the year after a summary of responses from every director and a questionnaire mainly covering the organisation of the Board, the methods by which it is informed, the content of its work and the quality of discussions during its meetings, with both the Chief Executive Officer and the managers of the Executive Committee.

TRANSPARENCY RULES

On appointment, then on a regular basis while they hold office, directors are given the Guide published by the French Financial Market Authority (AMF) which is aimed at directors of a listed company. It details their personal obligations with respect to holding Company shares.

Directors must hold their shares under nominative form or deposit the shares issued by the Company, its subsidiaries, the company of which it is a subsidiary or other subsidiaries of the Company, and shares which are owned by the directors themselves, by spouses from whom they are not physically separated or by minors.

Each director must hold a minimum of 100 shares. The directors, the Chief Executive Officer and the members of the Executive Committee have been informed of the new provisions introduced in that respect by Article L. 621-18-2 of the Monetary and Financial Code and by articles directly concerning the General Regulations of the Autorité des Marchés Financiers. Directors now must directly declare to the Autorité des Marchés Financiers, within five days following the transaction, any acquisition, disposal, subscription or exchange of capital securities of the Company, as well as all transactions carried out on related financial instruments. In addition to Board members and the Chief Executive Officer, this rule applies to all individuals or corporate entities related to them in accordance with applicable regulations. This also applies to transactions carried out by their spouses from whom they are not physically separated, by minors, by any other relative living in their house for at least a year at the date of the transaction in question, or by any legal entity whose governance is under the responsibility of one of the abovementioned individuals, or is directly or indirectly controlled by this

person, or which was established for his/her own benefit or of which majority of economic benefits flow to this person.

Finally, directors must make themselves aware of periods when they must not trade in the Company's shares and of their general obligations under applicable regulations.

Directors must inform the Board of Directors, as soon as they are made aware of any conflict of interest or potential conflict of interest and abstain from taking part in deliberations and corresponding votes.

In the case of a permanent conflict of interest, the director must resign.

FREQUENCY OF MEETINGS

It should be noted that the Extraordinary General Meeting of 7 September 2004 decided to modify the method of managing the Company with the creation of a Board of Directors.

Article 16-1 of the bylaws provides that the Board of Directors meets as often as required in the interests of the Company. Thus, the Board of Directors met seven times during the financial year.

The schedule of Board meetings, the principal points on the agenda and attendance at these meetings were as follows:

29 APRIL 2009

- examination and approval of the Group's 2009/10 consolidated financial statements;
- noting of the number and value of shares issued between 1 November 2008 and 31 March 2009 following the exercise of share subscription options; modification of the share capital and bylaws accordingly.

Attendance rate: 80%.

4 JUNE 2009

- approval of the Company's financial statements for the 2008/09 financial year;
- proposed allocation of net profit and setting of the dividend; cash or share-based dividend payment option;
- examination and approval of Group consolidated financial statements at 31 March 2009; comparative examination with budget commitments; and
- confirmation of the adoption by the Board in November 2008 of the "Listed companies' Corporate Governance Code" published by the AFEP and the MEDEF in December 2008;
- report of the "Nomination and Remuneration" Committee; authorisation of an agreement covered by Article L. 225-38 of the Commercial Code: Compliance of the deferred compensation commitment taken for the benefit of the Chief Executive Officer with the Listed companies' Corporate Governance Code and proposal, subject to approval by the General Meeting, of an addendum to the said commitment; ratification of the continuation of the defined benefit pension commitment for the benefit of the Chairman of the Board of Directors, the Chief Executive Officer and two Directors;
- notice of the Annual General Meeting and Extraordinary General Meeting; setting of the agendas, and approval of the Board of Directors' reports, draft resolutions and powers.

Attendance rate: 90%.

28 JULY 2009

- progress report on Group operations from the beginning of the year;
- setting of the price of shares issued as a result of the share payment option of the dividend; delegation to the Chairman of the Board of Directors to note the number of shares issued and to carry out the necessary modifications to the bylaws, in accordance with Article L. 232-20 of the Commercial Code.

Attendance rate: 60%.

15 SEPTEMBER 2009

- Share capital:
 - A. Disclosure to the Board of the number and value of shares issued as a result of the 50% share payment option of the 2008/09 dividend; modification of the share capital and bylaws in accordance with the powers delegated to the Chairman of the Board by the Board of Directors on 28 July 2009;
 - B. Noting of the number and value of shares issued between 1 April and 31 August 2009 following the exercise of share subscription options; modification of the share capital and bylaws accordingly;
- Planned acquisition by SNEDRM of several vineyards owned by Grande Champagne Patrimoine SAS.

Attendance rate: 90%.

19 NOVEMBER 2009

- examination and approval of the Interim consolidated financial statements at 30 September 2009; comparative examination with budget commitments; report of the "Audit and Finance" committee;
- medium-term plan, strategic options and priorities of the Group.

Attendance rate: 90%.

28 JANUARY 2010

- validation of the allocation chart relating to the value of the COP/NNSV and ROCE ratios used as part of the free share allocation plan of 19 November 2009;
- decision relating to the obligation to retain the free shares granted on 19 November 2009 to the Chief Executive Officer.

Attendance rate: 90%.

23 MARCH 2010

- review of Group operations since the beginning of the financial year and consolidated net profit forecast at 31 March 2010;
- authorisation of agreements with the Group's treasury management company: addendum to the service provision agreement relating to the foreign exchange risk and international cash management (Service Provision Agreement) of 31 March 2009 between Financière Rémy Cointreau SA/NV and six Group companies, including Rémy Cointreau SA; new Service Provision

Agreement from 1 April 2010 between Financière Rémy Cointreau SA/NV and 16 Group companies, including Rémy Cointreau SA; customer credit management agreement between Financière Rémy Cointreau SA/NV and 12 Group companies, including Rémy Cointreau SA;

- review of the 2010/11 budget.

Attendance rate: 80%.

NOTIFICATION OF MEETINGS TO BOARD MEMBERS

The schedule of Board meetings for the following year was agreed among the directors at the meeting of the Board of Directors in July or at the first meeting following the summer recess. The members of the Board will then be called to each meeting by letter, approximately 10 days in advance. They may also be informed by telegram, fax, electronic mail or even orally.

The Statutory Auditors are regularly called to meetings of the Board of Directors to consider the half-year and full-year financial statements.

REMUNERATION

The total amount of directors' fees proposed to a vote by the shareholders was subject to a regular study of the practices adopted by French groups of a similar scale and international dimension to Rémy Cointreau.

Directors' fees are allocated by the Board of Directors on the following bases:

- fixed share defined on an annual basis;
- a variable share commensurate with each director's attendance at Board meetings, as well as committees; and
- an additional fixed share may also be allocated to the Chairman of the Board and to Committee Chairmen.

In addition, the Board of Directors may grant exceptional remuneration for specific assignments entrusted to members of the Board. This type of remuneration is subject to legal provisions on regulated agreements. No such remuneration was paid during the financial year.

Members of the Board of Directors are also reimbursed all expenses incurred in the course of their duties, subject to supporting documentation being produced.

In the event an individual, who is linked by an employment contract to the Company or to any other company controlled by or controlling the Company, is appointed Chairman of the Board, the provisions of this contract corresponding, if applicable, to compensation or benefits due or likely to be due as a result of the termination or change of these duties, or subsequently to these duties, are subject to legal provisions on regulated agreements. The same provisions apply on the appointment of the Chief Executive Officer or Deputy Chief Executive Officer. A deferred compensation commitment of the Company for the benefit of the Chief Executive Officer was amended to comply with the new provisions of the Law of 21 August 2007. This commitment is now subject to the beneficiary fulfilling performance conditions, to be assessed in the light of those of the Company.

BOARD OF DIRECTORS' INFORMATION

All necessary documentation and information for Board members are made available to them prior to the Board meetings and their various committees.

In respect of Board meetings, documentation and information are subject to a major financial and commercial analysis that comprises, in a very detailed manner, all corporate data that provides a profound understanding by Board members of the operations, results and prospects for the Rémy Cointreau Group.

The provision of preliminary and regular information for directors is fundamental to the performance of their duties. Therefore, the Chairman of the Board of Directors verifies that the Executive Management provides, continuously and without limits, all strategic and financial information necessary for them to perform their duties under the best possible conditions.

On the basis of the information provided, directors can request any explanation or information they deem necessary.

Apart from Board meetings, directors regularly receive all significant information relating to the Company and the Group, in particular monthly operating reports compared with budget, and are warned of any event or development that may have a significant impact on operations or on information previously communicated to the Board.

They are specifically sent press releases published by the Company as well as key press articles and financial analysis reports.

Directors may meet main Group managers without the Executive Management being present, on condition that they have made such a request to the Chairman of the Board of Directors who will then inform the Executive Management.

A committee of Chairmen called G4, enables the Chairman of the Board and the Chief Executive Officer to meet regularly with the Chairman of Orpar, the parent company of Rémy Cointreau, and the Managing Director of Andromède, the parent company of Orpar, the ultimate parent company. This committee enables Company management to be better informed on the strategies adopted within the Group's sector of activity and thus to prepare the work of the Board of Directors under optimum conditions.

LOCATION OF MEETINGS

The meetings of the Board of Directors take place in Paris, at the administrative head office, or in Cognac, at the Company's registered office. However, the Board may hold a meeting in another location, in France or in another country, at the Chairman's request.

Pursuant to Article L. 225-37 of the Commercial Code, Article 16-5 of the bylaws and Article 2 of internal regulations, the meetings of the Board of Directors may be held by videoconferencing and/or teleconferencing. The technical resources used must facilitate a visual identification of the directors and guarantee their actual participation.

Participation by videoconferencing is forbidden in respect of approval of the parent company statements and consolidated financial statements, as well as Company and Group management reports.

In the event that the Chairman of the Board notes that the videoconferencing system does not operate correctly, the Board may deliberate and/or carry on with the meeting with those members who are in attendance, as long as quorum conditions are fulfilled.

Any technical incident affecting the meeting will be noted in the minutes of the meeting, including breakdown and restoration of videoconferencing participation.

A director participating in a meeting by means of videoconferencing, who would not be deemed present due to equipment malfunction, may grant power of attorney to a director attending the meeting after informing the Chairman of the Board. This director may also grant power of attorney before the meeting by specifying that this would solely become effective in the event of a videoconferencing system malfunction that would prevent him being deemed present.

The Board of Directors' meeting of 5 December 2005 integrated in its internal rules the amendments to Article L. 225-37 of the Commercial Code made by Law N°. 2005-842 of 26 July 2005. The Extraordinary General Meeting of 27 July 2006, in its seventeenth resolution, modified in the same way Article 17.5 of the previous bylaws (Article of 16.5 of the new).

During the financial year, the Board meetings of 29 April and 28 July 2009 used videoconferencing facilities. Two directors attended each meeting as a result of this means of participation.

COMMITTEES ESTABLISHED WITHIN THE BOARD OF DIRECTORS

Four committees were created within the Board of Directors.

The Board defines their composition and function. Each committee must include at least one independent director. The Board nominates one member of each committee as Chairman.

These committees are established to study and prepare certain considerations and formulate recommendations or advice to the Board. Their overall objective is to improve the relevance of information provided to the Board and the quality of its deliberations. In no way are they a substitute for the Board of Directors.

Within the framework of their functions, these committees may interview Group executives and statutory auditors after having informed the Chairman of the Board. The Board may entrust third parties with specific mandates for one or more specified subjects, on the request of these committees. Committee members' remuneration would then be established by the Board. Committees report their findings to the Board.

Committees do not interact directly with Executive Committee members, but one of the members of the Executive Committee attends committee meetings relevant to his/her function. He/she then prepares and communicates all documentation necessary for the committee to perform its duties. The Audit & Finance Committee may request interviews with the Statutory Auditors without the attendance of an executive management member.

The Chairman of the Board and the Chief Executive Officer (unless matters are of personal concern to him/her), may attend all committee meetings.

"AUDIT & FINANCE" COMMITTEE

Chairman: Mr. Jacques-Etienne de T'Serclaes.

Members: Mr. Marc Hériard Dubreuil, Mrs. Marie Barbaret.

Number of independent members: One.

This committee met on two occasions, on 3 June and 17 November 2009. The attendance rate was 100%. Its work was carried out in the presence of the Group Finance Director, the Statutory Auditors, the Group Financial Controller, and the Group Audit Manager for the second meeting, when the following was discussed:

- review of the annual financial statements at 31 March 2009 and forecasts at 31 March 2010;
- review of half-year financial statements at 30 September 2009;
- internal control and internal audit;
- exchange rate and interest rate risk management policy;
- brand valuation;
- financial and tax policy;
- group insurances; and
- self-assessment of the Committee.

"DEVELOPMENT AND MARKETING STRATEGY" COMMITTEE

Chairman: Mrs. Dominique Hériard Dubreuil.

Members: Mr. Gabriel Hawawini, Sir Brian Ivory, Mr. Patrick Thomas

Number of independent members: two.

This committee met on 29 April, 4 June, and 19 November, 28 January and 23 March 2010. The attendance rate was 75% for the first three meetings and 50% for the last two meetings. The meetings of this committee are systematically open to other Board members. Its work primarily focused on the Group's distribution strategy, organisation of its geographical distribution post-Maxxium, and analysis of the brands' strategic challenges.

"ETHICS, ENVIRONMENT AND SUSTAINABLE DEVELOPMENT" COMMITTEE

Chairman: Mr. Gabriel Hawawini.

Members: Mrs. Dominique Hériard Dubreuil, Mr. Jean Burelle

Number of independent members: two.

"NOMINATION AND REMUNERATION" COMMITTEE

Chairman: Sir Brian Ivory.

Members: Mr. François Hériard Dubreuil, Mr. Jean Burelle.

Number of independent members: one.

This committee met on 3 June, 7 July, 14 September, 18 November 2009 and 22 March 2010. The attendance rate was 66% for the first meeting and 100% for the last four. It discussed the following:

- overall remuneration of Comex members, 2008/09 bonus, 2009/10 salaries;
- 2009/10 targets for Comex member bonuses;
- expertise chart;
- performance-based share allocation plans; and
- international expertise chart.

Each committee reports its findings to the Board of Directors.

APPROVAL OF REGULATED AGREEMENTS BY THE BOARD OF DIRECTORS

During the 2009/10 financial year, the Board of Directors approved a series of agreements between Group companies: addendum to the service provision agreement relating to the foreign exchange risk and international cash management (Service Provision Agreement) of 31 March 2009 between Financière Rémy Cointreau SA/NV and six Group companies, including Rémy Cointreau SA; new Service Provision Agreement from 1 April 2010 between Financière Rémy Cointreau SA/NV and 16 Group companies, including Rémy Cointreau SA; customer credit management agreement between Financière Rémy Cointreau SA/NV and 12 Group companies, including Rémy Cointreau SA.

MINUTES OF THE MEETINGS

The minutes of the Board meetings were prepared at the end of every meeting and issued in draft form to members at the next meeting, during which they were approved.

1.3 INTERNAL CONTROL: DEFINITION, OBJECTIVES AND SCOPE

Internal control at Rémy Cointreau is a process based on the benchmarking framework and application guide established in 2007 on the initiative of the Autorité des Marchés Financiers. This set of resources, behaviours, procedures and activities is implemented by the Chief Executive Officer to enable the Company and its consolidated subsidiaries to improve control of its operations, the operational efficiency of its transactions and the use of its resources, as well as ensure that the proper operation of the risk management process is secure.

It aims to ensure in particular:

- the application of instructions and the directions set out by the Executive Management;
- the correct operation of the Company's internal procedures, notably those concerning the safeguarding of its assets;
- conformity with existing laws and regulations; and
- the reliability of accounting and financial information.

The system that has been established can only provide reasonable assurance and not an absolute guarantee as to the achievement of Group objectives.

Rémy Cointreau is organised into three operating sectors: Cognac, Champagne and Liqueurs and Spirits. These sectors comprise companies that own brands with a global reputation. These sectors are supplemented by a distribution network that markets all of the Group's premium products worldwide through subsidiaries. The internal control process follows this organisation, to the extent that the parent company CLS Rémy Cointreau – which has its own control process – ensures internal control is implemented in its consolidated subsidiaries. These internal controls are adapted to the specific features of the subsidiaries and their relationship with the parent company.

INTERNAL CONTROL COMPONENTS

GROUP ORGANISATION

The effectiveness of internal control is closely linked to the control environment. At Rémy Cointreau, general management has established a clear and appropriate organisation as well as a human resources policy reflecting its integrity in respect of aspirations, respect for the law, the environment and people.

In order to encourage an exchange of best practices and cross-group control of its operations, the Group has chosen a matrix organisation, ensuring the effectiveness and responsiveness of a group of a human scale with an international presence. Functional management provide their expertise to operating management, taking into account their specific local features. In order to provide clarity, regularly updated hierarchical organisation charts are available on the Group's intranet. In addition, this process is completed through delegation of responsibilities which specify the duties of the principal executives.

The organisation is enhanced by a human resources policy based on ability, knowledge and the aspirations of its people. The Group is committed to a recruitment policy that improves the professionalism of its staff and attracts talent, as well as a policy that develops skills which will maintain a high degree of expertise in its workforce.

In addition, the organisation is currently updating its IT systems to more recent and, consequently, more efficient ERP solutions, in order to meet the Group's ambitions for future development. Thus, since June 2008, all French production companies have been working under SAP and this project is being developed on other international sites. At the same time, periodic procedures are implemented to guarantee continuing operation in the event of a disaster. Their protection as well as the data are ensured by security procedures, back up and access procedures.

Ethical values, codes of conduct and operational procedures have been defined by each of the Group's operational departments, enabling each employee to understand the various stages in the operation of the organisation's procedures.

The organisation has put in place a genuine culture of excellence and responsibility, resulting in self-assessment of internal control for financial processes and quality assurance audits for the various business processes.

IT AND COMMUNICATION SYSTEMS

The timely publication and communication of relevant information to all Group participants, enabling them to be as well-informed and confident as possible in terms of their responsibility, is based on the following three principal means:

- departmental meetings organised on a periodic basis by the Group's various players, in order to publish and exchange operational information, exchange points of view, set priorities and co-ordinate action plans;
- technical databases brought together within the Group's intranet, which are accessible 24/7 worldwide and which enable the various participants to consult the information necessary to properly exercise their duties; and

- structured data warehouses, updated on a daily basis, providing the participants concerned with relevant and reliable information to enable them to make timely decisions.

RISK MANAGEMENT

In order to ensure the achievement of its objectives and the continuous development of its operations, Rémy Cointreau has established a process to identify and analyse the principal risks. A major achievement of this process, initiated in 2007/08 and completed in 2008/09, was a geographic analysis of risks at Group level, which was updated in April 2010. The list of executives involved in this process was expanded to provide extended coverage, as well as increased awareness and individual responsibility for risk management.

This also enables the Group to ensure that it has management procedures to cover these risks, as well as the major ones described in chapter 5.2 "Risk factors and insurance policy" of the Management Report. In respect of the areas where highly specific knowledge is required, such as centralised treasury management or management of the security of IT systems, the Group calls on external experts for assistance in documenting the procedures and in implementing best practice. This is in addition to the litigation listing procedure consisting of files that list, describe and assess ongoing or likely litigation, be they of a tax, corporate or legal nature.

The description of risk management would not be complete without mentioning the various players in internal control and the current procedures within Rémy Cointreau.

CONTROL PROCEDURES

Every business and Group activity has its own reference document. This comprises charters, codes, standards, procedures and rules of good practices.

These set out the manner in which a procedure, action or a check must be carried out and are an integral part of internal control. They are based on the following principal areas of expertise:

Purchasing

Relations with suppliers are regulated by an ethics contract that refers to the UN Global Compact Charter. It provides assurance to the Group that its suppliers adhere to the same values of respect for human rights, the environment and fundamental social principles. In addition, the Purchasing Guidance Code ensures that good practices are adopted by all Rémy Cointreau buyers, avoiding, whenever possible, any adverse.

Safety and quality

All production standards and rules issued by operations management are held in a unique database. Their application is regularly reviewed as part of the ISO 9001 and 14001 and 22000 certifications, as well as HACCP accreditations, thus guaranteeing consumers a high level of quality and safety as well as respect for the production site environment. This is completed with a Quality/Safety/Environment Charter defining the Group's three priorities, which are product excellence, employee and consumer safety and protection of the environment.

IT systems

In respect of the safety of IT systems, the Group uses external consultants to assist it in reviewing all the procedures of its major units, including those abroad. In addition, a backup plan for the IT data of the Group's principal sites in France was successfully established to comply with the specifications that defined performance objectives. It is tested on a periodic basis to guarantee its efficiency, as well as improve the extent of its coverage and performance.

Central management of funding and treasury

The Exchange Rate Risk Management Charter sets out the principles that must be followed in order to ensure the greatest safety in this area. This document is completed with a summary of the risks of the principal procedures managed by the Group's Treasury department.

The Group has strengthened its control by putting a team in place to manage trade receivables.

Consolidation of financial statements and reporting

Rémy Cointreau has a set of principles and standards to enable the production of reliable financial information. The comparability of data is guaranteed by unique definitions and by valuation principles, as well as the processing of accounting and financial data for the three processes of budgeting, updating the budget and monthly closings. The calendar for the financial and accounting processes detail the reporting dates for information and its distribution enables senior management to manage their priorities. Availability of these rules on the Group intranet should guarantee that it is consistently updated and ensure that all financial personnel are in possession of the same information.

In addition, the Chief Executive Officers and Chief Financial Officers of the subsidiaries must send a representation letter to the Group Chief Executive Officer and Chief Financial Officer, in which they assume responsibility for the fairness of the financial statements and for implementing an internal control process to detect and prevent fraud and errors.

PERMANENT MONITORING OF INTERNAL CONTROL

Internal control is implemented by operational and functional departments which report to the general management.

Work is carried out on a regular basis to monitor the operation of their procedures, either by dedicated internal teams or specialist external organisations, to ensure the internal control system put in place is efficient. The findings of this work form the basis of a report, a summary of which is sent to site managers.

The Internal Audit Department actively participates in monitoring internal control procedures. It carries out ad hoc assignments to verify the Group's principles and standards are applied correctly.

It ensures best practices are applied as well as respect for both local laws and regulations, and the Group's principles and standards.

The results of all this work were disclosed to the Statutory Auditors. Conversely, comments issued by the external auditors as part of their annual assignment are taken into consideration by the internal auditor.

INTERNAL CONTROL PLAYERS

The respective roles of the principal internal and external players involved in internal control are the following:

EXECUTIVE COMMITTEE

The Executive Committee, comprising senior operating and functional executives, defines guidelines for the internal control process, co-ordinates their implementation and ensures their effective application.

BOARD OF DIRECTORS

The Board of Directors acquaints itself with the essential features of the internal control and risk management process, established by the general management, and ensures that the major risks identified and incurred by the Company are taken into account in its management. In this respect, the Board is kept informed by the general management of the main risks facing the Group and action plans put in place. In respect of the process of preparing accounting and financial information, the Board ensures that the management and control process that has been established guarantees the reliability of accounting and financial information.

COMMISSION AUDIT AND FINANCE

The Audit and Finance Committee ensures internal control procedures are in place and are applied, both in the accounting and financial field as well as other Company departments.

It is kept informed of the results of audit assignments and reviews the annual audit schedule together with the organisation of the internal audit department.

It keeps abreast of the major risks identified, their analysis and development over time.

INTERNAL AUDIT

Internal audit, which reports to the Group's Chief Executive Officer, intervenes in all Group entities and, if necessary, in third party companies in the case of distribution or production subcontracting.

Its interventions are planned in agreement with the general management. Its assignments are identified based on risks listed in the analysis of risks, the prevailing economic environment and specific requests from the management of the Group's various entities. They are subsequently classified according to priority, based on several criteria and included in the annual schedule.

The findings of the audit assignments, following an open debate, are sent to the management of the entity concerned. A summary of the findings, as well as an action plan to which the local entity management has committed, is reported to the management of the local entity and subsequently presented to the general management.

Once a year, the internal audit officer presents guidelines for the annual schedule and a summary of achievements of the previous year to the Audit and Finance Committee.

In addition to these audit assignments, internal audit is in charge of updating the risk analysis and its task is to promote internal control within the Group. In that respect, it is the recipient of different summary reports on internal

control prepared by the various entities, which provide an overview of Group risks.

FINANCIAL MANAGEMENT

Its principal task is to monitor the financial activities of the markets' operational management. It establishes the rules for consolidation and management and ensures the definition and promotion of tools, procedures and good practices in areas such as management, accounting and consolidation, funding and treasury, taxation, financial communication and IT systems.

OPERATIONAL MANAGEMENT

It has wide-ranging tasks, combining functions such as the supply chain, purchasing, quality, sustainable development, production organisation and industrial management. It establishes a set of standards and methods that enable a high level of production quality, as well as safety and respect for the environment to be achieved. It also supports the subsidiaries in implementing their logistics and industrial policy.

MARKET MANAGEMENT

Market Management implemented a set of rules called "Commercial Process", in order to precisely define the various stages of commercial reporting and the role of everyone in this process, as well as the nature, form and reporting dates of required data.

LEGAL MANAGEMENT

Legal management, other than its function as corporate secretary, assists companies in significant legal matters and sets up insurance cover guaranteeing, notably, risks regarded as strategic such as general civil liability "products" and "operations", damage to assets and subsequent loss of profit and the transportation of goods. The Group works closely with an insurance broker with worldwide coverage and all the policies were subscribed to with the best known insurance companies.

INTERNAL CONTROL IN RESPECT OF THE PREPARATION OF FINANCIAL AND ACCOUNTING INFORMATION

The reference document used in drawing up this section is the "Application guide relating to internal control of accounting and financial information published by issuers" of the AMF Reference Framework. This approach comes within a process of continuous improvement of the established internal control system.

SCOPE AND OBJECTIVES

The internal control procedures in relation to preparing and processing financial and accounting information apply to the parent company and all the subsidiaries included in the consolidated financial statements.

For their financial and accounting processes, internal control is designed to ensure:

- respect for laws and regulations and the correct application of instructions and directions set by Group management in the process of preparing accounting and financial information;

- the reliability of information used in the preparation of financial and accounting information as well as published information; and
- the preservation of assets.

ACCOUNTING AND FINANCIAL ORGANISATION GUIDANCE PROCEDURE

Organisation

The process of preparing financial and accounting information is assured by Group Financial Management. It supervises the management of accounting, finance and taxation, the monitoring function, funding and Treasury department, IT information management and financial communication. Each one of these co-ordinates the internal control of a financial nature in their own area. In addition, the presence of a financial controller at each level of the matrix organisation enhances this.

Financial and accounting procedures

The Group has created an intranet portal dedicated to the management principles and accounting standards adopted by the Group, whose application is mandatory for all subsidiaries. This portal also provides subsidiaries with the Group's chart of accounts, instructions on how to use the consolidation package, a list of companies included in the consolidation scope and the exchange rates in force. It also ensures the consistency of data processing and its conformity to IFRS.

At every closing, the instructions cover key dates in the calendar as well as matters that require specific attention to enable the various group companies to be well prepared, so that the required information is communicated within the timeframe and the appropriate checks are carried out in advance of the preparation process of the financial and accounting information.

Other than the documentation presented above, the Group has monthly closings. Those before the half-year or full-year closing serve as pre-closing to identify and anticipate the different possibilities of treating specific and non-recurring transactions. The latter are explained to the Statutory Auditors for validation at the preliminary meetings for the closing.

IT systems organisation and safety

The Information Systems Department has established procedures aimed at ensuring the continuity of accounting data processing. Thus, certain equipment has been duplicated so that back up automatically takes over in the event of sudden failure. This system is completed by periodic IT activity recovery exercises in the event of a major disaster.

In respect of data retention and protection, access to accounting and financial data is secured by individually granted rights that are non-transferable and password protected. Each day, all data is backed up and a copy of the backup file is retained in a secure location other than the IT operation site. Batch data processing work is also programmed in a specific sequence, with systems that alternate the principal users in case of an incident. This procedure also applies to IT programmes developed by the Group.

In addition, other automatic control systems have been established, such as double entry locking, data entry thresholds, automatic reconciliation and limited access to crucial transactions.

Statutory Auditors

The half-year and annual financial statements are the subject of specific presentations, which are attended in particular by financial representatives of the Group and the companies concerned, at which the Statutory Auditors state their findings, in terms of the quality of the financial and accounting information and the assessment of internal control at the various Group entities, based on due diligence carried out for the purposes of their audit assignment. A summary of these findings is presented to the Audit and Finance Committee following each half-year and full-year balance sheet date.

PROCESSES CONTRIBUTING TO THE PREPARATION OF ACCOUNTING AND FINANCIAL INFORMATION

Account supply of operating processes

All the initial accounting production processes are subject to specific procedures as well as validation, authorisation and recognition rules. Thus, procurement is carried out within a fully secured framework, with a list of pre-selected suppliers and previously negotiated terms and conditions. Order forms are required for all purchases exceeding a given threshold and investment projects approved by the Executive Committee must be duly documented, justified and authorised before they are implemented.

Closing process and preparation of the consolidated financial statements

The period closing process is subject to specific instructions, which provide detailed schedules, exchange rates to be used, consolidation scopes and specific matters to be monitored. These instructions are sent to all companies, thereby ensuring compliance with deadlines, certainty that the same closing specifications are used, harmonisation of data reporting and better co-ordination between the various Group entities.

Procedures for validating the various stages of the consolidation process have also been put in place. Their main objective is to validate the following:

- correct application of accounting standards and principles;
- accuracy of the restatement of certain corporate data;
- identification, reconciliation and elimination of inter-segment transactions (inventory margins, dividends, etc.);
- correct calculation of deferred taxation;
- correct analysis and explanation of movements in net positions, both at parent company and consolidated levels; and
- consistency between management and accounting information.

Financial communication procedure

The persons responsible for financial communication draw up a schedule summing up all the Group's obligations in terms of accounting and financial communication. This timetable specifies the nature of each piece of information as well as the person in charge of its writing or preparation.

Once the information is available, a proof-reading procedure assesses its reliability and accuracy, whether it is of an accounting nature or not (workforce size and volumes). Compliance with the laws and regulations in force both on the nature of the information and on the required deadlines, and the principle of providing the same information to all shareholders, is ensured by the Legal Department.

1.4 LIMITATIONS ON THE POWERS OF THE CHIEF EXECUTIVE OFFICER

On 7 September 2004, the Board elected to split the positions of Chairman of the Board and Chief Executive Officer. Consequently, general management is the responsibility of the latter. On 31 July 2007, the Board of Directors reappointed the Chief Executive Officer for a further term of three years.

The Chief Executive Officer represents the Company in its relationships with third parties. He is entrusted with the most wide-ranging powers to act in any circumstances in the name of the Company, on condition that his actions comply with the objects of the Company and that they are not specifically assigned to shareholders' meetings or to the Board of Directors.

In a purely internal measure, which cannot be imposed on third parties, the Chief Executive Officer shall seek the approval of the Board before committing the Company to transactions that go beyond the framework of normal management decisions, particularly in respect of:

- granting sureties, pledges and guarantees, except under the conditions provided below;
- making acquisitions, transferring property titles or exchanging goods or property and making investments of more than €10,000,000 per transaction;
- concluding any investment or business agreement in common with other companies, be they French or foreign;
- granting to any already registered company a contribution in cash, in kind, in property or in enjoyment in excess of €10,000,000 per transaction;
- making the Company a party to any economic grouping or other, businesses, partnerships, in France or abroad, by means of creation or by assisting in their creation, by subscribing or contributing cash or benefits in kind, by purchasing shares, rights of ownership or other securities, and generally, under any form and for an amount in excess of €10,000,000;
- transferring ownership of investments for amounts in excess of €10,000,000 per transaction;
- granting loans, credit and advance payments to corporate bodies outside the Rémy Cointreau Group for an amount in excess of €10,000,000 per borrower; and
- signing any loan or obtaining credit facilities, with or without pledges or other securities on Group assets, for an amount in excess of €46,000,000 during one financial year.

In addition, the Board of Directors on 4 June 2009, authorised the Chief Executive Officer to grant sureties, pledges and guarantees up to an overall maximum amount of €50,000,000, for one year. Any commitment exceeding this overall limit requires specific approval from the Board.

The Board of Directors also authorised the Chief Executive Officer to grant sureties, pledges and guarantees to the tax and customs authorities with no limitations.

These authorisations were renewed for one year by the Board of Directors' meeting on 2 June 2010.

The Chief Executive Officer has also established an Executive Committee whose composition was submitted for approval by the Board. The task of this Executive Committee is to continually assist the Chief Executive Officer with operational matters, both in terms of decision-making and implementation. The members of the Executive Committee are listed in chapter 2.1 of this report.

1.5 PROCEDURES IN RESPECT OF PARTICIPATION BY SHAREHOLDERS IN GENERAL MEETINGS

The provisions relating to shareholders' attendance at General Meetings are described in Article 23 of the Company's bylaws.

A reminder of the main provisions is included in chapter 5 of this reference document.

1.6 PRINCIPLES AND RULES FOR THE DETERMINATION OF REMUNERATION AND BENEFITS GRANTED TO EXECUTIVES

The overall remuneration policy for executives, and more generally speaking for members of the Executive Committee, is defined by the Board of Directors, which makes decisions based on recommendations formulated by the "Nomination and Remuneration" Committee.

The Committee formulates its recommendations based on all items relating to the overall remuneration of executives:

- cash remuneration – basic and annual variable remuneration (bonus); and
- deferred remuneration – potential performance-based share allocation and supplementary pension plan.

Regardless of category or income, the objective of the "Nomination and Remuneration Committee" is to recommend an overall remuneration package that is both competitive and attractive. To that end, it draws on objective studies of the remuneration market of companies comparable to Rémy Cointreau, carried out by external experts.

The Committee ensures that each element of remuneration responds to a clear objective that is fully in line with the strategy and interests of the business.

These principles, which prevail for the Chief Executive Officer and members of the Executive Committee, apply in the same terms and conditions to other Group managers.

Basic remuneration is determined based on responsibilities held and the performance of the incumbent, in line with market trends.

In July 2009, the Board of Directors, following the recommendations of the "Nomination and Remuneration Committee", and the suggestion of the Executive Committee, decided to freeze the basic remuneration of the Chief Executive Officer and the members of the Executive Committee for the 2009/10 financial year.

This decision was motivated by the uncertain economic environment and also concerned two-thirds of Group managers.

Variable annual remuneration - bonus - is linked to objectives specified at the beginning of the period and validated by the Board of Directors. These objectives are partly quantitative and partly qualitative, and are based on the specific challenges of the current financial year. In respect of the Chief Executive Officer, the target bonus is valued at 100% of his gross annual remuneration. In the event quantitative objectives are exceeded, the bonus cannot exceed 120% of his gross annual remuneration.

In 2009/10, the quantitative objectives were as follows: operating profit, debt at 31 March 2010, net profit and ROCE (return on capital employed).

The variable remuneration policy is consistent throughout the Rémy Cointreau Group. The fundamental principles apply to all Group managers. The terms and conditions of application vary depending on the different levels of seniority and the nature of the assignments.

The performance-based share allocation plan is intended to associate the Company's senior executives with the Group's medium and long-term objectives. The plan is subject to employment and performance conditions.

The objectives of the defined benefit supplementary pension plan are to retain the loyalty of the executives concerned and to encourage long-term performance. This system is founded on the payment of an annuity, the value of which, expressed as a percentage of remuneration, is based on the executives' seniority. Payment of the annuity is subject to the conditions of employment at the time of retirement; its amount varies from 8 to 15% of annual gross remuneration, depending on the age of the beneficiary at the time of retirement. These provisions concern the Group's main executives, in particular Jean-Marie Laborde, Chief Executive Officer; Dominique Hériard Dubreuil, Chairman of the Board of Directors and François Hériard Dubreuil and Marc Hériard Dubreuil, Directors. In respect of the last three, this supplementary pension is paid by Andromède SAS.

In addition, Rémy Cointreau offers a defined-benefit supplementary pension scheme to virtually all its French employees.

1.7 REPORT OF THE STATUTORY AUDITORS ON THE REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS ON INTERNAL CONTROL

Statutory Auditors' report, prepared pursuant to Article L. 225-235 of the Commercial Code, on the Report of the Chairman of the Board of Directors of Rémy Cointreau

To the Shareholders,

In our capacity as statutory auditors of Rémy Cointreau, and in accordance with article L. 225-235 of the Commercial Code, we report to you on the report prepared by the Chairman of your Company in accordance with Article L. 225-37 of the Commercial Code for the year ended 31 March 2010.

It is for the Chairman to prepare and submit for the approval of the Board of Directors, a report on the internal control procedures and the management of risks implemented within the Company and provide the other information required by Article L. 225-37 of the Commercial Code relating, notably, to the provisions in respect of corporate governance.

It is our duty:

- to report our observations to you on the information contained in the Chairman's report, concerning internal control procedures and the management of risks relative in the preparation and processing of financial and accounting information; and
- to certify that this report contains the other information required by Article L. 225-37 of the Commercial Code, it being noted that it is not our responsibility to verify the fairness of this other information.

We have performed our work in accordance with the professional standards applicable in France.

Information on the internal control procedures and the management of risks relative to the preparation and processing of accounting and financial information

Professional standards require the implementation of due diligence to assess the fairness of the information concerning internal control procedures relative to the management of risks in the preparation and processing of accounting and financial information contained in the Chairman's report. These procedures notably consist of:

- understanding the internal control procedures relative to the management of risks and the preparation and processing of accounting and financial information underlying the information presented in the Chairman's report as well as the existing documentation;
- understanding the work performed to support the information and the existing documentation; and
- determining whether major deficiencies in internal control relative to the preparation and processing of accounting and financial information that we revealed as part of our assignment, are appropriately disclosed in the Chairman's report.

On the basis of these procedures, we have no observations to make on the information concerning the internal control procedures and the management of risks of the Company relative to the preparation and processing of accounting and financial information contained in the report of the Chairman of the Board of Directors, established pursuant to Article L. 225-37 of the Commercial Code.

Other information

We certify that the report of the Chairman of the Board of Directors contains the other information required by Article L. 225-37 of the Commercial Code.

Neuilly-sur-Seine and Paris, 7 June 2010

The Statutory Auditors

Ernst & Young et Autres

Represented by
Marie-Laure Delarue

Auditeurs & Conseils Associés SA Nexia International

Represented by
Olivier Juramie

2. REPORT OF THE BOARD OF DIRECTORS TO THE ANNUAL GENERAL MEETING

2.1 FINANCIAL REPORT OF RÉMY COINTREAU SA

COMMENTS ON THE INCOME STATEMENT

Over the financial year ended 31 March 2010, the Company reported a **profit on ordinary activities before tax** of €10.7 million, down €16.9 million compared with the previous financial year, including €19.4 million due to the decline in dividends received from its subsidiaries.

Services invoiced to subsidiaries amounted to €14.4 million, compared with €15.8 million the previous year. Since 1 April 2009, at the same time as the setting up of a new Group organisation following the exit from the Maxxium network, the provision of services invoiced by Rémy Cointreau to its subsidiaries was reviewed to include the new Group entities. These services are invoiced on the basis of the cost of services provided, increased by 5%.

Operating expenses totalled €25.6 million, an increase of €3.4 million, corresponding to all services provided by the Company and which are invoiced in part to subsidiaries.

Dividends received from subsidiaries in the year were €41.0 million, compared with €60.4 million in the previous financial year.

Net interest expense decreased by €7.8 million to €19.6 million, compared with €27.4 million last year, with the benefit of a significant decline in market rates during the year.

The **exceptional income** amounted to €0.2 million corresponding to a net gain on the disposal of an equity investment.

The €1.4 million **income tax received** includes for €0.8 million the tax saving permanently acquired following restatements relating to the Group scheme, for €0.9 million restitution of tax receivable from a previous adjustment. The balance includes a provision following a tax audit during the year.

Taking into account these factors, **net profit for the year** was €9.5 million.

COMMENTS ON THE BALANCE SHEET

The non-current assets, which include mainly equity investments, were stable at €1,801.7 million.

Shareholders' equity amounted to €1,015.4 million, a decrease of €27.7 million of which a negative €38.6 million related to a dividend payment of €61.6 million paid in respect of the year ended 31 March 2009 and €23.0 million for a capital increase noted following the exercise of the option for part payment of this dividend in shares. The net profit for the year of €9.5 million was also included.

Gross financial debt totalled €628.5 million, an increase of €27.2 million. At 31 March 2010, €370 million of the €500 million syndicated loan had been drawn down. Rémy Cointreau also had confirmed credit facilities of €50 million, unused at the end of March 2010. Ratio A, on which the availability and margin applicable to the syndicated loan is based, was 3.17, a level which is markedly lower than the 3.50 limit set by the contract.

INFORMATION IN RESPECT OF PAYMENT DELAYS PURSUANT TO ARTICLE D441-4 OF THE COMMERCIAL CODE

Suppliers' invoices payable at 31 March 2010 for €0.1 million are due for payment by the end of April at the latest.

2.2 SHARE BUYBACK PROGRAMME

INFORMATION ON TRANSACTIONS CARRIED OUT AS PART OF THE SHARE BUYBACK PROGRAMME IN OPERATION DURING THE PERIOD 1 APRIL 2009 TO 31 MARCH 2010

In application of the provisions of Article L. 225-211 of the Commercial Code, the object of this section is to inform the General Meeting of the share purchases that have been made between 1 April 2009 and 31 March 2010 within the share buyback programme authorised by the General Meetings of 16 September 2008 and 28 July 2009.

Between 1 April 2009 and 31 March 2010, the Company acquired 198,662 shares and sold 282,409 shares. It also transferred 4,605 shares over the same period to service share purchase options.

These transactions were carried out:

1) As part of a liquidity contract concluded by the Company with Rothschild & Cie.

The Company, acting through an investment services provider, acquired 198,662 of its own shares during the year at an average weighted price of €30.72 per share.

The Company, acting through an investment services provider, sold 282,409 of its own shares during the year at an average weighted price of €27.92 per share.

2) The Company did not acquire any shares as part of the sales contract with a repurchase agreement concluded on 24 March 2005 between the Company and Barclays Capital.

The 4,605 shares purchased during the previous financial year were used to service the exercise of share purchase options.

The table below summarises the final position of transactions carried out in the period 1 April 2009 to 31 March 2010:

Percentage of treasury shares held directly or indirectly	0.22%
Number of securities held at the start of the programme	103,205

		Average price
Number of securities purchased since the start of the programme:		
- as part of the liquidity contract	198,662	€30.72
- as part of the exercise of the resolutive clause	0	
Number of securities sold since the start of the programme as part of a liquidity contract:	282,409	€27.92
Number of securities transferred since the start of the programme:	4 605	
Number of securities cancelled since the start of the programme:	0	
Number of securities held at 31 March 2010:		
- as part of the liquidity contract	2,253	
- as part of the exercise of the resolutive clause	12,600	
Book value of portfolio:	€438,419	
Market value of portfolio:	€442,519	

TRANSACTIONS CARRIED OUT BY THE COMPANY DURING THE YEAR

Transactions carried out during the financial year or on the maturity of derivatives

None.

OUTSTANDING DERIVATIVE PRODUCTS

Date of transaction	Name of intermediary	Purchase/sale	Purchase/future options	Maturity	Exercise price (€)	Premium	Organised market/principal to principal	Comments
24/03/05	-	Resolutive clause	-	15/09/13	27.67	-	-	194,000 security remaining
24/03/05	-	Resolutive clause	-	23/12/14	28.07	-	-	19,503 security remaining
24/03/05	-	Purchase	Purchase options	23/12/14	28.07	10.25	principal to principal	224,497 security

- as part of the sales contract with a repurchase agreement concluded on 24 March 2005, the Company has the right to repurchase 213,503 securities and purchase options for 224,497 securities to finally cover 438,000 options. At 31 March 2010, the Company held 12,600 shares to service the exercise of share purchase options;
- as part of a liquidity contract, the Company held 2,253 shares at 31 March 2010 and no shares at 31 May 2010;
- no treasury shares are held indirectly by the Company.

ANALYSIS OF CAPITAL SECURITIES HELD, BY OBJECTIVE

Shares held by the Company are allocated partly to stimulate the secondary market or as liquidity for the Rémy Cointreau share by an investment services provider, via a liquidity contract that conforms to the Ethics Charter recognised by the Autorité des Marchés Financiers, and partly to service the exercise of share purchase options.

DESCRIPTION OF THE PRINCIPAL FEATURES OF THE BUYBACK PROGRAMME SUBMITTED FOR APPROVAL BY THE GENERAL MEETING OF 27 JULY 2010 AS PART OF THE TWELFTH RESOLUTION

- securities concerned: shares issued by Rémy Cointreau SA;
- maximum to be purchased by the Company: 10% of shares comprising the share capital;
- maximum number of shares that may be acquired by the Company: 4,398,123 shares may be purchased, taking into account treasury shares, the sale of shares with a repurchase agreement and the purchase of options to purchase shares;
- maximum unit price: €60;
- objectives;
- to provide liquidity or stimulate the secondary market of the Rémy Cointreau share via an investment services provider, as part of a liquidity contract that conforms to the Ethics Charter recognised by the Autorité des Marchés Financiers;

- to cancel the shares, as part of a capital reduction, subject to the adoption of the fourteenth resolution submitted to the current General Meeting;
- to cover the obligations in respect of marketable securities giving access to capital;
- to grant the shares in accordance with the terms and conditions provided by law, notably as part of a profit-sharing plan, to service share purchase options, as part of a business savings plan or to be used to grant free shares to employees and executives authorised in the company and/or companies related to it within the provisions of Article L.225-197-1 and subsequent of the Commercial Code;
- to purchase and retain shares to be used subsequently in exchange or as payment for potential acquisitions, in accordance with market practices permitted by the Autorité des Marchés Financiers and within the law; and
- to implement every market practice that is permitted by the Autorité des Marchés Financiers and, more generally, carry out every transaction that conforms to the regulations in force.

Duration of the programme: until the General Meeting called to consider the financial statements for the year ended 31 March 2011 and no later than 18 months from 27 July 2010.

TRANSACTIONS RESULTING FROM THE EXECUTION OF THE SHARE BUYBACK PROGRAMME AUTHORISED BY THE COMBINED GENERAL MEETING OF 28 JULY 2009

Percentage of treasury shares held directly or indirectly:	0.00%	
Number of securities held at the start of the programme:	17,205/0.04%	
	Average price	
Number of securities purchased since the start of the programme:		
- as part of the liquidity contract	161,927	€34.33
- as part of the exercise of the resolutive clause	0	
Number of securities sold since the start of the programme as part of a liquidity contract:	161,927	€34.50
Number of securities transferred since the start of the programme:	10,205	
Number of securities cancelled since the start of the programme:	0	
Number of securities held at 31 May 2010:		
- as part of the liquidity contract:	0	
- as part of the exercise of the resolutive clause:	7,000	
Book value of portfolio:	€171,187	
Market value of portfolio:	€286,090	

2.3 COMPOSITION AND HOLDERS OF THE SHARE CAPITAL AT 31 MARCH 2010

At 31 March 2010, after the Board of Directors had noted the various changes that had occurred during the year to the share capital and disclosed in chapter 2.1 of the current report, the share capital amounted to €77,615,630.40, divided into 48,509,769 shares with a nominal value of €1.60 each.

In accordance with Article L. 233-13 of the Commercial Code, it should be noted that:

- Orpar held over one-third of the share capital and over half the voting rights in your Company at 31 March 2010;
- Récopart held on the same day, over 10% of the share capital and over 15% of the voting rights in your Company; and
- First Eagle Investment Management LLC, held on the same day, over 9% of the share capital and of the voting rights in your Company.

The employee savings plan represents 1.88% of the share capital of Rémy Cointreau. It is the only form of collective shareholding by Rémy Cointreau employees.

2.4 ITEMS LIKELY TO BE SIGNIFICANT IN THE EVENT OF A PUBLIC TAKEOVER OFFER

Pursuant to Article L. 225-100-3 of the Commercial Code, we inform you of the items likely to be significant in the event of a public takeover offer:

- the structure of the Company's share capital is disclosed in chapter 1.3 of the current Annual Report and refers to a concert party and shareholders' agreement which have today been brought to the Company's attention;
- the direct or indirect investments known by the Company are also described in chapter 1.3 of the current report;
- with the exception of the double voting rights allocated, pursuant to Article 23.2 of the bylaws, to fully paid shares that have been held in nominative form for at least four years, in the name of the same shareholder, no shares carry specific privileges;
- there is no restriction in the bylaws on the exercise of voting rights except for a failure to respect the provisions in respect of crossing the 1% share capital or the voting rights or any multiple of this percentage, provided by Article 8.2 of the bylaws; there are no bylaw restrictions to share transfer;
- the rules for the appointment and dismissal of members of the Board of Directors are the legal and bylaw rules;

- revisions to the Company's bylaws are carried out in accordance with the law and regulations;
- the various delegations and authorisations granted to the Board of Directors by the Annual General Meeting, notably concerning the issue and repurchase of shares, are disclosed in chapter 1.2 of the current Annual Report. It should be noted that, in this respect, the authorisations and the delegations of authority and powers granted to the Board of Directors can only be implemented pursuant to Article L. 233-32 of the Commercial Code and in the event

that the securities of the Company are targeted by a public offer in the circumstances made applicable by Article L. 233-33 of the Commercial Code; and

- shareholding and distribution agreements entered into with Maxxium Worldwide B.V., which could have ceased if control in the Company changed, as defined in those agreements, were terminated on 30 March 2009.

