RÉMY COINTREAU

25 November 2009

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

Sustained profitability in an unfavourable economic environment

- **Current operating profit: up 4.8%**
- **Operating margin: 18.1%**

Rémy Cointreau's current operating profit increased by 4.8% (up 2.0% organically) to €65.5 million with an operating margin of 18.1%, up one percentage point compared with the previous year. This development was all the more remarkable in that it was achieved in a particularly difficult economic environment.

Rémy Cointreau continued its ambitious pricing policy, particularly with Cognac in China and South-East Asia, where the Group now totally controls and manages its own distribution. This offset the impact of the depressed economic situation noted in other geographic regions, and in Champagne