The principal risks to which the Company is exposed and the use of derivative financial instruments are described in chapter 1.

2.5 SPECIAL REPORT OF THE BOARD OF DIRECTORS ON OPTIONS AND FREE SHARES GRANTED (ARTICLE L. 225-184 OF THE COMMERCIAL CODE)

SPECIAL REPORT OF THE BOARD OF DIRECTORS ON REMY COINTREAU SHARE SUBSCRIPTION OR PURCHASE OPTIONS GRANTED (ARTICLE L. 225-184 OF THE COMMERCIAL CODE)

In accordance with the provisions of Article L. 225-184 of the Commercial Code, we inform you that no options to subscribe or purchase Rémy Cointreau shares were granted during the 2009/10 financial year:

SHARE SUBSCRIPTION OR PURCHASE PLANS IN EFFECT AT 31 MARCH 2010

	Plan n°7	Plan n°8	Plan n°9	Plan n°10	Plan n°11	Plan n°12	Plan n°13
Date of Extraordinary General Meeting	26/08/98	26/08/98	26/08/98	24/08/00	24/08/00	21/09/01	07/09/04
Date of Management Board or Board of Directors' meeting	28/04/99	07/12/99	30/05/00	01/03/01	08/03/02	16/09/03	08/12/04
Total number of options allocated	289,300	499,100	131,280	1,016,600	659,500	287,000	262,000
- of which number of options that can be subscribed to by executives	119,576	127,900	61,960	200,000	275,000	180,000	40,000
- number of executive beneficiaries	10	10	9	5	5	5	1
Total number of beneficiaries	66	85	28	150	43	25	30
Date options can be exercised	28/04/99	07/12/99	30/05/00	01/03/03	08/03/06	16/09/07	24/12/08
Date options expire	27/04/09	08/12/09	30/05/10	28/02/11	07/03/12	15/09/13	23/12/14
Subscription or share price	12,20	16,36	18,85	27,10	25,00	27,67	28,07
Favourable discount	2,250	3,060	3,530	5,080	0,000	0,000	0,000
Number of options lapsed	4,700	5,010	-	34,000	8,500	27,000	35,000
Number of options subscribed at 31/03/10	284,600	494,090	131,280	775,700	467,727	86,400	9,000
Remaining balance	0	0	0	206,900	183,273	173,600	218,000

OPTIONS EXERCISED BY THE TEN EMPLOYEES, WHO ARE NOT EXECUTIVES WHO EXERCISED THE LARGEST NUMBER OF OPTIONS DURING THE FINANCIAL YEAR

Company granting the options	Plan date	Total number of options	Exercise price	Average exercise price
Rémy Cointreau	29/04/99	300	12.20	19.30
Rémy Cointreau	07/12/99	21,820	16.36	34.27
Rémy Cointreau	30/05/00	17,540	18.85	36.19
Rémy Cointreau	01/03/01	11,000	27.10	37.20

It should be noted that Rémy Cointreau SA did not employ any personnel in the 2009/10 financial year.

SPECIAL REPORT OF THE BOARD OF DIRECTORS ON FREE SHARE ALLOCATIONS (ARTICLE L. 225-197-4 OF THE COMMERCIAL CODE)

SHARES GRANTED DURING THE YEAR TO THE TEN HIGHEST PAID GROUP EMPLOYEES WHO ARE NOT EXECUTIVES, WHERE THE NUMBER OF SHARES IS THE GREATEST

Company granting the shares	Date of allocation	Total number of shares	Date of final allocation	Date shares may be traded
Rémy Cointreau	19/11/09	57,500	19/11/11	19/11/13

ACQUISITION OF FREE SHARES DURING THE YEAR TO THE TEN HIGHEST PAID GROUP EMPLOYEES WHO ARE NOT EXECUTIVES, WHERE THE NUMBER OF SHARES IS THE GREATEST

Company granting the shares	Date of allocation	Total number of shares	Date of final allocation	Date shares may be traded
Rémy Cointreau	20/11/07	53,000	20/11/09	20/11/11

The main features of free share allocations are detailed in the chapter on general information on the share capital.

Shares and voting rights held by members of the Board of Directors are disclosed in the chapter on general information on the share capital.

2.6 MANAGEMENT AND EXECUTIVES' REMUNERATION

PRINCIPLES AND RULES GOVERNING MANAGEMENT REMUNERATION

The overall remuneration policy for executives, and generally-speaking for members of the Executive Committee, is defined by the Board of Directors, which makes decisions based on recommendations formulated by the "Nomination and Remuneration" Committee.

The Committee formulates its recommendations based on all items relating to the overall remuneration of senior executives, including:

- cash remuneration – basic and annual variable remuneration (bonus);
- deferred remuneration – potential performance-based share allocation and supplementary pension plan.

Regardless of category or income, the objective of the "Nomination and Remuneration Committee" is to recommend an overall remuneration package that is both competitive and attractive. To that end, it draws on objective studies of the remuneration market of companies comparable to Rémy Cointreau, carried out by external experts.

The Committee ensures that each element of remuneration respond to a clear objective that is fully in line with the strategy and interests of the business.

These principles, which prevail for the Chief Executive Officer and members of the Executive Committee, apply in the same terms and conditions to other Group managers.

Basic remuneration is determined based on responsibilities held and the performance of the incumbent, in line with market trends.

In July 2009, the Board of Directors, following the recommendations of the "Nomination and Remuneration Committee" and suggestions of the Executive Committee, decided to freeze the basic remuneration of the Chief Executive Officer and the members of the Executive Committee for the 2009/10 financial year. This decision was

motivated by the uncertain economic environment and also concerned two-thirds of Group managers.

Variable annual remuneration - bonus - is linked to objectives specified at the beginning of the period and validated by the Board of Directors. These objectives are partly quantitative and partly qualitative, and are based on the specific challenges of the current financial year. In respect of the Chief Executive Officer, the target bonus is valued at 100% of his gross annual remuneration. In the event quantitative objectives are exceeded, his bonus cannot exceed 120% of his gross annual remuneration.

In 2009/10, the quantitative objectives were as follows: operating profit, debt at 31 March 2010, net profit and ROCE (return on capital employed).

The variable remuneration policy is consistent throughout the Rémy Cointreau Group. The fundamental principles apply to all Group managers. The terms and conditions of application vary depending on the different levels of seniority and the nature of the assignments.

The performance-based share allocation plan is intended to associate the Company's senior executives with the Group's medium and long-term objectives. The plan is subject to employment and performance conditions.

The objectives of the defined-benefit supplementary pension plan are to retain the loyalty of the executives concerned and to encourage long-term performance. This system is founded on the payment of an annuity, the value of which, expressed as a percentage of remuneration, is based on the executives' seniority. Payment of the annuity is subject to the conditions of employment at the time of retirement; its amount varies from 8 to 15% of annual gross remuneration, depending on the age of the beneficiary at the time of retirement. These provisions concern the Group's main executives, in particular Jean-Marie Laborde, Chief Executive Officer; Dominique Hériard Dubreuil, Chairman of the Board of Directors and François Hériard Dubreuil and Marc Hériard Dubreuil, Directors. In respect of the last three, this supplementary pension is paid by Andromède.

In addition, Rémy Cointreau offers a defined-benefit supplementary pension scheme to virtually all its French employees.

EXECUTIVE DIRECTORS' REMUNERATION

Executive Directors' remuneration is presented hereafter in accordance with the principles of the AFEP/MEDEF Corporate Governance Code published in December 2008.

TABLE 1

Summary table of remuneration paid and options and shares granted to each executive director

Jean-Marie Laborde, Chief Executive Officer	2008/09 FY	2009/10 FY
Remuneration due in respect of the period (specified in Table 2)	1,239,407	1,222,599
Value of options granted during the financial year (specified in Table 4)	0	0
Value of performance-based shares granted during the financial year (specified in table 6)	378,930	593,750 ⁽¹⁾
Total	1,618,337	1,816,349

(1) The difference compared with the 2008/09 financial year was primarily due to the share price used on the allocation date (€31.25 per share in November 2009 and €22.25 per share in November 2008).

TABLE 2

Summary table of remuneration paid to each executive director

Jean-Marie Laborde, Chief Executive Officer	Value in respect of the 2008/09 FY		Value in respect of the 2009/10 FY	
	Payable	Paid	Payable	Paid
- Fixed remuneration	583,452	583,452	566,450	566,450
- Variable remuneration	650,000	654,077	650,000	673,180
- Exceptional remuneration	0	0	0	180,000 ⁽²⁾
- Directors' fees	0	0	0	0
- Benefits in kind - car	5,955	5,955	6,149	6,149
Total	1,239,407	1,243,484	1,222,599	1,425,779

(2) Due to the highly favourable conditions of the exit from Maxxium, the Board of Directors decided to allocate an exceptional bonus.

TABLE 3

Directors' fees

Board members	Directors' fees paid in year N-1	Directors' fees paid in year N
Dominique Hériard Dubreuil	€24,500	€26,000
François Hériard Dubreuil	€24,500	€26,000
Marc Hériard Dubreuil	€24,500	€26,000
Patrick Duverger	€30,000	€15,000
Brian Ivory	€30,000	€32,000
Xavier Bernat	€24,500	€10,000
Jean Burelle	€24,500	€26,000
Hakan Mogren	€8,000	-
Jacques Etienne de T'Serclaes	€24,500	€35,000
Gabriel Hawawini	€24,500	€26,000
Tim Jones	€16,500	€26,000
Patrick Thomas	-	€13,000
Orpar	€24,500	€26,000
Total	€280,500	€287,000

In respect of the 2009/10 financial year, companies controlling Rémy Cointreau paid the following remuneration to Dominique Hériard Dubreuil: €205,065, François Hériard Dubreuil: €205,993, Marc Hériard Dubreuil: €205,993. Directors did not benefit from benefits in kind from companies controlled by Rémy Cointreau.

In respect of the terms of office held in controlling companies, these three directors received directors' fees of €12,500 each.

In respect of the terms of office held in controlled companies, Dominique Hériard Dubreuil received directors' fees of €20,000.

In respect of the 2008/09 financial year, companies controlling Rémy Cointreau paid the following remuneration to Dominique Hériard Dubreuil: €206,485, François Hériard Dubreuil: €205,824, Marc Hériard Dubreuil: €205,824. Directors did not benefit from benefits in kind from companies controlled by Rémy Cointreau.

In respect of the terms of office held in controlling companies, these three directors received directors' fees of €12,500 each.

In respect of the terms of office held in controlled companies, Dominique Hériard Dubreuil received directors' fees of €20,000.

TABLE 4

Share subscription or purchase options granted during the financial year to each executive director

Options granted to each executive director by the issuer and any Group company	N° and date of plan	Nature of options (purchase or subscription)	Value of options based on method used in consolidated financial statements	Number of options granted during the financial year	Exercise price	Exercise period
N/A						

TABLE 5

Subscription or purchase options exercised by executive directors during the financial year

Options exercised by executive directors	N° and date of plan	Number of shares exercised during the financial year	Exercise price	Year of allocation
N/A				

TABLE 6

Performance-based shares granted during the financial year to each executive director

Performance-based shares granted during the 2009/10 financial by Rémy Cointreau	Plan date	Number of shares granted during the financial year	Value of shares based on method used in consolidated financial statements	Final allocation date	Date shares may be traded
Jean-Marie Laborde	20/11/09	19,000	593,750	20/11/11	20/11/13

TABLE 7

Performance-based shares acquired during the financial year by each executive director

Performance-based shares that became available to executive directors	Plan date	Number of shares that became available during financial year	Acquisition conditions	Allocation date
Jean-Marie Laborde	20/11/07	19,000	The main acquisition terms and conditions are specified in the chapter on general information on the share capital	20/11/09

2.7 OTHER

INFORMATION ON TRANSACTIONS WITH MEMBERS OF GOVERNANCE BODIES

See the Statutory Auditors' Special Report for the financial year ended 31 March 2010 for regulated agreements concluded during previous financial years, whose execution was continued during the financial year.

No transactions outside the ordinary activities of the Company and outside normal conditions were concluded with shareholders holding voting rights in excess of 10%, other than those covered in the above report.

LOANS AND GUARANTEES GRANTED TO OR SET UP IN FAVOUR OF MEMBERS OF GOVERNANCE BODIES AND EXECUTIVE MANAGEMENT

None.

CHAPTER 4

FINANCIAL STATEMENTS.

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4.1 CONSOLIDATED FINANCIAL STATEMENTS OF THE REMY COINTREAU GROUP AT 31 MARCH 2010

1. CONSOLIDATED INCOME STATEMENT

At 31 March, in € millions	Notes	2010	2009	2008
Turnover	15	807.8	714.1	817.8
Cost of sales		(337.4)	(302.3)	(375.7)
Gross profit		470.4	411.8	442.1
Distribution costs	16	(254.3)	(201.7)	(210.6)
Administrative expenses	16	(81.7)	(80.7)	(83.0)
Other income from operations	16	5.6	7.6	11.1
Current operating profit	15	140.0	137.0	159.6
Provision for asset impairment		-	-	-
Other operating income/(expenses)	18	(7.5)	14.9	(0.6)
Operating profit		132.5	151.9	159.0
Finance costs		(24.8)	(26.5)	(36.4)
Other financial income/(expenses)		2.5	(4.8)	(9.4)
Financial result	19	(22.3)	(31.3)	(45.8)
Profit before tax		110.2	120.6	113.2
Income tax	20	(29.1)	(37.5)	(28.9)
Share in profit of associates	5	4.9	3.0	9.5
Profit from continuing operations		86.0	86.1	93.8
Profit/(loss) from discontinued operations	21	3.0	-	4.6
Net profit for the year		89.0	86.1	98.4
Attributable to:				
- non-controlling interests		2.7	-	-
- owners of the parent company		86.3	86.1	98.4
Net earnings per share - attributable to owners of the parent company (€)				
Basic		1.80	1.84	2.12
Diluted		1.79	1.83	2.10
Net earnings per share from continuing operations (€)				
Basic		1.79	1.84	2.03
Diluted		1.78	1.83	2.00
Number of shares used for the calculation				
Basic	10.2	47,989,124	46,877,143	46,320,872
Diluted	10.2	48,191,494	47,113,389	46,792,120

2. STATEMENT OF COMPREHENSIVE INCOME

At 31 March, in € millions	2010	2009	2008
Net profit for the year	89.0	86.1	98.4
Movement in the value of hedging instruments ⁽¹⁾	(6.9)	(24.0)	15.1
Actuarial difference on pension commitments	(4.9)	2.8	3.1
Movement in the value of AFS shares ⁽²⁾	0.1	(0.2)	-
Related tax effect	3.8	7.4	(6.2)
Movement in translation difference	0.3	24.1	(16.7)
Total income/(expenses) recorded in equity	(7.6)	10.1	(4.7)
Total comprehensive income for the year	81.4	96.2	93.7
Attributable to owners of the parent company	78.7	96.2	93.9
Attributable to non-controlling interests	2.7	-	(0.2)
(1) of which unrealised gains and losses transferred to income	0.2	(23.0)	(7.9)
(2) of which unrealised gains and losses transferred to income	-	-	-

3. STATEMENT OF FINANCIAL POSITION

At 31 March, in € millions	Notes	2010	2009	2008
Brands and other intangible assets	3	629.9	629.8	627.0
Property, plant and equipment	4	208.6	197.0	180.0
Investments in associates	5	64.3	62.1	120.3
Other investments	6	71.2	61.1	54.1
Deferred tax assets	20	27.1	22.4	14.0
Non-current assets		1,001.1	972.4	995.4
Inventories	7	969.8	958.4	858.8
Trade and other receivables	8	248.1	282.1	238.3
Income tax receivables		8.3	6.0	1.5
Derivative financial instruments	14	3.2	10.8	26.1
Cash and cash equivalents	9	86.3	89.4	37.3
Assets held for sale	2	-	0.2	2.5
Current assets		1,315.7	1,346.9	1,164.5
Total assets		2,316.8	2,319.3	2,159.9
Share capital		77.6	75.8	74.5
Share premium		708.2	685.5	664.5
Treasury shares		(0.4)	(2.3)	0.1
Consolidated reserves		151.5	127.1	83.7
Net profit attributable to owners of the parent company		86.3	86.1	98.4
Translation reserve		(0.2)	(0.5)	(24.6)
Profit recorded in equity		(5.4)	(1.0)	(14.9)
Equity - attributable to owners of the parent company		1,017.6	970.7	911.5
Non-controlling interests		0.9	(1.8)	(1.8)
Equity	10	1,018.5	968.9	909.7
Long-term borrowings	11	537.7	592.4	322.1
Provision for staff benefits	22	23.8	18.7	20.3
Long-term provisions for liabilities and charges	12	5.1	12.4	7.5
Deferred tax liabilities	20	199.8	199.4	162.0
Non-current liabilities		766.4	822.9	511.9
Short-term borrowings and accrued interest	11	50.0	28.9	156.1
Trade and other payables	13	439.3	452.9	307.4
Income tax payables		11.9	32.9	6.9
Short-term provisions for liabilities and charges	12	19.8	5.9	267.8
Derivative financial instruments	14	10.9	6.9	0.1
Current liabilities		531.9	527.5	738.3
Total equity and liabilities		2,316.8	2,319.3	2,159.9

4. STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

At 31 March, in € millions	Share capital and premium	Treasury shares	Reserves and consolidated net profit	Translation reserves	Profit recorded in equity	Attributable to Owners of the parent company and Non controlling interests		Total equity
Balance at 31 March 2007	723.8	(0.9)	134.2	(8.1)	5.1	854.1	(1.6)	852.5
Impact of the application of amended IAS 38 (note 1)	-	-	(1.8)	-	-	(1.8)	-	(1.8)
31 March 2007 after restatement	-	723.8	(0.9)	132.4	(8.1)	852.3	(1.6)	850.7
Net profit for the year	-	-	98.4	-	-	98.4	-	98.4
Gains and losses recorded in equity	-	-	2.2	(16.5)	9.8	(4.5)	(0.2)	(4.7)
Charges related to option plans and those related to it	-	-	3.5	-	-	3.5	-	3.5
Share capital increase	15.2	-	(0.2)	-	-	15.0	-	15.0
Transactions on treasury shares	-	1.0	-	-	-	1.0	-	1.0
Dividends	-	-	(55.2)	-	-	(55.2)	-	(55.2)
Change in consolidation scope	-	-	1.0	-	-	1.0	-	1.0
Balance at 31 March 2008	739.0	0.1	182.1	(24.6)	14.9	911.5	(1.8)	909.7
Net profit for the year	-	-	86.1	-	-	86.1	(0.1)	86.0
Gains and losses recorded in equity	-	-	1.9	24.1	(15.9)	10.1	0.1	10.2
Charges related to option plans and those related to it	-	-	3.6	-	-	3.6	-	3.6
Share capital increase	22.3	-	-	-	-	22.3	-	22.3
Transactions on treasury shares	-	(2.4)	-	-	-	(2.4)	-	(2.4)
Dividends	-	-	(60.5)	-	-	(60.5)	-	(60.5)
Balance at 31 March 2009	761.3	(2.3)	213.2	(0.5)	(1.0)	970.7	(1.8)	968.9
Net profit for the year	-	-	86.3	-	-	86.3	2.7	89.0
Gains and losses recorded in equity	-	-	(3.5)	0.3	(4.4)	(7.6)	-	(7.6)
Charges related to option plans and those related to it	-	-	3.4	-	-	3.4	-	3.4
Share capital increase	24.5	-	-	-	-	24.5	-	24.5
Transactions on treasury shares	-	1.9	-	-	-	1.9	-	1.9
Dividends	-	-	(61.6)	-	-	(61.6)	-	(61.6)
Balance at 31 March 2010	785.8	(0.4)	237.8	(0.2)	(5.4)	1,017.6	0.9	1,018.5

5. STATEMENT OF CASH FLOWS

At 31 March, in € millions	Notes	2010	2009	2008
Current operating profit		140.0	137.0	159.6
Adjustment for depreciation, amortisation and impairment		16.1	14.8	13.6
Adjustment for share-based payments		3.4	3.6	3.5
Dividends received from associates	5	2.1	1.4	8.4
EBITDA		161.6	156.8	185.1
Change in inventories		(17.8)	(67.2)	(32.5)
Change in trade receivables		(35.0)	43.6	(10.3)
Change in trade payables		(0.3)	92.1	10.8
Change in other receivables and payables		65.0	(65.2)	5.8
Change in working capital requirement		11.9	3.3	(26.2)
Net cash flow from operations		173.5	160.1	158.9
Other operating income/(expenses)		(1.9)	(232.5)	(9.4)
Net financial expenses		(29.5)	(17.6)	(37.5)
Net income tax		(53.8)	27.9	10.5
Other operating cash flows		(85.2)	(222.2)	(36.4)
Net cash flow from operating activities - continuing operations		88.3	(62.1)	122.5
Impact of discontinued operations		-	-	0.6
Net cash flow from operating activities		88.3	(62.1)	123.1
Purchases of non-current assets	3/4	(24.8)	(31.5)	(27.3)
Purchases of investment securities	5/6	(10.7)	(5.8)	-
Net cash flow from sale of non-current assets		5.5	4.5	9.4
Net cash flow from sale of investment securities	6	-	60.4	52.5
Net cash flow from other investments	6	(2.7)	1.6	(1.5)
Net cash flow from investing activities - continuing operations		(32.7)	29.2	33.1
Impact of discontinued operations		1.6	(0.7)	(3.1)
Net cash flow from investing activities		(31.1)	28.5	30.0
Capital increase	10	1.4	0.9	8.0
Treasury shares	10	1.9	(2.2)	1.0
Increase in borrowings		1.5	136.6	82.0
Repayment of borrowings		(30.0)	(2.3)	(186.6)
Dividends paid to shareholders of the parent company		(38.5)	(39.2)	(48.1)
Other cash flows from financing activities		-	-	-
Net cash flow from financing activities - continuing operations		(63.7)	93.8	(143.7)
Impact of discontinued operations		-	-	-
Net cash flow from financing activities		(63.7)	93.8	(143.7)
Translation differences on cash and cash equivalents		3.4	(8.1)	7.3
Change in cash and cash equivalents		(3.1)	52.1	16.7
Cash and cash equivalents at start of year	9	89.4	37.3	20.6
Cash and cash equivalents at end of year	9	86.3	89.4	37.3

6. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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INTRODUCTION

Rémy Cointreau is a société anonyme (joint stock company) with a Board of Directors subject to French legislation and in particular to the French Commercial Code. Rémy Cointreau shares are listed on NYSE Euronext Paris.

The consolidated financial statements presented below were approved by the Board of Directors on 2 June 2010. They will be submitted for shareholder approval at the shareholders' general meeting of 27 July 2010.

1. ACCOUNTING POLICIES

Rémy Cointreau's financial year runs from 1 April to 31 March. The consolidated financial statements are presented in millions of euros.

In accordance with European Regulation (EC) N°. 1606/2002 of 19 July 2002, the consolidated financial statements of Rémy Cointreau are prepared in accordance with the international accounting policies applicable within the European Union as at 31 March 2010.

These standards can be consulted on the website of the European Commission at:
http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm

FIRST TIME ADOPTION OF IFRS

These international accounting standards were applied with retroactive effect to the transition balance sheet as at 1 April 2004, the transition date, except for certain optional and mandatory exemptions provided for in IFRS 1 First-time adoption of International Financial Reporting Standards. The transition balance sheet gave rise to a note in the Reference Document for the year ended 31 March 2005, a separate disclosure prior to publication of the financial statements for the six months ended 30 September 2005 and a note in the Reference Document for the year ended 31 March 2006.

IFRS 1 offers options with regard to the accounting treatment of various items. In this respect, the Rémy Cointreau Group made the following elections:

- business combinations: exemption from retroactive application of IFRS 3 was applied;
- valuation of property, plant and equipment and intangible assets: the option to measure these assets at fair value on the transition date was not applied;
- employee benefits: deferred actuarial differences under French GAAP on the transition date were recognised;
- translation of the financial statements of foreign subsidiaries: translation reserves relating to the consolidation of subsidiaries in foreign currencies were cancelled on 1 April 2004 with a corresponding entry to retained earnings brought forward;
- share-based payments: the Rémy Cointreau Group does not apply IFRS 2 relating to share-based payments to stock option plans opened before 7 November 2002, the date prior to which application is optional.

IAS 32 and IAS 39 were first implemented with effect from 1 April 2005 without adjustment to the figures for the year

ended 31 March 2005 pursuant to the option available under IFRS 1. The effect of this change in accounting policy was recorded within equity at 1 April 2005.

CHANGES IN ACCOUNTING PRINCIPLES COMPARED WITH THE PREVIOUS YEAR

The following standards and interpretations have become applicable to Rémy Cointreau at 31 March 2010:

- IFRS 8 – Operating Segments. This standard, that replaces IAS 14 – Segment Reporting, treats information to be disclosed in respect of operating segments. The application of this new standard coinciding with the set up of a new marketing organisation led the Group to review the presentation of its operating segments. A “Holdings” segment which includes costs of holding company type entities was thus created. These costs were previously allocated by business segment. Comparative data have been restated.
- revisions to IAS 1R – Presentation of Financial Statements. The application of these revisions by the Group has had no significant impact on the results or financial position of the Group. Rémy Cointreau now presents income and expenses recorded in the period in two separate statements: (i) a statement detailing the components of net profit (“Consolidated Income Statement”) and (ii) a statement detailing the gains and losses recorded directly in equity (“Consolidated Statement of Comprehensive Income”). In addition, the Balance Sheet is now described as “Consolidated Statement of Financial Position.
- the amendment to IAS 38 – intangible assets, relating to the recognition of advertising and promotion expenses. The retrospective application of this amendment resulted in the following impacts at 1 April 2007. The results for the 2008 and 2009 financial years were not restated, since the effect was not deemed significant compared with that recognised as at 1 April 2007.

(€ millions)	Impacts as at 1 April 2007
Inventories	(2.8)
Equity	(1.8)
Deferred tax liabilities	(1.0)

- amendments related to IFRS 7 – financial instruments: disclosures. Information disclosed in the notes to the consolidated financial statements was brought into line with these amendments.

- interpretations of IFRIC 13 Customer Loyalty Programmes, IFRIC 14 – IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction and IFRIC 11 - Group and Treasury Shares Transactions. These interpretations have no significant impact on the Group's results or its financial position.

The Group is not concerned by amendment to IAS 23 covering Borrowing Costs, nor by the revision to IFRS 2 – Share-Based Payment, relative to the terms and conditions of acquisitions and cancellation of stock options.

The texts or compulsory amendments for years starting on or after 1 January 2010 have not given rise to an early application in the consolidated financial statements at 31 March 2010.

1.1 USE OF ESTIMATES

Preparation of the financial statements in accordance with International Financial Reporting Standards requires the use of estimates and assumptions that have a bearing on the amounts reported in the financial statements and whose subsequent revision could affect future results. This is particularly the case in respect of the valuations described below.

Brands:

At least once a year, the Group tests the carrying amount of brands and related assets. The main valuation method is based on discounted future cash flows, which are estimated based on medium-term plans approved by the Board of Directors. A number of external factors may impact the actual achievement of these plans.

Pension liabilities and other post-employment benefits:

The valuation of these obligations is determined by the use of actuarial methods involving assumptions for the discount rate, expected return on plan assets, salary increases, life expectancy, etc. Given the long-term nature of these obligations, any changes to these assumptions may have a material impact on the valuation.

Stock options plans:

Calculation of the corresponding charge (IFRS 2) calls for assumptions to be made in respect of the volatility of the share price, dividend payout, staff turnover rate and achievement of performance criteria.

Derivative financial instruments:

Derivative financial instruments held by the Group in connection with its ordinary activities, mainly in the form of options, are valued using the methods prevailing in the financial markets. Note that the valuations are based on market data as at the balance sheet date. These values may fluctuate rapidly due to constant changes in the financial markets.

Provisions for liabilities:

The recognition of provisions for liabilities, generally intended to cover compensation payable in the event of disputes with third parties, requires the Group's management to estimate the level of probability associated with this risk and also the outcome of negotiations, transactions and legal proceedings that are or may be conducted with the third parties concerned.

1.2 BASIS OF CONSOLIDATION

The consolidated financial statements include on a fully consolidated basis all material subsidiaries in which Rémy Cointreau controls, directly or indirectly, more than 50% of the voting rights or over which it exercises effective control, even when it has no actual shareholding (special purpose entities, see also note **1.22**).

Entities over which Rémy Cointreau exercises significant influence are accounted for by the equity method. This is presumed to be the case when Rémy Cointreau controls between 20% and 50% of voting rights.

Consolidated and equity accounted companies prepare their financial statements in accordance with generally accepted accounting principles in their country. When necessary, adjustments are made to these financial statements to bring their accounting policies into line with those used by the Group.

All significant transactions between consolidated companies as well as intra-group gains and losses are eliminated on consolidation.

1.3 TRANSLATION OF THE FINANCIAL STATEMENTS OF FOREIGN SUBSIDIARIES

The consolidated financial statements of the Rémy Cointreau Group are stated in euros, the functional currency of Rémy Cointreau SA. The balance sheets of foreign subsidiaries, whose functional currency is not the euro, are translated at the closing exchange rate, while the income statements are translated at the average exchange rate for the period concerned. Differences arising from the use of different exchange rates are recognised directly in equity under "Translation reserves" until the sale or liquidation of the subsidiary concerned.

1.4 FOREIGN CURRENCY TRANSACTIONS

In accordance with IAS 21, Changes in foreign exchange rates, transactions denominated in foreign currencies are recorded by each consolidated entity at the rate of exchange prevailing on the transaction date. At the balance sheet date, foreign currency assets and liabilities are netted off and translated at the closing rate of exchange of the functional currency. The resulting differences are recognised in the income statement as an operating item or as a financial item depending on the nature of the underlying transactions.

This treatment is also applied to intra-Group transactions with the exception of those classified as net investment hedge for which the effects of changes in foreign exchange rates are recognised directly in equity under "Translation reserves".

The Rémy Cointreau Group generates around 70% of its turnover outside the Euro zone, whereas production and other costs are incurred mainly within this zone. The consolidated operating profit thus has significant exposure to changes in foreign exchange rates. The Group frequently uses financial derivatives, particularly options and forward currency contracts, to hedge this currency risk.

These financial derivatives are recognised on the balance sheet at their closing market value. When they qualify as hedging instruments as defined by IAS 39, changes in the value of such instruments are recognised within.

- gross profit for the effective portion of hedges relating to trade receivables and payables at the period end;
- so-called recyclable equity for the effective portion of hedges relating to future cash flows, the gain or loss being recycled in gross profit (for trading cash flows) or within net financial income or expenses (for other cash flows) as the cash flows covered by the hedging transactions occur;
- net financial income or expenses for the ineffective part of hedges relating to future cash flows, including changes in the time value of options.

Currency gains and losses realised during the year are recorded in the same accounts as their underlying transactions (i.e. within gross profit for trading transactions).

More details on derivatives are provided in note **1.10.c**.

1.5 GOODWILL

Goodwill represents the difference between the cost of acquisition of the shares and the fair value of identifiable assets and liabilities at the date of acquisition.

In accordance with IFRS 3, Business Combinations, goodwill is not amortised but is subject to impairment testing at least annually and as soon as there is any indication of a diminution in value. For the purpose of this testing, goodwill is allocated to Cash Generating Units (CGUs).

1.6 INTANGIBLE ASSETS

Intangible assets mainly comprise the value of the brands identified when acquisitions are made by the Group.

Expenditure incurred to create new brands or to develop existing brands and all expenses relating to the registration and legal protection of brands are systematically recognised in the income statement in the period in which they are incurred.

The brands recorded on the Rémy Cointreau Group's balance sheet are not amortised as they enjoy legal protection, generate higher earnings than those of similar unbranded products and have an indefinite useful life.

Brands are tested for impairment at least annually and as soon as there is any indication of a diminution in value. These tests are described in note **1.8**.

Distribution rights associated with the brands were also recognised when the acquisitions were made by the Group. When these rights have an indefinite life, they are not amortised but are tested for impairment together with the brands to which they relate.

Pursuant to IAS 38 – Intangible assets – advertising and promotional expenses are recorded as expenses in the period in which they are incurred.

The Group does not capitalise any research and development costs.

Other intangible assets are amortised over the following periods:

- leasehold rights: over the term of the lease;
- licences and direct costs of installations and/or upgrades: 3 to 7 years.

1.7 PROPERTY, PLANT AND EQUIPMENT

a) Cost

In accordance with IAS 16, Property, Plant and Equipment, items of property, plant and equipment are recognised at acquisition or production cost. These assets are not re-valued subsequently.

Cost does not include any finance costs.

Capital grants are deducted from the cost of the property, plant or equipment to which they relate.

Maintenance and repair costs are recognised in the income statement when incurred except when intended to increase productivity and/or to extend the useful life of the asset.

Property, plant and equipment acquired through finance leases as defined by IAS 17, Leases, are reported as an asset on the balance sheet at the lower of the fair value of the asset or the present value of the minimum lease payments. The corresponding debt is reported as a liability on the balance sheet. The assets concerned are depreciated using the method and useful lives described below.

b) Depreciation

Depreciation is calculated using the straight-line method applied to the acquisition cost less any estimated residual value.

The Group's non-current assets are predominantly used in production. Given that they are used until the end of their estimated useful lives, they have no material residual value.

Depreciation is based on the estimated useful lives of the different categories of property, plant and equipment, being the periods during which it is estimated that the Group will derive economic benefits from these assets.

- property, according to the nature of the individual components : 10 to 75 years;
- stills, barrels and vats : 35 to 50 years;
- plant, equipment and tooling : 3 to 15 years;
- computer equipment : 3 to 5 years;
- other property, plant and equipment : 5 to 10 years.

1.8 IMPAIRMENT OF NON-CURRENT ASSETS

In accordance with IAS 36, Impairment of Assets, the value in use of property, plant and equipment and intangible assets is tested as soon as there is any indication of a diminution in value, and automatically at each year end in the case of assets with an indefinite useful life (i.e. brands and certain distribution rights, see note **1.6**).

When impairment tests indicate that the present value is less than the carrying amount and that this loss is deemed to be permanent, impairment is recognised in the income statement under "Provisions for impairment".

For these tests, the assets are allocated to cash generating units (CGUs). In the Group's case, the structure of these units is based on the brand portfolio.

Each brand or group of brands constitutes a unit when the brand or brands generate cash inflows that are largely independent of those generated by other brands or groups of brands.

These tests consist in comparing the carrying amount of the brands and related assets with their present value, the latter being the higher of their value in use and their market value less any costs involved in selling the assets.

With respect to operational entities that Group's management has decided to sell, the assets concerned are stated at the lower of their carrying amount and estimated market value after selling costs. If negotiations are in progress, the value is established based on the best estimate of their outcome as of the balance sheet date.

The principal method used to estimate value in use is based on the present value of future cash flows (excluding finance costs) generated by the use of each brand. These cash flows are estimated by reference to medium-term business plans (five to seven years depending on the business) approved by the Board of Directors. The terminal value is determined by applying a constant growth rate to infinity. The discount rates used are set for each brand in turn and include a specific risk premium for each activity.

When recent transactions involving similar assets have taken place, the multiples for these transactions are used to determine fair value.

1.9 INVENTORIES

Inventories are valued in accordance with IAS 2, Inventories.

Inventories are recognised when the risks and rewards of their ownership have passed to the Group. The application of this principle, which is part of the IFRS conceptual framework, results in the recognition of inventories that are held physically and legally by third parties. The contra entry for these inventories is generally recorded in trade payables.

A substantial part of the inventories held by the Rémy Cointreau Group consists of eaux-de-vie (cognac, brandy and rum) and wines (champagne) that are undergoing ageing. These inventories may be held for periods ranging from three to more than 70 years. They remain classified within current assets based on common industry practice. Production costs are determined in line with industry practices to the extent that this approach complies with the requirements of IAS 2.

Inventories originating from vineyards owned or operated directly by the Group are not material.

The cost of inventories undergoing ageing does not include finance costs incurred during this ageing period. Such finance costs are recognised in the income statement in the period when incurred.

The value of inventories undergoing ageing varies each year since it is adjusted to include production costs attributable directly to the ageing process as well as to reflect evaporation. The approach used to determine realisable value takes into account the price at which finished products made from these inventories will be sold.

Finished goods are stated at the lower of cost calculated using the weighted average cost method and net realisable value.

1.10 FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities are valued in accordance with IAS 39, Financial instruments: Recognition and Measurement, as approved by the European Union on 19 November 2004 and its subsequent amendments.

a) Trade receivable and payables

Trade receivables and payables, which are generally collected or settled within three months, are stated at nominal value.

An impairment provision is recognised when the fair value of trade receivables based on the probability of collection is less than their carrying amount.

b) Non-consolidated equity investments

These shares consist of available-for-sale investments (AFS) as defined by IAS 39 and are therefore stated at realisable value as at the balance sheet date. As a rule, changes in value are recognised:

- directly in equity until such gains or losses are actually realised;

- when the loss is considered to be permanent, an impairment provision is recognised in the financial statements as a financial expense.

In the case of the Rémy Cointreau Group, these shares represent non-core investments that have been retained for historical reasons and which are not listed on a regulated market.

c) Derivative financial instruments

The Group makes extensive use of derivative financial instruments as part of its policy for hedging exposure to currency and interest rate risks. The Group has implemented the procedures and maintains the documentation needed to justify the application of hedge accounting as defined by IAS 39.

Derivative instruments are stated at market value as at the balance sheet date. Market values are calculated using an external valuation model, and compared with those obtained for counterparty banks. Changes in the value of currency instruments are recognised in the manner described in note 1.4. When used to hedge interest rate risk, changes in the value of derivative instruments (mainly caps and interest swaps) are recorded in recyclable equity in respect of the change in the intrinsic value of the hedging instruments when these options are active and in net financial income and expenses for any residual change in fair value of the hedging instruments and the change in fair value of the non-hedging instruments.

The Group also holds derivative instruments involving Rémy Cointreau shares (note 14.6).

d) Loans and borrowings

Financial resources are stated at nominal value net of costs incurred when arranging this financing, which are recognised in the income statement as finance costs using an actuarial calculation (the effective interest rate method), except for costs relating to the banking syndication, which are recognised using the straight-line method over the term of the contract.

1.11 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprises cash and short-term investments that are considered highly liquid, can be converted into a known amount of cash and involve immaterial risk of loss in value in relation to the criteria specified in IAS 7.

In the statement of cash flows, bank overdrafts are excluded from cash and cash equivalents and are included in short-term borrowings.

1.12 DEFERRED TAX

In accordance with IAS 12, deferred tax is recognised on all temporary differences between the carrying amounts of the assets and liabilities in the consolidated financial statements and the corresponding tax bases in the accounts of the consolidated entities.

Deferred tax is calculated at the statutory tax rates that are expected to be in effect when timing differences reverse, which is generally the tax rate for the current reporting period or that of the subsequent reporting period if known. The effects of changes in tax rates are included in the income tax charge for the period in which they become known.

The main source of deferred tax for the Rémy Cointreau Group arises from the difference in the value of the brands in the consolidated financial statements, very often resulting from goodwill on acquisition, and their value for taxation purposes, which is generally nil.

As required by IAS 12, a deferred tax liability is recognised on the difference between the carrying amount and the tax value of shares held in associates. In the case of fully consolidated entities, the deferred tax liability is recognised only in respect of dividends that are certain at the balance sheet date.

Tax savings from tax losses carried forward are recognised as deferred tax assets and written down by reference to the probability that these losses will be utilised.

1.13 PROVISIONS FOR LIABILITIES AND CHARGES

In accordance with IAS 37, Provisions, Contingent Liabilities and Contingent Assets, a provision is recognised when the Group has an obligation towards a third party and it is certain or highly probable that it will result in a payment in cash or kind being made to the third party without receipt of an at least equivalent consideration from the third party. Provisions for restructuring are recognised only when the restructuring has been announced and detailed measures drawn up.

When the time value of money is material, the amount of the provision corresponds to the present value of expected expenditure that the company believes to be necessary to meet the liability. In practice, when the liability is expected to be settled in more than 12 months, the amount of the provision is discounted to its present value, with the effects of this discounting being recognised in profit or loss as a financial item.

1.14 PENSION AND OTHER POST-EMPLOYMENT BENEFITS

In accordance with the laws and practices in each country, Rémy Cointreau participates in employee benefit plans providing pensions and other post-employment benefits through defined contribution or defined benefit plans. The assets of pre-financed pension plans are managed as separate funds by independent asset managers or insurance companies.

Commitments are determined and recognised in accordance with the requirements of IAS 19.

Accordingly:

- charges relating to defined contribution plans are recognised as expenses when paid;
- commitments in respect of defined benefit plans are determined by actuaries using the Projected Unit Credit Method. These calculations are based on assumptions regarding life expectancy, staff turnover and future salary increases. They also take into account the economic situation in each country. For the Group companies located in the Euro zone, the discount rate used is based on iBoxx index for bonds with a maturity close to that of the pension liabilities.

Commitments under defined benefit plans concern:

- commitments under the Group's pension plan in Germany, Barbados and Belgium;

- retirement indemnities and long-service awards under collective bargaining agreements in France;
- commitments in respect of various post-employment healthcare benefits;
- other commitments in respect of supplementary defined benefit pension plans sponsored by the Group in France.

Certain Group companies have early retirement plans that are accounted for in the same way as employee redundancy.

Actuarial gains and losses for post-employment defined benefit plans arising since 1 April 2004 have also been recognised directly in equity. These actuarial gains and losses correspond to adjustments to reflect differences between the previous actuarial assumptions and actual experience, and the effects of changes in actuarial assumptions.

1.15 TURNOVER

Turnover comprises wholesale sales of finished products of the brands of wines and spirits marketed by the Group to:

- the various distribution companies of the Maxxium network, which was 25%-owned by Rémy Cointreau until 30 March 2009;
- distributors;
- agents;
- wholesalers, mainly in North America.

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, which as a rule occurs on shipment.

These sales are stated net of alcohol duties and sales taxes and are determined by reference to customer prices. Sales to wholesalers are recognised net of any provisions for discounts, rebates and other forms of trade agreements when they result in the customer ultimately paying a lower price for the goods.

Certain revenues that are ancillary to the sale of the wine and spirits brands (notably from subcontracting and the distribution of alcohol-free products) are recorded at their net amount under "Other income (expenses) from operations" to the extent that they are peripheral to the Group's core activity.

1.16 DEFINITION OF CERTAIN INDICATORS

a) Current operating profit, Operating profit, Profit (loss) from discontinued operations

Current operating profit comprises all elements relating to the Group's activities with the exception of:

- the operating profit from operations that were discontinued during the period or are to be discontinued, when plans to this effect have been approved by the Board of Directors. The corresponding operating profit is reclassified in the line "Profit (loss) from discontinued operations" together with other items of income and expense relating to these activities;
- items that, given their nature, frequency and materiality, cannot be considered as part of the Group's ordinary activities and which affect inter-period comparisons. They include notably impairment losses in respect of brands and

other non-current assets recognised as a result of impairment tests (see **note 1.8**), provisions for restructuring and litigation, and significant gains and losses on the sale of assets other than those relating to operations that already have been, or are to be, discontinued.

b) Earnings before interest, tax, depreciation and amortisation (EBITDA)

This earnings measure is used notably in the calculation of certain ratios. It corresponds to the current operating profit adjusted by adding back depreciation and amortisation charges for the period in respect of property, plant and equipment and intangible assets, and charges in respect of share-based payments, to which are added dividends received from associates during the period.

c) Net debt

Net debt is used notably in the calculation of certain ratios. It corresponds to long-term borrowings plus short-term borrowings and accrued interest less cash and cash equivalents.

d) Capital employed

Capital employed is used for the calculation of return on capital employed by activity and in total for the Group as a whole. The return on capital employed (ROCE) is calculated by comparing the current operating profit for the year with the value of capital employed as at the balance sheet date. This ratio is one of the main indicators used to measure the performance of each activity.

Capital employed comprises:

- intangible non-current assets (excluding brands and distribution rights);
- property, plant and equipment;
- inventories;
- trade and other receivables (excluding items relating to VAT and excise duties);
- net trade and other payables (excluding items relating to VAT and excise duties);
- net provisions for liabilities and charges (excluding those relating to tax disputes, operations that have been or are to be discontinued, and the Maxxium compensation).

In addition, comparative data is systematically adjusted for items relating to activities sold during subsequent periods.

1.17 SEGMENT REPORTING

As required by IFRS 8, the Rémy Cointreau Group provides an analysis by business and geographical segment of certain items of its financial statements.

a) Business segments

The operating segments to be presented are those for which separate financial information is available in-house and are used by the “main operational decision-maker” to make operational decisions. Rémy Cointreau’s main operational decision-maker is the Executive Committee, which examines the operating performance and allocates resources based on financial information analysed at the level of the Cognac, Liqueurs & Spirits, Champagne and Partner Brands businesses. Consequently, the Group has identified these

four businesses as the operating segments to be presented. In addition, a holding segment includes the central expenses that are not allocated to the various divisions.

Information provided by division is identical to that presented to the Executive Committee.

The Partner Brands division includes the brands where the group is not involved in any industrial process but acts solely as a distributor.

b) Geographic segments

The breakdown of turnover by geographic segment is based on the country of destination of the goods sold, while the breakdown of balance sheet items is based on the country in which the consolidated entities are located.

The geographic segments used are: Europe, Americas and “Asia and others”. The last segment comprises Asia, Australia, New Zealand and Africa.

1.18 TREASURY SHARES

Group investments in Rémy Cointreau shares are deducted from equity at their acquisition cost.

On 15 November 2005, and for a period of one year renewable by tacit agreement, Rémy Cointreau signed a liquidity agreement with Rothschild & Cie Banque that complies with the Ethics Charter of the Association Française des Entreprises d’Investissement and was approved by the Autorité des Marchés Financiers (AMF) by a decision dated 22 March 2005 and published in the Bulletin des Annonces Légales Obligatoires (BALO) on 1 April 2005.

At each period end, Rémy Cointreau shares held via the liquidity account and the net gains or losses during the year on share transactions conducted by the contract manager are reclassified in equity. The value of cash held in the liquidity account is recorded in “Other investments”.

1.19 STOCK OPTIONS AND FREE SHARE PLANS

In accordance with IFRS 2 “Share-based payments”, the plans since 7 November 2002, give rise to the recognition of a charge representing the estimated value of the benefit granted to the plans’ beneficiaries. Amounts are expensed as “Administrative expenses” and simultaneously credited to reserves. The benefits are measured as follows:

- for stock option plans: the benefit is measured on the date that each plan is granted using a binomial model and is expensed on a straight-line basis over the vesting period (four years);
- for free share plans: the valuation is based on the share price on the allocation date and on the estimated dividends paid during the vesting period, weighted by the anticipated achievement of the final allocation criteria. The benefit is expensed on a straight-line basis over the vesting period (two years).

1.20 EARNINGS PER SHARE

Basic earnings per share are calculated based on the weighted average number of shares in issue during the reporting period, less treasury shares, together with shares relating to convertible bonds whose conversion is certain.

Diluted earnings per share are calculated based on the weighted average number of shares in issue during the reporting period, less treasury shares and plus the weighted average number of shares that would be issued during the reporting period if all existing subscription options granted in respect of the various plans, and which have not lapsed at the balance sheet date, were to be exercised. As required by IAS 33, it is assumed that proceeds from the theoretical exercise of the options are used to acquire ordinary shares at the average market price during the period.

In the event that the diluted earnings per share are higher than the basic earnings per share, the diluted earnings per share are adjusted to the level of the basic earnings per share.

1.21 DISCONTINUED OPERATIONS

When a company or activity is classified as being discontinued as at the balance sheet date in accordance with IFRS 5, the assets and liabilities directly related to the operation and which will be transferred on completion of the disposal are reclassified in "Assets held for sale" or "Liabilities directly related to assets held for sale" for the current reporting period only.

When a company or activity that represents a major and distinct line of business or geographic area is sold during the reporting period or is classified in assets held for sale:

- all income statement lines of this company or activity for comparative periods are reclassified in "Profit (loss) from discontinued operations". A similar reclassification is performed in the cash flow statement in the line "Impact of discontinued operations" within "Net cash flow from operating activities";
- all income statement lines of this company or activity until the disposal date are reclassified in the line "Profit (loss) from discontinued operations" in the period in which the disposal takes place. A similar reclassification is performed in the cash flow statement in the line "Impact of discontinued operations" within "Net cash flow from operating activities";
- the profit or loss generated on the disposal transaction, net of transaction costs and taxes, is also recognised in the line "Profit (loss) from discontinued operations". In the cash flow statement, a distinction is made between the cash received as consideration for the sale net of transaction costs, classified in "Net cash flow from investing activities", and any impact of the de-consolidation of the cash held by the entity sold, classified in "Net cash flow from financing activities".

Costs directly attributable to the outstanding disposal transaction, for which there is an irrevocable commitment as at the balance sheet date, are recorded in "Profit (loss) from discontinued operations". A similar reclassification is performed in the cash flow statement in the line "Impact of discontinued operations" within cash flow from investing activities.

1.22 CONSOLIDATION OF CO-OPERATIVES

Since 1 April 2003, Rémy Cointreau has fully consolidated as a special purpose entity, the Alliance Fine Champagne (AFC) co-operative in respect of the scope of operations relating to Rémy Cointreau.

As a result of this consolidation, the consolidated balance sheet includes the inventories that AFC holds and intends to deliver to Rémy Cointreau. These inventories include inventories held by the distillers in connection with three-year supply agreements. Corresponding entries are included in borrowings and trade payables. Related finance costs are also included in Rémy Cointreau's finance costs.

2. CHANGES IN CONSOLIDATION SCOPE

2.1 ACQUISITIONS OF THE YEAR

The Rémy Cointreau Group did not carry out any disposal or acquisition over the period but finalised a number of transactions of the previous financial year. A balance of €10.7 million related to the four distribution entities acquired from Maxxium and the incorporation of a joint venture with Underberg in Germany was thus disbursed during the year.

2.2 ASSETS HELD FOR SALE AND RELATED LIABILITIES

In accordance with IFRS 5, material assets whose sale is highly probable at the balance sheet date are reclassified in "Assets held for sale". Liabilities directly associated with these items are also reclassified in "Liabilities directly related to assets held for sale".

The assets cease to be depreciated or amortised as from the date of reclassification. Reclassified assets are reduced to their estimated realisable value if this is less than the carrying amount.

At 31 March 2010, there were no longer any significant assets under this heading, following the reclassification of the balance that existed at 31 March 2009.

(€ millions)	2010	2009	2008
Reims property assets	-	-	1.8
Machecouls industrial site	-	0.2	0.2
Other	-	-	0.5
Total assets	-	0.2	2.5

3. BRANDS AND OTHER INTANGIBLE ASSETS

(€ millions)	Brands	Distribution rights	Other	Total
Gross value at 31 March 2008	621.6	9.1	23.3	654.0
Acquisitions	-	-	3.4	3.4
Disposals, items scrapped	-	(0.7)	(2.5)	(3.2)
Change in consolidation scope	-	-	0.2	0.2
Other movements	-	-	0.3	0.3
Translation differences	1.4	0.9	0.3	2.6
Gross value at 31 March 2009	623.0	9.3	25.0	657.3
Acquisitions	-	-	3.0	3.0
Disposals, items scrapped	-	-	(0.4)	(0.4)
Translation differences	(0.1)	(0.1)	-	(0.2)
Gross value at 31 March 2010	622.9	9.2	27.6	659.7
Cumulated amortisation at 31 March 2008	3.4	7.1	16.5	27.0
Charge for the year	-	-	2.5	2.5
Disposals, items scrapped	-	(0.2)	(2.5)	(2.7)
Translation differences	-	0.5	0.2	0.7
Cumulated amortisation at 31 March 2009	3.4	7.4	16.7	27.5
Charge for the year	-	-	2.7	2.7
Disposals, items scrapped	-	-	(0.3)	(0.3)
Translation differences	-	-	(0.1)	(0.1)
Cumulated amortisation at 31 March 2010	3.4	7.4	19.0	29.8
Net carrying amount at 31 March 2008	618.2	2.0	6.8	627.0
Net carrying amount at 31 March 2009	619.6	1.9	8.3	629.8
Net carrying amount at 31 March 2010	619.5	1.8	8.6	629.9

“Other” includes mainly software licenses and leasehold rights.

Brands and other intangible assets with indefinite useful life have been subject to an annual impairment test at 30 September 2009, according to the method described in note 1.8.

The present value used for brands and other related assets is based on their value in use. No impairment was recognised following these tests.

Assumptions used for the annual impairment test include:

- discount rates before tax of 7.8% to 9.1%;
- an infinite growth rate of 1% to 2%.

Considering the business plans on which such tests are based and the financial parameters taken into account, an increase of 0.5 points in the discount rates or a reduction in the growth rate to infinity 0.5 points would not incur any impairment of any of the brands and other intangible assets held by the Rémy Cointreau Group.

At 31 March 2010, the group had not identified any indication of loss in value to call into question the results of the impairment tests carried out at 30 September 2009.

4. PROPERTY, PLANT AND EQUIPMENT

(€ millions)	Land	Buildings	Other	In progress	Total
Gross value at 31 March 2008	36.4	90.3	163.6	10.3	300.6
Acquisitions	-	1.3	3.0	23.8	28.1
Disposals, items scrapped	(0.3)	(0.2)	(3.2)	(0.1)	(3.8)
Change in consolidation scope	-	-	0.2	-	0.2
Other movements	1.8	12.8	16.3	(31.4)	(0.5)
Translation differences	0.1	1.2	2.4	-	3.7
Gross value at 31 March 2009	38.0	105.4	182.3	2.6	328.3
Acquisitions	-	0.1	2.5	22.6	25.2
Disposals, items scrapped	-	(0.1)	(3.2)	-	(3.3)
Other movements	3.9	8.3	9.9	(21.9)	0.2
Translation differences	-	(0.1)	(0.2)	-	(0.3)
Gross value at 31 March 2010	41.9	113.6	191.3	3.3	350.1
Cumulated depreciation at 31 March 2008	1.4	34.6	84.6	-	120.6
Increases	0.1	2.6	9.6	-	12.3
Disposals, items scrapped	-	(0.2)	(2.9)	-	(3.1)
Other movements	-	-	(0.1)	-	(0.1)
Translation differences	-	0.2	1.4	-	1.6
Cumulated depreciation at 31 March 2009	1.5	37.2	92.6	-	131.3
Increases	0.3	2.8	10.3	-	13.4
Disposals, items scrapped	-	(0.1)	(3.0)	-	(3.1)
Other movements	-	-	-	-	-
Translation differences	-	-	(0.1)	-	(0.1)
Cumulated depreciation at 31 March 2010	1.8	39.9	99.8	-	141.5
Net carrying amount at 31 March 2008	35.0	55.7	79.0	10.3	180.0
Net carrying amount at 31 March 2009	36.5	68.2	89.7	2.6	197.0
Net carrying amount at 31 March 2010	40.1	73.7	91.5	3.3	208.6

For the year ended 31 March 2010, additions amounting to €25.2 million mainly related to industrial capital expenditure on the Group's various production facilities in Cognac, Angers, Reims and Barbados.

These non-current assets are unencumbered.

5. INVESTMENTS IN ASSOCIATES

Investments in associates represent equity interests in companies meeting the principle described in note 1.2.

(€ millions)	Maxxium	Dynasty	Lixir	Diversa	Total
At 31 March 2008	76.4	43.9	-	-	120.3
Dividends paid	-	(1.4)	-	-	(1.4)
Net profit for the year	-	2.3	0.7	-	3.0
Change in consolidation scope	(80.4)	-	0.6	7.2	(72.6)
Translation differences	4.0	8.8	-	-	12.8
At 31 March 2009	-	53.6	1.3	7.2	62.1
Dividends paid	-	(1.4)	(0.7)	-	(2.1)
Net profit for the year	-	4.0	0.7	0.2	4.9
Translation differences	-	(0.6)	-	-	(0.6)
At 31 March 2010	-	55.6	1.3	7.4	64.3

5.1 DYNASTY

The Dynasty Fine Wines Limited group, which is listed on the Hong Kong stock exchange, produces and sells various ranges of wines on the Chinese market where it enjoys a leading position. Its relationship with the Rémy Cointreau Group dates from the founding of the joint venture with the municipality of Tianjin (Republic of China) in 1980.

At 31 March 2010, Rémy Cointreau held 336.5 million Dynasty shares representing a 27.03% equity stake. The share price on the Hong Kong stock exchange on that date stood at HKD 2.52 (2009: HKD 1.30; 2008: HKD 1.69).

There are no commercial transactions between the Rémy Cointreau Group and Dynasty. The relationship is therefore primarily financial.

Dynasty's financial year end is 31 December. Financial information for the Dynasty Group is available on the following internet site: www.dynasty-wines.com. For the purpose of equity accounting, the figures are adjusted to reflect the fact that Rémy Cointreau has a financial year end of 31 March.

5.2 LIXIR

On 7 October 2008, the Rémy Cointreau Group acquired a 50% share in the French distribution joint venture Lixir from William Grant & Sons Investments Ltd for €0.5 million.

At 31 March 2010, Lixir's turnover was €164.4 million (2009: €192.1 million).

5.3 DIVERSA

On 31 March 2009, the Rémy Cointreau Group acquired a 50% share in Diversa GmbH to form a distribution joint venture on the German market with the Underberg Group.

This company started operating on 1 April 2009. Diversa GmbH generated turnover of €118.8 million to 31 March 2010.

6. OTHER INVESTMENTS

(€ millions)	2010	2009	2008
Non-consolidated equity investments	5.1	4.8	5.4
Prepayments for post-employment benefit schemes	0.4	0.4	0.3
Seller's loan	60.7	52.8	43.6
Loan to non-consolidated equity investments	1.1	1.0	1.1
Liquidity account (excluding Rémy Cointreau shares)	2.9	1.1	2.7
Other	1.0	1.0	1.0
Total	71.2	61.1	54.1

6.1 NON-CONSOLIDATED EQUITY INVESTMENTS

(€ millions)	% held	2010	% held	2009	% held	2008
Dettling & Marmot (Switzerland)	25.0%	1.0	25.0%	1.0	25.0%	1.0
Ducs de Gascogne SA (France)	30.1%	1.1	30.1%	1.1	30.1%	1.1
Tianjin Dvpt Holding Ltd (PRC)	0.2%	0.5	0.2%	0.3	0.2%	0.6
Balchoa-Vinhos de Portugal (Portugal)	0.8%	0.5	0.8%	0.5	-	-
Caves Allianca SA (Portugal)	-	-	-	-	5.4%	0.8
REVICO (France)	5.0%	0.4	5.0%	0.4	5.0%	0.4
TRANSMED (France)	9.6%	0.0	9.6%	0.0	9.6%	0.0
Destilerias de Vilafranca SA (liquidation in process)	100.0%	1.5	100.0%	1.5	100.0%	1.5
Other investments		0.1		-		-
Total		5.1		4.8		5.4

6.2 SELLER'S LOAN

In connection with the sale of the Lucas Bols division on 11 April 2006, Rémy Cointreau granted a seller's loan of €50 million for a maximum term of seven years (expiring 11 April 2013) and bearing interest at 3.5%. The loan interest is capitalised.

This loan was initially recorded net of a €10 million early repayment option at the acquirer's initiative. Such option had to be exercised before 11 April 2009.

During the financial year ended 31 March 2010, Lucas Bols BV, beneficiary of the loan, confirmed that it would not exercise the early repayment option before 11 April 2010. Consequently and as stated by contract provisions, the early repayment option was brought down to €2.5 million and the interest charge is retro-actively computed with a 5.5% interest rate per annum, subject to repayment before 11 April 2011. Should repayment not take place at that date, the early repayment option will be brought down to nil and the interest charge will be computed for each annual period based on EURIBOR 3 months plus a spread of 3.04%. The maximum repayment term of the loan is 11 April 2013.

At 31 March 2010, the carrying amount of the loan is the present value of the flows which Rémy Cointreau would get for a repayment before 11 April 2011 as per the contract.

6.3 LIQUIDITY ACCOUNT

During the year ended 31 March 2006, Rémy Cointreau signed a liquidity agreement with a financial intermediary (note 1.18). This type of agreement does not qualify as "Cash and cash equivalents". Furthermore, the balance on the account corresponding to the value of the Rémy Cointreau shares held in conjunction with the agreement is reclassified as treasury shares as a deduction from consolidated equity (note 10.1.2).

7. INVENTORIES

7.1 BREAKDOWN BY CATEGORY

(€ millions)	2010	2009	2008
Goods for resale and finished goods	105.4	114.6	86.3
Raw materials	85.7	97.0	81.9
Ageing wines and eaux-de-vie	780.0	745.0	690.8
Other	2.4	4.3	4.3
Gross cost	973.5	960.9	863.3
Provision for impairment	(3.7)	(2.5)	(4.5)
Carrying amount	969.8	958.4	858.8

7.2 ANALYSIS OF THE CHANGE

(€ millions)	Cost brute	Impairment	Carrying amount
At 31 March 2008	863.3	(4.5)	858.8
Change	73.5	2.5	76.0
Change in consolidation scope	6.7	(0.2)	6.5
Translation differences	17.4	(0.3)	17.1
At 31 March 2009	960.9	(2.5)	958.4
Change	13.9	(1.2)	12.7
Translation differences	(1.3)	(0.0)	(1.3)
At 31 March 2010	973.5	(3.7)	969.8

For the year ended 31 March 2009, the change in consolidation scope includes inventories held by the four entities taken over from Maxxium on 31 March 2009.

8. TRADE AND OTHER RECEIVABLES

(€ millions)	2010	2009	2008
Trade receivables	191.5	154.9	169.4
Receivables related to taxes and social charges (exc. income tax)	19.5	70.5	20.9
Sundry prepaid expenses	6.1	8.4	10.4
Advances paid	18.6	9.5	10.1
Receivables related to asset disposals	2.9	7.7	5.4
Other receivables	9.5	31.1	22.1
Total	248.1	282.1	238.3
of which provision for doubtful debts	(5.1)	(4.7)	(5.3)

A provision for doubtful debt is recognised on a case-by-case basis when the fair value of the receivable is less than its carrying amount.

At 31 March 2009, "Receivables related to taxes and social charges (exc. income tax)" included a VAT receivable of €42.8 million relating to the Maxxium compensation payment. This receivable, which was matched by the payable described in note 13, was repaid in May 2009.

At 31 March 2010, the breakdown of Trade receivables by maturity was as follows:

(€ millions)	Total	Current		Overdue	
		Less than 3 month	More than 3 month	Less than 3 month	More than 3 month
Trade receivables gross	196.6	150.7	5.3	25.5	15.1
Provision for writedown	(5.1)	(0.1)	-	(0.2)	(4.8)
Carrying amount	191.5	150.6	5.3	25.3	10.3

9. CASH AND CASH EQUIVALENTS

(€ millions)	2010	2009	2008
Short-term deposits	28.1	66.1	0.1
Associates' current accounts	0.2	1.9	1.2
Cash at bank	58.0	21.4	36.0
Total	86.3	89.4	37.3

10. EQUITY

10.1 SHARE CAPITAL AND PREMIUM, TREASURY SHARES

	Number of shares	Treasury shares	Total number of shares	Shares capital	Shares premium	Treasury shares
At 31 March 2008	46,558,793	(4,705)	46,554,088	74.5	664.5	0.1
Exercise of stock options	47,908	-	47,908	0.1	0.8	-
Dividend part paid in shares	673,843	-	673,843	1.1	20.2	-
2006 free share plan	89,500	-	89,500	0.1	-	-
Liquidity account	-	(86,000)	(86,000)	-	-	(1.8)
Other treasury shares	-	(12,500)	(12,500)	-	-	(0.3)
Reclassified to consolidated reserves	-	-	-	-	-	(0.3)
At 31 March 2009	47,370,044	(103,205)	47,266,839	75.8	685.5	(2.3)
Exercise of stock options	73,030	-	73,030	0.1	1.3	-
Dividend part paid in shares	980,095	-	980,095	1.6	21.4	-
2007 free share plan	86,600	-	86,600	0.1	-	-
Liquidity account	-	83,747	83,747	-	-	1.8
Other treasury shares	-	4,605	4,605	-	-	0.1
At 31 March 2010	48,509,769	(14,853)	48,494,916	77.6	708.2	(0.4)

10.1.1 SHARE CAPITAL AND PREMIUM

At 31 March 2010, the share capital consisted of 48,509,769 shares with a nominal value of €1.60.

During the year ended 31 March 2010, 73,030 shares were issued in connection with the stock options granted to certain employees.

On 15 September 2009, Rémy Cointreau issued 980,095 shares following the option for partial dividend payment in shares instead of cash.

On 19 November 2009, 86,600 shares were issued (from available reserves) on expiry of the vesting period of the Free share plan 2007.

10.1.2 TREASURY SHARES

At 31 March 2010, 2,253 Rémy Cointreau shares were held in the liquidity account set up in November 2005 (note 1.18). The post-tax profit earned on the shares by the manager of the liquidity account during the period was not significant.

At 31 March 2010, Rémy Cointreau held 12,600 of its own shares to be allocated to the exercise of stock options under Plan N° 12 and 13.

Rémy Cointreau still has the option of buying back 213,503 shares under the sale and buyback agreement concluded on 24 March 2005 (194,000 shares at €27.67 each and 19,503 shares at €28.07 each). Rémy Cointreau also holds a call option on 224,497 shares (at €28.07 each). These instruments are intended to cover stock option Plans N° 12 and 13).

10.2 NUMBER OF SHARES USED FOR THE CALCULATION OF EARNINGS PER SHARE

The principles for calculating earnings per share are set out in note 1.20.

	March 2010	March 2009	March 2008
Average number of shares (basic):			
Average number of shares	48,003,977	46,980,348	46,325,577
Average number of treasury shares	(14,853)	(103,205)	(4,705)
Total used for calculating basic earnings per share	47,989,124	46,877,143	46,320,872
Average number of shares (diluted):			
Average number of shares (basic)	47,989,124	46,877,143	46,320,872
Dilution effect of stock options ⁽¹⁾	202,370	236,246	471,248
Total used for calculating diluted earnings per share	48,191,494	47,113,389	46,792,120

(1) The Rémy Cointreau share price used as a reference when calculating the shares that could be issued in the future as a result of the exercise of options was €30.69 for 2010, €31.05 for 2009 and €49.06 for 2008.

10.3 STOCK OPTION AND FREE SHARE PLANS

10.3.1 STOCK OPTION PLANS

These plans were granted under the authorisations given by the Extraordinary General Meetings held on 26 August 1998 (Plans 7, 8 and 9), 24 August 2000 (Plans 10 and 11), 21 September 2001 (Plans 11 and 12) and 7 September 2004 (Plan 13).

Exercise start date	Plan N°	Term in years	Type ⁽¹⁾	Options granted	Exercise price in €	Lapsed options	Options exercised at 31/03/09	Options exercised during the year	Average exercise price	Outstanding options at 31/03/10
28 April 1999	7	10 years	S	289,300	12.20	4,700	281,338	3,262	21.57	-
7 December 1999	8	10 years	S	499,100	16.36	5,010	464,352	29,738	33.69	-
30 May 2000	9	10 years	S	131,280	18.85	-	113,740	17,540	36.48	-
1 March 2003	10	8 years	S	1,016,600	27.10	34,000	758,810	16,890	37.24	206,900
8 March 2006	11	6 years	S	659,500	25.00	8,500	462,127	5,600	37.18	183,273
16 September 2007	12	6 years	P	287,000	27.67	27,000	82,795	3,605	37.85	173,600
24 December 2008	13	6 years	P	262,000	28.07	35,000	8,000	1,000	38.55	218,000
Total				3,144,780		114,210	2,171,162	77,635	35.09	781,773

1) S = Subscription, P = Purchase.

For all plans, one option corresponds to one share granted.

10.3.2 FREE SHARE PLANS

Grant date ⁽¹⁾	Plan N°	Vesting period	Minimum retention period	Initial number of shares granted	Share price on the grant date	Lapsed options	Shares granted at the end of the vesting period	Number of shares outstanding at 31/03/10
20 November 2007	2007	2 years	2 years	91,100	50.47	4,500	86,600	-
20 November 2008	2008	2 years	2 years	89,900	24.89	1,000	n/a	88,900
19 November 2009	2009	2 years	2 years	102,300	34.05	-	n/a	102,300
Total				283,300	-	5,500	86,600	191,200

(1) The grant date is the date of the Board meeting which decided on granting each plan.

Plan N°	Combined General Meeting that approved the plan
2007	28 July 2005
2008	16 September 2008
2009	16 September 2008

For these three plans, the Board of Directors determined that the following acquisition terms would apply:

- 60% of the shares are granted on the condition that the beneficiary is still employed by the Group at the end of the vesting period;
- 40% of the shares are granted on the condition that the beneficiary is still employed by the Group at the end of the vesting period and that the Group has achieved the performance criteria as measured at the end of the financial year preceding the end of the vesting period. Performance indicators are the current operating profit margin and return on capital employed measured at constant exchange rates and scope.

The shares granted at the end of the vesting period for the 2007 plan resulted in the creation of 86,600 new shares as a deduction against reserves. The plan was fully granted (with the exception of 4,500 having lapsed due to the departure of the beneficiaries).

10.3.3 CALCULATION OF THE CHARGE FOR THE YEAR

In accordance with IFRS 2, a charge representing the estimated value of the benefit granted to the beneficiaries of

share-based payments is recognised in operating profit (note 1.19). Only plans granted after 7 November 2002 are taken into account.

For each plan, the unit value of the option or the free share is determined. The charge is calculated by multiplying these unit values by the estimated number of options or free shares that will be allocated. The amount is amortised on a straight-line basis over the rights vesting period from the date decided by the Board for each plan (four years for Plans 12 and 13 and two years for the Free share plans).

The assumptions used for the estimation of the benefit value and the resulting values are as follows for the plans included in the calculation of the charge for the year ended 31 March 2010:

	Plan 2007	Plan 2008	Plan 2009
Expectation performance criteria will be met	100%	100%	100%
Staff turnover ratio	5.0%	8.0%	8.0%
Value per option	€47.87	€20.74	€29.84

For the year ended 31 March 2010, the related expense is €3.4 million (2009: €3.6 million; 2008: €3.5 million).

10.4 DIVIDENDS

Over the financial year ended 31 March 2010, Rémy Cointreau SA distributed a total dividend of €1.30 per share for the year ended 31 March 2009, including the option that half the dividend, i.e. €0.65 per share, be paid in shares. The share payment totalling €23.0 million was made on 15 September 2009, corresponding to the issue of 980,095 shares at a price of €23.45 each. The balance of €38.5 million was paid in cash in October 2009.

The dividend that will be proposed to the General Meeting of 27 July 2010 for the year ended 31 March 2010 is €1.30 per share, amounting to a total of €63.1 million before taking into account treasury shares. It will also be proposed that shareholders are given the option to elect for 50% of the dividend, i.e. €0.65 per share, to be paid in shares.

10.5 MINORITY INTERESTS

(€ millions)	2010	2009	2008
Minority interests in Mount Gay Distilleries	0.9	0.9	0.7
Other entities linked to Takirra Invest Corp	-	(2.7)	(2.5)
Total	0.9	(1.8)	(1.8)

10.6 CAPITAL MANAGEMENT AND FINANCIAL STRUCTURE

Capital management forms an integral part of the optimisation of the Group's financial structure. In this respect, the Rémy Cointreau takes into account the intrinsic features of its business and the strategic objectives it has set for the Group. These require a specific level of capital employed, mainly in eaux-de-vie and wine inventories undergoing the ageing process, which provide a unique guarantee for its brands' future and their potential to create shareholder value.

For several years now, the Group has resolutely pursued a debt-reduction policy in order to maximise the funds available for brand development. As a result, it has sold non-strategic assets and adopted new performance indicators including return on capital employed (ROCE) and

free cash flow for the various businesses. The group also set up factoring programmes during the year which led to an acceleration of collections from customers of €11.9 million at 31 March 2010.

Another key indicator is "ratio A" (Average net borrowings/EBITDA) (notes 11.7 and 14.7) with which the Group has to comply in order to access a significant part of its financial resources. During the year ended 31 March 2010, continuing activities have generated operating cash flow (before tax and financial expense) of €173.5 million. Net borrowings decreased by €30.5 million and the net debt to equity ratio was 0.49 (0.55 in 2009 and 0.49 in March 2008). Ratio A was 3.17, substantially below the limit of 3.50 set out by the syndicated credit contract.

11. BORROWINGS

11.1 NET BORROWINGS

(€ millions)	2010			2009			2008		
	Long-term	Short-term	Total	Long-term	Short-term	Total	Long-term	Short-term	Total
Gross borrowings	537.7	50.0	587.7	592.4	28.9	621.3	322.1	156.1	478.2
Cash and cash equivalents (note 9)	-	(86.3)	(86.3)	-	(89.4)	(89.4)	-	(37.3)	(37.3)
Net borrowings	537.7	(36.3)	501.4	592.4	(60.5)	531.9	322.1	118.8	440.9

11.2 GROSS BORROWINGS BY TYPE

(€ millions)	2010			2009			2008		
	Long-term	Short-term	Total	Long-term	Short-term	Total	Long-term	Short-term	Total
Total bonds	191.5	-	191.5	191.0	-	191.0	191.0	1.9	192.9
Drawdown on syndicated credit	344.8	25.2	370.0	370.0	-	370.0	130.0	-	130.0
Drawdown on other confirmed credit lines	-	-	-	30.0	-	30.0	-	-	-
Drawdown on unconfirmed credit lines	-	-	-	-	-	-	-	88.9	88.9
Other borrowings and overdrafts	-	0.5	0.5	-	0.6	0.6	-	0.4	0.4
Issue costs for syndicated credit	-	(0.1)	(0.1)	(0.1)	(0.4)	(0.5)	(0.4)	(0.4)	(0.8)
Accrued interest	-	2.4	2.4	-	8.3	8.3	-	2.9	2.9
Total Rémy Cointreau SA	536.3	28.0	564.3	590.9	8.5	599.4	320.6	93.7	414.3
Finance leases	-	-	-	0.1	-	0.1	0.1	0.1	0.2
Other borrowings and overdrafts	1.4	15.8	17.2	1.4	12.5	13.9	1.4	9.3	10.7
Borrowings special purpose entities	-	6.2	6.2	-	7.9	7.9	-	53.0	53.0
Total subsidiaries	1.4	22.0	23.4	1.5	20.4	21.9	1.5	62.4	63.9
Gross borrowings	537.7	50.0	587.7	592.4	28.9	621.3	322.1	156.1	478.2

11.3 GROSS BORROWINGS BY MATURITY

(€ millions)	
Before 30 June 2010	47.8
15 July 2010	2.2
30 June 2011	1.4
15 January 2012	191.5
7 June 2012	344.8
Total	587.7

At 31 March 2010, undrawn amounts under the confirmed credit lines of Rémy Cointreau were €210 million (2009: €220 million; 2008: €370 million). Including the special purpose entities, amounts are €235.8 million (2009: €249.5 million; 2008: €383 million).

At 31 March 2010, the Rémy Cointreau Group's total amount of confirmed financial resources was €804.4 million (2008: €849.8 million; 2007: €760.7 million), with the following maturities:

(€ millions)	Bonds	Syndicated credit	Other confirmed lines	Special entités « ad-hoc »	Total
30 April 2010	-	-	20.0	-	20.0
7 June 2010	-	34.0	-	-	34.0
30 June 2010	-	-	-	32.0	32.0
9 July 2010	-	-	30.0	-	30.0
15 March 2011	-	-	30.0	-	30.0
15 January 2012	192.4	-	-	-	192.4
7 June 2012	-	466.0	-	-	466.0
Total	192.4	500.0	80.0	32.0	804.4
Used at 31 March 2010	192.4	370.0	-	6.2	568.6

Liquidity risk is detailed in note 14.

11.4 GROSS BORROWINGS BY INTEREST TYPE

(€ millions)	2010			2009			2008		
	Long-term	Short-term	Total	Long-term	Short-term	Total	Long-term	Short-term	Total
Fixed interest rate	191.5	-	191.5	191.0	-	191.0	191.0	1.9	192.9
Variable interest rate	346.2	47.6	393.8	401.4	20.6	422.0	131.1	151.3	282.4
Accrued interest	-	2.4	2.4	-	8.3	8.3	-	2.9	2.9
Gross borrowings	537.7	50.0	587.7	592.4	28.9	621.3	322.1	156.1	478.2

(€ millions)	2010			2009			2008		
	Long-term	Short-term	Total	Long-term	Short-term	Total	Long-term	Short-term	Total
Drawdown on syndicated credit	344.8	25.2	370.0	370.0	-	370.0	130.0	-	130.0
Drawdown on other confirmed credit lines	-	-	-	30.0	-	30.0	-	-	-
Drawdown on unconfirmed credit lines	-	-	-	-	-	-	-	88.9	88.9
Other borrowings	1.4	22.4	23.8	1.4	20.6	22.0	1.1	62.4	63.5
Total variable-rate borrowings	346.2	47.6	393.8	401.4	20.6	422.0	131.1	151.3	282.4

Drawdowns on syndicated credit and other confirmed and unconfirmed credit lines are hedged. Details of the interest rate hedging instruments held in the portfolio at the balance sheet are provided in note 14.

11.5 GROSS BORROWINGS BY CURRENCY

(€ millions)	2010			2009			2008		
	Long-term	Short-term	Total	Long-term	Short-term	Total	Long-term	Short-term	Total
Euro	537.7	38.9	576.6	592.4	21.9	614.3	322.1	150.2	472.3
US Dollar	-	11.1	11.1	-	4.8	4.8	-	5.9	5.9
Chinese Yuan	-	-	-	-	2.2	2.2	-	-	-
Gross borrowings	537.7	50.0	587.7	592.4	28.9	621.3	322.1	156.1	478.2

11.6 BONDS

At 31 March 2009, the only outstanding bond is the €200.0 million bond issue dated from 15 January 2005 bearing interest at 5.2% (200,000 bonds with a par value of €1,000 each). Subsequent to the early redemption of 7,632 bonds in June 2007, the outstanding amount was €192.4 million at the balance sheet date.

This 7-year bond is redeemable at par on maturity and bears interest at 5.2% payable every six months.

This bond is not secured.

The issue carries a number of clauses for early redemption at the issuer's options as follows:

- before 15 January 2008, in the event of a capital increase, whether for the general public or privately placed, redemption at 105.2% on a proportional basis of up to 35% of the total par value of the bonds issued;
- at any time before 15 January 2009, redemption at par plus a premium equal to the higher of the following two amounts:
 - 1% of the principal amount redeemed,
 - an amount equal to the difference between: (A) the present value on the redemption date at 102.6% plus interest calculated over the period from the redemption date to 15 January 2009, and (B) the principal amount of the bond. The discount rate used is the Bund interest rate on the redemption date plus 50 basis points,
- from 15 January 2009, under any circumstances, redemption of all or part of the bonds at 102.6% up to 15 January 2010 exclusive, at 101.3% from 15 January 2010 to 15 January 2011 exclusive and at par from 15 January 2011;
- the bond issue contract also entitles every bearer to request redemption of the bonds held at 101% in the event of:
 - the sale or transfer of all or a substantial part of Rémy Cointreau's assets;
 - approval by the shareholders of a liquidation or voluntary winding up plan for the issuer, or
 - ORPAR and RECOPART together holding less than one third of the voting rights in the issuer and another person or group obtaining more than one third of the voting rights in the issuer or ORPAR and RECOPART being unable to appoint the majority of the Board of Directors for two consecutive years;
- at any time at par, but in full, in the event of a material change in the tax regime applicable to payments made by the issuer on the bonds subsequent to the issue date.

In the event of the sale of assets and in the absence of the sale proceeds being used for authorised operations, Rémy Cointreau must, within 365 days starting from the date of receipt of the sale proceeds, offer early redemption of the issue up to the amount of the sale proceeds. Furthermore, the agreement contains certain conventions that may limit the maximum dividend payout in the event of a loss.

11.7 SYNDICATED CREDIT

At 31 March 2010, Rémy Cointreau had access to a €500 million syndicated loan entered into on 7 June 2005. The agreement provides for a revolving credit facility of €500 million, of which €466 million expires on 7 June 2012 and €34 million on 7 June 2010.

Amounts drawn down bear interest at EURIBOR plus a margin fixed at the outset at 0.675% per annum that may vary as shown in the following table based on the average debt/EBITDA ratio (ratio A):

Ratio A	Applicable margin
A > 4.25	0.875%
3.75 < A < 4.25	0.675%
3.25 < A < 3.75	0.525%
2.75 < A < 3.25	0.425%
A < 2.75	0.325%

The commitment fee on the undrawn portion of the borrowing is 37.5% of the margin applicable if A > 3.75 and 35% if A < 3.75.

This facility is not subject to any security.

Under this agreement, Rémy Cointreau undertakes to comply with the following financial ratios calculated at 30 September and 31 March each year:

Périod	Ratio A
From the outset to 30/09/06	Ratio A < 4.50
01/10/06 to 30/09/07	Ratio A < 4.00
01/10/07 to 30/09/08	Ratio A < 3.75
01/10/08 to maturity	Ratio A < 3.50

Definitions of the indicators used in the calculation of ratio A are provided in note **1.16**. The amounts used for these various indicators in the calculation for each period are adjusted in accordance with the terms of the agreement.

At 31 March 2010, ratio A stood at 3.17 (2009: 2.99; 2008: 2.54).

11.8 OTHER CONFIRMED LINES

At 31 March 2010, the Group had confirmed credit lines, in addition to the syndicated bank loan, amounting to €80 million in total. The characteristics of these credit lines are summarised in the table below:

Amount (€ millions)	Maturity	Benchmark	Margin	Engagement commission
20.0	30 April 2010	EURIBOR	0.400%	0.600%
30.0	9 July 2010	EURIBOR	0.250%	0.250%
30.0	15 March 2011	EURIBOR	0.400%	-

12. PROVISIONS FOR LIABILITIES AND CHARGES

12.1 ANALYSIS OF CHANGE

(€ millions)	Maxxium compensation	Restructuring	Early retirement plan	Other	Total
At 31 March 2008	250.4	10.9	1.0	13.0	275.3
Increase	-	-	-	8.4	8.4
Discounting	10.6	0.1	-	-	10.7
Reversals - Used	(224.0)	(5.6)	(0.6)	(2.4)	(232.6)
Reversals - Unused	(37.0)	(2.7)	-	(3.3)	(43.0)
Other reclassifications	-	-	-	(0.6)	(0.6)
Change in consolidation scope	-	-	-	0.1	0.1
At 31 March 2009	-	2.7	0.4	15.2	18.3
Increase	-	5.6	-	15.7	21.3
Reversals - Used	-	(1.0)	(0.3)	(5.4)	(6.7)
Reversals - Unused	-	(0.2)	-	(7.9)	(8.1)
Translation differences	-	-	-	0.1	0.1
At 31 March 2010	-	7.1	0.1	17.7	24.9

“Restructuring” covers costs for the restructuring, planned and completed closure and transfer of sites in France and the Netherlands and “Other” comprises provisions raised in respect of trade and tax disputes.

12.2 MATURITY

The provisions are intended to cover probable items of expenditure payable as follows:

(€ millions)	2010	2009	2008
Long-term provisions (or unknown maturity)	5.1	12.4	7.5
Short-term provisions	14.4	5.9	267.8
Total	24.9	18.3	275.3

13. TRADE AND OTHER PAYABLES

(€ millions)	2010	2009	2008
Trade payables - eaux-de-vie	175.8	160.6	85.8
Other trade payables	131.9	143.4	110.9
Advances from customers	10.1	1.2	1.0
Payables related to tax and social charges (exc. income tax)	40.3	80.7	35.1
Excise duties	1.8	2.4	0.5
Advertising expenses payable	40.7	23.0	32.5
Miscellaneous deferred income	1.6	1.5	0.5
Other liabilities	37.1	40.1	41.1
Total	439.3	452.9	307.4

At 31 March 2009, payables related to tax and social charges (exc. income tax) included a VAT liability of €42.8 million related to Maxxium compensation payment for the exit from Maxxium. Following a procedure filed with the Dutch tax authorities, the €42.8 million VAT asset was fully repaid in May 2009 (note 8).

14. FINANCIAL INSTRUMENTS AND MARKET RISKS

14.1 BREAKDOWN OF FINANCIAL INSTRUMENTS BY CATEGORY

The following tables show the financial instruments recorded on the balance sheet analysed by the measurement categories defined in IAS 39.

At 31 March 2010	Notes	Carrying amount	Fair value	Assets and liabilities at amortised cost	Fair value through income statement ⁽¹⁾	Available for sale	Hedging instruments
(€ millions)							
Other financial assets	6	71.2	71.2	63.2	2.9	5.1	-
Trade and other receivables	8	248.1	248.1	248.1	-	-	-
Derivative financial instruments	14	3.2	3.2	-	1.9	-	1.3
Cash and cash equivalents	9	86.3	86.3	-	86.3	-	-
Assets		408.8	408.8	311.3	91.1	5.1	1.3
Long-term borrowings	11	537.7	537.7	537.7	-	-	-
Short-term borrowings and accrued interest	11	50.0	50.0	50.0	-	-	-
Trade and other payables	13	439.3	439.3	439.3	-	-	-
Derivative financial instruments	14	10.9	10.9	-	1.5	-	9.4
Liabilities		1,037.9	1,037.9	1,027.0	1.5	0.0	9.4

(1) Derivative financial instruments in this column pertain to the Trading sub-category.

At 31 March 2009	Notes	Carrying amount	Fair value	Assets and liabilities at amortised cost	Fair value through income statement ⁽¹⁾	Available for sale	Hedging instruments
(€ millions)							
Other financial assets	6	61.1	61.1	55.2	1.1	4.8	-
Trade and other receivables	8	282.1	282.1	282.1	-	-	-
Derivative financial instruments	14	10.8	10.8	-	4.0	-	6.8
Cash and cash equivalents	9	89.4	89.4	-	89.4	-	-
Assets		443.4	443.4	337.3	94.5	4.8	6.8
Long-term borrowings	11	592.4	592.4	592.4	-	-	-
Short-term borrowings and accrued interest	11	28.9	28.9	28.9	-	-	-
Trade and other payables	13	452.9	452.9	452.9	-	-	-
Derivative financial instruments	14	6.9	6.9	-	3.4	-	3.5
Liabilities		1,081.1	1,081.1	1,074.2	3.4	0.0	3.5

(1) Derivative financial instruments in this column pertain to the Trading sub-category.

At 31 March 2008	Notes	Carrying amount	Fair value	Assets and liabilities at amortised cost	Fair value through income statement	Available for sale	Hedging instruments
(€ millions)							
Other financial assets	6	54.1	54.1	46.0	2.7	5.4	-
Trade and other receivables	8	238.3	238.3	238.3	-	-	-
Derivative financial instruments	14	26.1	26.1	-	-	-	26.1
Cash and cash equivalents	9	37.3	37.3	-	37.3	-	-
Assets		355.8	355.8	284.3	40.0	5.4	26.1
Long-term borrowings	11	322.1	322.1	322.1	-	-	-
Short-term borrowings and accrued interest	11	156.1	156.1	156.1	-	-	-
Trade and other payables	13	307.4	307.4	307.4	-	-	-
Derivative financial instruments	14	0.1	0.1	-	-	-	0.1
Liabilities		785.7	785.7	785.6	0.0	0.0	0.1

14.2 MARKET RISK MANAGEMENT POLICY

The Group uses financial instruments to manage its interest rate and currency risk exposure. The policy for managing market risks complies with the prudential rules approved by the Board of Directors. Specifically, the sale of options is limited to tunnel strategies and the resale of previously purchased instruments that are subject to approval on an individual basis.

All hedging transactions are entered into with top-tier international banks.

With regard to currency risk, the Group endeavours to hedge its budgeted net commercial exposure over a rolling

period of approximately 15 to 18 months. This is achieved by entering into firm or optional currency hedging agreements in accordance with the guidelines set by the Board of Directors.

The Group does not hedge the currency risk arising from the translation into euros of the financial statements of companies outside the Euro zone.

The Group's hedging policy allows only for the hedging of short-term currency risk. It is not intended to protect the Group against the economic effects of long-term money market trends on the Group's turnover and margins.

14.3 BREAKDOWN OF DERIVATIVE FINANCIAL INSTRUMENTS (INTEREST AND FOREIGN EXCHANGE RATES)

(€ millions)	2010	2009	2008
Assets			
Interest rate derivatives	1.4	3.4	1.7
Exchange rate derivatives	1.8	7.4	24.4
Total	3.2	10.8	26.1
Liabilities			
Interest rate derivatives	7.4	5.6	-
Exchange rate derivatives	3.5	1.3	0.1
Total	10.9	6.9	0.1

14.4 INTEREST RATE DERIVATIVES

The Group manages the risk of an increase in interest rates on its variable rate financial resources (note 11.4), which are generally based on EURIBOR (1 month or 3 months), using options (caps). Rémy Cointreau also entered into interest rate swap contracts in the context of decreasing interest rates on the market.

Rémy Cointreau also enters into floor contracts to back its fixed rate borrowings. However, such contracts do not qualify as hedging instruments according to IAS 39. They pertain to the "Trading" category.

At 31 March 2010, derivative financial instruments on recent rates were as follows:

14.4.1 BREAKDOWN BY TYPE

(€ millions)	2010	2009	2008
Assets			
Purchases of cap	0.1	0.2	1.6
Purchase of floor	1.3	3.2	0.1
Total	1.4	3.4	1.7
Liabilities			
Sales of floor	1.3	3.2	0.1
Interest rate swaps	6.1	2.4	-
Total	7.4	5.6	0.1

14.4.2 BREAKDOWN BY MATURITY

(€ millions)	Nominal amount	Initial value	Market value	Of which CFH ⁽¹⁾	Of which Trading ⁽¹⁾
Purchases of cap					
Maturing before March 2011	375.0	1.1	-	-	-
Maturing before March 2012	250.0	0.6	0.1	0.1	-
	625,0	1,7	0,1	0,1	-
Purchases of floor					
Maturing before March 2011	50.0	0.1	1.3	-	1.3
	50.0	0.1	1.3	-	1.3
Total assets		1.8	1.4	0.1	1.3
Sales of floor					
Maturing before March 2011	50.0	1.1	1.3	-	1.3
	50.0	1.1	1.3	-	1.3
Interest rate swaps					
Maturing before March 2011	375.0	-	2.6	2.6	-
Maturing before March 2015	150.0	-	3.5	3.5	-
	525.0	-	6.1	6.1	-
Total liabilities		1.1	7.4	6.1	1.3

(1) Cash Flow Hedge: hedging future cash flows; Trading: held for trading purposes.

For the year ended 31 March 2010, a pre-tax expense of €3.2 million was recognised directly in equity related to the valuation of the interest rate derivatives of which:

- income of €1.6 million was recycled to income statement following the expiry or change to non-hedging status of the instruments;
- a charge of €4.8 million relating to the change in effective value of instruments qualifying as Cash Flow Hedge (CFH).

SENSITIVITY TO INTEREST RATE RISK

Given the financing in place and existing hedges at 31 March 2010, a 50 bp increase or decrease in interest rates would have the following impact, the impact on net profit arising mainly from the unhedged debt.

	EURIBOR 1 month	
	+50 bp	-50 bp ⁽¹⁾
Net profit	0.4	-
Equity excluding net profit	2.0	(6.6)
Change in value of derivatives	2.4	(1.3)
Variable rate net borrowings	393.8	393.8
of which hedged	375.0	375.0
of which not hedged	18.8	18.8

(1) Benchmark value is Euribor 1 month as at 31 March 2010 i.e. 0.397%.

14.5 EXCHANGE RATE DERIVATIVES

The Group uses options or forward contracts to hedge its cash flows from commercial transactions. Commercial transactions for the year for which payment has not been received as of the balance sheet date are hedged by short-term currency swaps.

Furthermore, Rémy Cointreau SA, which centralises the Group's financing needs, and its subsidiary Financière Rémy Cointreau make intra-Group loans and borrowings denominated in the counterparty's currency. The Group uses currency swaps to perfectly match these loans and borrowings. The maturity of such transactions ranges from one month to one year.

The following table summarises all currency hedging instruments in the portfolio at the balance sheet date. All these instruments mature within 12 months.

(€ millions)	Nominal ⁽¹⁾ amount	Initial value	Market value	Of which CFH ⁽²⁾	Of which Trading ⁽²⁾
Put options and tunnel options					
Seller USD (vs EUR)	215.1	3.4	0.6	0.1	0.5
Other currencies (vs EUR)	24.7	0.4	(0.7)	(0.7)	-
	239.8	3.8	(0.1)	(0.6)	0.5
Forward sales					
Seller USD (vs EUR)	29.7	-	(0.1)	(0.1)	-
Other currencies (vs EUR)	21.0	-	(1.5)	(1.5)	-
	50.7	-	(1.6)	(1.6)	-
Purchase (sale) of currency swaps (operating activities)⁽³⁾					
Seller USD (vs EUR)	(68.3)	-	(0.2)	-	(0.2)
Purchaser HKD (vs USD)	6.4	-	-	-	-
Other currencies (vs EUR)	5.8	-	-	-	-
	(56.1)	-	(0.2)	-	(0.2)
Purchase (sale) of currency swaps (operating activities)⁽³⁾					
Seller USD (vs EUR)	(49.7)	-	0.1	-	0.1
Other currencies (vs EUR)	9.6	-	0.1	-	0.1
	(40.1)	-	0.2	-	0.2
Total	194.3	3.8	(1.7)	(2.2)	0.5

(1) Nominal amount in foreign currency translated at the closing rate.

(2) FVH: Fair Value Hedge; CFH: Cash Flow Hedge; Trading: held for trading purposes.

(3) Difference between closing price and future price.

For the year ended 31 March 2010, a pre-tax expense of €3.7 million was recognised directly in equity related to the valuation of the exchange rate derivatives of which €1.4 million were recycled to profit (loss) statement following the expiry or change to non-hedging status of the instruments. The balance, a charge of €2.3 million, is the change in effective value of instruments qualifying as Cash Flow Hedge (CFH).

SENSITIVITY TO FOREIGN EXCHANGE RISK

Given the hedges in place at 31 March 2010, a 10% increase or decrease in the €/USD exchange rate would have the following impact: the impact on profit arising mainly from the ineffective part of hedging of future flows:

(€ millions)	Sensitivity	US Dollar ⁽¹⁾
	+10%	-10%
	EUR/USD exchange rate	
	1.48	1.21
Net profit	2.5	(0.3)
Equity excluding net profit	5.8	(8.2)
Change in value of derivatives	13.8	(14.4)
Nominal amount at balance sheet date ⁽²⁾ :		
- derivatives USD/EUR	284.6	347.9
- receivables USD/EUR potentially exposed	73.8	90.3

(1) Benchmark is the €/USD parity as at 31 March 2010 being 1.3479.

(2) Translated in € millions at each simulation rate.

14.6 OTHER DERIVATIVE INSTRUMENTS

Other derivative instruments held in the portfolio at 31 March 2010 comprised call options on 224,497 Rémy Cointreau shares that, in accordance with IAS 39, are not recorded on the balance sheet.

14.7 LIQUIDITY RISKS

The following table shows the contractual maturity profile of disbursements relating to financial liabilities recognised as at 31 March 2010.

(€ millions)	Before 31/03/11	Before 31/03/12	Before 31/03/13	Before 31/03/14	Subsequent	Total
Long-term borrowings	-	192.4	344.8	-	-	537.2
Short-term borrowings and accrued interest	51.5	-	-	-	-	51.5
Trade and other payables	439.3	-	-	-	-	439.3
Derivative financial instruments	3.4	0.8	4.4	4.4	3.6	16.6
Liabilities recognised at 31 March 2009	494.2	193.2	349.2	4.4	3.6	1 044.6
Future interest on borrowings	13.2	11.1	0.5	-	-	24.8
Total disbursements	507.4	204.3	349.7	4.4	3.6	1 069.4

According to IFRS 7, the liabilities are stated at their carrying amount at balance sheet date excluding discounting effects. The amounts drawn down on credit lines at the balance sheet date are assumed to be carried forward until the maturity of each of the corresponding facilities. The corresponding interest expense is computed based on the parameters prevailing at the balance sheet date. For the derivative financial instruments, amounts stated in this analysis are the net cash outflow, excluding discounting effects, which should be paid out by the company based on the contracts with the market parameters prevailing at the balance sheet date.

The liquidity risk is mainly driven by the availability and maturity of the financial resources. As at 31 March 2010, total gross borrowings were €587.7 million in nominal value when total confirmed resources amounted to €804.4 million (note 11.3). Of this amount, €146.0 million mature during the year ending 31 March 2011 and €192.4 during the subsequent year. Of the €804.4 million of confirmed resources as at 31 March 2010, the availability of €550.0 million is subject to compliance with ratio A (note 11.7) which should be under 3.50 at the end of every six-month period until the final maturity of the facilities. For the Rémy Cointreau Group's management, compliance with ratio A is a top priority and they are confident in the ability of the Group to meet this requirement for the six-month periods to come.

15. SEGMENT REPORTING

15.1 OPERATIONS

Brands are broken down into four activities comprising the principal products and brands as follows:

Cognac	Rémy Martin
Liqueurs and Spirits	Cointreau, Passoa, Metaxa, Saint Rémy, Mount Gay
Champagne	Piper-Heidsieck, Charles Heidsieck
Partner Brands	Non-Group brands and, by extension, those not produced in full by the Group, which are marketed through the Group's own distribution network. They include mainly Edrington Group Scotch whiskies in the US.

15.1.1 BREAKDOWN OF TURNOVER AND CURRENT OPERATING PROFIT

There are no intra-segment sales.

(€ millions)	2010	2009	Turnover 2008	2010	Current operating profit 2009	2008
Cognac	405.7	311.9	362.3	105.9	80.2	98.9
Liqueurs and Spirits	206.5	196.0	211.7	51.6	57.6	56.4
Champagne	96.7	125.9	142.4	(4.0)	13.9	14.1
Group brands	708.9	633.8	716.4	153.5	151.7	169.4
Partner brands	98.9	80.3	101.4	4.4	0.6	3.4
Holding	-	-	-	(17.9)	(15.3)	(13.2)
Total	807.8	714.1	817.8	140.0	137.0	159.6

(1) As explained in note 1, 2009 and 2008 financial year data were restated.

15.1.2 BREAKDOWN OF THE BALANCE SHEET

At 31 March 2010 (€ millions)	Cognac	Liqueurs Champagne & Spirits	Partner brands	Not allocated	Total	
Non-current assets	345.4	282.8	199.3	11.0	1,001.1	
Current assets	756.4	78.3	287.2	77.5	1,226.2	
Derivative financial instruments	-	-	-	-	3.2	3.2
Assets available for sale	-	-	-	-	-	-
Cash and cash equivalents	-	-	-	-	86.3	86.3
Total assets	1,101.8	361.1	486.5	88.5	278.9	2,316.8
Equity	-	-	-	-	1,018.5	1,018.5
Borrowings and accrued interest	-	-	-	-	587.7	587.7
Provisions for liabilities and charges	14.8	6.2	5.3	0.8	21.6	48.7
Deferred and current tax liabilities	-	-	-	-	211.7	211.7
Trade and other payables	306.9	53.2	51.8	16.1	11.3	439.3
Derivative financial instruments	-	-	-	-	10.9	10.9
Total equity and liabilities	321.7	59.4	57.1	16.9	1,861.7	2,316.8
Brands and other intangible assets excluded from the base for the calculation of return on capital employed (ROCE)	236.3	246.5	128.8	9.7	-	621.3
Basis for calculation of ROCE	543.8	55.2	300.6	61.9	-	961.5

At 31 March 2009 (€ millions)	Cognac	Liqueurs Champagne & Spirits	Partner brands	Not ⁽¹⁾ allocated	Total	
Non-current assets	333.1	283.2	199.6	10.5	146.0	972.4
Current assets	717.4	75.0	286.3	59.3	108.5	1,246.5
Derivative financial instruments	-	-	-	-	10.8	10.8
Assets available for sale	-	-	-	-	0.2	0.2
Cash and cash equivalents	-	-	-	-	89.4	89.4
Total assets	1,050.5	358.2	485.9	69.8	354.9	2,319.3
Equity	-	-	-	-	968.9	968.9
Borrowings and accrued interest	-	-	-	-	621.3	621.3
Provisions for liabilities and charges	11.7	5.1	5.7	0.3	14.2	37.0
Deferred and current tax liabilities	-	-	-	-	232.3	232.3
Trade and other payables	244.2	39.3	74.7	17.5	77.2	452.9
Derivative financial instruments	-	-	-	-	6.9	6.9
Total equity and liabilities	255.9	44.4	80.4	17.8	1,920.8	2,319.3
Brands and other intangible assets excluded from the base for the calculation of return on capital employed (ROCE)	236.3	246.6	128.8	9.8	-	621.5
Basis for calculation of ROCE	558.3	67.2	276.7	42.2	-	944.4

(1) Assets and liabilities pertaining to the four entities purchased from Maxxium were not allocated as at 31 March 2009. Related non-current assets are €0.4 million, current assets €21.5 million and trade and other payables €9.7 million.

At 31 March 2008 (€ millions)	Cognac	Liqueurs Champagne & Spirits	Partner brands	Not allocated	Total
Non-current assets	316.3	279.6	200.4	10.7	995.4
Current assets	659.1	74.2	271.4	69.0	1,098.6
Derivative financial instruments	-	-	-	-	26.1
Assets available for sale	-	-	-	-	2.5
Cash and cash equivalents	-	-	-	-	37.3
Total assets	975.4	353.8	471.8	79.7	2,159.9
Equity	-	-	-	-	909.7
Borrowings and accrued interest	-	-	-	-	478.2
Provisions for liabilities and charges	17.2	7.2	7.2	0.5	295.6
Deferred and current tax liabilities	-	-	-	-	168.9
Trade and other payables	164.1	45.3	70.4	18.3	307.4
Derivative financial instruments	-	-	-	-	0.1
Total equity and liabilities	181.3	52.5	77.6	18.8	1,829.7
Brands and other intangible assets excluded from the base for the calculation of return on capital employed (ROCE)	236.3	245.2	128.8	9.9	620.2
Basis for calculation of ROCE	557.8	56.1	265.4	51.0	930.3

15.1.3 RETURN ON CAPITAL EMPLOYED (ROCE)

Return on capital employed is calculated based on the following indicators:

- current operating profit by division (note 15.1.1) ;
- breakdown of the balance sheet by activity excluding certain intangible assets (note 15.1.2).

Current operating profit and capital employed are determined by division based on management accounts. Profits and capital employed for the distribution business and holding company are allocated pro-rata to actual turnover and inventories.

Return on capital employed is a key indicator for the management of the Group. In particular, it is used as one of the main indicators for measuring the performance of each division.

At 31 March 2010 (€ millions)	Capital employed	Current operating profit	%
Cognac	543.8	105.9	19.5%
Liqueurs and Spirits	55.2	51.6	93.5%
Champagne	300.6	(4.0)	(1.3%)
Group brands	899.6	153.5	17.1%
Partner brands	61.9	4.4	7.1%
Holding	-	(17.9)	-
Total	961.5	140.0	14.6%

At 31 March 2009 (€ millions)	Capital employed	Current operating profit	%
Cognac	558.3	80.2	14.4%
Liqueurs and Spirits	67.2	57.6	85.7%
Champagne	276.7	13.9	5.0%
Group brands	902.2	151.7	16.8%
Partner brands	42.2	0.6	1.4%
Holding	-	(15.3)	-
Total	944.4	137.0	14.5%

At 31 March 2008 (€ millions)

	Capital employed	Current operating profit	%
Cognac	557.8	98.9	17.7%
Liqueurs and Spirits	56.1	56.4	100.5%
Champagne	265.4	14.1	5.3%
Group brands	879.3	169.4	19.3%
Partner brands	51.0	3.4	6.7%
Holding	-	(13.2)	-
Total	930.3	159.6	17.2%

15.1.4 CAPITAL EXPENDITURE AND DEPRECIATION AND AMORTISATION EXPENSES

(€ millions)	Capital expenditure and acquisition of intangible assets			Depreciation and amortisation charges		
	2010	2009	2008	2010	2009	2008
Cognac	20.3	22.4	14.0	8.9	7.3	6.6
Liqueurs and Spirits	4.6	5.6	4.8	4.1	4.1	4.2
Champagne	2.5	3.2	8.2	2.8	3.2	2.5
Partner brands	0.8	0.3	0.3	0.3	0.2	0.3
Total	28.2	31.5	27.3	16.1	14.8	13.6

15.2 GEOGRAPHIC REGIONS

15.2.1 TURNOVER

(€ millions)	2010	2009	Turnover 2008
Europe	281.0	275.1	303.3
Americas	275.7	283.0	350.6
Asia & other	251.1	156.0	163.9
Total	807.8	714.1	817.8

15.2.2 BALANCE SHEET

At 31 March 2010 (€ millions)	Europe	Americas	Asia and other	Not allocated	Total
Non-current assets	911.5	28.0	61.6	-	1,001.1
Current assets	979.9	136.6	109.7	-	1,226.2
Derivative financial instruments	-	-	-	3.2	3.2
Assets available for sale	-	-	-	-	-
Cash and cash equivalents	-	-	-	86.3	86.3
Total assets	1,891.4	164.6	171.3	89.5	2,316.8
Equity	-	-	-	1,018.5	1,018.5
Borrowings and accrued interest	-	-	-	587.7	587.7
Provisions for liabilities and charges	47.6	-	1.1	-	48.7
Deferred and current tax liabilities	204.1	0.5	7.1	-	211.7
Trade and other payables	347.6	37.9	53.8	-	439.3
Derivative financial instruments	-	-	-	10.9	10.9
Liabilities directly related to assets available for sale	-	-	-	-	-
Total equity and liabilities	599.3	38.4	62.0	1,617.1	2,316.8

At 31 March 2009 (€ millions)	Europe	Americas	Asia and other	Not allocated	Total
Non-current assets	882.7	28.7	61.0	-	972.4
Current assets	1,055.3	125.0	66.2	-	1,246.5
Derivative financial instruments	-	-	-	10.8	10.8
Assets available for sale	0.2	-	-	-	0.2
Cash and cash equivalents	-	-	-	89.4	89.4
Total assets	1,938.2	153.7	127.2	100.2	2,319.3
Equity	-	-	-	968.9	968.9
Borrowings and accrued interest	-	-	-	621.3	621.3
Provisions for liabilities and charges	37.0	-	-	-	37.0
Deferred and current tax liabilities	231.8	-	0.5	-	232.3
Trade and other payables	394.7	25.7	32.5	-	452.9
Derivative financial instruments	-	-	-	6.9	6.9
Total equity and liabilities	663.5	25.7	33.0	1,597.1	2,319.3
At 31 March 2008 (€ millions)	Europe	Americas	Asia and other	Not allocated	Total
Non-current assets	927.1	22.3	46.0	-	995.4
Current assets	936.1	135.0	27.5	-	1,098.6
Derivative financial instruments	-	-	-	26.1	26.1
Assets available for sale	2.5	-	-	-	2.5
Cash and cash equivalents	-	-	-	37.3	37.3
Total assets	1,865.7	157.3	73.5	63.4	2,159.9
Equity	-	-	-	909.7	909.7
Borrowings and accrued interest	-	-	-	478.2	478.2
Provisions for liabilities and charges	293.3	2.1	0.2	-	295.6
Deferred and current tax liabilities	166.7	0.5	1.7	-	168.9
Trade and other payables	271.0	28.1	8.3	-	307.4
Derivative financial instruments	-	-	-	0.1	0.1
Total equity and liabilities	731.0	30.7	10.2	1,388.0	2,159.9

15.2.3 INVESTMENTS

(€ millions)	Capital expenditure and acquisition of intangible assets		
	2010	2009	2008
Europe	25.0	27.4	25.4
Americas	2.6	2.2	1.4
Asia and other	0.6	1.9	0.5
Total	28.2	31.5	27.3

16. ANALYSIS OF OPERATING EXPENSES BY TYPE

(€ millions)	2010	2009	2008
Personnel costs	(122.5)	(107.8)	(104.8)
Advertising and promotion expenses	(159.8)	(131.9)	(140.2)
Depreciation, amortisation and impairment of non-current assets	(16.1)	(14.8)	(13.6)
Other costs	(94.3)	(92.2)	(93.9)
Costs allocated to inventories and production cost	56.7	64.3	58.9
Total	(336.0)	(282.4)	(293.6)
Of which:			
Distribution costs	(254.3)	(201.7)	(210.6)
Administrative expenses	(81.7)	(80.7)	(83.0)
Total	(336.0)	(282.4)	(293.6)

Distribution costs comprise marketing and advertising expenses, commission income or expense, brand royalties, ordinary writedowns of inventories and trade receivables and the overheads of the Group distribution companies.

Administrative expenses comprise all the overheads of the holding companies and production companies.

Other income and expense correspond to the profit generated by activities that are peripheral to the sale of cognac, liqueurs, spirits, champagne and partner brands.

The increase in distribution costs was due to the Group's new distribution organisation. Rémy Cointreau's new distribution network has taken over from the Maxxium BV joint venture. All the operating and advertising and promotion expenses of these new structures are now consolidated, instead of being included in transfer prices to the Maxxium network as previously.

Personnel costs consist of the following:

(€ millions)	2010	2009	2008
Salaries and social charges	(114.5)	(99.8)	(96.5)
Pension and other similar benefits	(3.8)	(3.1)	(3.0)
Employee profit sharing	(0.8)	(1.3)	(1.8)
Share-based payments	(3.4)	(3.6)	(3.5)
Total	(122.5)	(107.8)	(104.8)

17. NUMBER OF EMPLOYEES

The number of employees is stated in terms of full-time equivalent at the balance sheet date and covers all fully consolidated companies.

(Full-time equivalent)	2010	2009	2008
France	809	825	840
Europe (excluding France)	151	150	41
Americas	302	330	327
Asia and other	309	207	38
Total	1,571	1,512	1,246

18. OTHER OPERATING INCOME AND EXPENSES

(€ millions)	2010	2009	2008
Maxxium compensation and related charges	-	33.6	(0.4)
Impairment of Maxxium shares	-	(16.0)	-
Maxxium translation reserve	-	(4.0)	-
Restructuring plans, closures or transfer of sites	(5.9)	0.6	(0.9)
Tax adjustments (excluding income taxes)	(1.5)	0.2	0.7
Other	(0.1)	0.5	-
Total	(7.5)	14.9	(0.6)

At 31 March 2010, "Other operating income and expenses" included mainly the impact of the restructuring plan initiated within the Champagne division.

19. FINANCIAL RESULT

19.1 BORROWING COSTS BY NATURE

(€ millions)	2010	2009	2008
Bonds	(10.5)	(10.5)	(14.3)
Syndicated credit, confirmed and unconfirmed lines	(6.6)	(16.7)	(13.0)
Finance costs of special purpose entities	(3.0)	(2.3)	(2.3)
Early redemption premium and accelerated amortisation of issue costs on the 6.5% bond	-	-	(8.0)
"Waiver" on the 6.5% bond	-	-	(2.6)
Effect of interest rate hedges	(4.5)	1.1	3.9
Other finance costs	(0.2)	0.1	(0.1)
Gross borrowing costs	(24.8)	(28.3)	(36.4)
Interest on deposits	-	1.8	-
Net borrowing costs	(24.8)	(26.5)	(36.4)

Borrowings are described in note 11.

Given that net borrowings averaged €642.8 million for the year ended 31 March 2010, the average interest rate is 3.86% (2009: €477.8 million and 5.55%. For 2008: €541.2 million and 4.78% excluding the impact of the waiver and of the early redemption of the €175 million bond).

The impact of interest rate derivatives (note 14.4), is as follows:

(€ millions)	2010	2009	2008
Interest received on caps and floors	-	1.5	3.9
Interest (paid) on interest rate swaps	(3.3)	(0.1)	-
Ineffective portion of interest rate hedges	(1.2)	(0.3)	-
Impact of interest rate derivatives	(4.5)	1.1	3.9

At 31 March 2010, the ineffective portion of interest rate hedges includes a charge of €0.2 million for expired instruments, a charge of €1.0 million for the instruments falling in the Cash Flow Hedge category.

19.2 OTHER FINANCIAL INCOME AND EXPENSES

(€ millions)	2010	2009	2008
Currency gains	-	4.7	-
Seller's loan - interest accrued and revaluation	7.9	9.2	1.8
Income and fair value movement related to CEDC shares	-	-	4.2
Other financial income	7.9	13.9	6.0
Currency losses	(2.1)	-	(1.6)
Other financial expenses of special purpose entities	(1.0)	(7.2)	(2.3)
Discount charge on provisions	(0.1)	(10.7)	(9.6)
Other financial expenses	(2.2)	(0.8)	(1.9)
Other financial expenses	(5.4)	(18.7)	(15.4)
Total	2.5	(4.8)	(9.4)

Income related to the seller's loan as at 31 March 2010 was €7.9 million due to its revaluation (€9.2 million in 2009) (note 6.2).

"Discount charge on provisions" relates mainly to the provision for the Maxxium compensation (2009: €10.6 million; 2008: €9.2 million).

Currency losses and gains from operations are recognised in gross profit in accordance with the procedures described in note 1.4. Currency (losses) and gains comprise the following:

(€ millions)	2010	2009	2008
Ineffective portion of currency hedges	(3.2)	1.2	(3.6)
Other	1.1	3.5	2.0
Total	(2.1)	4.7	(1.6)

The ineffective portion of currency hedges related entirely to the instruments falling in the Cash Flow Hedge category at the balance sheet date. Impacts related to the instruments expired during the period are recognised in gross profit as they relate to operating flows.

20. INCOME TAX

20.1 NET INCOME TAX CHARGE

(€ millions)	2010	2009	2008
(Current tax (expense) income	(32.1)	(0.3)	(1.5)
(Deferred tax (expense) income	3.0	(37.2)	(27.4)
Total	(29.1)	(37.5)	(28.9)
Effective tax rate	(26.4%)	(31.1%)	(25.5%)

20.2 TAX REGIME

Rémy Cointreau has opted for the Group tax regime for certain subsidiaries in which it holds a direct or indirect equity interest of at least 95%. This regime entitles the Group to offset, within certain limits, the tax charges of companies with taxable income against losses incurred by other subsidiaries. The resulting tax saving is recognised in the year of offset.

20.3 ANALYSIS OF ORIGIN AND ALLOCATION OF DEFERRED TAXES

(€ millions)	2010	2009	2008
Breakdown by type			
Pension provisions	6.8	5.2	5.8
Regulated provisions	(12.8)	(10.9)	(9.3)
Other provisions	1.0	0.8	6.2
Brands	(172.2)	(169.8)	(167.6)
Non-current assets	(13.6)	(13.8)	(14.6)
Margins on inter-company inventories	11.0	12.7	9.4
Losses carried forward	8.6	2.2	36.9
Other timing differences	(1.5)	(3.4)	(14.8)
Net liability	(172.7)	(177.0)	(148.0)
Breakdown by tax group			
France	(140.5)	(140.8)	(99.6)
US	1.6	3.5	1.5
Netherlands	(59.4)	(57.6)	(55.8)
Other	25.6	17.9	5.9
Net liability	(172.7)	(177.0)	(148.0)
Deferred tax asset	27.1	22.4	14.0
Deferred tax liability	(199.8)	(199.4)	(162.0)
Net liability	(172.7)	(177.0)	(148.0)

20.4 TAX LOSSES AND CAPITAL LOSSES CARRIED FORWARD

At 31 March 2010, the tax losses carried forward totalled €34.1 million (2009: €16.1 million). The potential tax saving arising from the use of these losses is €9.7 million (2009: €3.4 million). A deferred tax asset of €8.6 million has been recognised related to the tax losses carried forward.

20.5 TAX PROOF

In 2010, the income tax charge amounted to €29.1 million. The difference between the actual tax charge and the theoretical tax charge based on the French statutory rate of 34.4% is analysed as follows:

(€ millions)	2010	2009	2008
Theoretical tax charge	(37.9)	(41.5)	(39.0)
Actual tax charge	(29.1)	(37.5)	(28.9)
Difference	8.8	4.0	10.1
Permanent differences between consolidated profit and taxable profit	(5.3)	(11.5)	(2.1)
Use of tax losses or timing differences not previously recognised	0.5	0.6	0.9
Unused losses from subsidiaries that are loss-making from a tax point of view	(3.2)	-	-
Difference in tax rates applicable to foreign subsidiaries	18.6	11.8	6.8
Adjustment to the tax charge of prior years	(1.8)	3.1	4.5
Total	8.8	4.0	10.1

21. NET PROFIT FROM DISCONTINUED OPERATIONS

The €3.0 million net income from operations sold at 31 March 2010 primarily originated from the liquidation of entities that had been retained under joint ownership with Takirra Investment Corp. NV following the disposal of Polish operations to CEDC over the financial year ended 31 March 2006. €2.7 million of this amount was reallocated to minority interests.

22. PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS

22.1 DEFINED BENEFITS PENSION PLANS

(€ millions)	2010	2009	2008
Present value of obligations at start of year	(28.4)	(26.4)	(27.8)
Service cost	(1.9)	(1.4)	(1.2)
Interest on actuarial liability	(1.7)	(1.5)	(1.1)
Curtailments or settlements	0.5	-	-
Benefits paid	2.4	1.4	0.5
Actuarial gains (losses)	(3.6)	2.3	3.1
Past services costs	-	-	(0.3)
Closure of pension scheme	-	-	-
Change in consolidation scope ⁽¹⁾	-	(2.3)	-
Other (including transfers)	(0.4)	(0.1)	-
Translation differences	-	(0.4)	0.4
Present value of obligations at end of year	(33.1)	(28.4)	(26.4)
Not funded	(20.0)	(18.4)	(19.7)
Partly funded	(13.1)	(10.0)	(6.7)
Carrying amount of Plan asset at start of year	9.3	5.7	5.2
Expected return	0.5	0.4	0.3
Contributions received	1.5	0.5	0.5
Changes in schemes	-	-	-
Curtailments of schemes	-	-	-
Benefits paid	(1.1)	(0.4)	-
Actuarial gains (losses)	(1.1)	0.8	-
Change in consolidation scope ⁽¹⁾	-	1.8	-
Other (including transfers)	-	-	0.1
Translation differences	-	0.5	(0.4)
Carrying amount of Plan asset at end of year	9.1	9.3	5.7
Funded status	(24.0)	(19.1)	(20.7)
Unrecognised past service costs	0.6	0.5	0.8
Unrecognised actuarial (gain) loss	-	0.3	-
Net obligation	(23.4)	(18.3)	(19.9)
Liability	(23.8)	(18.7)	(20.3)
Asset	0.4	0.4	0.3

(1) Consolidation of Maxxiim Belgium (renamed RC Belgium) at 31 March 2009.

22.2 CHARGE FOR THE YEAR

(€ millions)	2010	2009	2008
Service cost	(1.9)	(1.4)	(1.3)
Interest on actuarial liability	(1.7)	(1.5)	(1.1)
Expected return	0.5	0.4	0.3
Amortisation of other items not recognised	-	(0.3)	(0.3)
Impact of curtailments	0.5	-	-
Total income (expense)	(2.6)	(2.8)	(2.4)
Benefits paid	1.3	1.0	0.2
Net income (expense)	(1.3)	(1.8)	(2.2)
Assumptions			
Average discount rate	4.94%	5.75%	5.75%
Average salary increase	2.91%	2.80%	2.80%
Expected working life (in years)	6 to 19	8 to 14	8 to 14
Expected return rate on plan assets	4.98%	4.50%	4.50%
Increase in medical costs	5.00%	5.00%	5.20%

22.3 ACTUARIAL GAINS AND LOSSES

(€ millions)	2010	2009	2008
Opening balance	(13.4)	(16.2)	(19.3)
Movement for the year	(4.4)	2.8	3.1
of which experience adjustments	(0.3)	1.9	0.2
Closing balance	(17.8)	(13.4)	(16.2)

22.4 BREAKDOWN OF PRESENT VALUE OBLIGATION BY NATURE

(€ millions)	2010	2009	2008
Retirement indemnities	(7.9)	(6.8)	(6.5)
Supplementary defined benefit pension plans	(21.3)	(18.1)	(15.4)
Long service awards	(0.6)	(0.6)	(0.6)
Post-employment healthcare benefits	(3.3)	(2.9)	(3.9)
Total	(33.1)	(28.4)	(26.4)

22.5 DEDICATED ASSETS

At 31 March 2010, the assets underlying the liability were held by insurance firms that invest them together with their general assets.

23. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

Commitments in respect of retirement and similar benefits and certain eaux-de-vie purchase commitments are no longer treated as off-balance sheet commitments but are fully reflected in the financial statements following the introduction of IFRS accounting policies.

23.1 PURCHASE AND LEASING COMMITMENTS

(€ millions)	2010	2009	2008
Purchase commitments - non-current assets	0.4	0.2	5.7
Leasing commitments - offices	11.7	12.1	12.0
Leasing commitments - equipment	2.5	1.7	1.9
Purchase commitments - eaux-de-vie	6.0	63.1	121.3
Purchase commitments - wine (champagne)	69.2	22.5	15.4

The office leasing commitments mainly relate to a six year lease entered into on 1 December 2004 in respect of the Group's Paris head office and a ten year lease entered into on 1 April 2005 in respect of the head office of the subsidiary Rémy Cointreau USA in New York.

The eaux-de-vie purchase commitments essentially relate to three year contracts entered into with the distillers. These commitments are valued based on the prices known at the

balance sheet date. The significant decline in these commitments at the end of March 2010 relates to the expiry of part of these contracts which will be renewed in July 2010.

The wine purchase commitments comprise the purchase commitments for the champagne division (wines reserved with the champagne growers) as well as wine purchase commitments in the US.

The maturity analysis of commitments at 31 March 2010 was as follows:

(€ millions)	Total	2011	Subsequent
Purchase commitments - non-current assets	0.4	0.4	-
Leasing commitments - offices	11.7	4.6	7.1
Leasing commitments - equipment	2.5	1.3	1.2
Purchase commitments - eaux-de-vie	6.0	3.0	3.0
Purchase commitments - wine (champagne)	69.2	10.4	58.8

23.2 DEPOSITS AND OTHER SIMILAR GUARANTEES

(€ millions)	2010	2009	2008
Customs deposits	11.7	7.3	7.3
Guarantees granted to suppliers	6.3	6.3	-
Agricultural warrants on AFC inventories	6.6	7.9	53.0
Maximum financing guarantee (25%)	-	-	40.4
Miscellaneous guarantees on credit lines	22.9	12.3	12.3

The tax deposits are bank deposits given to the tax authorities as a guarantee of contested tax charges following requests for stay of payment.

The maturity analysis of commitments at 31 March 2010 is as follows:

(€ millions)	Total	2011	Subsequent
Customs deposits	11.7	11.7	-
Guarantees granted to suppliers	6.3	-	6.3
Agricultural warrants on AFC inventories	6.6	-	6.6
Miscellaneous guarantees on credit lines	22.9	22.9	-

23.3 CONTINGENT LIABILITIES RELATED TO DISPOSAL TRANSACTIONS

In connection with disposal transactions, guarantees in respect of liabilities are generally granted to the buyers for defined periods and amounts stipulated in the agreements. Liabilities for tax, excise duties and social security payments that may arise following audits covering periods prior to the sale are generally included until such liabilities lapse under the statute of limitations.

The guarantees granted outstanding at 31 March 2010 are as follows:

Disposal transaction	Transaction date	Description of outstanding guarantees	Term	Maximum amount
Botapol Holding BV (parent company of Bols Sp.z.o.o)	17 August 2005	Total all guarantees	17 October 2010	24.9
Lucas Bols	11 April 2006	Total all guarantees Franchise	11 October 2012	100 2.6
Bols Hungary	12 July 2006	Total all guarantees	12 July 2012	2.4

23.4 OTHER CONTINGENT LIABILITIES

At 31 March 2010, Rémy Cointreau was involved in various legal proceedings. After reviewing each case in relation to each subsidiary concerned, and after seeking legal advice, the provisions deemed to be necessary have, where applicable, been established to cover the estimated risks.

Rémy Cointreau declares that it has not omitted any material off-balance sheet items in the presentation of its consolidated financial statements.

24. RELATED PARTIES

24.1 TRANSACTIONS WITH ASSOCIATED COMPANIES

At 31 March 2010, the Rémy Cointreau Group's main associated companies were Dynasty Fine Wines Group Ltd, Lixir and Diversa GmbH (note 5).

The Maxxium Worldwide BV joint venture ceased to be a related party with effect from 30 March 2009.

The Group does not conduct any commercial business with Dynasty.

24.2 TRANSACTIONS WITH ORPAR

Orpar, the main shareholder of Rémy Cointreau, provides assistance to Rémy Cointreau in terms of company management and grants current account advances.

(€ millions)	2010	2009	2008
Service fee paid to Orpar	2.6	2.6	2.6
Current account	0.2	0.6	0.4
Trade payables	-	0.1	-

24.3 TRANSACTIONS WITH COMPANIES WITH A COMMON SHAREHOLDER OR DIRECTOR

Andromède, shareholder of Orpar, is also a shareholder of Oeneo group, which is listed on Euronext Paris and is a market leader in the cooperage and corking business. As such, various Oeneo Group subsidiaries are suppliers of the Rémy Cointreau Group.

(€ millions)	2010	2009	2008
Purchase of non-current assets	4.0	5.4	5.7
Other purchases	0.6	0.1	1.2
Trade payables	1.0	1.1	0.3
Purchase commitments	-	-	5.0

24.4 MANAGEMENT BODIES

Since 7 September 2004, the Group's management bodies have comprised the members of the Board of Directors and the Executive Committee (six members at 31 March 2010, 2009 and 2008).

Short-term benefits comprise fixed and variable remuneration and directors' fees.

(€ millions)	2010	2009	2008
Short-term benefits	5.7	5.0	4.7
Post-employment benefits	0.4	0.7	0.5
Charges related to option plans and those related to it	2.0	2.1	2.0
Total	8.0	7.8	7.2

In addition, the Board of Directors authorised on 4 June 2008 the commitment to deferred compensation corresponding to 18 months of gross remuneration (fixed and variable) that would be due by the company in the event that the Chief Executive Officer's (CEO) departure is instigated by his employer. This compensation is subject to compliance with performance conditions measured by the rate of

achievement, over the past three years, of the CEO's individual annual objectives used as basis for the variable share of his remuneration. If this rate is less than 50%, no compensation shall be paid. If the rate is between 50% and 75%, the compensation is proportional to the value of this rate. Compensation shall be paid in full if the rate exceeds 75%.

25. POST-BALANCE SHEET EVENTS

On 7 June 2010, the Group concluded a private placement with banks for €140 million for 5 years at a fixed interest rate of 3.6675%.

26. LIST OF CONSOLIDATED COMPANIES

At 31 March 2010, the consolidation included 50 companies (52 at 31 March 2009). 47 companies were fully consolidated and 3 were accounted for using the equity method. All companies have a 31 March year end, except for Dynasty Fine Wines Group Ltd, which has a 31 December year end.

Company	Activity	% interest			
		March 2010	March 2009		
EUROPE					
France	Rémy Cointreau SA ⁽¹⁾	Holding/Finance	100.00	100.00	
	Rémy Cointreau Sces ⁽¹⁾	Holding/Finance	100.00	100.00	
	CLS Rémy Cointreau ⁽¹⁾	Production/Distribution	100.00	100.00	
	SNE des Domaines Rémy Martin ⁽¹⁾	Agricultural production	100.00	100.00	
	E. Rémy Martin & Cie ⁽¹⁾	Production	100.00	100.00	
	Cointreau ⁽¹⁾	Production	100.00	100.00	
	Izarra ⁽¹⁾	Production	100.00	100.00	
	Champ.P&C Heidsieck ⁽¹⁾	Production	99.98	99.98	
	Champ. F.Bonnet P&F ⁽¹⁾	Production	100.00	100.00	
	Piper Heidsieck C.C. ⁽¹⁾	Production	100.00	100.00	
	G.V. de l'Aube ⁽¹⁾	Agricultural production	100.00	100.00	
	G.V. de la Marne ⁽¹⁾	Agricultural production	99.95	99.95	
	Fournier & Cie-Safec ⁽¹⁾	Agricultural production	100.00	100.00	
	Société Forestière Agricole et Viticole de Commétreuil ⁽¹⁾	Agricultural production	100.00	100.00	
	Alliance Fine Champagne ⁽²⁾	Special purpose entity	100.00	100.00	
	Lixir ⁽³⁾	Distribution	50.00	50.00	
	Netherlands	Penelop BV	Holding/Finance	100.00	100.00
		RC Nederland Holding BV	Holding/Finance	100.00	100.00
DELB BV		Holding/Finance	100.00	100.00	
Ponche Kuba BV		Holding/Finance	100.00	100.00	
RC Nederland BV		Holding/Finance	100.00	100.00	
Metaxa BV		Holding/Finance	100.00	100.00	
Lodka Sport BV		Other	50.00	50.00	
't Lootsje II BV		Holding/Finance	100.00	100.00	
De Bron 1575 BV	Holding/Finance	100.00	100.00		
Other countries	Hermann Joerss Gmbh (Germany)	Distribution	100.00	100.00	
	Cointreau Holding (Germany)	Holding/Finance	100.00	100.00	
	Diversa Gmbh ⁽³⁾ (Germany)	Distribution	50.00	50.00	
	S&EA Metaxa ABE (Greece)	Production	100.00	100.00	
	Financière Rémy Cointreau SA (Belgium)	Holding/Finance	100.00	100.00	
	Remy Cointreau Belgium (Belgium)	Distribution	100.00	100.00	
	Remy Cointreau Luxembourg (Luxembourg)	Distribution	100.00	100.00	
	Remy Cointreau Slovakia (Slovakia)	Distribution	100.00	100.00	
Remy Cointreau Czech Republic (Czech Republic)	Distribution	100.00	100.00		
AMERICAS					
US	Rémy Cointreau USA Inc	Distribution	100.00	100.00	
	Rémy Cointreau Amérique Inc	Holding/Finance	100.00	100.00	
	Remy Cointreau Travel Retail Americas Inc	Distribution	100.00	100.00	
Barbados	Mount Gay Distilleries Ltd	Production	94.98	94.98	
	Mount Gay Holding Ltd	Holding/Finance	100.00	100.00	
ASIA/PACIFIC					
China/Hong Kong	Dynasty Fine Wines Group Ltd ⁽³⁾	Production	27.03	27.03	
	Shanghai Rentouma Trading Cpy Ltd	Distribution	100.00	100.00	
	E. Remy Rentouma Trading Ltd	Distribution	100.00	100.00	
	Rémy Concord	Distribution	100.00	100.00	
	Rémy Pacifique Ltd	Holding/Finance	100.00	100.00	
	Caves de France	Holding/Finance	100.00	100.00	
Other countries	Rémy Cointreau Taiwan Pte Ltd (Taiwan)	Distribution	100.00	100.00	
	Rémy Cointreau Japan KK (Japan)	Distribution	100.00	100.00	
	Rémy Cointreau International Pte Ltd (Singapore)	Distribution	100.00	100.00	
	BPE Pty Ltd (Australia)	Other	100.00	100.00	
	Rangit Ltd (Mauritius)	Holding/Finance	100.00	100.00	
CHANGES IN CONSOLIDATION SCOPE					
	Tequisco ⁽⁴⁾	Holding/Finance	-	100.00	
	Unipol BV ⁽⁵⁾	Other	-	50.00	

(1) Company is part of the French tax group. (2) Special purpose entity. (3) Accounted for by the equity method. (4) Merged into Cointreau. (5) Liquidated.

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meetings, we present our report for the year ended 31 March 2010 on:

- the audit of the consolidated financial statements of Rémy Cointreau, as presented;
- the justification of our assessments; and
- the specific verifications required by law.

The consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with the professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance on whether the financial statements are free of material misstatement. An audit includes examining, on a test basis or other means of selection, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the presentation of the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the assets, liabilities, financial position and results of the consolidated group of companies in accordance with IFRS as adopted by the EU.

Without qualifying the above opinion, we draw your attention to note **1** of the notes to the consolidated financial statements, which discloses changes of accounting methods arising from the standards, amendments and interpretations applied by your Company:

II. JUSTIFICATION OF ASSESSMENTS

In accordance with the requirements of article L. 823-9 of the Commercial Code relating to the justification of our assessments, we bring the following matters to your attention:

Brands' impairment tests

Brands are valued according to the method described in note **1.8** of the notes to the consolidated financial statements. We have assessed the validity of the valuation method applied, which is based on estimates, and examined the information and assumptions used in making these valuations by your Company. We carried out the assessment of the reasonableness of these estimates.

Use of estimates

Note **1.1** to the financial statements discloses the need for your Company to make estimates and develop assumptions as part of the preparation of its consolidated financial statements. We examined the information and assumptions used by your Company on which these estimates are based, reviewed the calculation made by your Company, compared the estimates made during previous periods with actual realisations, and assessed the approval process of these estimates by the management of your Company. We carried out an assessment of the reasonableness of these estimates.

The assessments were thus made in the context of the performance of our audit of the consolidated financial statements taken as a whole and therefore contributed to the formation of our unqualified audit opinion expressed in the first part of this report.

III. SPECIFIC VERIFICATION

We have also verified, in accordance with the professional standards applicable in France, the information given in the Group Management Report.

We have no matters to report regarding its fair presentation and conformity with the consolidated financial statements.

Neuilly-sur-Seine and Paris, 7 June 2010

The Statutory Auditors

Ernst & Young et Autres

Represented by
Marie-Laure Delarue

**Auditeurs & Conseils Associés SA
Nexia International**

Represented by
Olivier Juramie

4.2 REMY COINTREAU SA FINANCIAL STATEMENTS

1. BALANCE SHEET

As at 31 March, in millions of euros.

ASSETS	Notes	2010	2009	2008
Intangible fixed assets		32.4	32.4	32.4
Tangible fixed assets		-	-	-
Equity investments		1,765.9	1,766.4	1,640.9
Receivables relating to equity investments		-	-	-
Other long-term investments		-	-	-
Loans		-	-	-
Other financial assets		3.4	3.1	2.9
Total fixed assets	2.1/2.2	1,801.7	1,801.9	1,676.2
Other receivables	2.3	27.5	30.7	20.1
Marketable securities		-	-	-
Cash		0.8	0.2	1.5
Total current assets		28.3	30.9	21.6
Prepaid expenses		0.1	0.1	-
Deferred charges	2.4	0.9	1.7	2.5
Unrealised translation losses		-	-	-
Total assets		1,831.0	1,834.6	1,700.3
LIABILITIES AND SHAREHOLDERS' EQUITY				
Share capital		77.6	75.8	74.5
Share issue, merger and transfer premium		708.2	685.5	664.5
Legal reserve		7.6	7.4	7.4
Regulated reserves		-	-	-
Other reserves		-	-	-
Retained earnings		212.5	204.1	157.9
Net profit for the year		9.5	70.2	106.9
Regulated provisions		-	-	-
Shareholders' equity	2.5	1,015.4	1,043.0	1,011.2
Convertible bonds		-	-	-
Provisions for liabilities and charges	2.9	5.3	2.2	4.6
Other bonds	2.6	194.5	194.5	196.9
Other borrowings	2.7	63.4	0.6	100.8
Borrowings and amounts due to financial institutions	2.7	370.6	406.2	219.6
Borrowings		628.5	601.3	517.3
Trade payables		0.2	0.1	0.1
Tax and social security liabilities		0.4	0.5	-
Amounts due to fixed asset suppliers		-	-	-
Other operating liabilities		181.2	187.5	167.1
Operating liabilities		181.8	188.1	167.2
Deferred income		-	-	-
Unrealised translation gains		-	-	-
Total liabilities and equity		1,831.0	1,834.6	1,700.3

2. INCOME STATEMENT

As at 31 March, in € millions	Notes	2010	2009	2008
Services provided	3.1	14.4	15.8	15.6
Depreciation, amortisation and provisions written back, charges transferred		-	-	0.2
Other income		-	-	0.1
Total operating income		14.4	15.8	15.9
Purchases and external costs		24.3	21.0	23.0
Taxes and duties		0.1	0.1	0.1
Wages and salaries		-	-	-
Social security charges		-	-	-
Charges for depreciation and amortisation of fixed assets		0.8	0.8	4.0
Charges to provisions for liabilities and charges		-	-	-
Other expenses		0.3	0.3	0.3
Total operating expenses		25.5	22.2	27.4
Operating profit (loss)		(11.1)	(6.4)	(11.5)
Financial income from equity investments	3.2	41.0	60.4	139.1
Income from investment securities and equity investments		-	0.7	2.5
Other interest income		3.8	3.0	5.1
Provisions written back and charges transferred		0.3	0.4	0.1
Exchange gains		-	-	0.1
Net gains on disposals of marketable securities		0.2	0.2	0.2
Total financial income		45.3	64.7	147.1
Charges for writedowns and provisions		-	0.3	-
Interest and similar expenses		23.4	30.4	37.8
Exchange losses		-	-	0.4
Net losses on disposals of marketable securities		0.1	-	0.3
Total financial expenses		23.5	30.7	38.5
Net financial income		21.8	34.0	108.6
Profit on ordinary activities before tax		10.7	27.6	97.1
Exceptional income on revenue transactions		-	0.5	0.3
Exceptional income on capital transactions		0.7	-	16.0
Exceptional provisions written back and charges transferred		-	2.0	0.7
Total exceptional income		0.7	2.5	17.0
Exceptional expense on revenue transactions		-	1.1	0.7
Exceptional expense on capital transactions		0.5	-	19.2
Exceptional depreciation, amortisation and provisions		-	-	-
Total exceptional expenses		0.5	1.1	19.9
Net exceptional income (expense)	3.3	0.2	1.4	(2.9)
Income tax	3.4	1.4	(41.2)	(12.7)
Net profit		9.5	70.2	106.9

3. CASH FLOW STATEMENT

As at 31 March, in € millions	2010	2009	2008
Net profit	9.5	70.2	106.9
Depreciation, amortisation and provisions	3.9	1.1	4.0
Operating	-	-	-
Financial	-	0.3	-
Exceptional	3.1	-	-
Deferred charges	0.8	0.8	4.0
Depreciation, amortisation and provisions written back	(0.3)	(2.4)	(1.1)
Operating	-	-	(0.2)
Financial	(0.3)	(0.3)	(0.1)
Exceptional	-	(2.1)	(0.8)
(Gains) losses on disposals	(0.2)	-	3.1
Sale proceeds	(0.7)	-	(16.0)
Net book value of assets sold	0.5	-	19.1
= Operating cash flow	12.9	68.9	112.9
A - Resources			
Operating cash flow	12.9	68.9	112.9
Disposals of intangible fixed assets	-	-	-
Disposals of tangible fixed assets	-	-	-
Disposals or reductions in financial assets	0.7	9.5	16.0
Reduction in receivables relating to equity investments	1.9	1.7	4.0
Capital increase and share premium	1.4	0.8	8.0
Long and medium-term borrowings	-	240.0	100.0
Total	16.9	320.9	240.9
B - Uses			
Dividends	38.6	39.2	48.2
Acquisitions of fixed assets:	-	135.0	266.0
- Intangible fixed assets	-	-	-
- Tangible fixed assets	-	-	-
- Financial assets	-	135.0	266.0
Increase in receivables relating to equity investments	1.9	2.2	0.6
Repayment of borrowings	-	2.3	186.6
Deferred charges	-	-	-
Bond redemption premiums	-	-	-
Reduction in shareholders' equity	-	-	-
Total	40.5	178.7	501.4
A - B = Change in working capital	(23.6)	142.2	(260.5)
Analysis of change in working capital			
Increase/decrease in trade payables	-	-	-
Increase/decrease in advance payments on orders	-	-	-
Increase/decrease in other current assets/liabilities, including bank overdrafts	(23.6)	142.2	(260.5)
Total	23.6	142.2	(260.5)

4. FIVE-YEAR FINANCIAL SUMMARY

As at 31 March, in € millions	2006	2007	2008	2009	2010 ⁽¹⁾
1. Share capital at year end					
Share capital	72.8	73.6	74.5	75.8	77.6
Number of shares in issue	45,506,144	45,999,802	46,558,793	47,370,044	48,509,769
Maximum number of shares to be created through the conversion of bonds	6,831,429	-	-	-	-
2. Operations and results for the year					
Services provided	15.7	16.1	15.6	15.8	14.4
Profit before tax, depreciation, amortisation and provisions	51.5	51.1	97.2	27.8	11.4
Income tax	-	0.2	12.7	41.2	(1.4)
Profit after tax depreciation, amortisation and provisions	59.9	175.6	106.9	70.2	9.5
Dividends	50.1	55.2	60.5	61.6	63.1
3. Earnings per share (€)					
Profit after tax, but before depreciation, amortisation and provisions	1.1	1.1	2.0	0.6	0.2
Net profit	1.3	3.8	2.3	1.5	0.2
Net dividend per share	1.1	1.2	1.3	1.3	1.3
4. Employees					
Number of employees	-	-	-	-	-
Total payroll	-	-	-	-	-
Staff benefits (social security and other benefits)	-	-	-	-	-
Profit sharing (included in total payroll)	-	-	-	-	-

(1) Subject to approval at the AGM. - A dividend of €1.30 per share will be proposed, with the option of a 50% payment in company shares.

5. NOTES TO THE FINANCIAL STATEMENTS

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1. ACCOUNTING PRINCIPLES AND VALUATION METHODS

The financial statements have been prepared in accordance with the provisions of the French Commercial Code and French Accounting Regulatory Commission (CRC) standard 99-03 of 29 April 1999 relating to the revised French chart of accounts.

The main accounting principles and valuation methods used are as follows:

a. Investments are recorded at acquisition cost or transfer value less, where applicable, any provisions required to bring them to their fair value. Fair value is determined using

a number of criteria, including notably net assets, unrealised capital gains and future earnings potential.

b. Receivables and liabilities are recorded at nominal value. Any such items that are denominated in foreign currency are translated at the closing rate for the year. Where applicable, a provision for doubtful debts is recorded on receivables to cover the risk of any non-collection.

c. The difference arising from the valuation of foreign currency denominated receivables and liabilities, using the closing rate, is taken to the balance sheet as an unrealised foreign currency translation gain or loss.

d. Interest rate hedging instruments are recorded in off-balance sheet commitments.

2. NOTES TO THE BALANCE SHEET

2.1 FIXED ASSETS

(€ millions)	Cost brought forward	Increase	Decrease	Cost carried forward
Intangible fixed assets	32.4	-	-	32.4
Equity investments	1,768.5	-	0.5	1,768.0
Others	3.4	1.9	1.9	3.4
Total	1,804.3	1.9	2.4	1,803.8

The business goodwill recorded as an asset on the balance sheet arises from the merger with RC Pavis and has no legal protection.

“Equity investments” include investments in companies that are fully consolidated in Rémy Cointreau’s consolidated financial statements for €1,763.8 million. The decrease was due to the disposal of Tequisco.

“Others” include a balance of €3 million held as part of a liquidity contract entered into with a financial institution. The organiser’s

sole objective is to promote the liquidity of the Company’s shares and the regularity of their listings on the market.

At the year end, 2,253 Company shares were held in connection with this agreement, for a gross value of €0.1 million. The cash balance on this account at the year end was placed in a money market instrument with a value of €2.9 million.

Lastly, in connection with its obligation to cover the stock options granted to certain employees, during the year the Company held 12,600 shares with a value of €0.4 million.

2.2 AMORTISATION, DEPRECIATION AND PROVISIONS

(€ millions)	Opening balance	Increase	Decrease	Closing balance
Equity investments	2.1	-	-	2.1
Others	0.3	-	0.3	-
Total	2.4	-	0.3	2.1

2.3 MATURITY ANALYSIS OF RECEIVABLES

(€ millions)	Gross	Less than 1 year	More than 1 year
Fixed assets			
Receivables relating to equity investments	-	-	-
Other financial assets	3.4	3.4	-
Current assets			
Other receivables	27.5	27.5	-
Prepaid expenses	0.1	0.1	-
Total	31.0	31.0	-

“Other receivables” primarily relates to the payments on account of corporate income tax made by the company as parent company of a tax grouping.

2.4 MATURITY ANALYSIS OF DEFERRED CHARGES

(€ millions)	Gross	Less than 1 year	More than 1 year
Borrowing issue costs	0.9	0.5	0.4
Total	0.9	0.5	0.4

The costs are amortised over the term of the borrowings.

2.5 SHAREHOLDERS' EQUITY

2.5.1 BREAKDOWN OF SHARE CAPITAL

Share capital comprises 48,509,769 fully paid-up shares with a nominal value of €1.60.

During the year, 1,139,725 new shares were issued in respect of the following transactions:

- dividend payments entitling shareholders to subscribe to 980,095 shares;
- exercises of subscription options entitling holders to 73,030 new shares;
- allocation of free shares via the issue of 86,600 Company shares as a deduction from reserves.

2.5.2 CHANGE IN SHAREHOLDERS' EQUITY

	Number of shares	Share capital	Share issue and merger premium	Legal reserve	Retained earnings	Net profit	Total
At 31 March 2008	46,558,793	74.5	664.5	7.4	157.9	106.9	1 011.2
Earnings appropriation	-	-	-	-	106.9	(106.9)	-
Net profit	-	-	-	-	-	70.2	70.2
Exercise of options	47,908	0.1	0.8	-	-	-	0.9
Dividends (part payment in shares)	673,843	1.1	20.2	-	(60.5)	-	(39.2)
Allocation of 2006 free share plan	89,500	0.1	-	-	(0.1)	-	-
At 31 March 2009	47,370,044	75.8	685.5	7.4	204.1	70.2	1,043.0
Earnings appropriation	-	-	-	0.1	70.1	(70.2)	-
Net profit	-	-	-	-	-	9.5	9.5
Exercise of options	73,030	0.1	1.3	-	-	-	1.4
Dividends (part payment in shares)	980,095	1.6	21.4	-	(61.6)	-	(38.6)
Allocation of 2007 free share plan	86,600	0.1	-	-	(0.1)	-	-
At 31 March 2010	48,509,769	77.6	708.2	7.6	212.5	9.5	1,015.4

2.5.3 STOCK OPTIONS AND SIMILAR SCHEMES

Detailed information relating to these plans is provided in the Management Report.

STOCK OPTION PLANS

These plans were granted under the authorisations given by the shareholders' Extraordinary General Meetings held on 26 August 1998 (Plans 7, 8 and 9), 24 August 2000 (Plans 10 and 11), 21 September 2001 (Plans 11 and 12) and 7 September 2004 (Plan 13).

Exercise start date	Plan N°	Term ⁽¹⁾	Type	Options granted	Exercise price in euros	Lapsed options at 31/03/09	Options exercised at 31/03/09	Options exercised during the year	Average exercise price	Outstanding options at 31/03/10
28 April 1999	7	10 years	S	289,300	12.20	4,700	281,338	3,262	21.57	-
7 December 1999	8	10 years	S	499,100	16.36	5,010	464,352	29,738	33.69	-
30 May 2000	9	10 years	S	131,280	18.85	-	113,740	17,540	36.48	-
1 March 2003	10	8 years	S	1,016,600	27.10	34,000	758,810	16,890	37.24	206,900
8 March 2006	11	6 years	S	659,500	25.00	8,500	462,127	5,600	37.18	183,273
16 September 2007	12	6 years	P	287,000	27.67	27,000	82,795	3,605	37.85	173,600
24 December 2008	13	6 years	P	262,000	28.07	35,000	8,000	1,000	38.55	218,000
Total				3,144,780		114,210	2,171,162	77,635	35.09	781,773

(1) S = Subscription, P = Purchase.

Plans N° 12 and 13 are hedged (see note 4.4).

FREE SHARE ISSUES

Grant date ⁽¹⁾	Plan N°	Vesting period	Minimum retention period	Original number of options granted	Share price on the grant date	Lapsed options	Options granted at the end of the vesting period	Outstanding options at 31/03/10
20 November 2007	2007	2 years	2 years	91,100	50.47	4,500	86,600	-
20 November 2008	2008	2 years	2 years	89,900	24.89	1,000	n/a	88,900
19 November 2009	2009	2 years	2 years	102,300	34.05	-	n/a	102,300
Total				283,300	-	5,500	86,600	191,200

(1) The grant date is the date on which the Board of Directors elected to grant these plans.

Plan N°	The Combined Annual General Meeting having granted the plan
2007	28 July 2005
2008	16 September 2008
2009	16 September 2008

For these three plans, the Board of Directors determined that the following acquisition terms would apply:

- 60% of the shares are granted on the condition that the beneficiary is still employed by the Group at the end of the vesting period;
- 40% of the shares are granted on the condition that the beneficiary is still employed by the Group at the end of the vesting period and that Group has achieved the performance criteria as measured at the end of the financial year preceding the end of the vesting period.

These criteria concern the current operating profit to turnover and capital employed ratio, measured on a like-for-like basis.

The shares granted at the end of the vesting period for the 2007 plan resulted in the creation of 86,600 new shares as a deduction against reserves. This plan was granted in full (with the exception of 4,500 shares that lapsed due to the departure of beneficiaries).

2.6 OTHER BONDS

(€ millions)	2010	2009	2008
€200 million bond issue	192,4	192,4	192,4
Centaure bonds	-	-	2,3
Total nominal value	192,4	192,4	194,7
Accrued interest	2,1	2,1	2,2
Total	194,5	194,5	196,9

At 31 March 2010, Rémy Cointreau's financial debt only included the bonds issued on 15 January 2005, bearing interest at 5.2% the par value of which was initially €200 million (200,000 bonds of a par value of €1,000 each), was reduced to €192.4 million in June 2007 following the early redemption of 7,632 bonds.

This 7-year bond is redeemable at par on maturity and bears interest at 5.2%, payable every six months.

This bond is not secured.

The issue carries a number of clauses for early redemption at the issuer's option as follows:

- before 15 January 2008, in the event of a capital increase, whether for the general public or privately placed, redemption at 105.2% on a proportional basis of up to 35% of the total par value of the bonds issued;
- at any time before 15 January 2009, redemption at par plus a premium equal to the higher of the following two amounts:
 - 1% of the principal amount redeemed,
 - an amount equal to the difference between: (A) the present value on the redemption date at 102.6% plus interest calculated over the period from the redemption date to 15 January 2009, and (B) the principal amount of the bond. The discount rate used is the Bund interest rate on the redemption date plus 50 basis points,
- from 15 January 2009, under any circumstances, redemption of all or part of the bonds at 102.6% up to 15 January 2010 exclusive, at 101.3% from 15 January 2010 to 15 January 2011 exclusive, and at par from 15 January 2011;
- the bond issue contract also entitles every bearer to request redemption of the bonds held at 101% in the event of:
 - sale or transfer of all or a substantial part of Rémy Cointreau's assets,
 - approval by the shareholders of a liquidation or voluntary winding up plan, or
 - ORPAR and RECOPART together holding less than one third of the voting rights in the issuer and another person or group obtaining more than one third of the voting rights in the issuer, or ORPAR and RECOPART being unable to appoint the majority of the Board of Directors for two consecutive years,
 - at any time at par, but in full, in the event of a material change in the tax regime applicable to payments made by the issuer on the bonds subsequent to the issue date.

In the event of the sale of assets and in the absence of the sale proceeds being used for authorised operations, Rémy Cointreau must, within 365 days starting from the date of receipt of the sale proceeds, offer early redemption of the issue up to the amount of the sale proceeds. Furthermore, the agreement contains certain conventions that may limit the maximum dividend payout in the event of a loss.

2.7 OTHER BORROWINGS

Other borrowings primarily include transactions with subsidiaries of the Rémy Cointreau Group.

Borrowings and liabilities with financial institutions may be analysed as follows:

(€ millions)	2010	2009	2008
Drawdowns on syndicated bank line	370.0	370.0	130.0
Drawdowns other confirmed credit lines	-	30.0	-
Drawdowns on unconfirmed credit lines	-	-	88.9
Overdrafts	0.3	-	-
Total nominal value	370.3	400.0	218.9
Accrued interest	0.3	6.2	0.7
Total	370.6	406.2	219.6

BANK SYNDICATE

At 31 March 2010, Rémy Cointreau had access to a €500 million syndicated loan entered into on 7 June 2005. The agreement provides for a revolving credit facility of €500 million, of which €466 million expires on 7 June 2012 and €34 million on 7 June 2010.

Amounts drawn down bear interest at EURIBOR plus a margin fixed at the outset at 0.675% per annum that may vary as shown in the following table based on the average debt/EBITDA ratio (ratio A).

Ratio A	Applicable margin
A > 4.25	0.875%
3.75 < A < 4.25	0.675%
3.25 < A < 3.75	0.525%
2.75 < A < 3.25	0.425%
A < 2.75	0.325%

The commitment fee on the undrawn portion of the borrowing is 37.5% of the margin applicable if A > 3.75 and 35% if A < 3.75.

This facility is not subject to any security.

Under this agreement, Rémy Cointreau undertakes to comply with the following financial ratios calculated at 30 September and 31 March each year:

Périod	Ratio A
From date of signing to 30/09/06	Ratio A < 4.50
From 01/10/06 to 30/09/07	Ratio A < 4.00
From 01/10/07 to 30/09/08	Ratio A < 3.75
From 01/10/08 to maturity	Ratio A < 3.50

At 31 March 2010, Ratio A stood at 3.17 (2009: 2.99; 2008: 2.54).

OTHER CONFIRMED LINES

During the financial year ending 31 March 2010, the Group negotiated confirmed credit lines, in addition to the syndicated loan, for a total amount of €50 million. These lines have the following features:

Value (€ millions)	Term	Index	Margin	Commitment fee
20.0	30 April 2010	EURIBOR	0.400%	0.600%
30.0	9 July 2010	EURIBOR	0.250%	0.250%

2.8 MATURITY ANALYSIS OF DEBT

(€ millions)	Gross	Less than 1 year	1 to 5 years	More than 5 years
Other bonds	194.5	2.1	192.4	-
Borrowings and amounts due to financial institutions	370.6	25.8	344.8	-
Other borrowings	63.4	63.4	-	-
Trade payables	0.2	0.2	-	-
Tax and social security liabilities	0.4	0.4	-	-
Other	181.2	181.2	-	-
Total	810.3	273.1	537.2	-

The suppliers invoices payable at 31 March 2010 of €0.1 million, are payable by the end of April at the latest (pursuant to Article D441-4 of the Commercial Code).

2.9 PROVISIONS

(€ millions)	Regulated provisions	Provisions for liabilities and charges	Provisions for depreciation	Total
Opening balance	-	2.2	2.4	4.6
Charges	-	3.1	-	3.1
Write-backs	-	-	(0.3)	(0.3)
Closing balance	-	5.3	2.1	7.4
		Charges	Write-backs	
Operating		-	-	
Financial		-	0.3	
Exceptional		-	-	
Income tax		3.1	-	
Total		3.1	0.3	

Write-backs of provisions for liabilities and charges correspond mainly to provisions for tax risks.

2.10 DEFERRED INCOME

There was no deferred income at 31 March 2010.

2.11 ACCRUED EXPENSES

(€ millions)	2010
Other bonds	2.1
Borrowings and amounts due to financial institutions	0.3
Other borrowings	-
Trade payables	0.1
Tax and social security liabilities	0.3
Other	0.1
Total	2.9

3. NOTES TO THE INCOME STATEMENT

3.1 ANALYSIS OF SERVICES PROVIDED

Services provided totalled €14.4 million and essentially comprised services rendered to all Rémy Cointreau Group subsidiaries and sub-subsidiaries, including €11.5 million to French companies and €2.9 million to foreign companies.

3.2 FINANCIAL INCOME FROM EQUITY INVESTMENTS

Financial income from equity investments came to €41.0 million and related to dividends received from subsidiaries.

3.3 EXCEPTIONAL INCOME AND EXPENSE

(€ millions)	2010
Gain on disposal of equity investment	0.2
Total	0.2

3.4 INCOME TAX

a) Income tax analysis

(€ millions)	Profit before tax	Income tax	Net profit
Profit on ordinary activities	10.7	-	10.7
Net exceptional income	0.2	(1.4)	(1.2)
Net profit	10.9	(1.4)	9.5

The net income tax charge corresponds to:

- a provision for €3.1 million for tax risk following a tax audit in progress;
- a tax saving realisation under the tax grouping regime, as parent company for €0.8 million;
- a refund of group income tax following a previous correction in respect of an Australian subsidiary for €0.9 million.

b) Change in tax losses

(€ millions)	Base	Tax rate	Tax amount
Loss for the year	(28.0)	-	-
Deferred amortisation and depreciation	-	-	-
Losses carried forward	(28.0)	-	-
Unutilised losses carried forward	(384.8)	-	-

The loss for the year arises mainly from the deduction for tax purpose of dividends received from subsidiaries.

c) Increase and reduction in future tax liability

(€ millions)	Base	Tax rate	Tax amount
Reductions	-	-	-
Non-deductible provisions at 31 March 2010	-	34.4	-

3.5 TAX GROUP

Rémy Cointreau elected to form a tax grouping with effect from 1 April 1993 for Group companies as provided for in Article 223A of the French General Tax Code.

The tax allocation agreement stipulates that the tax charge is borne by the companies within the tax grouping as if no such grouping existed, after applying any tax losses brought forward.

The following companies are included in the tax grouping: Rémy Martin, Izarra, Cointreau, Piper Heidsieck C.C., Champagne P&C Heidsieck, Champagne F.Bonnet, Safec, Grands Vignobles de la Marne, Grands Vignobles de l'Aube, Rémy Cointreau Services SAS, CLS Rémy Cointreau, Société Nouvelle des Domaines Rémy Martin, SFAV de Commetreuil.

4. OTHER INFORMATION

4.1 RELATED PARTY TRANSACTIONS

(€ millions)	Amounts concerning:	
	Related parties	Equity investments
Receivables:		
Other receivables	3.4	-
Liabilities:		
Other liabilities	88.3	-
Financial income:		
Income from equity investments	41.0	-
Interest	0.2	-
Financial expense:		
Interest	0.1	-
Operating income	14.4	-
Operating expenses	23.9	-
Exceptional income	0.7	-
Exceptional expenses	-	-

4.2 OFF-BALANCE SHEET COMMITMENTS

a) Financial commitments (€ millions)

At the year-end, the Group's commitments include guarantees granted to Group subsidiaries in relation to various financing facilities, for a total of €22.6 million, supplier guarantees for €6.4 million, as well as interest rate hedging contracts.

Rémy Cointreau manages the risk of an increase in the interest rates on its variable rate financial resources, which primarily bear interest at the EURIBOR rate (1 or 3 months). The Group uses optional instruments (caps) and interest rate swaps. Rémy Cointreau also subscribes to floor contracts, which are allocated to its fixed rate debt.

At 31 March 2010, the Company's interest rate hedging portfolio comprised the following financial derivatives:

(€ millions)	Nominal value	Initial value	Market value
Purchases of caps			
Maturing in 2011	375.0	1.1	-
Maturing in 2012	250.0	0.6	0.1
	625.0	1.7	0.1
Purchases of floors			
Maturing in 2011	50.0	0.1	1.3
	50.0	0.1	1.3
Sales of floors			
Maturing in 2011	(50.0)	(1.1)	(1.3)
	(50.0)	(1.1)	(1.3)
Interest rate swaps			
Maturing in 2011	375.0	-	(2.6)
Maturing in 2015	150.0	-	(3.5)
	525.0	-	(6.1)

The initial value corresponds to premiums paid or received on entering into contracts. They are amortised pro-rata over the term of the contract, from their effective start date. The net book value thus corresponds to the value after amortisation at year-end. The market value is based on external valuation of the instruments at year-end.

b) Contingent liabilities relating to asset disposals

In connection with sale transactions, guarantees in respect of future liabilities are generally granted to the buyers for defined periods and amounts stipulated in the agreements. Liabilities for tax, excise duties and social security payments that may arise following audits covering periods prior to the sale are generally included until such liabilities lapse under the statute of limitations.

The guarantees granted that had not lapsed at 31 March 2010 are as follows:

(€ millions)	Transaction date	Nature of outstanding guarantees	Maturity	Maximum amount
Lucas Bols (joint guarantee with DELB BV)	11 April 2006	General guarantees Franchise	11 October 2012	100.0 2.6

4.3 SALE OF TREASURY SHARES

At 31 March 2010, 2,253 shares were held in the liquidity account, valued at €0.1 million. The income earned on the shares by the manager of the liquidity account during the financial year, which was not significant, was recorded in financial income.

4.4 COVERAGE OF STOCK OPTION PLANS

In March 2005, Rémy Cointreau sold 602,430 of its own shares with a repurchase option to meet its commitments to cover stock options granted to certain members of staff (284,000 shares under Plan N° 12 and 37,503 shares under Plan N° 13) as required under the provisions of Article L. 225-179 of the Commercial Code, which stipulates that, as from the end of the vesting period, the Company must be in a position to deliver the shares to its employees. This measure was authorised by the French Financial Markets Authority (AMF) on 8 March 2005. Rémy Cointreau supplemented the coverage of stock option Plan N° 13 by acquiring 224,497 options on its own shares.

Following the repurchases made by the Company in previous financial years, 213,503 shares were outstanding under this contract as at 31 March 2009. No repurchase occurred during the present financial year, the balance thus remained at 213,503 shares.

No other movement affected the 224,497 share purchase options over the financial year.

In addition, at 31 March 2010, the company held 12,600 treasury shares from the previous repurchases of which 3,600 will be allocated to cover plan 12 and 9,000 to plan 13.

5. POST-BALANCE SHEET EVENTS

There are no events that are likely to have a material impact on the financial statements for the year ended 31 March 2010.

On 7 June 2010, the Group concluded a private placement with banks for €140 million for 5 years at a fixed interest rate of 3.6675%.

6. LIST OF SUBSIDIARIES AND EQUITY INVESTMENTS AT 31 MARCH 2010

In thousands of currency or € millions		Share capital	Other shareholders' equity	Share capital held	Net book value of capital held	Provisions for impairment
Companies	Currency	(currency thousands)	(euros thousands)	%	(euros thousands)	(euros thousands)
A) French						
Rémy Martin & Cie	€	6,725	230,743	100%	381,708	-
Cointreau	€	4,037	118,540	100%	-	-
Piper Heidsieck C.C.	€	32,115	49,830	100%	326,280	-
Ducs de Gascogne	€	1,002	2,080	30%	1,144	-
Rémy Cointreau Services	€	1,035,805	10,304	92%	966,700	-
Other French subsidiaries	€	-	-	-	2,129	2,129
Total gross value		-	-	-	1,767,064	2,129
B) Foreign						
Other foreign subsidiaries	€	-	-	-	988	2
Total gross value					988	2
Total gross value (A+B)		-	-	-	1,768,052	2,131
Total net book value		-	-	-	1,765,921	-

Dividends received (euros thousands)	Net turnover for last financial year (euros thousands)	Net profit (euros thousands)	Year-end date	Loans and advances granted (euros thousands)
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-	9 051	26,319	31/03/10	-
-	-	8,579	31/03/10	-
-	129	1,835	31/03/10	-
-	12,777	14	31/12/09	-
40,998	-	46,234	31/03/10	-
20	-	-		-
41,018	-	-		-

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STATUTORY AUDITORS' REPORT ON PARENT COMPANY FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2010

This is a free translation into English of the statutory auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. This report includes information specifically required by French law in all audit reports, whether qualified or not, and this is presented below the opinion on the financial statements. This information includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting matters. These assessments were made for the purpose of issuing an opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements. The report also includes information relating to the specific verification of information in the group management report. This report should be read in conjunction with, and is construed in accordance with French law and professional auditing standards applicable in France.

GENERAL REPORT

To the Shareholders of Rémy Cointreau,

In compliance with the assignment entrusted to us by your Shareholders' annual general meetings, we hereby report to you, for the year ended 31 March 2010 on:

- the audit of the accompanying financial statements of Rémy Cointreau;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by your Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

1. OPINION ON THE FINANCIAL STATEMENTS

We conducted our audit in accordance with the professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities of the financial position of the company as at 31 March 2010, and of the results of its operations for the year then ended in accordance with French accounting principles.

2. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of article L.823-9 of the French Commercial Code (*Code de Commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

First paragraph of the notes to the financial statements details the accounting principles and method relating to the approach used by the Company for assessing the value of equity investments. As part of our assessment of the accounting rules and principles followed by the Company, we have verified the validity of the approach used and we have satisfied ourselves that it has been correctly applied.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

3. SPECIFIC VERIFICATIONS AND INFORMATION

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors, and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L.225-102-1 of French Commercial Code relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with the French law, we have verified that the identity of the shareholders has been properly disclosed in the management report.

Neuilly-sur-Seine and Paris, 7 June 2010

The Statutory Auditors

Ernst & Young et Autres

Represented by
Marie-Laure Delarue

Auditeurs & Conseils Associés SA

Nexia International

Represented by
Olivier Juramie

STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENT AND COMMITMENTS YEAR ENDED 31 MARCH 2010

This is a free translation into English of a report issued in the French language and is provided solely for the convenience of English speaking readers. This report was construed in accordance with French law and professional auditing standards applicable in France and should be read in conjunction with them.

To the Shareholders,

In our capacity as Statutory Auditors of your company, we hereby present our report on regulated agreements and commitments.

1. AUTHORISED AGREEMENTS AND COMMITMENTS DURING THE FINANCIAL YEAR

In accordance with Article L.225-40 of the French Commercial Code (*Code de Commerce*), we have been informed of the following agreements and commitments that received prior authorization of the Board of Directors.

Our responsibility does not include identifying any undisclosed agreements or commitments. We are required to report to shareholders, based on the information provided, on the main terms and conditions of the agreements and commitments that have been disclosed to us, without commenting on their relevance or substance. Under the provisions of Article R.225-31 of the French Commercial Code, it is the responsibility of shareholders to determine whether the agreements are appropriate and should be approved.

We performed the procedures that we deemed necessary with regard to French professional standards in relation to this engagement. These procedures consisted of verifying that the information given to us is consistent with the underlying documents.

1.1. DISPOSAL OF ALL THE ISSUED TEQUISCO'S SHARE CAPITAL TO COINTREAU SAS

Company concerned: Rémy Cointreau SA

The Board of Directors authorised on June 4, 2009 the disposal of all the issued Tequisco's share held by Rémy Cointreau SA to Cointreau SAS for an amount of €708,087.

1.2. GUARANTEE WITH THE COMPANY FINANCIERE REMY COINTREAU SA/NV

Persons concerned: M. Jean-Marie Laborde: Chief Executive Officer of Rémy Cointreau SA and Permanent representative of Rémy Cointreau Services, Member of the Board of Directors of Financière Rémy Cointreau SA/NV. Mrs Dominique Hériard Dubreuil: Chairman of the Board Directors of Rémy cointreau SA and Permanent representative of E. Rémy Martin and C, Member of the Board of Directors of Financière Rémy Cointreau SA/NV.

The Board of Directors authorised on 23 March, 2010 the cancellation of the guarantee agreement, agreed on March 27, 2007, through which Rémy Cointreau SA stand security for all amounts owed by Champagnes P&C Heindsieck to Financière Rémy Cointreau SA/NV, for an unlimited period.

1.3. ENDORSEMENT TO THE SERVICE PROVISION AGREEMENT FOR EXCHANGE RATE RISKS AND INTERNATIONAL CASH MANAGEMENT BETWEEN FINANCIERE RÉMY COINTREAU SA/NV, RÉMY COINTREAU SA AND SOME GROUP'S SUBSIDIARIES

Persons concerned: M. Jean-Marie Laborde: Chief Executive Officer of Rémy Cointreau SA and Permanent representative of Rémy Cointreau Services, Member of the Board of Directors of Financière Rémy Cointreau SA/NV. Mrs Dominique Hériard Dubreuil: Chairman of the Board Directors of Rémy Cointreau SA and Permanent representative of E. Rémy Martin and C, Member of the Board of Directors of Financière Rémy Cointreau SA/NV.

The Board of Directors which met on March 23, 2010 authorised an endorsement to the Service Provision Agreement for exchange rate risks and international cash management, signed on March 31, 2009 between Financière Rémy Cointreau SA/NV and some group's subsidiaries.

This endorsement modifies the exchange gains and losses allocation. It was drawn up on January 25, 2010, with retroactive effect to April 1, 2009.

Rémy Cointreau SA did not transfer any account receivables or debts in foreign currencies to Financière Rémy Cointreau SA/NV in the course of the financial year 2009/2010 and no invoicing was carried out as part of this agreement.

1.4. SERVICE PROVISION AGREEMENT FOR EXCHANGE RATE RISKS AND INTERNATIONAL CASH MANAGEMENT BETWEEN FINANCIERE RÉMY COINTREAU SA/NV, RÉMY COINTREAU SA AND SOME GROUP'S SUBSIDIARIES

Persons concerned: M. Jean-Marie Laborde: Chief Executive Officer of Rémy Cointreau SA and Permanent representative of Rémy Cointreau Services, Member of the Board of Directors of Financière Rémy Cointreau SA/NV. Mrs Dominique Hériard Dubreuil: Chairman of the Board Directors of Rémy Cointreau SA and Permanent representative of E. Rémy Martin and C, Member of the Board of Directors of Financière Rémy Cointreau SA/NV.

The Board of Directors which met on March 23, 2010 authorised the setting up of a Service Provision Agreement for exchange rate risks and international cash management between Financière Rémy Cointreau SA/NV and some group's subsidiaries.

This agreement was finalized on March 25, 2010, and takes effect on April 1 2010. According to this agreement, Financière Rémy Cointreau SA/NV is in charge of account receivables or debts in foreign currencies which are transferred to it. Financière Rémy Cointreau SA/NV re-invoice to the subsidiaries exchange gain and loss related to the operations which concern them, as well as a fee for the cost incurred by Financière Rémy Cointreau SA/NV increased by a margin which shall be revised annually.

1.5. CUSTOMER CREDIT MANAGEMENT AGREEMENT BETWEEN FINANCIÈRE RÉMY COINTREAU SA/NV AND VARIOUS OTHER COMPANIES IN THE GROUP

Persons concerned: M. Jean-Marie Laborde: Chief Executive Officer of Rémy Cointreau SA and Permanent representative of Rémy Cointreau Services, Member of the Board of Directors of Financière Rémy Cointreau SA/NV. Mrs Dominique Hériard Dubreuil: Chairman of the Board Directors of Rémy Cointreau SA and Permanent representative of E. Rémy Martin and C, Member of the Board of Directors of Financière Rémy Cointreau SA/NV.

The Board of Directors which met on March 23, 2010 authorised the signature of a customer credit management agreement between Financière Rémy Cointreau SA/NV and various companies of the group, including Rémy Cointreau SA.

This agreement was finalised on January 25, 2010, with retroactive effect to April 1, 2009. The fees of Financière Rémy Cointreau SA/NV comply with the same setting rules as those included in the Service Provision Agreement for exchange rate risks and international cash management.

Rémy Cointreau SA did not transfer any accounts receivables or debt in a foreign currency to Financière Rémy Cointreau SA/NV in the course of the financial year 2009/2010 and no invoicing was carried out as part of this agreement.

2. AGREEMENTS APPROVED DURING PRIOR YEARS THAT WERE EXECUTED DURING THE YEAR

In addition, pursuant to the French Commercial Code, we were informed that the following agreements and commitments, approved in prior years, were executed during the year.

2.1. CASH MANAGEMENT AGREEMENT WITH FINANCIERE REMY COINTREAU SA/NV

The Board of Directors which met on March 27, 2007, authorised the conclusion of a cash management agreement between Financière Rémy Cointreau SA/NV and various subsidiary companies of the Rémy Cointreau group. This agreement was signed on April 23, 2007 and enforced on April 24, 2007.

Financière Rémy Cointreau SA/NV, centralizing company, handles the management of the financial transactions of the centralized companies, notably consisting in insuring the coordination of all the cash requirements and surpluses of the group worldwide.

- Fixed forward advances granted by subsidiary companies to Financière Rémy Cointreau SA/NV bear interest based on EURIBOR rate as applicable for a loan of a comparable duration.
- Fixed forward loans granted by Financière Rémy Cointreau SA/NV to subsidiary companies bear interest based on EURIBOR rate plus a margin corresponding to the margin of the syndicated loan granted to the group by a banking union. This margin is renegotiable.
- Advances granted in the form of daily loans by the subsidiary companies to Financière Rémy Cointreau SA/NV bear interest based on EONIA rate as applicable for a loan of a comparable duration.
- Daily loans granted by Financière Rémy Cointreau SA/NV to subsidiary companies bear interest based on EONIA rate plus a margin corresponding to the margin of the syndicated loan granted to the group by a banking union. This margin is renegotiable.

Interests are calculated and accrued monthly on the last day of the month.

On March 31, 2010, advances granted by Rémy Cointreau SA to Financière Rémy Cointreau SA/NV amounted to €63,276,159.

For the year ended March 31, 2010, interests invoiced by Financière Rémy Cointreau SA/NV to Rémy Cointreau amounted to €129,454.

2.2. MANAGEMENT AGREEMENT WITH ORPAR

The Board of Directors which met on December 13, 2000 authorised the signing of an endorsement to the management and general support agreement signed on December 7, 1999 with ORPAR. This agreement provides for an annual flat fee of €1,829,388.24 excluding taxes, plus an amount equivalent to 1/1000 of consolidated sales.

During the financial year ended March 31, 2010, the total charge (excluding taxes) bore by Rémy Cointreau SA amounts to €2,637,188.

2.3. CASH MANAGEMENT WITH ORPAR

A cash management agreement was signed on December 14, 2004 between ORPAR and Rémy Cointreau SA and the meeting of the Board of Directors of June 5, 2007 authorised its modification through an endorsement of July 4, 2007.

This agreement foresees the payment of the advances granted by ORPAR to Rémy Cointreau SA determined on the basis of the EURIBOR, increased by a margin fixed according to the syndicated loan's conditions applicable to Rémy Cointreau SA.

The advances granted by ORPAR to Rémy Cointreau SA in accordance with this agreement amounted to €165,681 on March 31, 2010. The total amount of interest paid by Rémy Cointreau to ORPAR amounts to €13,012.

2.4. ASSISTANCE AGREEMENT BETWEEN RÉMY COINTREAU SA AND THE DISTRIBUTION COMPANIES RÉMY COINTREAU BELGIUM, RÉMY COINTREAU CZECH REPUBLIC, RÉMY COINTREAU INTERNATIONAL, SEA METAXA ABE, FINANCIÈRE RÉMY COINTREAU SA/NV, CLS RÉMY COINTREAU, CHAMPAGNE P & CHEIDSEICK AND RÉMY COINTREAU USA

The Board of Directors which met on March 26, 2009, authorised the conclusion of several assistance agreements between Rémy Cointreau SA and some of its subsidiaries. These agreements were signed on March 31, 2009, for a term of 3 years from April 1, 2009, and are renewable tacitly each year.

In the framework of these agreements, Rémy Cointreau SA provides these companies with assistance services in the field of strategy development and brands positioning, public relations, finances and trading. The fees for these services are calculated on the costs borne by Rémy Cointreau SA, increased by 5%.

The amounts resulting from the application of these agreements which were charged by Rémy Cointreau SA to the subsidiaries during the financial year 2009/2010 are the following ones:

- Rémy Cointreau USA: €1,200,000;
- Rémy Cointreau International PTE LTD: €962,000;
- Financière Rémy Cointreau SA/NV: €267,000;
- Sea Metaxa ABE: €180,000;
- Rémy Cointreau Czech Republic: €136,000;
- Rémy Cointreau Belgium: €134,000.

2.5. MARKETING AND MANAGEMENT SUPPORT AGREEMENT WITH THE COMPANIES OWNING THE BRANDS

The company Rémy Cointreau SA provides assistance and advice regarding brands development strategy, public relations, finances, trading and other various technical expertises for the companies CLS Rémy Cointreau SA and Champagne P&C Heidsieck.

The fees for these services are calculated on the basis of the costs borne by Rémy Cointreau SA, increased by 5%. The invoicing is carried out by Rémy Cointreau SA during the course of the year based on a temporary percentage of the projected turnover of these companies.

These agreements, signed on March 31, 2009, are applicable from April 1, 2009 for an initial duration of 3 years and are annually renewable by tacit agreement.

Amounts resulting from the application of these agreements which were invoiced by Rémy Cointreau SA to the subsidiaries during the financial year 2009/2010 are the following ones:

	Amounts (exc. VAT)
CLS Rémy Cointreau	€10,202,000
Champagnes P&C Heidsieck	€1,357,000

2.6. GUARANTEES GIVEN BY RÉMY COINTREAU SA IN FAVOUR OF GROUP COMPANIES TAKING PART OF THE ASSETS DISPOSAL IN NETHERLANDS

As part of the disposals of the intangible and tangible assets relating to the brands Bols, Bokma and other local brands, Pisang Ambon, Galliano and Vaccari, Rémy Cointreau gave, on the one hand, a general guarantee that its subsidiary, DELB BV, would fulfil its obligations under the hire purchase agreement, and on the other hand, gave guarantees that it would bear all settlement differences between group companies taking part in the asset disposal operation under the guarantee payment agreement, as soon as the buyer will meet his seller credit payments obligations.

These guarantees provided by Rémy Cointreau SA arrive at term on October 11, 2012.

2.7. GUARANTEE GIVEN IN FAVOUR OF THE SUBSIDIARY SHANGAI RENTOURMA INTERNATIONAL TRADING CO

The Board of Directors which met on November 30, 2006 authorised the guarantee given by Rémy Cointreau SA in favour of the sub-subsidiary Shangai Rentourma International Trading Co, up to M€15, as a guarantee for a bank loan.

2.8. COMMITMENT OF DIFFERRED ALLOWANCE IN FAVOUR OF M. JEAN-MARIE LABORDE

The Board of Directors which met on June 4, 2009, authorised the conclusion of an endorsement to the commitment of differed compensation in favour of M. Jean-Marie Laborde.

This endorsement makes this commitment compliant with the AFEP-MEDEF recommendations of October 2008, by conditioning the payment of compensations for a forced departure linked to a change in control or strategy.

The payment of this compensation, of a maximum amount of 18 months of the gross salary, is also conditioned by achieving the annual individual objectives in compliance with article L.225-42-1 of the Commercial code (*Code de commerce*).

2.9. PENSION PLAN

Mrs Dominique Hériard Dubreuil, M. Jean-Marie Laborde, Chief Executive Officer, MM. François and Marc Hériard Dubreuil, members of the Board of Directors, benefit from a pension regime with defined services.

Neuilly-sur-Seine and Paris, 7 June 2010

The Statutory Auditors

Ernst & Young et Autres

Represented by
Marie-Laure Delarue

**Auditeurs & Conseils Associés SA
Nexia International**

Represented by
Olivier Juramie

CHAPTER 5

OTHER INFORMATIONS.

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1. GENERAL INFORMATION ON THE COMPANY AND ITS SHARE CAPITAL - STOCK MARKET

1.1 GENERAL INFORMATION ON THE COMPANY

CORPORATE NAME, REGISTERED OFFICE AND MAIN ADMINISTRATIVE OFFICE

Corporate name: Rémy Cointreau SA.
Registered office: Ancienne rue de la Champagne, rue Joseph Pataa, 16100 Cognac, France.
Main administrative office: 21 boulevard Haussmann, 75009 Paris, France.

LEGAL FORM AND GOVERNANCE

Société Anonyme (French limited liability company) with a Board of Directors governed by French law and in particular by the provisions of the Commercial Code Book II applicable to commercial companies and by its bylaws.

APPLICABLE LEGISLATION

Rémy Cointreau SA. (hereinafter called “Rémy Cointreau” or “the Company”) is a company subject to French law.

DATE ESTABLISHED - DURATION

The Company was established on 3 March 1975 and will terminate on 30 September 2073.

OBJECTS

Rémy Cointreau's objects pursuant to Article 2 of its bylaws are as follows:

- the creation, acquisition and operation of any commercial, industrial or other business;
- the direct or indirect participation of the Company, in any form whatsoever, in any company, association, enterprise or grouping of any form whose object is a commercial, industrial, agricultural, property, design, research or development activity, or the acquisition, management or operation of all goods or rights;
- the paid provision of qualified services in technical, commercial, administrative or financial fields, on behalf of any individual or company engaged in commercial, financial or industrial activities in France or other countries; and
- in general, any commercial, financial, industrial, property or real estate which is directly or indirectly related, in whole or in part, to the aforementioned objects or to any similar or related object.

REGISTER OF COMPANIES AND REGISTRATION NUMBER

Rémy Cointreau is registered at the Registre du Commerce et des Sociétés of Angoulême under number 302 178 892. APE Code 741 J.

INSPECTION OF THE LEGAL DOCUMENTS OF THE COMPANY

Legal documents may be inspected at the registered office whose address is provided above.

FINANCIAL YEAR

Every financial period commences on 1st April and ends on 31 March of the following year. The duration of the accounting period is one year.

ALLOCATION OF PROFITS

Out of the Company's profits in each financial year, after setting aside a provision to establish the legal reserve, which must be at least equal to the minimum required, the General Meeting may, profit permitting, on the proposal of the Board of Directors, allocate the profit to one or more reserve funds for which it regulates the allocation or use, to carry forward or distribute as dividends among the shareholders.

After reviewing the reserves at its disposal, the General Meeting may decide to distribute amounts drawn from these reserves. In this event, the decision should expressly specify which reserve accounts have been drawn down.

DIVIDENDS (DISTRIBUTION POLICY OVER THE LAST FIVE YEARS)

Dividends distributed during the last five years are disclosed in the notes to the parent company financial statements.

GENERAL MEETINGS

Shareholders' meetings are called and held under the conditions stipulated by law.

These meetings are held either at the registered office or at another venue specified in the Notice of the Meeting.

RIGHT OF ADMISSION TO MEETINGS

Pursuant to Article R. 225-85 of the Commercial Code, the only people allowed to participate in a meeting, to vote by post or to be represented, are shareholders who have previously justified their status by an accounting record of securities in their name or in the name of an intermediary recorded for their account, on the third working day preceding the meeting by midnight, Paris time, either in nominative accounts held by the Company by its service provider Société Générale, Service Assemblées Générales, 32 rue du Champ de Tir à Nantes 44000, France, or in the bearer securities accounts held by an authorised intermediary, who holds the accounts for securities.

The inscription or accounting record of bearer securities held by an authorised intermediary must be noted by a certificate of shareholding delivered by the latter, attached to the standard form to vote by post, or a proxy, or on a request for an admission card in the name of the shareholder, or on behalf of the shareholder represented by the recorded intermediary. A certificate is also delivered to the shareholder wishing to participate in person in the meeting and who has not received the admission card on the third working day preceding the meeting by midnight, Paris time.

Admission cards for the meeting will be sent to every shareholder who requests one by Société Générale, Service Assemblées Générales, 32 rue du Champ de Tir, Nantes 44000, France, or in one of the authorised banking

establishments, by producing, if they are bearer securities, a certificate of shareholding under the conditions referred to above.

As decided by the Board of Directors, shareholders may participate in the meeting via video-conferencing or data transmission, including the internet, pursuant to the conditions set by regulations at the time of its use. This decision is included in the notice of meeting published in the Bulletin des Annonces Légales Obligatoires.

RIGHT TO VOTE

Pursuant to the resolution approved at the General Meeting of 16 December 1991, share voting rights are in proportion to the share of capital that they represent. At equivalent nominal value, each share entitles the holder to one vote.

However, a share entitles the holder to two votes, in relation to the share capital that it represents, in the following cases:

- any shareholder who has held fully paid shares in nominative form in the same name for at least four years;
- for each nominative share attributed to the shareholder, in the event of a capital increase by way of capitalisation of reserves, profits or premiums, on the basis of existing shares for which such shareholder already enjoys double voting rights.

This double voting right ceases for all shares converted to bearer shares or whose ownership is transferred.

However, the four-year timeframe set is not affected for acquired rights by any transfer by succession, liquidation of joint estate of spouses, or inter-vivo gifts, for the benefit of an inheriting parent. It is the same for transfer following a merger or demerger of a corporate shareholder.

DECLARATION OF CROSSING THRESHOLDS

In accordance with the bylaws and independent legal requirements, any shareholder (individual or company), acting either alone or in concert, who acquires in any manner, as set out in Article L. 233-7 and subsequent of the Commercial Code, a fraction equal to one per cent (1%) of the share capital or voting rights, or any multiple of this percentage, must notify the Company of the total number of shares held within eight trading days of crossing one of these thresholds.

This also applies each time that the fraction of share capital or voting rights held becomes less than one of the thresholds stated above.

In the event of non compliance with this provision, and upon the request of shareholders holding at least 1% of the share capital, the shares exceeding the fraction which should have been declared will be deprived of voting rights at all meetings held until the expiration of the timeframe provided for by the law and regulations in force following the date of regularising the notification.

IDENTIFICATION OF SHAREHOLDERS

The Company is legally entitled to request, in accordance with the legal terms and conditions, the identity of those shareholders holding shares, which immediately or subsequently give rise to voting rights.

In order to identify the holders of securities, the Company is entitled to request at any time, at its own expense, from the share registrars, the name, if it is a company, the corporate

name, nationality, year of birth or establishment, and address of holders of securities that have the right immediately or in the future to vote at the Company's meetings, as well as the number of securities held by each of them and, where applicable, the restrictions that may apply to those securities and more generally to make use of Article L. 228-2 of the Commercial Code concerning identification of holders of securities that confer the right immediately or in the future to vote at the Company's meetings.

1.2 GENERAL INFORMATION ON THE SHARE CAPITAL

CHANGES TO THE SHARE CAPITAL AND SHAREHOLDERS' RIGHTS

The share capital can be changed in accordance with legal requirements. It may be increased by a decision taken at an Extraordinary General Meeting. However, where a capital increase is carried out by incorporation of reserves, profits or share premium, the relevant Extraordinary General Meeting will set the quorum and majority required in an Ordinary General Meeting.

Capital increases are decided or authorised by an Extraordinary General Meeting which sets the terms for an issue of new shares and grants all powers to the Board of Directors to carry this out in a period that may not exceed 26 months.

The Extraordinary General Meeting may decide to reduce the share capital, particularly by way of repurchase of shares or reduction in their nominal value, or again, by reduction in the number of shares in accordance with legal requirements.

The share capital may also be written down in accordance with the law.

SHARE CAPITAL

At 31 March 2010, the share capital was €77,715,630.40 divided into 48,509,769 shares of €1.60 each, all of one class, fully paid and carrying 77,439,955 voting rights.

Form of shares: fully paid shares are in nominative or bearer form, at the shareholder's choice.

AUTHORISATION TO TRADE IN THE COMPANY'S SHARES

Pursuant to the share repurchase programme authorised by the General Meeting of 7 September 2004, the Company sold 602,430 shares with a repurchase agreement on 24 March 2005. In order to maintain comprehensive coverage of its share repurchase plans and to partially manage the dilution resulting from the exercise of one of these share subscription plans, a resolute clause was included in the last sale. This transaction was supplemented by the purchase by the Company of 224,497 call options from Barclays Bank PLC on 24 March 2005. The whole transaction enabled Rémy Cointreau to meet the exercise of a maximum of 826,927 share subscription or purchase options. As part of this, the Company exercised the resolute clause included in the share sale contract and repurchased 280,927 shares at a price of €27.10 on 14 February 2006. These shares were cancelled by the Board of Directors in accordance with the authorisation given by the General Meeting of 28 July 2005.

On 17 and 26 September 2007, 20 December 2007 and

30 May 2008, the Company exercised the resolute clause included in the above mentioned contract for the sale of shares and repurchased 90,000 shares at a price of €27.67 each, in order to service the exercise of share purchase options.

At 31 March 2010, the remaining balance of shares held in that respect was 3,600 shares. As part of the same contract, the Company repurchased 18,000 shares on 22 December 2008 and 12 February 2009 at a price of €28.07. The balance of shares held in this respect at 31 March 2010 was 9,000 shares.

In addition, the Company concluded a liquidity contract with a financial organisation. As part of this mandate, the service provider's sole objective was to encourage liquidity in the Company's shares and a steady quotation on the French Stock Market. At 31 March 2010, the Company held 2,253 shares in respect of the liquidity contract.

The Combined General Meeting of Rémy Cointreau on 28 July 2009, in its thirteenth resolution, authorised the Board of Directors, for a period ending at the conclusion of the General Meeting called to consider the financial statements for the year ended 31 March 2010 and, at the latest, within a period of 18 months from 28 July 2009, to purchase, or sell shares in the Company, up to 10% of the current share capital, which is 4,195,799 shares, net of treasury shares, the sale of shares with a repurchase option and the purchase of call options. The maximum amount that the Company may pay on the basis of this number of shares is €251,747,940.

The share repurchase programme is designed to achieve the following, in order of decreasing priority:

- to allow an investment services provider to stimulate trading in Company shares via a liquidity contract that conforms to the AFEI charter recognised by the Autorité des Marchés Financiers;
- to cancel shares, as part of a share capital decrease,
- to cover the obligations related to debt securities giving access to capital;
- to grant the shares in accordance with the terms and conditions provided by law, notably as part of a profit sharing plan, to service options to purchase shares, as part of a business savings plan or to be used to grant free shares to employees and executives in accordance with Articles L. 225-197 and subsequent of the Commercial Code;
- to purchase shares and retain them for subsequent use in exchange or payment in possible acquisitions, while meeting market practices permitted by the Autorité des Marchés Financiers and within the limits provided by law; and
- implement all market practices permitted by the Autorité des Marchés Financiers and, more generally, to carry out all transactions in accordance with the regulations in force.

The purchase of these shares, as well as their sale or transfer, may be carried out at any time in accordance with the law and regulations, including during the period of a public takeover bid targeting the Company's shares or during the period of a public offer initiated by the Company, subject to periods of abstention, provided by Article 631-6 of AMF general regulations or other legal or regulatory provisions, and by any means, on the market or over the counter, on regulated or unregulated markets, on multilateral trading systems, by systematic self-preferencing or

principal to principal, including by public offering, block transactions, sale with repurchase options and the use of derivative financial instruments traded on a regulated market or not, multilateral trading systems, by systematic self-preferencing or principal to principal, and this subject to the conditions authorised by the competent market authorisation and at times that the Board of Directors or the person who is acting on the delegation of the Board of Directors decides, particularly options excluding sales options, as long as they do not significantly increase the volatility of the share price. Share capital acquired or transferred in blocks of shares may account for the entire authorised share repurchase programme. The payment may be made in any way.

As part of these objectives, the repurchased shares may be cancelled in accordance with the fifteenth resolution of the same Meeting up to 10% of the share capital per period of 24 months.

The maximum purchase price is €60.

The renewal of this authorisation will be proposed at the next Annual General Meeting.

AUTHORISED CAPITAL

AUTHORISATION TO GRANT OPTIONS TO SUBSCRIBE FOR OR PURCHASE SHARES

Authorisation was given by way of the seventeenth resolution of the Combined General Meeting of Rémy Cointreau on 31 July 2007 to the Board of Directors, for a period of 38 months from 31 July 2007, to grant, on one or more occasions, to employees of the Company or companies covered by Article L. 225-180 of the Commercial Code, or certain of them, as well as the executives of the Company or companies covered by Article L. 225-180 of the Commercial Code, within the limits set by Article L. 225-182 of the Commercial Code, options to subscribe for new shares in the Company, to be issued by way of an increase in capital, or options to purchase shares in the Company arising from a repurchase pursuant to Article L. 225-208 or L. 225-209 and subsequent of the Commercial Code, the total amount of options granted under the current authorisation may not give a right to a number of shares representing more than 3% of the share capital of the Company.

The subscription price or the share price shall be set by the Board of Directors the day the option is granted within the limits prescribed by law.

Share subscription or purchase options may not be granted during periods forbidden by law.

In any event, the issue price for options to subscribe must not, on the day the option is granted, be lower than 80% of the average share price of the 20 trading days preceding the issue date. In the event of the grant of options to purchase, the purchase price of the shares may not be either less than 80% of the average share price of the 20 trading days preceding the date of grant of the purchase options, or less than 80% of the average purchase price of the shares held by the Company pursuant to Articles L. 225-208 and/or L. 225-209 of the Commercial Code.

This price may only be revised in accordance with circumstances provided by law at the time of financial transactions or share transactions. The Board of Directors will then, in accordance with regulations, make an adjustment to the number and price of the shares included

in the options granted to take into account the effect of these transactions. The options must be exercised within a period of ten years from the date they are granted.

The renewal of this authorisation will be proposed at the next Annual General Meeting in light of the new rules that have been introduced since the last General Meeting was held.

AUTHORISATION FOR THE ALLOCATION OF FREE SHARES TO EMPLOYEES OR EXECUTIVES

The Combined General Meeting of 16 September 2008, authorised the Board of Directors, in its eighteenth resolution and for a period of 38 months from 16 September 2008, pursuant to the conditions of Articles L. 225-197-1 and subsequent of the Commercial Code, to proceed, on one or more occasions, for the benefit of the employees of the Company or related companies within the meaning of Article L. 225-197-2 of the Commercial Code, or to certain categories of them, as well as for the benefit of executives defined by law, with the allocation of free shares that exist or are to be issued in the Company, subject to the period of abstention provided by law.

The Board of Directors will determine the identity of the beneficiaries of the allocation as well as the conditions and, where appropriate, the criteria of allocation of shares.

The total number of shares thus issued free may not be such that the total number of shares allocated free in respect of the current resolution represents a number of shares in excess of 2% of the number of shares comprising the share capital on the day of the allocation of free shares by the Board of Directors.

The allocation of shares to their beneficiaries will become final at the end of a minimum period of acquisition of two years and the minimum period of retention of shares by the beneficiaries is set at two years.

The Board of Directors will proceed, where appropriate, during the period of acquisition with adjustments to the number of shares arising from transactions in the capital of the Company in order to preserve the rights of the beneficiaries.

DELEGATION TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL BY INCORPORATION OF RESERVES, PROFITS OR PREMIUMS

The Combined General Meeting of 28 July 2009, in its twentieth resolution, authorised the Board of Directors, in accordance with the provisions of Articles L. 225-129, L. 225-129-2 and L. 225-130 of the Commercial Code, with the facility to sub-delegate under the conditions provided by law, for a duration of 26 months from 16 September 2008, to increase the share capital, on one or more occasions, at the times and in accordance with the methods that it shall determine, by incorporation into capital of reserves, profits, or premiums, whose conversion to capital is permitted by law or the Company's bylaws, followed by the creation and bonus issue of shares or the increase in the nominal value of existing shares, or a combination of these two methods.

In the event of the distribution of free shares, fractional rights are not negotiable and the corresponding shares will be sold, the amounts resulting from the sale being allocated to the holders of rights within legal and regulatory requirements.

The amount of the capital increase that may be carried out

under this authorisation may not exceed the nominal amount of €30,000,000, set against the maximum limits established by the sixteenth resolution of the Ordinary General Meeting of 28 July 2009.

DELEGATION TO THE BOARD OF DIRECTORS TO ISSUE VARIOUS MARKETABLE SECURITIES GIVING ACCESS TO SHARE CAPITAL OR GIVING RIGHT TO THE ALLOCATION OF DEBT SECURITIES, WITH OR WITHOUT SHAREHOLDERS' PRE-EMPTION RIGHT

The Combined General Meeting of 28 July 2009, in its sixteenth resolution, in accordance with the provisions of L. 225-129 and subsequent and L. 225-129-2, L. 225-210, L. 228-91 and L. 228.92 and subsequent of the Commercial Code, granted, with the facility to sub-delegate under the conditions provided by the law and regulations, the powers required to proceed, on one or more occasions, in the proportions and at the times it decides, in France and/or abroad and/or on the international market, with a maintained pre-emption right for shareholders, in euros, foreign currencies or any monetary unit established by reference to a number of currencies, to issue shares in the Company as well as marketable securities of whatever nature, giving access to capital including warrants to subscribe or warrants to acquire issued independently, or giving the right to an allocation of debt securities, in the same conditions and this, within the limit of a total nominal ceiling of a capital increase of €30,000,000, in common with the seventeenth, eighteenth, nineteenth, twentieth, twenty-first and twenty-second resolutions, and a total nominal ceiling of debt securities in common with all the debt securities whose issue is delegated to the Board of Directors by virtue of the same Extraordinary General Meeting, of €750,000,000.

Issues of preference shares and marketable securities giving access immediately or in time to preference shares are expressly excluded.

The Board of Directors may decide to substitute treasury shares for shares to be issued under this resolution.

The issues decided by virtue of this delegation must be carried out within a time period of 26 months from 28 July 2009.

The same Meeting, in its seventeenth resolution, delegated to the Board of Directors, with the facility to sub-delegate under the conditions provided by the law and regulations, in accordance with the provisions of L. 225-129 and subsequent and L. 225-129-2, L. 225-135, L. 225-136 and L. 228.91 and subsequent of the Commercial Code, the powers to issue various marketable securities as mentioned above, with cancellation of pre-emption right.

The Board of Directors may decide to substitute treasury shares for shares to be issued under this resolution.

The renewal of this delegation will be proposed at the next annual General Meeting in light of the new AMF recommendations.

DELEGATION TO THE BOARD OF DIRECTORS TO ISSUE SHARES REPRESENTING THE SHARE CAPITAL OF THE COMPANY AS A RESULT OF THE ISSUE, BY CONTROLLED COMPANIES, OF MARKETABLE SECURITIES GIVING, IN TIME, ACCESS TO THE COMPANY'S SHARE CAPITAL OR THE ALLOCATION OF DEBT SECURITIES

The same Combined General Meeting of 28 July 2009, in its seventeenth resolution, in view of the issue of shares and marketable securities giving access to the capital of the

Company which shall give right to marketable securities that may be issued by companies where Rémy Cointreau holds directly or indirectly more than half the share capital, subject to the approval of the Board of Directors of Rémy Cointreau, delegates to the Board of Directors the necessary powers to proceed with the issue of capital securities in Rémy Cointreau to which these marketable securities give the right, and this up to a total nominal ceiling of a capital increase of €30,000,000, in common with the sixteenth and seventeenth resolutions.

In this context, Rémy Cointreau shareholders do not have a pre-emption right to these marketable securities issued by these companies.

The issues decided by virtue of this delegation must be carried out within a time period of 26 months from 28 July 2009.

The renewal of this delegation will be proposed at the next Annual General Meeting.

AUTHORISATION FOR THE BOARD OF DIRECTORS TO PROCEED WITH THE ISSUE OF SHARES, SECURITIES OR VARIOUS MARKETABLE SECURITIES AND FREELY SETTING THE ISSUE PRICE

The Combined General Meeting of 28 July 2009, in its eighteenth resolution, authorised the Board of Directors to issue all shares and marketable securities giving access to the share capital within a limit of 10% of the share capital and within the ceiling set by the seventeenth resolution, and setting the issue price in the event of a call for capital without the pre-emption right to subscribe, at an issue price different from that used in respect of issues authorised by virtue of the seventeenth resolution, which may not be less, at the discretion of the Board of Directors, of either (a) the weighted average price based on the volume of shares traded in the 20 trading days preceding the setting of the issue price or (b) the weighted average price based on the volume traded on the trading day preceding the setting of the issue price, in both these cases possibly reduced by a maximum discount of 10% and subject to the amount to be received for each share being at least equal to the nominal value. Issues of preference shares and marketable securities giving access immediately or in time to preference shares are expressly excluded.

The renewal of this authorisation will be proposed at the next Annual General Meeting.

DELEGATION TO THE BOARD OF DIRECTORS TO PROCEED WITH THE ISSUE OF SHARES, SECURITIES OR VARIOUS MARKETABLE SECURITIES GIVING ACCESS TO THE SHARE CAPITAL WITHIN A LIMIT OF 10% OF THE SHARE CAPITAL, WITH A VIEW TO REMUNERATING TRANSFERS IN KIND

The Combined General Meeting of 28 July 2009, in its twenty-first resolution, authorised the Board of Directors, with a facility to sub-delegate to any person approved by law and where Article L. 225-148 of the Commercial Code does not apply, to proceed with all issues of shares or marketable securities giving access to capital (with the exception of preference shares), up to 10% of the share capital at the time of issue, set against the ceiling of 10% on the maximum limits established by the seventeenth resolution.

The current authorisation is valid for a period of 26 months with effect from 28 July 2009.

AUTHORISATION FOR THE BOARD OF DIRECTORS TO INCREASE THE NUMBER OF SECURITIES TO BE ISSUED IN THE EVENT OF EXCESS DEMAND

The Combined General Meeting of 28 July 2009, in its nineteenth resolution, authorised the Board of Directors, within the framework of delegations provided by the sixteenth, seventeenth and eighteenth resolutions of the same meeting, to increase the number of shares to be issued within the provisions of Article L. 225-135-1 and R. 225-118 of the Commercial Code, within 30 days following the subscription, up to 15% of each issue and at the same price as adopted for the initial issue and within the global limit provided by the fifteenth resolution, in application of which the issue is decided.

The renewal of this authorisation will be proposed at the next Annual General Meeting.

SUMMARY TABLE OF DELEGATIONS CURRENTLY VALID GIVEN TO THE BOARD OF DIRECTORS FOR SHARE CAPITAL INCREASE TRANSACTIONS

Description of the delegation	Date of General Meeting	Amount of authorisation	Validity of authorisation	Use of delegation during the year
Allocation of options to subscribe to shares	31 July 2007	Limited to 3%	38 months	Nil
Issue of marketable securities giving access to capital with maintained	28 July 2009	€30,000,000 (overall nominal amount pre-emption right to subscribe for these authorisations)	26 months	Nil
Issue of marketable securities giving access to capital with maintained	28 July 2009		26 months	Nil
Issue of shares, securities or marketable securities and freely setting the issue price	28 July 2009	Limited to 10% of the share capital	26 months	Nil
Increase in the number of shares to be issued in the event of excess demand	28 July 2009	Limited to 15% of each issue within a limit of €30,000,000	26 months	Nil
Allocation of free shares	16 September 2008	Limited to 2% of the share capital	38 months	Attribution of 102,300 shares
Increase of share capital by incorporation of reserves, profits or premiums	28 July 2009	€30,000,000	26 months	€138,560 resulting from the granting of 86,600 free shares
Increase in share capital for transfer in kind	28 July 2009	Limited to 10%	26 months	Nil

SECURITIES NOT REPRESENTATIVE OF THE CAPITAL

On 5 January 2005, the Company issued seven year senior loan notes of €200 million, of which €7.632 million was redeemed on 14 June 2007.

The features of this transaction are described in Note **11.6** to the consolidated financial statements and Note **2.6** to the parent company financial statements of Rémy Cointreau at 31 March 2010.

OTHER SECURITIES GIVING ACCESS TO CAPITAL

None.

OTHER CONVERTIBLE LOAN NOTES

None.

AUTHORISATION TO ISSUE SECURITIES GIVING ACCESS TO CAPITAL

The Combined General Meeting of 24 August 2000 authorised the Board of Directors to grant, on one or more occasions during a period of five years, to employees or management of the Company and the companies or GIE covered by Article 208-4 of the law on commercial companies (Article L. 225-180 of the Commercial Code), options carrying the right to subscribe for new shares in the Company that may represent up to 3% of the share capital of Rémy Cointreau.

The Management Board meetings of 1st March 2001 and 8 March 2002 granted all the corresponding options. The number of options outstanding at 31 March 2010 was 206,900.

The Combined General Meeting of 21 September 2001 authorised the Management Board to grant, within the same terms and conditions as previously, options giving right to subscribe to new shares or to purchase shares in the Company up to a maximum of 3% of the share capital of Rémy Cointreau. The Management Board meetings of 8 March 2002 and 16 September 2003 allocated 634,500 options including 287,000 options to purchase shares in the Company. At 31 March 2010, the number of available options to subscribe to shares was 183,273.

The table of outstanding option plans is included in the Special Report in respect of options to subscribe for or to purchase shares.

MOVEMENTS IN SHARE CAPITAL OVER THE LAST FIVE YEARS

Dates	Description	Number of shares issued (cancelled)	Share capital (euros)	Share premium (euros)	Share capital (euros)	Number of shares
31/03/05	Capital increase by exercise of share subscription options	272,812	436,499.20	4,254,831.72	72,084,257.60	45,052,661
31/03/06	Capital increase by exercise of share subscription options	702,116	1,123,385.60	15,317,755.73	73,207,643.20	45,754,777
31/03/06	Capital increase following the conversion of bonds	30,032	48,051.20	598,640.58	73,255,694.40	45,784,809
31/03/06	Conversion of OCEANE securities	2,262	3,619.20	94,777.80	73,259,313.60	45,787,071
31/03/06	Cancellation of shares within the framework of a repurchase agreement	(280,927)	(449,483.20)	(7,163,638.50)	72,809,830.40	45,506,144
31/03/07	Capital increase by exercise of share subscription options	493,658	789,852.80	10,699,185.77	73,599,683.20	45,999,802
13/09/07	Capital increase by exercise of share subscription options Part payment of dividend in shares	117,246 142,739	187,593.60 228,382.40	2,700,654.65 6,822,924.20	73,787,276.80 74,015,659.20	46,117,048 46,259,787
20/11/07	Capital increase by deduction from reserves following the allocation of free shares	88,000	140,800.0	-	74,156,459.20	46,347,787
31/03/08	Capital increase by exercise of share subscription options	211,006	337,609.60	4,755,625.60	74,494,068.80	46,558,793

Dates	Description	Number of shares issued (cancelled)	Share capital (euros)	Share premium (euros)	Share capital (euros)	Number of shares
08/10/08	Capital increase following the part payment of dividend in shares	673,843	1,078,148.80	20,222,028.43	75,572,217.60	47,232,636
20/11/08	Capital increase by exercise of share subscription options	7,290	11,664.00	133,227.60	75,583,881.60	47,239,926
20/11/08	Capital increase by deduction from reserves following the allocation of free shares	89,500	143,200.00	-	75,727,081.60	47,329,426
31/03/09	Capital increase by exercise of share subscription options	40,618	64,988.80	624,426.80	75,792,070.40	47,370,044
15/09/09	Capital increase by exercise of share subscription options	3,262	5,219.20	34,577.20	75,797,289.60	47,373,306
21/09/09	Capital increase following the part payment of dividend in shares	980,095	1,568,152.00	21,415,075.75	77,365,441.60	48,353,401
19/11/09	Capital increase by deduction from reserves following the allocation of free shares	86,600	138,560.00	-	77,504,001.60	48,440,001
31/03/10	Capital increase by exercise of share subscription options	69,768	111,628.80	1,303,232.73	77,615,630.40	48,509,769

1.3 ANALYSIS OF SHAREHOLDERS AND VOTING RIGHTS

VOTING RIGHTS, NUMBER OF SHAREHOLDERS, DETAILS OF SHAREHOLDERS HOLDING 1% OR GREATER AND THE NATURE OF THEIR HOLDING, SHAREHOLDERS' PACTS, SHARES HELD BY EMPLOYEES AND TREASURY SHARES

Shareholders	Position at 31/03/10			Position at 31/03/09			Position at 31/03/08		
	Number of shares	% of capital	% voting rights	Number of shares	% of capital	% voting rights	Number of rights	% of capital	% voting rights
Orpar	20,901,034	43.09	52.60	20,337,312	42.93	52.36	19,927,541	42.80	54.37
Récopart	6,937,889	14.30	17.07	6,750,766	14.25	16.97	6,614,747	14.21	17.39
First Eagle Investments Management LLC ⁽¹⁾	4,818,450	9.93	9.76	7,238,001	15.28	13.00	5,143,660	11.05	7.03
Fidelity Investments International ⁽¹⁾	2,204,314	4.54	2.85	2,314,188	4.89	3.02	2,204,314	4.73	3.01
Rémy Cointreau (treasury shares)	14,853	0.03	-	103,205	0.22	-	4,705	0.01	-
Public	13,633,229	28.11	17.72	10,626,572	22.44	14.65	12,663,826	27.20	18.20
Total	48,509,769	100.00	100.00	47,370,044	100.00	100.00	46,558,793	100.00	100.00

⁽¹⁾ Number of shares declared by First Eagle Investments Management, LLC (formerly Arnhold and Bleichroeder, LLC) on 15 January 2010, by Amundi-Société Générale Gestion Étoile Gestion and number of shares held in September 2009 by Fidelity Investments International. In a statement dated 17 May 2010, First Eagle Investments Management LLC declared that they held, at 13 May 2010, 4,297,381 shares corresponding to 8.82% of the share capital and 9.07% of the voting rights.

There are shares with double voting rights. The number of shares with double voting rights at 31 March 2010 was 28,945,039. The principal shareholders, Orpar and Récopart, hold such rights as indicated in the above table.

The employee savings plan represents 1.88% of the share capital of Rémy Cointreau. It is the only form of collective shareholding by Rémy Cointreau employees.

The Company is aware of the existence of the following concert relationship and shareholders' agreement between Orpar and the shareholders of Récopart:

- in accordance with Article 13.1 of Récopart's bylaws, shareholders holding category B shares, of which 99.99% are held by Orpar, are entitled to submit to the Supervisory Board candidates for two positions on the Management Board. As a result, two executive officers from Orpar, namely Mr. François Hériard Dubreuil and Mr. Marc Hériard Dubreuil, were appointed as Chairman and Member of the Management Board of Récopart, respectively. The object of this condition is to guarantee consultation on the exercise of voting rights between Récopart and Orpar, so that they implement a common policy in relation to Rémy Cointreau;
- in accordance with the terms and conditions of a shareholders' agreement dated 27 June 2001, Orpar and the other individual shareholders of Récopart, a company that holds an equity investment in Rémy Cointreau, all benefit from a joint exit right in the event either of them plans to transfer title to shares held in Récopart to a third party purchaser. In such an event, other shareholders of Récopart would have a joint exit right to transfer some or all of their Récopart shares to the third party purchaser, pursuant to the same terms and conditions.

In the event Orpar transfers Rémy Cointreau shares with a view or with the effect of transferring control of Rémy Cointreau to a third party, the shareholders of Récopart commit to doing their utmost to transfer their Rémy Cointreau shares to the third party that initiated the public offering. In the event such a third party has no obligation to initiate a public offering, the above-mentioned joint exit right, available to the individual shareholders of Récopart, shall apply and the price of the Récopart shares shall thus be established between Récopart's shareholders and Orpar, based on the price offered to Orpar by the third party purchaser for the purchase of its Rémy Cointreau shares.

In addition, according to the terms and conditions of the same shareholders' agreement, Orpar benefits from a purchase option on the Rémy Cointreau shares held by Récopart, in the event Orpar was to transfer, or had signified its intention of transferring control over Rémy Cointreau and the individual shareholders of Récopart have not exercised their joint exit right.

The price per Rémy Cointreau share at which Orpar would exercise the option would be equal to the price at which control over Rémy Cointreau is transferred.

The shareholders' agreement is applicable for ten years from 27 June 2001. After expiring, the agreement shall be automatically renewed for one or several successive periods of five years, providing it has not been terminated at least three months before the end of the current period by one of the parties to the agreement.

Board Members' shares and voting rights ownership at 31 March 2010

It is noted that Orpar, a director, held, on the same date 20,901,034 shares, being 43.09% of the share capital and 40,732,231 voting rights, being 52.60% of the voting rights.

The Company holds 12,600 treasury shares acquired as part of the sales contract with a repurchase agreement signed on 24

March 2005 with a view to serving share purchase options exercised. The features of the share repurchase programme authorised by the General Meeting of 28 July 2009 are described in the Management Report.

The options (share subscription options) and the maximum potential dilution are referred to in the notes to the consolidated financial statements.

Directors	Shares	%	Shares with double voting rights	Voting rights	%
Mrs Dominique Hériard Dubreuil	2,578	0.00	2,466	5,044	0.01
Mr François Hériard Dubreuil	104	0.00	100	204	0.00
Mr Marc Hériard Dubreuil	100	0.00	100	200	0.00
Sir Brian Ivory	100	0.00	100	200	0.00
Mr Jean Burelle	102	0.00	0	10	0.00
Mr Jacques-Etienne de T'Serclaes	500	0.00	0	500	0.00
Mr Gabriel Hawawini	100	0.00	0	100	0.00
Mr Timothy Jones	100	0.00	0	100	0.00
Mr Patrick Thomas	100	0.00	0	100	0.00
Total	3,784	0.00	2,766	6,550	0.01

CHANGES IN SHARE CAPITAL OWNERSHIP DURING THE LAST THREE YEARS

During the course of 2007/08, the share capital increased by €894,385.60 to €74,494,068.80, as a result of the exercise of 328,252 share subscription options, the exercise of the 20% share dividend payment option resulting in the issue of 142,739 shares and the distribution of 88,000 free shares. At closing, Orpar held more than one-third of the share capital and more than half the voting rights.

Récopart held more than 10% of the share capital and more than 15% of the voting rights. Arnhold and S. Bleichroeder LLC held more than 10% of the share capital and more than 5% of the voting rights. Fidelity Investments International held more than 4% of the share capital and more than 3% of the voting rights.

During the course of 2008/09, the share capital increased by €1,635,611.20 to €75,792,070.40, as a result of the exercise of 47,908 share subscription options, the exercise of the 50% share dividend payment option resulting in the issue of 673,843 shares and the distribution of 89,500 free shares. At closing, Orpar held more than one-third of the share capital and more than half the voting rights. Récopart held more than 10% of the share capital and more than 15% of the voting rights.

Arnhold and S. Bleichroeder LLC held more than 15% of the share capital and more than 10% of the voting rights. Fidelity Investments International held more than 4% of the share capital and more than 3% of the voting rights.

During the course of 2008/09, the share capital increased by €1,823,560 to €77,615,630.40, as a result of the exercise

of 73,030 share subscription options, the exercise of the 50% share dividend payment option resulting in the issue of 980,095 shares and the distribution of 86,600 free shares. At closing, Orpar held more than one-third of the share capital and more than half the voting rights. Récopart held more than 10% of the share capital and more than 15% of the voting rights.

First Eagle Investment Management, LLC (formerly Arnhold and S. Bleichroeder, LLC) held more than 9% of the share capital and voting rights. Fidelity Investments International held more than 4% of the share capital and more than 2% of the voting rights and Amundi-Société Générale Gestion-Etoile Gestion held more than 1% of the share capital and less than 1% of the voting rights.

PERSONS THAT CONTROL THE COMPANY AND DETAILS OF THEIR SHAREHOLDINGS

At 31 March 2010, Orpar was 78.12% owned by Andromède, which is controlled by the Hériard Dubreuil family.

At 31 March 2010, Orpar held 20,901,034 shares in Rémy Cointreau, being 43.09% of its share capital, giving it 40,732,231 of the voting rights, or 52.60% of the voting rights.

The Company conforms to the corporate governance in force and takes into account the recommendations of the Viénot and Bouton reports. The Board of Directors comprises, notably, a significant proportion of independent directors and has its own internal regulations. The Company adopted the corporate governance code published by AFEP and MEDEF in December 2008, without change or adaptation.

1.4 STOCK MARKET PERFORMANCE

Rémy Cointreau shares are listed on the Euronext Paris (ISIN code: FRO000130395) and are eligible for SRD (Euronext Paris' deferred settlement service). Rémy Cointreau is a component of the French CACMID 100 and SBF 120 indices and the EuroStoxx 100 index.

At 31 March 2010, Rémy Cointreau's market capitalisation totalled €1,852,830,000.

RÉMY COINTREAU SHARE PRICE PERFORMANCE OVER THE LAST 18 MONTHS

	Volume	Average price (€)	High price (€)	Low price (€)	Trading value (€ millions)
2008					
December	2,282,025	29.41	31.00	26.10	67.23
2009					
January	2,388,088	27.00	32.74	19.80	61.07
February	1,437,873	19.65	21.37	17.85	28.32
March	1,467,999	17.66	18.89	15.80	25.35
April	1,715,804	20.88	25.08	17.99	35.99
May	1,018,027	26.12	27.56	24.64	25.58
June	1,447,084	26.29	30.00	24.13	38.43
July	1,480,415	27.67	30.45	25.72	41.43
August	2,123,819	27.47	28.50	26.25	59.05
September	1,682,800	28.75	30.55	27.00	48.55
October	3,942,944	31.75	36.00	26.50	123.13
November	1,436,704	34.02	35.46	32.52	48.73
December	1,241,031	35.82	37.62	33.63	44.46
2010					
January	1,089,023	36.58	39.39	35.30	40.20
February	971,878	35.21	37.05	33.18	34.11
March	1,501,151	37.67	39.90	35.04	56.60
April	2,308,025	41.77	46.23	38.26	96.76
May	1,832,120	40.39	42.71	38.00	73.85

2. CORPORATE GOVERNANCE

2.1 BOARD OF DIRECTORS AND MANAGEMENT

Principal offices held at present or in the course of the past five years by members of the Board of Directors and Management.

CORPORATE GOVERNANCE OF THE COMPANY

Since 7 September 2004, the Company has been governed by a Board of Directors. The Board of Directors elected on the same day to split the functions of Chairman of the Board and Chief Executive Officer. The Company conforms to the corporate governance in force and takes into account the recommendations of the Viénot and Bouton reports. The Company adopted the Corporate Governance Code published by AFEP and MEDEF in December 2008, without change or adaptation.

COMPOSITION OF THE BOARD OF DIRECTORS

CHAIRMAN

Mrs. Dominique Hériard Dubreuil

French national, 63 years old.

Date first appointed: 7 September 2004.

Date appointment expires: AGM to consider the financial statements for the year 2011.

Professional address: Rémy Cointreau, 21, boulevard Haussmann, 75009 Paris, France.

Mrs Dominique Hériard Dubreuil is a Public Relations graduate of IRPCS and has been a director of the Company since December 1991. She was notably Chairman of the Board of Directors of Rémy Cointreau from 1998 to 2000 and subsequently Chairman of the Management Board from 2000 to 2004. She is a member of the MEDEF Executive Committee. Mrs Dominique Hériard Dubreuil is a Knight Officer of the Legion of Honour and of the National Order of Merit.

Principal appointment outside the Company

Managing Director of Andromède SAS.

Other appointments

Director of Orpar SA.

Chairman of the Board of Directors of Vinexpo Overseas SAS.

Member of the Supervisory Board of Vinexpo SAS.

Director of Baccarat SA.

Appointments within the Rémy Cointreau Group

Chairman of E. Rémy Martin & C° SAS.

Director of Unipol BV.

Supervisory Director of Rémy Cointreau Nederland Holding NV.

Director of Rémy Concord Ltd.

Director of Rémy Pacifique Ltd.

Chairman of Rémy Cointreau Amérique Inc.

Previous functions and terms of office (held during the past five years and now terminated)

Chairman of the Management Board of Rémy Cointreau SA.
Director and Deputy Managing Director of Andromède SA.
Director of CLS Rémy Cointreau SA.
Chairman of the Board of Directors of GIE Rémy Cointreau Services.
Chairman of Rémy Cointreau Services SAS.
Chairman and CEO of Vinexpo Americas SA.
Director of Botapol Holding BV.
Director of Rémy Finance BV.
Director of CEDC.
Director of Stora Euro Oyj.

DIRECTORS

Mr. François Hériard Dubreuil

French national, 62 years old.
Date first appointed: 7 September 2004.
Date appointment expires: AGM to consider the financial statements for the year 2012.
Professional address: Orpar, 123, avenue des Champs Elysées, 75008 Paris, France.

Mr. François Hériard Dubreuil holds a Masters Degree in Science from the University of Paris and an MBA from INSEAD. He has been a director of the Company since 1991. He was notably Chairman of Rémy Martin from 1984 to 1990 and Chief Executive Officer of Rémy Cointreau from 1990 to 2000, then Chairman of the Supervisory Board from 2000 to 2004. Mr. François Hériard Dubreuil is Chairman of the INSEAD Foundation.

Principal appointment outside the Company

Chairman and CEO of Orpar SA.

Other appointments

Managing Director of Andromède SAS. Chairman of the Management Board of Récopart SA.
Vice-Chairman and Deputy Managing Director of Oeneo SA.
Chairman of Financière de Nonac SAS.
Chairman of Grande Champagne Patrimoine SAS.
Vice-Chairman of Dynasty Fine Wines Group Ltd.
Director of Shanghai Shenma Winery Co Ltd.
Chairman of the INSEAD foundation.

Previous functions and terms of office (held during the past five years and now terminated)

Permanent representative of Grande Champagne Patrimoine. Chairman of MMI.

Mr. Marc Hériard Dubreuil

French national, 58 years old.
Date first appointed: 7 September 2004.
Date appointment expires: AGM to consider the financial statements for the year 2010.
Professional address: Orpar, 123, avenue des Champs Elysées, 75008 Paris, France.

Mr. Marc Hériard Dubreuil is a graduate of ESSEC and has been a director of the Company since December 1991, after beginning his professional career with General Foods and Leroy Somer. He has notably been Chairman of Rémy Martin and Rémy & Associés, then Chief Executive Officer of Rémy Cointreau from 1990 to 2000.

Principal appointment outside the Company

Chairman and CEO of Oeneo SA.
Other appointments
Managing Director of Andromède SAS.
Vice-Chairman, Deputy Managing Director and Director of Orpar SA.
Member of the Managing Board of Récopart SA.
Member of the Supervisory Board of AUXI-A.
Chairman of LVL SAS.
Manager of Trinity Concord International Ltd.
Director of TC Holding Limited.

Previous functions and terms of office (held during the past five years and now terminated)

None.

Sir Brian Ivory

British citizen, 60 years old.
Date first appointed: 7 September 2004.
Date appointment expires: AGM to consider the financial statements for the year 2011.
Professional address: 12 Ann Street, Edinburgh EH4 1PJ, Scotland.

Sir Brian Ivory is a chartered accountant and holds a Master of Arts Degree from the University of Cambridge. He has been a director of a number of listed companies in the United Kingdom since 1978, including currently the Scottish American Investment Company plc and Retec Digital plc. Sir Brian Ivory has been a director of Orpar, Rémy Cointreau SA parent company, since January 2003. He has been a director of the Company since November 1991.

Principal appointment outside the Company

Chairman of the Scottish American Investment Company plc. Other appointments
Director of Orpar.
Chairman of Retec Digital plc.
Director of Insight Investment Management Ltd.
Director of Marathon Asset Management Ltd.

Previous functions and terms of office (held during the past five years and now terminated)

Director of HBOS plc.
Director of Bank of Scotland.
Director of Halifax plc.
Director of Synesis Life Ltd.
Chairman of the National Galleries of Scotland.

Mr. Jean Burelle

French national, 71 years old.
Date first appointed: 3 June 2005.
Date appointment expires: AGM to consider the financial statements for the year 2010.
Professional address: Burelle SA, 1, rue François 1^{er}, 75008 Paris, France.

Mr. Jean Burelle is a graduate of the Federal Institute of Technology in Zurich and holds an MBA from Harvard. He was notably Chairman and Chief Executive Officer of Compagnie Plastic Omnium from 1987 to 2001 and a director of the Franco-German and Franco-American Chambers of Commerce for several years. He has been Chairman and Chief Executive Officer of Burelle SA since 2001. He was appointed Chairman of MEDEF International in November 2005. Mr. Jean Burelle is a Knight of the Legion of Honour and a Knight Officer of the National Order of Merit.

He has been a Director of the Company since June 2005.

Principal appointment outside the Company

Chairman and CEO of Burelle SA.

Other appointments

Deputy Managing Director and Director of Sogec 2.
Honorary Chairman and Director of Compagnie Plastic Omnium.
Chairman of MEDEF International.
Member of the Supervisory Board of Soparexo (SCA).
Member of the Supervisory Board of Banque Jean-Philippe Hottinger & Cie (SCA).
Chairman of Harvard Business School Club de France.
Permanent representative of Burelle Participation within the Board of Directors of Sycovest 1.
Member of the Supervisory Board of EM Lyon (AESCRA).

Previous functions and terms of office (held during the past five years and now terminated)

Chairman of Sycovest 1.
Director of Essilor International and Chairman of the Directors' Committee.

Mr. Jacques-Etienne de T'Serclaes

French national, 63 years old.
Date first appointed: 27 July 2006.
Date appointment expires: AGM to consider the financial statements for the year 2009.
Professional address: 14, rue des Sablons, 75116 Paris, France

Mr. Jacques-Etienne de T'Serclaes, chartered accountant, graduated from ESSCA and Harvard Business School (OPM). He is a former member of Compagnie des Commissaires aux Comptes. As Senior Partner with PricewaterhouseCoopers (1990-2005), he headed up the Global Retail and Consumer practice worldwide, and was Chairman of the Supervisory Board of PwC Audit France. Previously he spent seven years within the Euromarché group (acquired by Carrefour) where he was Managing Director. He is currently the Founding Chairman of the "l'Agence du Don en Nature" (EuroGiki) charity, Operating Partner for Advent International Global Private Equity. He is also an Independent Director and Chairman of the Audit Committee of Altran Technologies and a Director of the Gifts in Kind International (USA) charity, Banimmo (Belgium) and Altran India.

Principal appointment outside the Company

Operating Partner: Advent International Global Private Equity.

Other appointments

Director of Gifts in Kind International (USA).
Director of Altran Technologie S.A and Altran India.
Director of Banimmo (Belgium).
Previous functions and terms of office (held during the past five years and now terminated)
Chairman of the Supervisory Board of PricewaterhouseCoopers Audit.
Director of Euro-India Centre.

Mr. Gabriel Hawawini

French national, 62 years old.
Date first appointed: 27 July 2006.
Date appointment expires: AGM to consider the financial

statements for the year 2012.

Professional address: INSEAD, boulevard de Constance, 77305 Fontainebleau, France.

Mr. Gabriel Hawawini, holds a degree in Chemical Engineering from the University of Toulouse and a doctorate in Economics and Finance from New York University. He has been a professor at INSEAD since 1982, and holds the Henry Grunfeld Chaired Professor of Investment Banking. He was the Dean at INSEAD between 2000 and 2006. Mr. Hawawini has lectured in New York universities, particularly Columbia. He is the author of 13 books and over 75 articles. Mr. Gabriel Hawawini is a Knight Officer of the Legion of Honour.

Principal appointment outside the Company

Director of Vivendi Universal.

Other appointments

Chairman of the European Foundation for Management Development Accreditation Commission.

Previous functions and terms of office (held during the past five years and now terminated)

Director of Mastrad.
Director of Cerestar.
Director of the Indian School of Business.
Director of Accenture (Energy Advisory Board).
Director of the European Foundation for Management Development.

Mr. Timothy Jones

British national, 65 years old.
Date first appointed: 31 July 2007.
Date appointment expires: AGM to consider the financial statements for the year 2010.
Professional address: 8 Kirkwick Avenue, Harpenden ASL 2QL, United Kingdom.

Mr. Tim Jones is a Doctor of Philosophy (PhD) and holds an MBA. He was a manager in the oil industry for a number of years and subsequently Chief Executive Officer of Lloyd's Register for seven years. He has been a Director of Orpar, the parent company of Rémy Cointreau, since January 2003.

Principal appointment outside the Group

Director of Double Dragon Underwriting Ltd and InnovOx Ltd.

Other appointments

Member of the Royal Society of Chemistry.

Previous functions and terms of office (held during the past five years and now terminated)

Deputy Chairman of Education and Learning in Wales.

M. Patrick Thomas

French national, 63 years old
Date first appointed: 16 September 2008
Date appointment expires: AGM to consider the financial statements for the year 2011
Professional address: 24, rue du Faubourg Saint Honoré, 75008 Paris, France.

Mr. Patrick Thomas is a graduate of the Paris Ecole Supérieure de Commerce. He spent 16 years with the Pernod Ricard Group, which he left in 1989 as CEO of Pernod Ricard UK. He was subsequently CEO of Hermès International from 1989 to 1997, Chairman of the Lancaster Group from 1997 to 2000 and Chairman of Willam Grant &

Sons from 2000 to 2003. He rejoined Hermès International in July 2003 and is currently General Manager.

Principal appointment outside the Group

General Manager of Hermès International (SCA).

Other appointments

Vice-Chairman and member of the Supervisory Board of Massily Holding.

Vice-Chairman and member of the Supervisory Board of Gaulme.

Member of the Supervisory Board of Leica Camera AG.

Within the Hermès Group:

Chairman of Boissy Retail, Herlee, Hermès Korea, Hermès Korea Travel Retail, Hermès (Retail) Malaysia, Hermès Voyageur and Holding Textile Hermès.

Chairman of the Board of Directors of Hermès of Hawaii, Hermès Immobilier Genève, Hermès of Paris and Hermtex. Member of the Supervisory Board of Hermès Prague, Director of Boissy Mexico, Hermès (China), Hermès Asia Pacific, Hermès Australia, Hermès Benelux, Hermès Canada, Hermès de Paris (Mexico), Hermès GB Ltd, Hermès Grèce, Hermès Iberica, Hermès India Retail & Distributors, Hermès Italie, Hermès Japan, Hermès Korea, Hermès Korea Travel Retail, Hermès Monte-Carlo, Hermès Singapore Retail, Hermès South East Asia, John Lobb, John Lobb (Hong-Kong) Limited, John Lobb Japan, La Montre Hermès, Saint-Honoré (Bangkok), Saint-Honoré (Chile).

Previous functions and terms of office (held during the past five years and now terminated)

Member of the Supervisory Board of Neuflyze OBC Bank.

Chief Executive Officer of Hermès International.

Chairman of Hermès Holding US.

Chairman and CEO of William Grant and Sons.

ORPAR

Société anonyme (Public Limited Company) with a share capital of €68,022,176.

Date first appointed: 27 July 2006.

Date appointment expires: AGM to consider the financial statements for the year 2012.

Registered office: Ancienne rue de la Champagne, Rue Joseph Pataa, 16100 Cognac, France.

Permanent representative:

Mrs. Marie Barbaret, 44 years old.

Professional address: Andromède, 123, avenue des Champs Elysées, 75008 Paris, France.

Function in the company represented

Mrs. Marie Barbaret is a graduate of ESSEC and holds an MSc from the London School of Economics. After working in audit with Arthur Andersen, Marie Barbaret was a management controller for Hachette Livre and an investment manager with Caisse des Dépôts et Consignations (Part'Com), in charge of capital development projects. She was also responsible for Nathan (CLE)'s development in India for three years.

Other appointments

Managing Director of Grande Champagne Patrimoine SAS. Strategy and Development Manager of Andromède.

Previous functions and terms of office (held during the past five years and now terminated)

None.

Number of Independent Board Directors:

Four during the 2009/10 financial year. At 31 March 2010:

Mr. Jean Burelle, Mr. Gabriel Hawawini, Mr. Patrick Thomas and Mr. Jacques Etienne de T'Serclaes.

The Board of Directors is regularly informed of the independence of each of its members.

Number of members elected by employees: the Company does not have any employee members.

Number of shares that must be held by each member: 100.

HONORARY CHAIRMAN

Mr. Pierre Cointreau

On 27 July 2006, the Board of Directors appointed Mr. Pierre Cointreau as Honorary Chairman of the Company.

French national, 89 years old.

Professional address: Cointreau SA, BP 79, Carrefour Molière, 49181 St Barthélémy d'Anjou, France.

Mr. Pierre Cointreau has been an industrialist and an entrepreneur since 1950. He is a former socioeconomic adviser, a former member of the Economic and Social Council of the Pays de Loire region and the Honorary Chairman of the Chamber of Commerce of Angers and of the Anjou Trade Show. Mr. Pierre Cointreau is the Honorary Mayor of the town of Montreuil sur Loire. He is the Chairman of the Supervisory Board of Récopart, which holds 14.25% of Rémy Cointreau SA, and was a director of the Company from December 1991 to July 2006. Mr. Pierre Cointreau is a Knight Officer of the Legion of Honour and of the National Order of Merit.

Principal appointment outside the Company

Chairman of the Supervisory Board of Récopart SA.

Other appointments

Chairman of Cointreau SASU.

Chairman of Izarra SASU.

Previous functions and terms of office now terminated

Member of the Supervisory Board of Rémy Cointreau from December 2000 to September 2004.

Director of Rémy Cointreau from September 2004 to July 2006.

Chairman of the Board of Directors of Cointreau SA.

Chairman of the Board of Directors of Izarra SA.

Director of CLS Rémy Cointreau.

Director of GIE Rémy Cointreau Services.

CHIEF EXECUTIVE OFFICER AND EXECUTIVE COMMITTEE

On 7 September 2004, the Board of Directors elected to split the positions of Chairman of the Board and Chief Executive Officer in accordance with Article L. 225-51-1 of the Commercial Code. Mr. Jean-Marie Laborde was appointed Chief Executive Officer on 7 September 2004 and reappointed for a period of three years on July 2007.

Mr. Jean-Marie Laborde, 62 years old, and a French national, holds a Masters' Degree in Economics from the University of Bordeaux and an MBA from the Institut Supérieur des Affaires (HEC/ISA). Mr. Jean-Marie Laborde was notably Chairman and Chief Executive Officer of Ricard from 1984 to 1996 and Chairman and Chief Executive Officer of Moët et Chandon from 1996 to 2003. He subsequently became General Manager of the wine division of Worms & Cie. At the same time, he was Chairman and

Chief Executive Officer of Burgundy winemaker Antonin Rodet. He joined the Rémy Cointreau Group in September 2004. Mr. Jean-Marie Laborde is a member of a number of professional organisations. He is a Knight of the Legion of Honour, a Knight of the National Order of Merit and a Knight Officer of the Order of Arts and Humanities.

Principal appointment outside the Company

Director of Maxxium Worldwide BV until 30 March 2009.

Other appointments

Chairman of Rémy Cointreau Services SAS.
Chairman of Mount Gay Distilleries Ltd.
Director of Rémy Cointreau Amérique.
Director of the Cointreau Corporation.
Supervisory Director of Rémy Cointreau Nederland Holding BV.
Legal representative of E. Rémy Martin & C° SAS.
Director of Financière Rémy Cointreau SA/NV.
Legal representative of Rémy Cointreau SA, Chairman of RC ONE SAS.
Legal representative of Rémy Cointreau SA, Chairman of Seguin & Cie SAS.
Director of Finadvance.
Director of Dynasty Fine Wines Group Ltd.

Previous functions and terms of office (held during the past five years and now terminated)

None.

The Chief Executive Officer is assisted by an Executive Committee comprising the following members:

- Mr. Jean-François Boueil, Group Human Resources Manager;
- Mr. Hervé Dumesny, Group Finance Director;
- Mr. Damien Lafaurie, Market Operations Manager;
- Mr. Christian Liabastre, Strategy and Brand Development Manager; and
- Mr. Patrick Marchand, Group Operations Manager.

THE GROUP'S DIRECTORS HAVE HAD NO CONVICTIONS FOR FRAUD, NO DIRECTOR HAS BEEN PARTY TO BANKRUPTCY, NO ASSETS OF THE COMPANY HAVE BEEN IMPOUNDED OR LIQUIDATED AND NO DIRECTOR RECEIVED ANY OFFICIAL INCRIMINATION OR PUBLIC PENALTY OR STATUTORY BAR TO ACT OR TO INTERVENE IN THE CONDUCT OF THE COMPANY'S BUSINESS.

To the best of Rémy Cointreau's knowledge:

- there were no convictions for fraud over the last five years against any members of the Board of Directors or the Chief Executive Officer;
- neither the Chief Executive Officer nor any members of the Board of Directors have been party, over the past five years, to a bankruptcy, nor were assets impounded or liquidated while being a member of an administrative, management or supervisory body or as Chief Executive Officer; and
- no official incrimination and/or public penalty was incurred against any members of the Board of Directors or the Chief Executive Officer by statutory and regulatory authorities, including designated professional bodies. Thus, neither the Chief Executive Officer nor any members of the Board of Directors were subject to any statutory bar to act or to intervene in the management or the conduct of the business of an issuing company over the past five years.

NATURE OF ANY FAMILY RELATIONSHIP

Messrs. François and Marc Hériard Dubreuil are Mrs Dominique Hériard Dubreuil's brothers.

SHAREHOLDING IN THE COMPANY

Orpar, a director, holds 43.09% of the share capital and 52.60% of the voting rights of the Company.

ABSENCE OF ANY POTENTIAL CONFLICTS OF INTEREST

To the best of Rémy Cointreau's knowledge, there are no potential conflicts of interest between the duties toward the issuer and the private interests and/or other duties of any members of the Board of Directors or the Chief Executive Officer.

SERVICE CONTRACTS BINDING MEMBERS OF THE ADMINISTRATIVE AND GOVERNING BODIES

Neither the Chief Executive Officer nor any individual members of the Board of Directors are bound to Rémy Cointreau or to any of its subsidiaries by a service contract providing for the granting of benefits at the end of such contracts. There is an agreement for business management and assistance concluded with Orpar, the principal shareholder and a director of Rémy Cointreau, whose remuneration conditions are disclosed in the Special Report of the Statutory Auditors.

OPERATION OF THE CORPORATE BODIES AND EXECUTIVE MANAGEMENT

The Chief Executive Officer reports to the Board of Directors.

The Board of Directors currently comprises ten members. Board members are appointed for three years. A third, or as close as possible to a third of Board members is renewed annually, so that the whole Board has been renewed at the end of a three year period.

Any member exceeding 85 years of age at the beginning of a financial year is deemed to have resigned from office effective at the end of the next Annual General Meeting to consider the financial statements of the financial year then ended. However, his/her term of office may be renewed from one year to the next, as long as the number of Board members aged more than 85 years of age does not exceed one-third of the number of serving members.

Between 1st April 2009 and 31 March 2010, the Board of Directors met seven times. The average attendance rate was 82.86%.

The members of the Board of Directors are informed, at the time they take up their appointment, of the legal and regulatory provisions in force in respect of directors trading in the Company's shares.

COMMITTEES ESTABLISHED WITHIN THE BOARD OF DIRECTORS

The four committees established within the Board of Directors are mentioned in the report of the Chairman of the Board of Directors to the General Meeting.

2.2 STATUTORY AUDITORS - APPOINTMENTS AND FEES

CURRENT APPOINTMENTS

Principal Statutory Auditors

Practice	Ernst & Young et Autres 41 rue Ibry 92576 Neuilly sur Seine	Auditeurs & Conseils Associés 33 rue Daru 75008 Paris
Represented by	Marie-Laure Delarue	Olivier Juramie
Date first appointed	22/09/88	26/09/90
Date appointment renewed	27/07/06	16/09/08
Date appointment expires:	AGM to consider the financial statements for the year 2012	AGM to consider the financial statements for the year 2014

Alternate Statutory Auditors

Practice	Auditex Tour Ernst & Young Faubourg de l'Arche 92037 La Défense	Olivier Lelong
Date appointed	27/07/06	16/09/08
Date appointment expires	AGM to consider the financial statements for the year 2012	AGM to consider the financial statements for the year 2014

FEES PAID TO THE STATUTORY AUDITORS

Fees paid to the Statutory Auditors and members of their network for 2008 amounted to €1,130 thousand, analysed as follows:

	Ernst & Young et autres				Auditeurs & Conseils Associés SA			
	2010	Amount 2009	2010	% 2009	2010	Amount 2009	2010	% 2009
Audit								
Statutory audit, review of individual and consolidated financial statements	997	803	100%	100%	130	125	100%	97%
- Rémy Cointreau SA - Fully consolidated	225	253	-	-	101	85	-	-
Ancillary assignments	-	-	0%	0%	-	4	0%	3%
- Rémy Cointreau SA - Fully consolidated subsidiaries	-	-	-	-	-	4	-	-
Sub-total	997	803	100%	100%	130	129	100%	100%
Other services								
Other services	3	-	0%	0%	-	-	0%	0%
Sub-total	3	-	0%	0%	-	-	0%	0%
Total	1,000	803	100%	100%	130	129	100%	100%

RESOLUTIONS AS SUBMITTED TO THE COMBINED GENERAL MEETING OF 27 JULY 2010

1. COMMENTARY ON THE RESOLUTIONS

APPROVAL OF PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

Your Board of Directors, after considering its Report and the Report of the Company's Statutory Auditors, proposes that you approve firstly the Parent Company financial statements for the year ended 31 March 2010, which disclose a profit of €9,451,615.19, and then the consolidated financial statements at the same date which disclose a profit of €86,250,000.

ALLOCATION OF 2009/10 PROFIT

Your Board proposes to allocate the distributable profit for the year ended 31 March 2010, as follows:

Profit of the Company at 31 March 2010	€9,451,615.19
Transfer to legal reserve	(€182,356.00)
Balance brought forward	€212,487,211.86
Total amount distributable	€221,756,471.05
Dividend of €1.30 per share	€63,062,699.70
Balance carried forward	€158,693,771.35

Total **€221,756,471.05**

Pursuant to Article 117 (iv) -I-1 of the General Tax Code, individuals who are resident in France for tax purposes may opt for a fixed deduction in full settlement of income tax at the rate of 18% of gross amount received. This option is irrevocable for the payment concerned. Such an option results in the loss of the 40% reduction, the fixed annual deduction and the loss of the right to a tax credit provided by Article 200 (vii) of the General Tax Code for this dividend as well as for every other dividend subject to income tax in the same year.

In the event of the Company retaining some of its own shares at the time of payment, the amount of unpaid dividends in respect of these shares, will be added to "balance carried forward".

In accordance with the law, it is noted that the net dividends during the last three years and related tax credits and the dividend distributed eligible for the above reduction for shareholders residing in France, were as follows:

Years	31/03/07	31/03/08	31/03/09
Net dividend per share	€1.20	€1.30	€1.30
Eligible dividend distributed	€1.20	€1.30	€1.30

OPTION FOR PAYMENT OF THE DIVIDEND IN SHARES

In application of the provisions of Articles L. 232-18 to L. 232-20 of the Commercial Code and Article 27 of the bylaws, we propose to grant all shareholders, for an amount equal to fifty per cent (50%) of the dividends payable to them, an option for the payment of this dividend in cash or shares.

The issue price of the new shares, the subject of the present option, will be equal to 90% of the average quoted on the 20 trading days preceding the day of the decision to pay the dividend, less the net dividend pursuant to Article L. 232-19 of the Commercial Code. The Board of Directors will have the facility to round the price thus determined to the immediately higher cent.

Every shareholder may elect for one or other mode of payment but this election applies to the total of the dividend for which the election is made, which is 50% of the dividends to which they are entitled. Shareholders wishing to elect for payment of the dividend in shares of 50% of the dividends to which they are entitled, must request this from their financial intermediary in the period 2 August 2010 to 14 September 2010 by 1700 hrs at the latest. At the end of this timeframe, the dividend can only be paid in cash.

For those shareholders who elect to receive a cash payment, the dividend will be payable from 1st October 2010 following the expiry of the election period. The fraction of the dividend for which the election of payment in shares was not granted, that is fifty per cent (50%) of the dividend distributed under the third resolution, will be paid in cash with effect from the same date. If the dividend entitlement does not correspond to an exact number of shares, the shareholder may subscribe to the immediately lower number of shares, together with the balance in cash, or to the immediately higher number of shares, with an additional cash payment.

The new shares will be subject to the provisions of the law and the bylaws and will be effective from 1st April 2010, the start of the current financial year.

We propose to grant all powers to the Board of Directors in accordance with Article L. 232-20 of the Commercial Code to take all the necessary steps to implement the distribution of the dividend in shares, and notably to set the issue price of the shares issued in accordance with the terms provided, to note the number of shares issued and the increase realised in share capital, to revise, as a result, the bylaws of the Company, to take all the necessary steps to ensure the successful completion of the transaction and, in general, to do everything useful and necessary.

AGREEMENTS COVERED BY ARTICLE L. 225-38 OF THE COMMERCIAL CODE

The agreements authorised and concluded in prior years and in force during this year, as well as the agreements authorised during the year have been given to the Statutory Auditors to enable them to prepare their Special Report. We would ask you to approve their terms and conditions.

RENEWAL OF THE TERMS OF OFFICE OF THREE DIRECTORS

The terms of office of Messrs. François Hériard Dubreuil, Tim Jones and Jean Burelle, expire at the close of the Meeting and we request that you renew these for a period of three years. Information in respect of these Directors is available in the current Annual Report.

APPOINTMENT OF A NEW DIRECTOR

On the recommendation of the Nomination & Remuneration Committee, we propose the appointment of Mr. Didier Alix as a member of the Board of Directors for a period of three years.

Mr. Didier Alix, 64 years old, and a French national, is a graduate of the Institut d'études politiques de Paris and has a degree in Business Economics. Mr. Didier Alix began his career in 1970 in Société Générale where he held various positions within general inspection, central risk control and within a number of departments. He was notably a network Manager for France, then Deputy General Manager for the Individuals and Business division. He was appointed Chief Executive Officer in September 2006. He has been an advisor to the Chairman of Société Générale since January 2010.

On completion of these reappointments and this appointment, the Board of Directors will consist of 11 members, of which five are independent within the definition of the Internal Rules of the Board of Directors.

ATTENDANCE FEES

We propose to set at €330,000 the fees paid to members of the Board of Directors in respect of the 2010/11 financial year. This is the same as the previous year and is in line with practices adopted by many French groups operating internationally and of a similar size to our Group.

PURCHASE AND SALE BY THE COMPANY OF ITS OWN SHARES

We propose that you authorise the Board of Directors, for a maximum of 18 months with effect from the day of the current Meeting, to purchase shares in the Company, up to 10% of the share capital on the day of the purchases which, by way of indication, on the basis of the current share capital, corresponds to a maximum of 4,398,123 shares, taking into account the treasury shares held by the Company at 31 March 2010, sales with repurchase options and the purchase of options to purchase shares.

Since Decree No. 2009-105 of 30 January 2009 notably in respect of share purchases where shares are purchased to provide liquidity, the number of shares taken into account for the calculation of 10% corresponds to the number of shares purchased net of the number of shares sold during the life of the authorisation. The share buyback programme is designed to carry out the following transactions in descending order of importance:

- stimulate the secondary market or provide liquidity for the Rémy Cointreau share by an investment services provider via a liquidity contract that conforms to the AFEI charter recognised by the Autorité des Marchés Financiers. It should be noted that such a liquidity contract was given to Rothschild & Cie Banque with effect from 15 November 2005 for a period of one year. This is renewable by tacit agreement to;
- cancel shares as part of a reduction in share capital, subject to the adoption of the fourteenth resolution submitted to the current General Meeting;
- cover the obligations in respect of debt securities giving access to capital;
- grant the shares in accordance with the terms and conditions provided by law, notably as part of a profit-sharing plan, to service options to purchase shares, as part

of a company savings plan, or to be used to grant free shares to employees and executives of the Company and/or companies related to it, in accordance with Articles L. 225-197-1 and subsequent of the Commercial Code;

- purchase shares and retain them to be used subsequently in exchange or as payment for acquisitions, in accordance with market practices permitted by the Autorité des Marchés Financiers and within the law; and
- implement all market practices permitted by the *Autorité des Marchés Financiers* and, more generally, to carry out all transactions in accordance with the regulations in force.

The purchase of these shares, as well as their sale or transfer, may be carried out within the law and regulations at any time, including the period of a public offer for shares in the company or a period of public offer initiated by the Company, subject to periods of abstention provided by Article 631-6 of the General Regulation of the *Autorité des Marchés Financiers* or other legal or regulatory requirements, by all means and by recourse to all derivative financial instruments, excluding the sale of options to sell and to the extent that the last means do not lead to a significant increase in the volatility of the share price. The maximum amount of capital that may be acquired or transferred in the form of blocks of shares may be the total of the authorised share purchase programme. Payment can be made in any form.

It is proposed that the maximum purchase price be set at €60 per share excluding acquisition costs. The maximum amount that the Company is liable to pay as a result is €263,887,380, excluding trading costs.

In its annual Management Report, the Board of Directors informs shareholders of transactions carried out pursuant to Article L. 225-211 of the Commercial Code.

It should be noted that during the 2004/05 financial year the Company sold 602,430 shares with a repurchase agreement. In order to maintain a perfect hedge for its share acquisition plans and to partly manage the dilution relating to the exercise of one of these subscription option plans, the latter sale carried a resolutive clause. This transaction was completed on 24 March 2005 by the Company purchasing 224,497 options from Barclays Capital Securities Ltd. The overall effect of the transaction enabled Rémy Cointreau to meet the exercise of a maximum of 826,927 options to subscribe for or purchase shares.

In this respect, on 1st March 2006, Rémy Cointreau purchased 280,927 shares from Barclay's Capital Securities Ltd, to limit the dilutive effect arising from an option plan to subscribe for shares. Using the delegation of powers granted by the Extraordinary General Meeting of 28 July 2005, in its fifteenth resolution, on 28 April 2006, the Board of Directors decided to reduce the share capital by the cancellation of these 280,927 shares, pursuant to the terms of the above-mentioned sale and repurchase contract.

During 2007/08, Rémy Cointreau purchased 75,000 shares from Barclay's Capital Securities Ltd, at a price of €27.67, for a total of €2,075,250. This purchase is to service the 70,295 options to purchase shares arising from the plan of 16 September 2003, which totalled €1,945,062.65.

During 2008/09, Rémy Cointreau purchased 33,000 shares from Barclays Capital Securities Ltd, being 15,000 shares at a price of €27.67, and 18,000 shares at a price of €28.07,

for a total of €920,310. This purchase is to service the 20,500 options to purchase shares arising from the plans of 16 September 2003 and 24 December 2004.

During 2009/10, no shares were purchased from Barclay's Capital Securities Ltd. However, 4,605 shares acquired during the previous year were used to service the options exercised to purchase shares arising from the plans of 16 September 2003 and 24 December 2004. Information concerning the use of the repurchase programme during the 2009/10 financial year just ended is contained in the Management Report of the Board of Directors presented to your General Meeting.

At 31 March 2010, the Company held 12,600 treasury shares, of which 3,600 will be used to service the purchase options of the plan of 16 September 2003 and 9,000 to service those of the plan of 24 December 2004.

This authorisation cancels, for the unused amounts to date, the authorisation given by the Combined General Meeting, in Ordinary session, of 28 July 2009 in the thirteenth resolution.

AUTHORISATION TO REDUCE THE SHARE CAPITAL BY CANCELLATION OF TREASURY SHARES HELD BY THE COMPANY

The resolution proposed is in respect of the possibility that the Board of Directors cancels shares, in accordance with Article L. 225-209 of the Commercial Code, which are to be purchased by the Company under the authorisation to be given by the Meeting in the twelfth resolution, or which had been acquired under previous authorisations for the Company to trade in its own shares.

It is designed to enable the Board of Directors to reduce the capital as a result of this cancellation. In accordance with the law, this cannot be applied to more than 10% of the capital in a period of 24 months.

This is an authorisation for a maximum period of 18 months expiring at the end of the General Meeting called to approve the financial statements of the following year and which renews as a result the fifteenth resolution adopted by your General Meeting of 28 July 2009.

AUTHORISATION FOR THE BOARD OF DIRECTORS TO DECIDE ON AN INCREASE IN SHARE CAPITAL BY ISSUING, WITH OR WITHOUT THE PRE-EMPTION RIGHT OF SHAREHOLDERS TO SUBSCRIBE FOR SHARES AND/OR MARKETABLE SECURITIES GIVING ACCESS TO CAPITAL AND/OR BY ISSUING MARKETABLE SECURITIES GIVING THE RIGHT TO RECEIVE DEBT SECURITIES

The General Meeting of Rémy Cointreau on 28 July 2009, meeting in extraordinary session, granted the Board of Directors authorisation, with or without maintained pre-emption right to subscribe, to enable your Company to have access to the financial markets by the issue of marketable securities giving access to capital or giving the right to the allocation of debt securities for a period of 26 months.

To date, the Company has not used this authorisation.

You are asked to renew them to enable the Group to continue to have access to the necessary financial resources

within the shortest timeframe for its development, by using the instruments best adapted to market conditions.

Pursuant to Articles L. 225-129 and subsequent and L. 228-91 and subsequent of the Commercial Code, your General Meeting is called to again grant the Board of Directors, for a period of 26 months with effect from the said Meeting, a general delegation, the subject of the fifteenth, sixteenth and seventeenth resolutions, enabling it to decide on an increase in share capital and to proceed with the issue, with or without pre-emption right to subscribe for shares in the Company, as well as marketable securities, of whatever nature, giving access immediately and/or in time to the capital of the Company or giving the right to the allocation of debt securities, within a nominal ceiling of an increase in capital of €30,000,000.

The issue of preference shares and marketable securities giving access immediately or in time to preference shares are excluded from this authorisation.

a) Issues with pre-emption right to subscribe (fifteenth resolution)

The fifteenth resolution concerns issues with maintained pre-emption right to subscribe for shares in the Company and to marketable securities giving access to the capital of Rémy Cointreau, or the issue of marketable securities giving the right to receive debt securities, and replaces the authorisation of the same nature, with maintained pre-emption right to subscribe by shareholders, resulting from the sixteenth resolution of the Combined General Meeting of 28 July 2009.

In the event of an issue of marketable securities giving access in time to capital, whether by conversion, exchange, repayment, presentation of a warrant, a combination of these means, or in any other manner, your decision carries the waiver by the shareholders, for the benefit of holders of these securities, of their pre-emption right to subscribe for shares or to subscribe to marketable securities giving access to capital to which these marketable securities give the right.

The delegation of the Meeting thus confers on the Board of Directors the option during a period of 26 months, to decide to issue, within the limit of a maximum nominal increase in capital of €30,000,000, shares in the Company, as well as all categories of marketable securities giving access to capital, it being specified (i) that to this ceiling is included the nominal amount of all capital increases resulting, or likely to result in time, of issues decided by virtue of the sixteenth, seventeenth, eighteenth, nineteenth, twentieth, twenty-first and twenty-third resolutions of the present General Meeting as well as the twentieth and twenty-first resolutions of the Combined General Meeting of shareholders of the Company on 28 July 2009 and the eighteenth resolution of the Combined General Meeting of shareholders of the Company on 16 September 2008, and (ii) that this ceiling is set not taking into account shares in the Company to be issued in respect of adjustments likely to be made pursuant to applicable legislation and regulatory provisions and, where appropriate, contractual conditions requiring other adjustments, to preserve the rights of holders of marketable securities or other right giving access to capital.

The total nominal amount of marketable securities representative of debt securities, whether this relates to marketable securities representative of debt securities giving

access to capital, or representative of marketable securities giving the right to receive debt securities, that may be issued on the basis of the fifteenth resolution, may not exceed €750,000,000. This amount includes the debt securities that will be issued pursuant to the authorisations given to the Board of Directors by the present Meeting.

Pursuant to Article L. 225-210 of the Commercial Code, it is proposed that the General Meeting decides that the pre-emption right to subscribe attached to shares held by the Company will not be taken into account when determining the pre-emption right to subscribe attached to other shares.

On these bases, it is proposed that the Board of Directors, with the facility to sub-delegate according to the law, will have all the powers to implement the present authorisation, as well as to postpone where necessary, and notably to approve, depending on market opportunities, the subscription price (with or without an issue premium), conditions and features of the issues, set the amounts to be issued, determine the terms of the issue and the form of the marketable securities to be created, set the effective date, even retroactive, of securities to be issued and the conditions of their repurchase, set and proceed with all adjustments required in compliance with legal and regulatory provisions and, where necessary, to contractual requirements, take all steps to reserve the rights of holders of market securities giving access to capital, possibly suspend the exercise of rights attached to these marketable securities during a set period in compliance with legal and regulatory provisions and, in general, take all useful steps, carry out the formalities required and conclude all agreements to successfully complete the issues under consideration, and request, where necessary, the quotation, noting the realisation, and make changes to the bylaws made necessary as a result of using the present authorisation, in compliance with the law and regulations in force

You are also requested to allow the Board of Directors to establish for the benefit of shareholders a reducible right to subscribe and, in every case, if the subscriptions do not absorb the full amount of the issue, to decide, in the order it determines, and in accordance with the law, to limit the amount of the subscriptions received or, in full or part, freely release the unsubscribed securities, or to offer them in full or in part to the public. It is proposed you decide that the issue of warrants to subscribe for shares in the Company may be made by an offer to subscribe and also by free issue to existing shareholders. You are also asked to allow the Board of Directors to use treasury shares as a substitute for shares to be issued in respect of the present authorisation.

b) Issues without pre-emption right to subscribe (sixteenth, and seventeenth resolution)

These authorisations are for the early renewal of the authorisation given to the Board of Directors to seize opportunities offered by the financial markets to rapidly raise the financial resources necessary for the development of your Company.

The authorisation granted by the seventeenth resolution of the Combined General Meeting of 28 July 2009 provided notably for the issues of marketable securities in France, abroad and/or on international markets, with cancellation of the pre-emption right to subscribe of shareholders by public offer and private placement notably among qualified investors as made possible by the Decree of 22 January 2009. The Company has not used this authorisation to date.

In order to comply with the recommendation of the Autorité des marchés financiers on the subject and to enable the shareholders to cast a distinct vote, the sixteenth resolution proposed to delegate to the Board of Directors, your authority to decide on a capital increase and issue, without a pre-emption right to subscribe by shareholders, shares in the company, as well as all marketable securities of whatever nature, giving access to capital or giving the right to receive debt securities, excluding preference shares and marketable securities giving access immediately or in time to preference shares, with cancellation of pre-emption right, by public offer, while the seventeenth resolution proposes to delegate to the Board of Directors to decide on the same type of issues, within the framework of a private placement covered by II of Article L. 411-2 of the Monetary and Financial Code, which is among categories of persons described in II of Article L. 411-2 of the Monetary Code and Financial Code, which is among (i) persons providing an investment service for portfolio management for third parties and/or (ii) qualified investors and/or a restricted circle of investors, subject to these investors acting on their own account.

At the Meeting, you will be given the special reports of the Statutory Auditors and their opinion of these issue authorisations.

i) Issues by public offer (sixteenth resolution)

Your Board of Directors may be led, in the interests of the Company and its shareholders, in order to seize opportunities offered by the financial markets in certain circumstances, to proceed with the issues without the shareholders being able to exercise their pre-emption right to subscribe.

This cancellation of the pre-emption right to subscribe is justified by the need, in certain circumstances, to reduce the timeframe in order to facilitate placing the marketable securities issued, particularly on international markets.

The Board of Directors also requests that you authorise it to decide on an increase in share capital and to issue, without the shareholders' pre-emption right to subscribe, shares in the Company, as well as all marketable securities, of whatever nature, giving access to the capital of the Company or giving the right to the allocation of debt securities provided by the fifteenth resolution, up to a general ceiling provided of €30,000,000, and which is common to both resolutions, for the same period of 26 months with effect from the current Meeting, it being noted (i) that to this ceiling is included the nominal amount of all capital increases resulting, or likely to result in time, of issues decided by virtue of the seventeenth, eighteenth, twentieth, twenty-first and twenty-third resolutions of the present General Meeting, as well as the twenty-first resolutions of the Combined General Meeting of shareholders of the Company on 28 July 2009 and the eighteenth resolution of the Combined General Meeting of shareholders of the Company on 16 September 2008, and (ii) that this amount is included in the total nominal amount provided by the fifteenth resolution of the current Meeting and (iii) that this ceiling is set not taking into account shares to be issued in respect of adjustments likely to be made pursuant to applicable legislative and regulatory provisions and contractual provisions providing for other adjustments, to preserve the rights of holders of marketable securities or others giving access to capital.

The issue of preference shares and marketable securities giving access immediately or in time to preference shares are excluded from this authorisation.

As part of this resolution, you are requested to waive the pre-emption right of the shareholders to subscribe to shares and marketable securities to be issued in respect of this resolution.

In addition, this vote, as in the case of the fifteenth resolution carries, for the benefit of holders of marketable securities giving access to capital, the waiver by shareholders to the pre-emption right to subscribe to shares or marketable securities giving access to capital to which these marketable securities give the right.

The total nominal amount of debt securities, which relates to debt securities that may be issued on the basis of the sixteenth resolution may not exceed €750,000,000 and will be set against the nominal ceiling of debt securities which will be issued in compliance with the fifteenth resolution of the current General Meeting.

As part of this authorisation, the issue price will be at least equal to the minimum amount provided by the law and regulations in force at the time of the use of the present authorisation, after correction of this amount, if applicable, to take into account the difference in the effective date.

For marketable securities giving access to shares, the issue price will be set by reference to this same amount after correction, if applicable, to take into account the difference in the effective date.

Under the current regulations, the issue price of new shares as part of a public offer without a pre-emption right to subscribe by a company whose shares are admitted to trading on a regulated market, may not be less than the weighted average of the three most recent trading days preceding the setting of the price, possibly reduced by a maximum discount of 5%.

On these bases, the Meeting is invited to delegate to the Board of Directors, with the facility to sub-delegate according to the law, the right to decide, on one or more occasions, the issue of shares and/or marketable securities giving access to capital or the allocation of debt securities by a public offer, and to approve the terms and conditions of each issue, as indicated in the current report on the fifteenth resolution. You are also asked to allow the Board of Directors to use treasury shares held as a substitute for shares to be issued in respect of the present authorisation.

The Board of Directors asks that you authorise it to establish, for the benefit of shareholders, according to circumstances and if they permit, a non-negotiable right to subscribe for a minimum period, according to the regulation in force, of three stock market trading days, where appropriate, reducible where it sets the conditions of exercise.

You are also asked to delegate to the Board of Directors, the authority to issue, with the cancellation of pre-emption right to subscribe for shares or marketable securities, giving access to capital in consideration for securities tendered to all public takeover offers initiated by the Company in respect of securities of every company whose shares are admitted to trading on a regulated market covered by Article L. 225-148 of the Commercial Code, including all marketable securities issued by Rémy Cointreau, as well as to decide on the issue of shares and marketable securities representing a share of the capital of Rémy Cointreau which gives the right to marketable securities issued by companies in which Rémy Cointreau owns, directly or indirectly, over half the share capital.

The same ceiling of a nominal increase in capital of €30,000,000 applies to these issues.

ii) Issues without pre-emption right to subscribe, by an offer covered by II of Article L. 411-2 of the Monetary and Financial Code (seventeenth resolution)

In addition to the sixteenth resolution, and to provide shareholders with a distinct vote, the seventeenth resolution proposes to delegate to the Board of Directors the authority to decide on an increase in share capital and to issue, without the shareholders' pre-emption right to subscribe, shares in the Company, as well as all marketable securities, of whatever nature, giving access to the capital of the Company or giving the right to the allocation of debt securities provided by the sixteenth resolution, up to a general ceiling provided of €30,000,000, and which is common to both resolutions, for the same period of 26 months with effect from the current Meeting.

The total nominal amount of debt securities, which relates to debt securities may be issued on the basis of the seventeenth resolution, may not exceed €750,000,000 and will be set against the nominal ceiling of debt securities which will be issued in compliance with the sixteenth resolution of the current General Meeting.

These issues will be carried out by a private placement covered by II of Article L. 411-2 of the Monetary and Financial Code, as provided by the decree of 22 January 2009. These transactions will be available exclusively to categories of persons described by Article L. 411-2 II of the Monetary and Financial Code, which are (i) persons providing an investment service for portfolio management for third parties and/or (ii) qualified investors and/or a restricted circle of investors, subject to these investors acting on their own account.

It should be noted that a qualified investor is a person or an entity with the skills and resources necessary to understand the risks inherent in transactions in financial instruments. A list of these qualified investors is set by regulation. A restricted list of investors comprises persons, other than qualified investors, whose number is less than 100.

The proposed delegation will not increase the total amount of capital increases likely to be carried out with the cancellation of the pre-emption right to subscribe, as issues carried out under this will be included in the ceiling set by the sixteenth resolution.

The nominal amount of capital increases carried out in an offer covered by II of Article L. 411-2 of the Monetary and Financial Code may not be greater than 20% of the share capital per year under any circumstances.

Under the current delegation, the issue price will be at least equal to the minimum amount provided by the law and regulations in force at the time of use of the present authorisation, after correction of this amount, if applicable, to take into account the difference in the effective date.

For marketable securities giving access to shares, the issue price shall be set by reference to this same amount after correction, if necessary, to take account of the difference in effective rate.

Under the current regulations, the issue price of new shares as part of an offer covered by II of Article L. 411-2 of the Monetary and Financial Code, without the pre-emption right to subscribe by a company whose shares are admitted to trading on a regulated market, may not be less than the weighted average of the three most recent trading days

preceding the setting of the price, possibly reduced by a maximum discount of 5%.

Cancellation of the pre-emption right to subscribe is justified by the need, in certain circumstances, to reduce the timeframe in order to facilitate placing the marketable securities issued, particularly on international markets. Your Board of Directors thus wishes to have the means, if necessary through private placement, to acquire, in a rapid and flexible manner, the financial resources required to develop your Company.

You are also requested to delegate to the Board of Directors, the authority to decide on the issue of shares and marketable securities representing a share of the capital of Rémy Cointreau which give the right to marketable securities issued by companies where Rémy Cointreau holds, directly or indirectly, more than half the share capital, and this within the limit of a nominal increase in share capital of €30,000,000, it being noted that this amount is included in the total maximum ceiling set by the sixteenth resolution of the current Meeting.

In the event of use by the Board of Directors of the sixteenth and/or seventeenth and/or eighteenth authorisations referred to above, and pursuant to the regulations in force, additional reports on the final conditions of the transaction will be made available to you, before being presented at a General Meeting.

Finally, you are asked to grant all powers to the Board of Directors to revise the bylaws made necessary as a result of using the present authorisations and to enable it to set the costs incurred by the capital increases realised against the premiums arising from these transactions.

AUTHORISATION FOR THE BOARD OF DIRECTORS TO SET THE PRICE OF SECURITIES TO BE ISSUED AS PART OF THE SIXTEENTH AND SEVENTEENTH RESOLUTIONS, WITH THE EXCLUSION OF THE SHAREHOLDERS' PRE-EMPTION RIGHT TO SUBSCRIBE, WITHIN THE LIMIT OF 10% OF THE SHARE CAPITAL PER YEAR

Article L. 225-136 1° of the Commercial Code provides that in the event of an issue with cancellation of the pre-emption right to subscribe by a public offer or an offer covered by II Article L.411.2 of the Monetary and Financial Code, the Extraordinary General Meeting may authorise the Board of Directors, within 10% of the share capital per year, to set the price according to the methods it determines.

The proposed resolution renews the authorisation given by the eighteenth resolution of the Combined General Meeting of 28 July 2009.

The proposed resolution has two rules confirming a minimum price, on the decision of the Board of Directors, by providing a maximum discount of 10%.

In addition, the authorisation thus granted to the Board of Directors to set the issue price according to the terms set by the eighteenth resolution for every issue to be made by public offer under the sixteenth resolution, or by an offer covered by II of Article L. 411-2 of the Monetary and Financial Code under the seventeenth resolution, shall be exercised within the overall limit of 10% of the share capital per year.

In such an event, the Board of Directors must prepare an additional report, certified by the Statutory Auditors, describing the conditions of the transaction and providing the necessary

information in order to understand the effect on the shareholders' position.

The issue of preference shares and marketable securities giving access immediately or in time to preference shares are excluded from this authorisation.

AUTHORISATION FOR THE BOARD OF DIRECTORS TO INCREASE THE NUMBER OF SECURITIES TO BE ISSUED IN THE EVENT OF AN ISSUE WITH OR WITHOUT PRE-EMPTION RIGHT TO SUBSCRIBE

The proposed resolution is to authorise the Board of Directors, in the event of an issue with or without the pre-emption right of shareholders to subscribe, to increase the number of securities to be issued, notably in the event of excess demand

This resolution may be used for every issue decided pursuant to the above-mentioned delegation in order to increase the number of securities to be issued, in accordance with the law and subject to compliance with the ceiling provided in the resolution, according to which the issue is decided.

Under current regulations, implementation of this delegation must take place, at the latest, within 30 days of the closure of the subscription to the initial issue, within the limit of 15% of the initial issue and at the same price as the initial issue.

AUTHORISATION TO ALLOCATE OPTIONS TO SUBSCRIBE FOR OR PURCHASE SHARES

Pursuant to the Group's corporate policy in respect of motivation and employee loyalty, which the Board of Directors and General Management consider play an important role within the Group, it is proposed that you authorise the Board of Directors within Articles L. 225-177 and subsequent of the Commercial Code, to grant, on one or more occasions, for the benefit of Company personnel and companies covered by Article L. 225-180 of the Commercial code, or to some of them, as well as senior executives of the Company and companies covered by Article L. 222-180 of the Commercial Code, within the limits provided by Article L. 225-182 of the Commercial Code, options giving the right to subscribe for new shares in the Company, to be issued as an increase in capital, or options giving the right to purchase shares in the Company arising from a repurchase made by it under conditions provided by Articles L. 225-208 or L. 225-209 and subsequent of the Commercial Code, the total amount of options granted under the present authorisation may not give the right to a number of shares representing over 2% of the capital of the Company at the date of the current General Meeting, it being noted that the amount of the increase in capital resulting from the issue of shares in respect of options to subscribe is included in the ceiling of the sixteenth resolution of the current General Meeting.

The twentieth resolution is to enable the Board of Directors to repeat the programme to allocate options to subscribe for or purchase shares in the Company which was authorised by the seventeenth resolution of the Combined General Meeting of 31 July 2007. It should be noted that the Board of Directors did not use this authorisation.

The present authorisation, granted for a period of 38 months with effect from today, carries for the benefit of beneficiaries, the express waiver by shareholders of their pre-emption right to subscribe to shares to be issued in line with the exercise of options to subscribe.

The subscription price or the price of the share shall be set by

the Board of Directors the day the option is granted within the limits authorised by law. Options to subscribe or purchase shares may not be granted during the periods forbidden by law.

In any event and pursuant to the absence of a discount requested by the Corporate Governance Code AFEP-MEDEF, in the event of options to subscribe, the subscription price may not be lower the day the option is granted, than the average of the prices quoted on the 20 trading days preceding that date. In the event of the grant of purchase options, the purchase price of shares shall not be, either lower than the average of the prices quoted on the 20 trading days preceding the day the purchase options are granted, nor lower than the average purchase price of shares held by the Company under Articles L. 225-208 and/or L. 225-209 of the Commercial Code.

The subscription or purchase price may not be changed during the period of the option, except for events provided for by the law, at the time of financial transactions or transactions in securities. However, in the event of a write-down or reduction in capital, change to the allocation of profit, allocation of free shares, incorporation of reserves, profit or share premium into capital, the distribution of reserves or all issues of capital securities comprising a subscription right reserved for shareholders, the Board of Directors must take the necessary steps to protect the interests of beneficiaries of options under the conditions provided by Article L. 228-99 of the Commercial Code.

The twentieth resolution in respect of options also provides that the Board of Directors may be subject to the allocation of all or part of the options to the achievement of one or a number of performance conditions that it determines, it being noted that pursuant to the Corporate Governance Code AFEP-MEDEF, the exercise by senior executives of the Company of all options will be related to performance conditions to be achieved, that will be determined by the Board of Directors.

In addition, pursuant to Article L. 225-185 of the Commercial Code, the Board of Directors shall decide that the options may not be exercised by senior executives before they leave office or set the quantity of shares arising from the exercise of options that will be held in nominative form until they leave office. Where appropriate, the terms set by the Board of Directors will be communicated to you in the report they present to the shareholders' Annual General Meeting.

The timeframe to exercise options will be a maximum of ten years with effect from the day they are granted.

AUTHORISATION TO INCREASE THE SHARE CAPITAL BY THE ISSUE OF SHARES RESERVED FOR MEMBERS OF A COMPANY SAVINGS PLAN

Since the Law of 19 February 2001 was introduced, in respect of employee savings, the Extraordinary General Meeting must, at the time of every decision to increase the capital, consider a proposed resolution designed to issue shares reserved for employees who are members of a company savings plan (CSP).

This requirement, which is of a general nature, is imposed on every company, whether they have a CSP or not and, since the introduction of the law on financial security of 1st August 2003, and on every decision to increase the capital in cash, including deferred. In addition, the Law of 9 December 2004 which ratified the Decree of 24 June 2004 on the reform of marketable securities, states that where an Extraordinary General Meeting delegates to the Board of Directors the authority to decide on an increase in capital it must also consider a proposed resolution to

increase the capital in favour of the employees (Article L. 225-129-6 of the Commercial Code). Such an event avoids having to call an Extraordinary General Meeting to decide on such a resolution each time the Board of Directors decides to increase the capital.

The Company must as a result comply, even though it has no employees, and thus no CSP, and no group CSP exists. The increase in capital by the issue of shares reserved for members of a CSP must, where appropriate, take place within subsidiaries that have employees.

In addition, Article L. 225-129-6 of the Commercial Code, paragraph 2, also provides that a General Meeting considers such a proposal every three years when it appears from the Management Report that the shares held by Company personnel and the companies related to it, pursuant to Article L. 225-180, represent less than 3% of the Company's capital.

In order to retain the full validity of the authorisation and delegations granted to the Board of Directors to issue various marketable securities giving access to capital, and the full validity of the authorisation given to the Board of Directors to issue shares as a result of the option of a payment in cash or in shares of the dividend of the 2009/10 year, as well as meet the requirements of the second paragraph of Article. 225-129-6 of the Commercial Code, we are legally required to present this resolution with a general application while asking, as at the Combined General Meeting of 27 July 2009, you to reject it as it cannot apply to our Company.

AUTHORISATION TO REDUCE THE SHARE CAPITAL

The Combined General Meeting of 31 July 2007 in its twenty-first resolution authorised the Board of Directors to reduce the share capital by 30% for a period of three years. It should be noted that the Board of Directors has not used this authorisation. This authorisation expires on 31 July 2010 and you are requested to renew it by the twenty-second resolution.

Pursuant to Article L. 225-204 of the Commercial Code, you are requested to authorise the Board of Directors to reduce the capital on one or more occasions, up to a maximum of 30% of the capital on the day of the Meeting, by cancellation of shares in the Company of €1.60 nominal each repurchased by the Company. The maximum repurchase price will be €60 per share. This authorisation will be granted for a period of three years from the current Meeting.

AUTHORISATION FOR THE BOARD OF DIRECTORS IN THE EVENT OF A PUBLIC OFFER FOR THE SECURITIES OF THE COMPANY

Since the introduction of Law No. 2006-387 of 31 March 2006 which transposed the European Directive on public offers, the principle in the event of a public offer is that laid down by Article L. 233-32 of the Commercial Code, which is the suspension of every delegation granted by a General Meeting before a period of a public offer where its implementation is likely to cause the offer to fail, with the exception of seeking other offers. This principle corresponds to the transposition into French law of the principle of a duty of neutrality by management during a period of a public offer laid down by Article 9 of the Community Directive on public offers.

The exception to this principle is provided by Article L. 233-33 of the Commercial Code, an Article expressly covered by the

proposed resolution, where the delegation granted to the Board of Directors has been given in the 18 months preceding the day of filing a public offer.

Article L. 233-33 of the Commercial Code is applicable - that is to say that it sets aside the provisions of Article L. 233-32 - in the event of a public offer initiated by an entity having its registered office in a member state of the European Community that have not made the duty of neutrality of management mandatory during the period of a public offer, as well as for an entity whose registered office is outside the European Community in a country that does not apply equivalent measures of a duty of neutrality on management.

The Extraordinary General Meeting of 28 July 2009, in its twenty-third resolution, granted the Board of Directors such an authorisation. This request thus constitutes a renewal of this authorisation.

REVISIONS, AS A RESULT OF LEGISLATIVE CHANGES TO THE THIRD PARAGRAPH OF ARTICLE 8.2 OF THE BYLAWS

We propose to make two changes to the Company's bylaws, as a result of Decree No. 2009-105 of 30 January 2009.

Since 1st November 2009, every person bound by a declaration of crossing the threshold must also include in the declaration additional information required by Article L. 233-7 I, final paragraph of the Commercial Code, which is designed to disclose:

(i) the number of securities held giving access in time to shares to be issued and the related voting rights, (ii) the number of shares already issued that they may acquire by virtue of agreements or investments covered by paragraph b) of paragraph 3 of Article L. 233-7. I of the Commercial Code, the number of shares already issued on which all agreement or financial instrument in paragraph c) of paragraph 3 of Article L. 233-7. I of the Commercial Code

Consequently, it is proposed to revise Article 8.2 of the bylaws, in order to indicate that every declaration in respect of crossing the thresholds must also contain the additional information required by Article L. 233-7 I, final paragraph of the Commercial Code.

The second revision to the bylaws concerns Article 8.2 to take into account the new text of Article L. 233-14 of the Commercial Code, as modified by Decree No. 2009-105 of 30 January 2009. Article L. 233-14 of the Commercial Code now states that it is the shareholder (and not the shares exceeding the fraction that should have been declared) who had failed to declare correctly the crossing of threshold required by Article L. 233-7 who is deprived of the voting rights attached to shares exceeding the fraction that had not been correctly declared for every meeting to be held until the expiry of a period of two years following the date of regularisation of the notification. You are requested as a result to revise Article 8.2 so that the text reflects the current text of the law.

You are invited to approve these resolutions, and to vote on them accordingly.

The Board of Directors

2. DRAFT RESOLUTIONS SUBMITTED TO THE COMBINED GENERAL MEETING OF 27 JULY 2010

GENERAL MEETING IN ORDINARY SESSION

FIRST RESOLUTION

(Approval of parent company financial statements for the year 2009/10)

The General Meeting, with the required quorum and majority for ordinary general meetings, having considered the Report of the Board of Directors on the year ended 31 March 2010 and the Statutory Auditors' Report, approves the financial statements for the year ended 31 March 2010, comprising a balance sheet, income statement and notes, as presented, which disclose a profit of €9,451,615.19, as well as all the transactions reflected in these financial statements or summarised in these reports.

Pursuant to the provisions of Article 223 (iv) of the General Tax Code, the General Meeting notes that no expenses and charges were incurred that are covered by Article 39-4 If the said Code during the year ended 31 March 2010.

SECOND RESOLUTION

(Approval of the consolidated financial statements for the year 2009/10)

The General Meeting, with the required quorum and majority for ordinary general meetings, having considered the Report of the Board of Directors and the Statutory Auditors' Report on the consolidated financial statements, approves the consolidated financial statements for the year ended 31 March 2010, comprising a balance sheet, income statement and notes, as presented, which disclose a profit of €86,250,000, as well as all the transactions reflected in these financial statements or summarised in these reports.

THIRD RESOLUTION

(Allocation of net profit and setting the dividend)

The General Meeting, with the required quorum and majority for ordinary general meetings, on the proposal of the Board of Directors, decides to allocate the distributable profit for the year ended 31 March 2010 as follows:

Net profit at 31 March 2010	€9,451,615.19
Allocation to the legal reserve	(€182,356.00)
Balance brought forward	€212,487,211.86
Total amount distributable	€221,756,471.05
Distribution of a dividend	
of €1.30 per share	€63,062,699.70
Balance carried forward	€158,693,771.35
Total	€221,756,471.05

For individuals resident in France for tax purposes, the dividend is subject to income tax at a progressive rate and is fully eligible for the proportional reduction of 40% provided by Article 158-3-2° of the General Tax Code, the fixed annual reduction provided by Article 158-3-5° of the General Tax Code and the tax credit provided by Article 200 (vii) of the General Tax Code.

Pursuant to the provisions of Article 117 (iv) -1 of the General Tax Code, individuals who are resident in France for tax purposes may opt for a fixed deduction in full settlement of income tax at the rate of 18%. This option is irrevocable for the payment concerned. Such an option results in the loss of the 40% reduction, the fixed annual deduction and the right to a tax credit for this dividend as well as other dividends subject to income tax in the same year.

In the event of the Company retaining some of its own shares at the time of payment, the amount of unpaid dividends, in respect of these shares, will be added to "balance carried forward".

In accordance with the law, it is noted that the net dividends during the last three years and related tax credits and the dividend distributed eligible for the above reduction for shareholders residing in France, were as follows:

Year	2006/07	2007/08	2008/09
Net dividend per share	€1.20	€1.30	€1.30
Eligible dividend distributed	€1.20	€1.30	€1.30

FOURTH RESOLUTION

(Option for the payment of the dividend in shares)

The General Meeting, with the required quorum and majority for ordinary general meeting, having considered the Report of the Board of Directors and using the provisions of Articles L. 232-18 to L. 232-20 of the Commercial Code and Article 27 of the bylaws, the General Meeting proposes to grant every shareholder, for 50% of the dividend to be paid under the current resolution, an option of the payment of this dividend in cash or in shares.

The issue price of the new shares that are the subject of the present option will be equal to 90% of the average price quoted on the 20 trading days preceding the day of the decision to pay the dividend less the net dividend, pursuant to Article L. 232-19 of the Commercial Code. The Board of Directors will have the facility to round the price thus determined to the nearest higher cent

Every shareholder may elect for one or other mode of payment but this election applies to the total of the dividend for which the election is made, which is 50% of the dividends to which they are entitled. Shareholders wishing to elect for payment of the dividend in shares of 50% of the dividends to which they are entitled, must request this from their financial intermediary in the period 2 August 2010 to 14 September 2010 by 1700 hrs at the latest. At the end of this timeframe, the dividend can only be paid in cash.

For those shareholders who elect for a cash payment, the dividend will be payable from 1 October 2010 following the expiry of the election period. The fraction of the dividend for which the election for payment in shares was not granted, that is fifty per cent (50%) of the dividend distributed, will be paid in cash with effect from the same date.

If the dividend entitlement does not correspond to an exact number of shares, the shareholder may subscribe to the immediately lower number of shares together with the balance in cash, or to the immediately higher number of shares, subject to the payment of the balance in cash.

The new shares will be subject to the provisions of the law and the bylaws and will be effective from 1 April 2010, the start of the current financial year.

The General Meeting grants all powers to the Board of Directors, in accordance with Article L. 232-20 of the Commercial Code, to take all steps necessary to implement the distribution of the dividend in shares, and notably to set the issue price of the shares issued in accordance with the terms provided, to note the number of shares issued and the increase realised in share capital, to revise, as a result, the bylaws of the Company, to take all steps to ensure the successful completion of the transaction and, in general, to do everything useful and necessary.

FIFTH RESOLUTION

(Approval of agreements covered by Article L. 225-38 of the Commercial Code)

The General Meeting, with the required quorum and majority for ordinary general meetings, having considered the Special Report of the Statutory Auditors on the agreements covered by Article L. 225-38 of the Commercial Code, approves, in accordance with Article L. 225-40 of the Commercial Code, each of the agreements and transactions that took place or were continued during the year just ended that are mentioned.

SIXTH RESOLUTION

(Discharge)

The General Meeting, with the required quorum and majority for ordinary general meetings, as a result of the preceding resolutions, grants for the year ended 31 March 2010, the Board of Directors a full and final discharge in respect of their management. It also notes the completion of the assignment of the Statutory Auditors.

SEVENTH RESOLUTION

(Renewal of the term of office as a Director of Mr. Marc Hériard Dubreuil)

The General Meeting, with the required quorum and majority for ordinary general meetings, on the proposal of the Board of Directors, proposes to renew the term of office of Mr. Marc Hériard Dubreuil, for a period of three years, which is until the close of the Annual General Meeting called to consider the financial statements for the year ended 31 March 2013.

Mr. Marc Hériard Dubreuil has made it known that he accepts this term of office and that he holds no office and is not subject to any measure likely to prevent his exercise.

EIGHTH RESOLUTION

(Renewal of the term of office as a director of Mr. Tim Jones)

The General Meeting, with the required quorum and majority for ordinary general meetings, on the proposal of the Board of Directors, proposes to renew the term of office of Mr. Tim Jones, for a period of three years, which is until the close of the Annual General Meeting called to consider the financial statements for the year ended 31 March 2013.

Mr. Tim Jones has made it known that he accepts this term of office and that he holds no office and is not subject to any measure likely to prevent his exercise.

NINTH RESOLUTION

(Renewal of the term of office as a Director of Mr. Jean Burelle)

The General Meeting, with the required quorum and majority for ordinary general meetings, on the proposal of the Board of

Directors, proposes to renew the term of office of Mr. Jean Burelle, for a period of three years, which is until the close of the Annual General Meeting called to consider the financial statements for the year ended 31 March 2013.

Mr. Jean Burelle has made it known that he accepts this term of office and that he holds no office and is not subject to any measure likely to prevent his exercise.

TENTH RESOLUTION

(Appointment of Mr. Didier Alix as Director)

The General Meeting, on the proposal of the Board of Directors, proposes to appoint Mr. Didier Alix as a Director, for a period of three years, which is until the close of the Annual General Meeting called to consider the financial statements for the year ended 31 March 2013.

Mr. Didier Alix has made it known that he accepts this term of office and that he holds no office and is not subject to any measure likely to prevent his exercise.

ELEVENTH RESOLUTION

(Setting attendance fees)

The General Meeting, with the required quorum and majority for ordinary general meetings, in accordance with Article 18 of the bylaws, sets at €330,000 the overall annual amount of attendance fees for members of the Board of Directors in respect of the 2010/11 financial year.

TWELFTH RESOLUTION

(Authorisation for the Board of Directors to acquire and sell shares in the Company in accordance with Articles L. 225-209 and subsequent of the Commercial Code)

The General Meeting, with the required quorum and majority for ordinary general meetings, having considered the Report of the Board of Directors and the items referred to in the reference document covering all the information that must appear in the description of the programme, authorises the Board of Directors, with the facility to sub-delegate in accordance with the law and regulations, pursuant to Article L. 225-209 and subsequent of the Commercial Code, to purchase on one or more occasions, shares in the Company within the limits stated hereafter.

The purchase of these shares, as well as their sale or transfer, may be carried out within the law and regulations at any time, including the period of a public offer for the securities of the Company or in a period of a public offer initiated by the Company, subject to periods of abstention provided by Article L. 631-6 of the General Regulations of the Autorité des Marchés Financiers or other legal or regulatory requirements, by all means, on or off-market, on regulated or unregulated markets, on multilateral trading systems, from systematic internalisers or principal to principal, including by a public offer or block transactions, sale with repurchase agreement, and by recourse to all derivative financial instruments traded on regulated or unregulated markets, multilateral trading systems, from systematic internalisers or principal to principal, and within the conditions authorised by the competent market authorities and at the times that the Board of Directors or the person acting on the delegation of the Board of Directors considers appropriate, notably option transactions, excluding the sale of options to sell and to the extent that the latter means do not lead to a significant increase in the volatility of

the share price. The maximum amount of capital that may be acquired or transferred in the form of blocks of shares may be the total of the authorised share purchase programme. Payment can be made in any form.

The maximum purchase price is set at €60 (excluding trading costs) subject to adjustments related to potential transactions in the capital of the Company, and/or on the nominal value of the shares.

In the event of an increase in capital by incorporation of reserves, allocation of free shares, division or consolidation of shares, the price indicated above shall be adjusted by a coefficient of the ratio of the number comprising the capital before the transaction and the number after the transaction.

The purchases may not bring the number of shares held by the Company after such purchases to over 10% of the shares comprising the share capital, on the day of the decision by the Board of Directors, which by way of illustration, on the basis of the current share capital, corresponds to a maximum of 4,398,123 shares calculated net of treasury shares held by the Company at 31 March 2010, shares sold with a repurchase agreement, and the purchase of options to purchase shares.

It is noted that when shares are repurchased to ensure liquidity for the Rémy Cointreau share subject to the conditions defined below, the limit of 10% corresponds to the number of shares purchased net of the number of shares sold during the life of the present authorisation.

The maximum amount that the Company is liable to pay on the basis of this number of shares is €263,887,380, excluding trading costs.

This programme is designed to facilitate the following transactions in declining order of importance:

- to stimulate the secondary market or provide liquidity for the Rémy Cointreau share by an investment services provider via a liquidity contract that conforms to the AFEI ethics charter recognised by the Autorité des Marchés Financiers;
- to cancel shares as part of a reduction in share capital, subject to the adoption of the fourteenth resolution submitted to the current General Meeting;
- to cover the obligations in respect of marketable securities giving access to capital;
- to grant shares in accordance with the terms and conditions provided by law, notably as part of a profit-sharing plan, to service options to purchase shares, as part of a company savings plan or to be used to grant free shares to employees and/or authorised executives of the Company and/or companies related to it in accordance with Articles L. 225-197-1 and subsequent of the Commercial Code;
- to purchase shares and retain them to be used subsequently in exchange or as payment for acquisitions, in accordance with market practices permitted by the Autorité des Marchés Financiers and within the law; and;
- to implement all market practices permitted by the Autorité des Marchés Financiers and, more generally, carry out all transactions in compliance with the regulations in force.

This authorisation will expire at the close of the General Meeting called to consider the financial statements for the year ended 31 March 2011, and at the latest, within 18 months with effect from today.

This authorisation cancels, for the amounts not used, the authorisation given by the Combined General Meeting, in ordinary session, of 28 July 2009 in its thirteenth resolution.

The Meeting grants all powers to the Board of Directors, with the facility to delegate, in accordance with the law and regulations, to approve all stock market trading instructions, to sign all legal deeds of disposal or transfer, conclude all agreements and all option contracts, effect all declarations and formalities with all organisations and, in general, do everything necessary to execute the decisions that have been made by it within the present authorisation. The General Meeting grants all powers to the Board of Directors to proceed with the adjustment to the unit price and maximum number of shares to be acquired as a function of the change in the number of shares or their nominal value arising from the possible financial transactions of the Company.

The General Meeting notes that the Board of Directors will inform the General Meeting every year of the transactions realised under the present authorisation, pursuant to Article L. 225-211 of the Commercial Code.

THIRTEENTH RESOLUTION

(Powers to complete formalities)

The Annual General Meeting gives all powers to the bearer of a copy or a certified extract from the current minutes to carry out all legal formalities of filing and advertising.

GENERAL MEETING IN EXTRAORDINARY SESSION

FOURTEENTH RESOLUTION

(Authorisation for the Board of Directors to reduce the share capital by cancellation of treasury shares held by the Company)

The General Meeting, with the required quorum and majority required for an Extraordinary General Meeting, having considered the Report of the Board of Directors and the Statutory Auditors' Special Report, authorises the Board of Directors, with the facility to sub-delegate in accordance with the law and regulations, pursuant to Article L. 225-209 of the Commercial Code, to reduce the share capital by cancellation, on one or more occasions, in the proportions and at the times it decides, all or part of the shares in the Company acquired or that it may hold by virtue of the authorisation for the Company to purchase its own shares, the object of the twelfth resolution of the current Meeting, or that had been acquired by virtue of previous authorisations for the Company to purchase and sell its own shares.

The Meeting grants all powers to the Board of Directors to carry out this or these reductions in capital, to approve the amount up to 10% of the share capital per period of 24 months, it being noted that this limit applies to the amount of the share capital of the Company that will be, where appropriate, adjusted to take into account transactions after the current Meeting affecting the share capital, to set the terms, to set the difference against the nominal value of shares cancelled and their book value to every reserve and premium available, to make the related changes to the bylaws, to proceed with all publications and formalities required, to delegate all powers necessary to implement its decisions, all in accordance with the law in force at the time of use of the present authorisation.

This authorisation will expire at the close of the General Meeting called to consider the financial statements for the year ended 31 March 2011 and, at the latest, within 18 months from today.

This authorisation cancels and replaces the fifteenth resolution adopted by the Combined General Meeting of 28 July 2009.

FIFTEENTH RESOLUTION

(Authorisation for the Board of Directors to decide to increase the share capital by the issue with a maintained pre-emption right of shareholders to subscribe, of shares and/or marketable securities giving access to the capital of the Company and/or the issue of marketable securities giving the right to the allocation of debt securities)

The General Meeting, with the required quorum and majority required for an Extraordinary General Meeting, having considered the Report of the Board of Directors and the Statutory Auditors' Report, in compliance with Articles L. 225-129 and subsequent of the Commercial Code, notably Article 125-129-2, and Articles L. 228-91 and subsequent of the Commercial Code:

- ends, with immediate effect, for the unused fraction, the authorisation given by the Combined General Meeting of 28 July 2009 in its sixteenth resolution;
- delegates to the Board of Directors, for a period of 26 months from the current Meeting, with the facility to sub-delegate in accordance with the law and regulations, the necessary powers to decide on a capital increase and to proceed, on one or more occasions, in the proportions and the times it decides, in France and/or abroad and/or on the international market, with maintained pre-emption right of shareholders to subscribe, in euros, foreign currencies or in whatever monetary unit established by reference to a number of currencies, the issue of shares in the Company, as well as all marketable securities giving access to the capital of the Company, including warrants to subscribe and warrants to acquire issued independently, or to decide, under the same conditions, on the issue of marketable securities giving the right to the allocation of debt securities.

The issues of preference shares and marketable securities giving access immediately or in time to preference shares are expressly excluded.

Subscription may be in cash, or offset against liabilities that are certain, liquid and payable by the Company, or issued free.

The total amount of capital increases that are immediate or in time, resulting from all the issues carried out by virtue of the present delegation is set at €30,000,000, it being noted (i) that this ceiling is set against the nominal amount of all capital increases arising or likely to result in time, of issues decided by virtue of the sixteenth, seventeenth, eighteenth, nineteenth, twentieth, twenty-first and twenty-third resolutions of the current Meeting, as well as the twentieth and twenty-first resolution of the Combined General Meeting of 28 July 2009 and the eighteenth resolution of the Combined General Meeting of 16 September 2008, and (ii) that this ceiling is set not taking into account adjustments likely to be made pursuant to applicable laws and regulations and, where necessary, to preserve the rights of holders of marketable securities or other rights giving access to capital.

The total nominal amount of all debt securities giving access to capital or giving a right to the allocation of debt securities likely to be issued as part of the present delegation may not exceed €750,000,000 or its equivalent on the day the issue is decided, not taking into account adjustments likely to be implemented pursuant to the law, it being noted that this amount will be set against the amount of debt securities giving access to capital or giving the right to the allocation of debt securities that will be issued in application of the delegation to the Board of Directors authorised by the current General Meeting. The Board of Directors may notably determine the issue price, a fixed or variable interest rate for the debt securities and a date for payment, as well as the price and repayment terms of these debt securities with or without a premium, in the form of securities, subordinated or not, a fixed life or not, in euros or foreign currency, or all monetary units established by reference to a number of currencies and the conditions of their repayments as a function of market conditions.

Shareholders may exercise, within the law, their pre-emption right to subscribe for shares and marketable securities giving access to capital irreducibly and in proportion to the shares they possess. The Board of Directors may establish for the benefit of shareholders a right to subscribe for shares and marketable securities giving access to capital reducibly that shall be exercised in proportion to their rights and within the limits of their request.

The General Meeting decides that the pre-emption right to subscribe attached to shares held by the Company are not taken into account in determining the pre-emption right attached to other shares, pursuant to Article L. 225-210 of the Commercial Code.

The present decision carries, for the benefit of holders of marketable securities giving access to the capital of the Company issued by virtue of the current resolution, the express waiver by shareholders of their pre-emption right to subscribe for shares or marketable securities giving access to capital to which these marketable securities give the right.

The Board of Directors may notably decide that the balance of the capital increase that could not be irreducibly subscribed and where appropriate reducibly subscribed, will be released freely at its own discretion, totally or in part, or offered to the public totally or in part or that the capital increase will be limited to the subscriptions received if the legal conditions are met, it being noted that the Board of Directors may use, in the order it judges best, the facilities stated above or only some of them.

The General Meeting decides that the issue of warrants to subscribe for shares may be made by an offer to subscribe, and also by being issued free to existing shareholders.

The Board of Directors may decide to use treasury shares held as a substitute for shares to be issued under the current resolution.

The Board of Directors, with the facility to sub-delegate according to the law, has all the powers to implement the present authorisation, as well as to postpone, where necessary, and notably to approve, depending on market opportunities, the subscription price (with or without an issue premium), conditions and features of the issues, set the amounts to be issued, determine the terms of the issue and the form of the marketable securities to be created, set the effective date, even retroactive, of securities to be issued and the conditions of their repurchase, proceed with all adjustments required in compliance with legal and regulatory

provisions and, where necessary, to contractual requirements, take all steps to reserve the rights of holders of market securities giving access to capital, possibly suspend the exercise of rights attached to these marketable securities during a set period, in compliance with legal and regulatory provisions and, in general, take all useful steps, carry out all formalities required and conclude all agreements to successfully complete the issues considered, and request, where necessary, the quotation, noting the realisation, and make changes to the bylaws made necessary as a result of using the present authorisation, in compliance with the law and regulations in force.

SIXTEENTH RESOLUTION

(Authorisation for the Board of Directors to decide the increase in share capital by the issue, with cancellation of the pre-emption right of shareholders to subscribe, shares in the Company and/or marketable securities giving access to capital of the Company and/or the issue of marketable securities giving right to allocation of debt securities, by public offer)

The General Meeting, with the required quorum and majority required for an Extraordinary General Meeting, having considered the Report of the Board of Directors and the Special Report of the Statutory Auditors, and pursuant to Articles L. 225-129 and subsequent of the Commercial Code, notably Articles L. 225-129-2, L. 225-135, L. 225-136 and L. 228-91 and subsequent of the Commercial Code.

- ends, with immediate effect, the unused fraction of the authorisation, with the same object, given by the Combined General Meeting of 28 July 2009 in its seventeenth resolution;
- delegates to the Board of Directors, for a period of 26 months from the date of the current Meeting, with the facility to sub-delegate according to the law and regulations, the authority to decide on an increase in share capital, on one or more occasions, in the proportions and at the times it decides, in France and/or the international market, in euros or foreign currencies, in any monetary unit established by reference to a number of currencies by the issue by public offer of shares in the Company, as well as all marketable securities giving access to the capital of the Company and to decide, under the same conditions, the issue of marketable securities giving the right to the allocation of debt securities.

The issue of preference shares and marketable securities giving access immediately or in time to preference shares are expressly excluded.

Subscription may be in cash, or be offset against liabilities that are certain, liquid and payable by the Company.

The total amount of capital increases that are immediate or in time, likely to result from all the issues carried out by virtue of the present resolution is set at €30,000,000, it being noted (i) that to this ceiling is included the nominal amount of all capital increases resulting, or likely to result in time, of issues decided by virtue to the seventeenth, eighteenth, twentieth, twenty-first and twenty third resolutions of the present General Meeting as well as the twenty-first resolution of the Combined General Meeting of shareholders of the company on 28 July 2009 and the eighteenth resolution of the Combined General Meeting of shareholders of the Company on 16 September 2008, and (ii) that this amount is included in the total nominal amount provided by the fifteenth

resolution of the current Meeting and (iii) that this ceiling is set not taking account of shares to be issued in respect of adjustments likely to be made pursuant to applicable legislative and regulatory provisions and where necessary contractual requirements provided other cases of adjustments to contractual provisions providing for other adjustment, to preserve the rights of holders of marketable securities or others giving access to capital.

The nominal amount of debt securities giving access to capital or giving the right to an allocation of debt securities likely to be issued by virtue of the present authorisation may not exceed €750,000,000 or its equivalent on the date the issue is decided, and is set against the ceiling relative to debt securities giving access to capital or giving the right to an allocation of debt securities provided by the fifteenth resolution of the current Meeting, not taking into account adjustments likely to be made in compliance with the law.

The Board of Directors may notably determine the issue price, a fixed or variable interest rate for the debt securities and a date for payment, as well as the price and repayment terms of the principal of these debt securities, with or without a premium, in the form of subordinated securities or not, with a fixed life or not, in euros or foreign currencies, or all monetary units established by reference to a number of currencies and the conditions of their repayment as a function of market conditions.

The General Meeting decides as a result to cancel the pre-emption right of shareholders to subscribe for shares and marketable securities to be issued by virtue of the present delegation above, up to the amount defined above.

In addition, this decision carries, for the benefit of holders of marketable securities giving access to the capital of the Company issued by virtue of the current resolution, the express waiver by shareholders of their pre-emption right to subscribe for shares or marketable securities giving access to capital to which these marketable securities give the right.

The Board of Directors may possibly decide to grant shareholders a priority period over all or part of the issue, for the duration and in accordance with the terms and conditions that it would set pursuant to legal and regulatory provisions. This priority period will not give rise to the issue of negotiable rights.

The Board of Directors, with the facility to sub-delegate according to the law, has all the powers to implement the present authorisation - as well as, where appropriate, to postpone it, notably to approve as a function of market opportunities, the subscription price, conditions and features of the issues, set the amounts to be issued, determine the methods of issue and the form of the marketable securities, set the effective date, even retroactively, of marketable securities to be issued and the conditions of their purchase, carry out all the adjustments required pursuant to legal and regulatory provisions and, where applicable, contractual provisions, take all steps to reserve the rights of holders of marketable securities giving access to capital, potentially suspend the exercise of rights attached to these marketable securities, for a period set pursuant to legal and regulatory provisions, and generally take all useful steps, carry out the necessary formalities and conclude all agreements to successfully implement the planned issues, request, where applicable, the listing, noting its realisation, and make all the revisions to the bylaws made necessary as a result of using the present delegation, carrying out all of the above pursuant

to applicable laws and regulations, it being specified that the amount received or to be received by the Company for each share issued as part of the present authorisation will be at least equal to the minimum value set by the law and regulations in force at the time of the use of the present authorisation, after correction, if it happens, of this amount to take into account the difference in the effective date.

The Board of Directors may decide to use treasury shares held as a substitute for shares to be issued under the current resolution.

The Board of Directors may, if the subscriptions do not absorb the entire issue of marketable securities, limit the amount of the issue to the amount of subscriptions received subject to this being, at least, three quarters of the increase decided.

The General Meeting authorises the Board of Directors, in compliance with Article L. 225-148 of the Commercial Code, to use the present delegation to proceed with the issue of shares or marketable securities giving access to capital as consideration for securities tendered in all public takeover offers initiated by the Company for the securities of any company whose shares are admitted to trading on one of the regulated markets covered by Article L. 225-148, including all marketable securities issued by Rémy Cointreau, and decides, as required, to cancel for the benefit of holders of these securities, the shareholders' pre-emption right to subscribe to these shares and marketable securities. The present delegation may also be used to proceed with the issue of shares or marketable securities giving access to capital, as consideration for securities tendered in a transaction having the same effect as a public takeover offer initiated by the Company for the securities of any company where shares are admitted to trading on a regulated market subject to foreign law.

The ceiling for the nominal amount of capital increases arising from issues where the securities representing a portion of the share capital are allocated as consideration for a public takeover offer, in compliance with Article L. 225-148 of the Commercial Code, is set at €30,000,000, it being noted that this ceiling is set against the maximum global ceiling fixed by the current resolution and it is set without taking into account adjustments likely to be made in compliance with the law and where necessary by contractual requirements.

The General Meeting confers on the Board of Directors, with the facility to sub-delegate according to the law as well as by the Report of the Board of Directors, all powers necessary to carry out the public takeover offers described above and the issues of shares and/or marketable securities, as consideration for securities tendered, on the conditions provided by the current resolution, it being understood that the Board of Directors will notably set the exchange ratios as well as the balance payable in cash, where appropriate, without the method of determining the price set by the current resolution being applicable.

The General Meeting also authorises the Board of Directors to use the present delegation to issue shares and marketable securities giving access to the capital of the Company to which these marketable securities give the right and which may be issued by companies where Rémy Cointreau holds directly or indirectly over half the share capital, subject to the approval of the Board of Directors of Rémy Cointreau.

As part of this, the General Meeting notes that the shareholders of Rémy Cointreau do not have pre-emption

right to subscribe to these marketable securities issued by these companies and that the current decision carries, for the benefit of holders of marketable securities likely to be issued, the express waiver by shareholders of Rémy Cointreau to their pre-emption right to subscribe for shares or marketable securities giving access to capital to which these marketable securities give the right.

The ceiling of the nominal amount of capital increases arising from issues carried out where the securities representing a share of the share capital allocated as a result of the issue of marketable securities by the companies where Rémy Cointreau holds directly or indirectly more than half the share capital, is set at €30,000,000, it being noted that this ceiling is set against the global maximum ceiling fixed by the current resolution and is set not taking into account adjustments likely to be made in accordance with the law and where appropriate, contractual requirements.

The Board of Directors will set, with the facility to sub-delegate according to the law as well as by the Report of the Board of Directors, in agreement with the Board of Directors or Chairman of the company(ies) seeking to proceed with the issue, the amounts to be issued, determine the form of the marketable securities to be created and all the methods of issue and in general, enter into all agreements, take all steps and complete all formalities useful to carrying out the issues envisaged, it being understood that the Board of Directors will set the exchange ratios as well as the balance payable in cash, where appropriate.

The Meeting, to the extent necessary, notes that the current authorisation does not have the same object as the seventeenth resolution of the current General Meeting, which is limited to the increase in share capital by the issue without pre-emption right to subscribe for shares in the company and/or marketable securities giving access to the capital of the company and/or the issue of marketable securities giving the right to the allocation of debt securities as part of an offer covered by Article L. 411-2, II of the Monetary and Financial Code; as a result, notes that the possible adoption of the seventeenth resolution will not affect the validity and term of the current authorisation.

SEVENTEENTH RESOLUTION

(Authorisation for the Board of Directors to decide the increase in share capital by the issue, with cancellation of the pre-emption right of shareholders to subscribe, of shares in the Company and/or marketable securities giving access to capital of the Company and/or the issue of marketable securities giving right to allocation of debt securities by an offer covered by II of Article L. 411-2 of the Monetary and Financial Code)

The General Meeting, with the required quorum and majority required for an Extraordinary General Meeting, having considered the Report of the Board of Directors and the Special Report of the Statutory Auditors, and pursuant to Articles L. 225-129 and subsequent of the Commercial Code, notably Articles L. 225-129-2, L. 225-135, L. 225-136 and L. 228-91 and subsequent of the Commercial Code;

- ends, with immediate effect, for the unused fraction, the authorisation given by the Combined General Meeting of 28 July 2009 in its seventeenth resolution;
- delegates to the Board of Directors, for a period of 26 months from the date of the current Meeting, with the

facility to sub-delegate according to the law and regulations, the authority to decide on an increase in share capital, on one or more occasions, in the proportions and at the times it decides, by an offer to the public and/or by an offer covered by II of Article L. 411-2 of the Monetary and Financial Code, in France and/or abroad and/or the international market, in euros or in any monetary unit established by reference to a number of currencies, by the issue of shares in the Company, as well as all marketable securities giving access to the capital of the Company and to decide, under the same conditions, the issue of marketable securities giving the right to the allocation of debt securities.

The issue of preference shares and marketable securities giving access immediately or in time to preference shares are expressly excluded.

Subscription may be in cash, or be offset against liabilities that are certain, liquid and payable by the Company.

The nominal amount of increases in capital immediately or in time likely to be realised by virtue of the current resolution may not exceed the ceiling provided by law, it being noted (i) that this amount is set against the total nominal ceiling of the sixteenth resolution to the current General Meeting and (ii) that this ceiling is set not taking account shares in the Company to be issued in respect of adjustments likely to be made pursuant to applicable laws and regulations and, where necessary, the contractual provisions providing other adjustments, to preserve the rights of holders of marketable securities or other rights giving access to capital and (iii) that the nominal amount of capital increases carried out when an offer covered by II of Article L. 411-2 of the Monetary and Financial Code may not be greater in any event than 20% of the share capital per year.

The nominal amount of debt securities giving access to capital or giving the right to an allocation of debt securities likely to be issued by virtue of the present authorisation may not exceed €750,000,000 or its equivalent on the date the issue is decided, and is set against the ceiling relative to debt securities giving access to capital or giving the right to an allocation of debt securities provided by the sixteenth resolution of the current Meeting, not taking into account adjustments likely to be made in compliance with the law.

The Board of Directors may notably determine the issue price, a fixed or variable interest rate for the debt securities and a date for payment, as well as the price and repayment terms of the principal of these debt securities, with or without a premium, in the form of subordinated securities or not, with a fixed life or not, in euros or foreign currencies, or all monetary units established by reference to a number of currencies and the conditions of their repayment as a function of market conditions.

The General Meeting decides as a result to cancel the pre-emption right of shareholders to subscribe for shares and marketable securities to be issued by virtue of the present delegation alone, up to the amount defined above.

In addition, this decision carries, for the benefit of holders of marketable securities giving access to the capital of the Company issued by virtue of the current resolution, the express waiver by shareholders of their pre-emption right to subscribe for shares or marketable securities giving access to capital to which these marketable securities give the right.

The Board of Directors, with the facility to sub-delegate according to the law, has all the powers to implement the present authorisation - as well as, where appropriate, to postpone it, notably to approve as a function of market opportunities, the subscription price, conditions and features of the issues, set the amounts to be issued, determine the methods of issue and the form of the marketable securities to be created, set the effective date, even retroactively, of marketable securities to be issued and the conditions of their purchase, carry out all the adjustments required pursuant to legal and regulatory provisions and, where applicable, contractual provisions, take all steps to reserve the rights of holders of marketable securities giving access to capital, potentially suspend the exercise of rights attached to these marketable securities, for a period set pursuant to legal and regulatory provisions, and generally take all useful steps, carry out the necessary formalities and conclude all agreements to successfully implement the planned issues, request, where applicable, the listing, noting its realisation, and make all the revisions to the bylaws made necessary as a result of using the present delegation, carrying out all of the above pursuant to applicable laws and regulations, it being specified that the amount received or to be received by the Company for each share issued as part of the present authorisation will be at least equal to the minimum value set by the law and regulations in force at the time of the use of the present authorisation, after correction, if it happens, of this amount to take into account the difference in the effective date.

The Board of Directors may decide to use treasury shares held as a substitute for shares to be issued under the current resolution.

The Board of Directors may, if the subscriptions do not absorb the entire issue of marketable securities, limit the amount of the issue to the amount of subscriptions received subject to this being, at least, three quarters of the increase decided.

The General Meeting also authorises the Board of Directors to use the present delegation to issue shares and marketable securities giving access to the capital of Rémy Cointreau to which these marketable securities give the right and which may be issued by companies where Rémy Cointreau holds directly or indirectly over half the share capital, subject to the approval of the Board of Directors of Rémy Cointreau.

As part of this, the General Meeting notes that the shareholders of Rémy Cointreau do not have pre-emption right to subscribe to these marketable securities issued by these companies and that the current decision carries, for the benefit of holders of marketable securities likely to be issued, the express waiver by shareholders of Rémy Cointreau to their pre-emption right to subscribe for shares or marketable securities giving access to capital to which these marketable securities give the right.

The ceiling of the nominal amount of capital increases arising from issues carried out where the securities representing a share of the share capital allocated as a result of the issue of marketable securities by the companies where Rémy Cointreau holds directly or indirectly more than half the share capital, is set at €30,000,000, it being noted that this ceiling is set against the global maximum ceiling fixed by the sixteenth resolution of the current meeting and is set not taking into account adjustments likely to be made in accordance with the law and where appropriate, contractual requirements.

The Board of Directors will set, with the facility to sub-delegate according to the law as well as by the Report of the Board of Directors, in agreement with the Board of Directors or Chairman of the company(ies) seeking to proceed with the issue, the amounts to be issued, determine the form of the marketable securities to be created and all the methods of issue and in general, enter into all agreements, take all steps and complete all formalities useful to carrying out the issues envisaged, it being understood that the Board of Directors will set the exchange ratios as well as the balance payable in cash, where appropriate.

The Board of Directors notes that this delegation, being limited to the increase in capital by the issue, without pre-emption right to subscribe and by an offer covered by II of Article L. 411-2 of the Monetary and Financial Code, of shares and/or marketable securities giving right to the allocation of debt securities, does not have the same object as the previous resolution.

EIGHTEENTH RESOLUTION

(Authorisation for the Board of Directors to set the issue price of securities to be issued as part of the sixteenth and seventeenth resolutions, with cancellation of the pre-emption right of shareholders to subscribe, within the limit of 10% of the share capital per year).

The General Meeting, with the required quorum and majority required for an Extraordinary General Meeting, having considered the Report of the Board of Directors and the Special Report of the Statutory Auditors, pursuant to the provisions of Article L. 225- 136 1° of the Commercial Code,

- authorises, for a period of 26 months, with effect from today, as part of the sixteenth and seventeenth resolutions to the current Meeting and within the limit of 10% of the capital per year and within the ceiling referred to, as applicable, in the sixteenth and seventeenth resolutions to the present General Meeting against which it is offset, the Board of Directors, with the facility to sub-delegate according to the law and regulations, to set the issue price of all shares and marketable securities giving access to capital at an issue price different from that used in respect of the issues authorised by virtue of the sixteenth and seventeenth resolutions of the current meeting, which may not be less, on the decision of the Board of Directors, than (a) the average price weighted by the volume of share trading in the 20 days preceding the setting of the price or (b), the average price weighted by the volume of share trading on the day before the setting of the issue price in both cases, possibly reduced by a maximum discount of 10% and subject to the limit that the amount to be received for each share is at least equal to its nominal value. In this event, the Board of Directors must prepare an additional report certified by the Statutory Auditors, describing the final conditions of the transactions and providing the necessary information to understand the effect on the shareholders' position.

The issue of preference shares and marketable securities giving access to preference shares, immediately or in time are expressly forbidden.

The current resolution cancels the unused part of the authorisation given by the General Meeting of 28 July 2009 in its eighteenth resolution.

NINETEENTH RESOLUTION

(Authorisation for the Board of Directors to increase the number of securities to be issued in the event of an issue, with or without a pre-emption right, for shareholders to subscribe)

The General Meeting, with the required quorum and majority required for an Extraordinary General Meeting, having considered the Report of the Board of Directors and the Special Report of the Statutory Auditors, pursuant to the provisions of Article L. 225-135-1 of the Commercial Code, authorises the Board of Directors, with the facility to sub-delegate in accordance with the law and regulations, to increase the number of securities to be issued for each of the issues, with or without a pre-emption right to subscribe, decided by virtue of the fifteenth, sixteenth, seventeenth and eighteenth resolutions to the current General Meeting, within 30 days after the closure of the subscription and within the limit of 15% of each issue and at the same price as used for the initial issue and subject to the ceiling provided by the resolution in application of which the issue is decided.

The authorisation given to the Board of Directors by the current resolution is valid for 26 months, with effect from today.

The current resolution cancels the unused part of the authorisation given by the Combined General Meeting of 28 July 2009 in its nineteenth resolution.

TWENTIETH RESOLUTION

(Authorisation for the Board of Directors to allocate options to subscribe or purchase shares)

The General Meeting, with the required quorum and majority required for an Extraordinary General Meeting, having considered the Report of the Board of Directors and the Special Report of the Statutory Auditors, authorises the Board of Directors, with the facility to sub-delegate, within the legal and regulatory conditions of Articles L. 225-177 and subsequent of the Commercial Code, to grant, on one or more occasions, to the benefit of the personnel of the company and companies covered by Article L. 225-180 of the Commercial Code, or some of them, as well as senior executives of the company and companies covered by Article L. 225-180 of the Commercial Code, within the limits provided by Article L. 225-182 of the Commercial Code, options giving the right to subscribe for new shares in the Company, to be issued by way of capital increase, or options giving the right to purchase shares in the Company arising from a repurchase made by it under conditions set by Article L. 225-208 or L. 225-209 and subsequent of the Commercial Code, the total amount of options granted in application of the current authorisation may not give the right to a number of shares representing more than 2% of the capital of the Company on the day of the current General Meeting, it being noted that the amount of the capital increase arising from the issue of shares in respect of options to subscribe is set against the ceiling of the sixteenth resolution to the current General Meeting.

The current authorisation, granted for a period of thirty eight months with effect from this day, carries for the benefit of beneficiaries of options to subscribe, the express waiver by shareholders of their pre-emption right to subscribe to shares that will be issued in line with the exercise of options to subscribe.

The subscription price or the share purchase price shall be set by the Board of Directors on the day the option is granted

within the limits authorised by law. The options to subscribe or purchase may not be granted during periods of legal prohibition.

In any event, for options to subscribe, the subscription price may not be lower on the day the option is granted than the average of prices quoted in the twenty trading days preceding that day. In the event of the grant of purchase options, the purchase price of shares may not be lower than the average price quoted in the twenty trading days preceding the day the options are granted nor less than the average purchase price of shares held by the Company under Articles L. 225-208 and/or L. 225-209 of the Commercial Code.

This price may only be revised in accordance with the law at the time of financial transactions or transactions on securities. If the Company carries out such a transaction provided by Article L. 225-181 of the Commercial Code or by Articles R. 225-137 to R. 225-142 of the Commercial Code, the Company will take, in accordance with the regulations then in force, the necessary steps to protect the interests of beneficiaries, including, where necessary, proceeding with an adjustment to the number of shares that may be obtained by the exercise of options granted to beneficiaries to take account of the effect of this transaction, it being noted that to the ceiling referred to above will be added, where necessary, the number of new or additional shares possibly obtained in the application of these adjustments.

Options must be exercised within ten years from their date of grant.

All powers are given to the Board of Directors, with the facility to sub-delegate according to the law and regulations within the limits set above to:

- approve the nature of options offered (subscription or purchase options);
- approve the methods of the plan(s) and set the conditions and dates the options will be granted: these conditions may contain clauses forbidding the immediate resale of all or part of the shares, subject to the timeframe to retain the securities not exceeding three years from the exercise of the option, it being noted that for option granted to senior executives, the Board of Directors must either (a) decide that the options may not be exercised by those interested before the termination of their term of office, or (b) the quantity of shares they are required to retain in nominative form until the termination of their term of office, and decide the number of shares each beneficiary may subscribe to or purchase, the date(s) or periods of exercise of options, it being understood that the Board of Directors may (a) anticipate the dates or periods of exercise of options, (b) maintain the exercisable feature of options, or (c) modify the dates or periods during which the shares obtained by the exercise of options may not be sold or held in bearer form;
- set notably the time(s) of realisation;
- approve the list of beneficiaries to options and the number of options to be allocated to each of them;
- decide the conditions under which the price and number of shares to be subscribed or acquired will be adjusted in the circumstances provided by law;
- subject, where appropriate, the allocation of all or part of the options to the achievement of one or more performance conditions that the Board of Directors will determine, it being noted that all options granted to senior executives of

- the Company must be subject to performance conditions;
- limit, suspend, restrict or forbid, where appropriate, the exercise of options or the disposal or transfer to bearer form the shares obtained by exercise of options during certain periods or with effect from certain events; its decision may cover all or part of the options or shares or concerns some or all of the beneficiaries;
- set the effective date, even retroactive, of new shares arising from the exercise of options to subscribe;
- accomplish, either itself, or by a representative, all legal deeds and formalities that make the capital increase(s) final that can be carried out by virtue of the authorisation that is the subject of the current resolution;
- revise the bylaw as a result and, in general, to carry out everything required;
- decide the temporary suspension of the right to exercise the option in the event of financial transactions that require the exact and prior knowledge of the number of shares comprising the share capital or in the event of one of the transactions giving rise to adjustments provided by law; and;
- more generally, do everything that is useful or necessary.

The current resolution cancels the unused amount of all previous delegations relating to the allocation of options to subscribe for or purchase shares and notably the authorisation given by the Combined General Meeting, in extraordinary session, of 31 July 2007 in its seventeenth resolution.

The Board of Directors will inform all Annual General Meetings of transactions carried out under the current resolution, in compliance with Article L. 225-184 of the Commercial Code.

TWENTY-FIRST RESOLUTION

(Authorisation for the Board of Directors to increase the share capital by the issue of shares reserved for members of a company savings plan)

The General Meeting, with the required quorum and majority required for an Extraordinary General Meeting, having considered the Report of the Board of Directors and the Special Report of the Statutory Auditors, authorises the Board of Directors, with the facility to sub-delegate according to the law and regulations, within the provision of the Commercial Code and notably the provisions of Articles L. 225-129-6 paragraphs 1 and 2, and L. 225-138-1 and, in addition Articles L. 3332-1 and L. 3332-18 and subsequent of the Labour Code to proceed with an increase in the share capital, on one or more occasions, at its own discretion, in the proportions and at the time(s) it considers appropriate, by the issue of shares (other than preference shares) reserved for members of a company savings plan and decides to cancel the pre-emption right to subscribe for these shares whose issue is authorised by the current resolution for the benefit of the beneficiaries;

decides that the beneficiaries of capital increases, presently authorised, will be members of a company savings plan or companies related to it in the sense of Article L. 225-180 of the Commercial Code who also meet the possible conditions set by the Board of Directors;

sets at 26 months with effect from today the period of validity of the present delegation;

decides to set at €1,400,000 the maximum global nominal

amount of the capital increase that may be thus carried out by the issue of shares, it being noted that this ceiling is set against the ceiling of capital increase provided by the sixteenth resolution to the current meeting;

decides that the price of the shares subscribed to by the beneficiaries referred to above, in application of the present delegation, will be set in accordance with the law and regulations and that it may not thus be greater, in respect of securities already quoted on a regulated market, than the average price quoted on the 20 stock market days preceding the day of the decision setting the date of opening the subscription, or lower than over 20% of this average, or 30% where the lock-up period provided by the plan in compliance with Articles L. 3332-25 and L. 3332-26 of the Labour Code is equal to or greater than ten years;

decides that the Board of Directors may also provide in application of the present authorisation the free allocation to employees of shares or other marketable securities giving access to the capital of the Company under the conditions of Article L. 3332-21 of the Labour Code;

decides that the conditions for subscription and release of the shares may be either in cash or be offset under conditions set by the Board of Directors;

authorises the Board of Directors to issue, by virtue of the present authorisation, any security giving access to the share capital of the Company that becomes authorised by the law or regulations in force;

decides that the Board of Directors will have all powers to carry out the present delegation, with the facility to sub-delegate according to the law and regulations, within the limits and subject to the conditions stated above, to:

- set the list of beneficiaries and the conditions to be met by the beneficiary's new shares arising from capital increases, the subject of the current resolution;
- set the conditions for the issue(s);
- decide the amount to be issued, the issue price, the dates and terms of every issue;
- set the timeframe for subscribers to release their securities;
- set the date, even retroactive, from which the new shares are effective;
- note or have noted the completion of the capital increase to the extent of the amount of shares that will effectively be subscribed;
- on its own initiative, set the costs of the share capital increases against the premiums relating to these increases and to transfer from this the amounts necessary to increase the legal reserve to one tenth of the new capital following every increase; and;
- in general, take all steps needed to carry out the capital increases, proceed with formalities related to that and to make the revisions to the bylaws in respect of these capital increases.

TWENTY-SECOND RESOLUTION

(Authorisation to reduce the share capital)

The General Meeting, with the required quorum and majority required for an Extraordinary General Meeting, having considered the report of the Board of Directors and the

special report of the Statutory Auditors prepared pursuant to Article L. 225-204 of the Commercial Code, authorises the Board of Directors to reduce the share capital, on one or more occasions on its own decision in compliance with Article L. 225-207 of the Commercial Code, up to a maximum of 30% of the capital outstanding on the day of the Meeting, by cancellation of shares in the Company of €1.60 nominal value each repurchased to the same extent by the Company. The shares repurchased will be cancelled according to the law and regulations in force and will carry no corporate right: they will no longer be entitled to dividends.

This authorisation is valid for a period of three years from the day of the current General Meeting. The General Meeting confers all powers on the Board of Directors to set the methods and conditions of the transaction, notably the repurchase price within the maximum limit of €60 per share or its equivalent and in view of possible attachments, to cancel or not the shares acquired, note or not the final completion of the capital reduction or to restrict the amount, allocate the difference between the accounting value of shares cancelled and their nominal value to all available reserves and premiums, revise the bylaws as a result and, in general, do everything that is useful or necessary.

This authorisation cancels, with immediate effect, the authorisation given by the Combined General Meeting, in extraordinary session, of 31 July 2007, in its twenty-first resolution.

TWENTY-THIRD RESOLUTION

(Authorisation for the Board of Directors in the event of a public offer to purchase the securities of the Company)

The General Meeting, with the required quorum and majority required for an Extraordinary General Meeting, having considered the Report of the Board of Directors,

authorises the Board of Directors, with the facility to sub-delegate according to the law and regulations in force, in the event the securities of the Company are targeted by a public offer in circumstances rendered applicable by Article L. 233-33 of the Commercial Code, and in compliance with the legislative and regulatory provisions in force on the date of such use, to implement the authorisations and delegations of authority and powers that were granted by the current General Meeting and by the General Meeting of 28 July 2009 and the General Meeting of 16 September 2008 and sets at 18 months from the day of the current Meeting the period of validity of the authorisation conferred by the current resolution to the Board of Directors.

TWENTY-FOURTH RESOLUTION

(Authorisation to the Board of Directors to allocate the costs incurred by capital increases carried out to the premiums arising from these transactions)

The General Meeting, with the required quorum and majority required for an Extraordinary General Meeting, authorises the Board of Directors to allocate the costs, duties and fees incurred by the capital increase realised by virtue of the authorisation given by the preceding resolutions, as well as the resolutions of the previous General Meetings, which are still in force, to the premiums arising from these transactions and to transfer from these premiums, the amounts required to bring the legal reserve to one tenth of the new capital, after every transaction.

TWENTY-FIFTH RESOLUTION

(Revision, as a result of legislative and regulatory changes, to Article 8.2 of paragraph three, of the bylaws of the Company in respect of crossing the thresholds)

The General Meeting, with the required quorum and majority required for an Extraordinary General Meeting, having considered the Report of the Board of Directors, decides to revise the third paragraph of Article 8.2 of the bylaws to take account of the new provisions of Article L. 233-7 of the Commercial Code, which came into force on 1 November 2009, and to Article L. 233-14 of the Commercial Code as follows:

“In addition this person must state in the declaration to the Company:

- (i) the number of securities held giving access in time to shares to be issued and the voting rights that are attached,
- (ii) the number of shares already issued that they may acquire by virtue to agreements or instruments covered by paragraph b) of the 3 paragraph of Article L.233-7. I of the Commercial Code,
- (iii) the number of shares already issued that carry all agreements or financial instrument of paragraph c) of the third paragraph of Article L.233-7. I of the Commercial Code.

In the event of non-compliance with the above provisions, the shareholder who has not correctly completed the declarations is deprived of the voting rights attached to shares exceeding the fraction that was not correctly declared for all general meetings of shareholders to be held, until the expiry of a timeframe set by law and regulations in force following the correction to the notification. In the event of a crossing of one of the thresholds covered by Article L. 233-7- I stated above, this sanction can only be applied on the request, noted in the minutes of the General Meeting, of one or a number of shareholders holding one per cent (1%) at least of the capital of the Company.”

The other parts of Article 8.2 are unchanged.

TWENTY-SIXTH RESOLUTION

(Powers to carry out formalities)

The Extraordinary General Meeting gives all powers to the bearer of a copy or a certified extract from the current minutes to carry out all the legal formalities of filing and advertising.

3. STATUTORY AUDITORS' REPORT ON THE SHAREHOLDERS' ANNUAL AND EXTRAORDINARY MEETING OF JULY 27, 2010

This is a free translation into English of a report issued in the French language and is provided solely for the convenience of English speaking readers. This report was construed in accordance with French law and professional auditing standards applicable in France and should be read in conjunction with them.

To the Shareholders,

In our capacity as statutory auditors of the company Rémy Cointreau SA, we hereby present our report on the following operations, on which you are called to vote.

1. SHARE CAPITAL REDUCTION BY CANCELLATION OF THE COMPANY'S OWN SHARES (RESOLUTION 14)

As required under the provisions of Article L.225-209 paragraph 7 of the French Commercial Code (*Code de Commerce*) in the event of a reduction of capital by cancellation of purchased shares, we hereby submit this report on our assessment of the reasons and conditions pertaining to the proposed capital reduction.

We performed our work in accordance with professional doctrine of the French National Company of Statutory Auditors applicable to this mission. These procedures require that we verify whether the reasons and the conditions of the capital reduction are appropriate.

This transaction is related to the share repurchase program under which the company may purchase its own shares up to a maximum of 10% of its share capital under the conditions set forth in Article L.225-209 of the French Commercial Code. This share repurchase program is also submitted for approval to your General Shareholders' Meeting (resolution 12) and would be granted until the General Shareholders' Meeting called upon to approve the accounts for the financial year ended March 31, 2011, and no later than within a 18 month period starting from the date of this General Shareholders' Meeting.

Your Board of Directors requests you to delegate to it, until the General Shareholders' Meeting called upon to approve the accounts for the financial year ended March 31, 2011, and no later than within a 18 month period starting from the date of this General Shareholders' Meeting, full authority so as to cancel the shares purchased under the proposal share repurchase program up to a maximum of 10% of the share capital per 24 month period.

We have no matter to report concerning the reasons and the conditions of the proposed capital reduction, it being recalled that your company may only carry out the capital reduction if your meeting previously approves the purchase of its own shares by the company, proposed in the resolution 12.

2. 2. ISSUE OF SECURITIES, WITH BOTH DEBT AND EQUITY COMPONENTS, WITH OR WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS (RESOLUTIONS 15, 16, 17 AND 19)

In accordance with Articles L.225-135, L.225-136 and L.228-92 of the French Commercial Code (*Code de Commerce*), we hereby submit our report on the proposed authorisation granted to the Board of Directors in order to issue securities with both debt and equity components, with or without preferential subscription rights, operations upon which you are called to vote.

Your Board of Directors proposes that, on the basis of its report:

- To delegate to it the authorization, for a period of 26 months, to decide on the following operations and fix the final terms for these issues. It also suggests to you, if appropriate, to waive your preferential subscription rights:
 - The issuing on one or several occasion of shares and/or other securities giving access to the company's share capital and/or other securities giving the right to the allocation of debt instruments, with the preferential subscription rights maintained (resolution 15).
 - The issuing on one or several occasion, through a public offering, of shares and/or securities giving access to the company's share capital and/or other securities giving the right to the allocation of debt instruments, without preferential subscription rights (resolution 16).
 - The issuing on one or several occasion of shares and/or securities giving access to the company's share capital and/or other securities giving the right to the allocation of debt instruments, without preferential subscription rights in case of offering carried out pursuant to paragraph II of Article L.411-2 of the French Monetary and Financial Code (*Code Monétaire et Financier*) with a limit of 20% of the company's share capital per year (resolution 17).
- To delegate to it, for a term of 26 months, to fix the issue prices of securities issued in the context of resolutions 16 and 17, without preferential subscription rights, within the limit of 10% of the company's share capital, and with the respect of a floor price, for which the calculation is set out in the resolution 18.

The resulting increases in share capital which shall occur immediately or on term of the securities issues and those allowed by the resolutions 20, 21 and 23 of this meeting as well as resolutions 20 and 21 of the General Shareholders' Meeting of July, 28, 2009 and in resolution 18 of the General Shareholders' Meeting of September, 16, 2008, may not exceed €30,000,000. In the same way, amount of securities giving the right to the allocation of debt instruments should not exceed €750,000,000, this limit is common to all the debt instruments for which the issue is delegated to the Board of Directors as part of this meeting.

The number of securities to be issued in application of the delegations exposed in resolutions 15, 16, 17 and 18, may be increased within a limit of 15% of each issue, in accordance with the provision of Articles L.225-135-1 and R.225-118 of the French Commercial Code (*Code de Commerce*).

It is your Board of Directors' role to prepare a report in accordance with the provision of Articles R.225-113, R.225-114 and R.225-117 of the French Commercial Code (*Code de Commerce*). Our role is to report to on the fairness of the financial information extracted from the financial statements, on the proposal to waive your preferential subscription rights and on certain other information related to the issue, provided in this report.

We performed the procedures that we considered necessary in accordance with the professional guidance issued by the French institute of statutory auditors (CNCC) relating to this assignment. These procedures involved verifying the content of the Board of Directors' report on this transaction and the method used to determine the issue price of the equity securities.

Subject to the subsequent review of the terms and conditions of any share capital increase as may be decided upon, we have no matters to report regarding the method used to determine the issue price of the equity securities, set out in the Board of Directors' report.

As the issue price of the equity securities has not yet been set, we do not express an opinion on the final conditions of the capital increase and, as a result, on the proposal made to you in resolutions 16 and 17 to waive your preferential subscription rights.

As the Board of Directors' report does not specify the methods used to determine the issue price of the securities to be issued under resolutions 16 and 17, we do not express an opinion regarding the calculation on the issue price of the securities to be issued.

In accordance with Article R.225-116 of the French Commercial Code (*Code de Commerce*), we shall prepare an additional report, if need be, when the authorisation is used by your board of Directors to issue shares, and/or securities giving access to the company's share capital and/or other securities giving the right to the allocation of debt instruments, without preferential subscription rights.

3. GRANTING OF SHARE SUBSCRIPTION OR PURCHASE OPTIONS TO EMPLOYEES (RESOLUTION 20)

In accordance with Articles L.225-177 and R.225-144 of the French Commercial Code (*Code de Commerce*) we have prepared this report on the granting of share subscription or purchase options to employees or corporate officers of the company or of companies that are affiliated with it within the meaning of Article L.225-180 of the French Commercial Code.

It is the Board of Directors' role to prepare a report on the reasons for the granting of share subscription or purchase options and on the proposed terms and conditions for determining the subscription or purchase price. It is our role to comment on the proposed terms and conditions for determining the subscription or purchase price.

We performed the procedures that we considered necessary in accordance with the professional guidance issued by the French institute of statutory auditors (CNCC) relating to this assignment. These procedures involved verifying that the proposed terms and conditions for determining the subscription or purchase price are disclosed in the Board of Directors' report, that they are compliant with legal provisions, in order to inform shareholders, and that they do not appear obviously inappropriate.

We have no matters to report on the proposed terms and conditions.

4. INCREASE IN CAPITAL OF THE COMPANY, WITH CANCELLATION OF THE PREFERENTIAL SUBSCRIPTION RIGHTS TO SUBSCRIBE RESERVED FOR MEMBERS OF A COMPANY SAVINGS PLAN (RESOLUTION 21)

In accordance with the engagement set forth in Articles L.225-135 et seq. of the French Commercial Code (*Code de Commerce*), we hereby present our report on the proposal to delegate to the Board of Directors the authority to perform a share capital increase, by issuing shares with waiver of the preferential subscription rights, reserved for members of a company savings plan or company that are affiliated with it within the meaning of Article L.225-180 of the French Commercial Code. The maximum nominal amount of capital increase is €1,400,000.

This share capital increase project is submitted to your for approval pursuant to Articles L.225-129-6 of the French Commercial Code and Article L.3332-8 et seq. of the French Labour Code.

On the basis of its report, the Board of Directors asks you to delegate, for a period of 26 months, the authority to decide share capital increase and to waive your preferential subscription rights to the share issued. Where appropriate, the Board of Directors shall set the terms and conditions of the share capital increases.

It is the Board of Directors' role to prepare a report in accordance with the provisions of Articles R.225-113 and R.225-114 of the French Commercial Code. Our role is to report to you on the fairness of the financial information extracted from the accounts, on the proposal to waive your preferential subscription rights and on certain other information concerning the issue provided in this report.

We performed the procedures that we considered necessary in accordance with the professional guidance issued by the French institute of statutory auditors (CNCC) relating to this assignment. These procedures involved verifying the content of the Board of Directors' report in respect of this transaction and the condition for determining the share issue price.

Subject to a subsequent review of the terms and conditions of any share capital increase as may be decided upon, we have no matters to report regarding the terms and conditions for determining the issue price as set forth in the Board of Directors' report.

As the issue price has not yet been set, we do not express an opinion on the final term and conditions of the share capital increase and, as a result, on the proposal made to you to waive your preferential subscription rights.

Pursuant to the Article R.225-116 of the French Commercial Code (*Code de Commerce*), we shall prepare an additional report at such time as your Board of Directors makes use of this authorisation.

5. SHARE CAPITAL DECREASE BY MEANS OF PURCHASE OF OWN SHARES (RESOLUTION 22)

In compliance with the Article L.225-204 of the French Commercial Code (*Code de Commerce*) in case of decrease in share capital, we hereby report to you on our assessment of the reasons for and conditions of the proposed capital reduction.

Your Board of Directors requests authority for a period of three years, from the date of this meeting, to reduce the capital on one or several occasions, as decided exclusively by itself, to a maximum of 30% of the share capital at the date of this meeting, by purchase the company's own shares, at a face value of €1.60 each.

Your Board of Directors proposes that you delegate to it all necessary powers to determine the definitive terms and conditions of such a repurchase, notably the price of the share, within a limit of €60 per share or its equivalent.

We performed the procedures that we considered necessary in accordance with the professional guidance issued by the French institute of statutory auditors (CNCC) relating to this assignment. These procedures involved verifying the fairness of the reasons, the terms and conditions for the proposed share capital decrease. Our work consisted mainly in verifying that the capital reduction does not reduce the amount of share capital below the minimum amount required by law and that it does not infringe the shareholders' equal rights.

We do not have any comment to make on the reasons for and the conditions of this operation.

Neuilly-sur-Seine and Paris, 7 June 2010

The Statutory Auditors

Ernst & Young et Autres

Represented by
Marie-Laure Delarue

Auditeurs & Conseils Associés SA

Nexia International

Represented by
Olivier Juramie

PERSON RESPONSIBLE FOR THE REFERENCE DOCUMENT

1. PERSON RESPONSIBLE FOR THE REFERENCE DOCUMENT

Jean-Marie Laborde,
Chief Executive Officer of Rémy Cointreau

2. CERTIFICATE OF THE PERSON RESPONSIBLE FOR THE REFERENCE DOCUMENT

"I certify that, after taking all reasonable steps to that effect, the information contained in this reference document is accurate and contains no omissions likely to change this view.

I certify that, to the best of my knowledge, the financial statements were prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, the financial position and the profit of the Company, and all the companies included in the consolidation, and

the management report included in the pages of the current document presents a true and fair position of the business, the profit and financial position of the Company and all companies included in the consolidation as well as a description of the principal risks and uncertainties encountered.

I have received a letter from the Statutory Auditors attesting to the completion of their assignment, stating that they have verified the information concerning the financial situation and financial statements provided in the current reference document and have read this document.

The historical information included in this document was subject to the reports of the Statutory Auditors on pages 95 and 112 for the year 2009/2010 and incorporated by reference to the present reference document for the years 2008/2009 and 2007/2008.

The Statutory Auditors have drawn our attention, in their report on the consolidated financial statements in respect of the year 2009/2010, to the matter disclosed in note 1 of the notes that explains the changes in accounting methods resulting from the standards, amendments, interpretations applied by the company.

The Statutory Auditors also drew our attention, in their report on the consolidated financial statements in respect of the year 2007/2008, to the matter disclosed in note 5.1.2 of the notes concerning the conditions of the consolidation of Maxxium within the Group consolidated financial statements."

Jean-Marie Laborde,
Chief Executive Officer of Rémy Cointreau

3. INFORMATION INCLUDED BY REFERENCE

Pursuant to Article 28 of Commission Regulation (EC) No. 809/2004, the following items are included by reference in this document:

- the consolidated financial statements for the 2008/2009 financial year in accordance with IFRS, as well as the Statutory Auditors' report relating to them, presented on pages 29 to 74 respectively of the Reference Document filed with the AMF on 2 July 2009 under the number D. 09-0551;
- the consolidated financial statements for the 2007/2008 financial year prepared in accordance with French law and CRC regulation No. 99-02, as well as the Statutory Auditors' report relating to them, presented on pages 29 to 74 respectively of the Reference Document filed with the AMF on 31 July 2008 under the number D.08-0573;
- Rémy Cointreau SA company financial statements for the 2007/08 financial year, prepared in accordance with French law, as well as the Statutory Auditors' general and special reports relating to them, presented respectively on pages 113 to 127 of the Reference Document filed with the AMF on 2 July 2009 under the number D. 09-0551;
- Rémy Cointreau SA company financial statements for the 2007/2008 prepared in accordance with French law, as well as the Statutory Auditors' general and special reports relating to them, presented respectively on pages 111 to 128 of the Reference Document filed with the AMF on 31 July 2008 under the number D.08-0573.

4. PUBLICLY AVAILABLE DOCUMENTS

The bylaws, AGM reports, Statutory Auditors' reports and other corporate documents may be viewed at the Company's registered office. Financial information and various information on company organisation and operations are available on the Group's website: www.remy-cointreau.com

The table below lists all documents published between 1st April 2009 and 31 May 2010:

Theme	Date	Available on
12 months Group turnover	16/04/09	www.remy-cointreau.com www.amf-france.org balo.journal.official.gouv.fr
Group annual results	10/06/09 and 30/07/08	www.remy-cointreau.com www.amf-france.org
2008/09 Reference Document	02/07/09 02/07/09	www.remy-cointreau.com www.amf-france.org
Notice of AGM	17/06/09 17/06/09 10/07/09	balo.journal.official.gouv.fr La Tribune La Charente Libre
Consolidated financial statements Statutory Auditors' report included in the Reference Document	02/07/09	www.remy-cointreau.com www.amf-france.org
Rémy Cointreau share buyback programme included in the Reference Document	02/07/09	www.amf-france.org www.remy-cointreau.com
Q1 Group turnover	16/07/09	www.remy-cointreau.com www.amf-france.org
Dividend payment	30/07/09	La Tribune
Notice of approval of financial statements	09/09/09	balo.journal.official.gouv.fr
Group interim turnover	16/10/09	www.remy-cointreau.com www.amf-france.org
Group interim results	25/11/09	www.remy-cointreau.com
Review of interim financial statements by Statutory Auditors	25/11/08	www.amf-france.org
9 months Group turnover	21/01/10	www.remy-cointreau.com www.amf-france.org
12 months Group turnover	22/04/10	www.remy-cointreau.com www.amf-france.org
Annual consolidated results	09/06/10	www.remy-cointreau.com www.amf-france.org
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(1) Pursuant to Articles L. 451-1-2 of the Monetary and Financial Code and 222-3 of the AMF General Regulations.

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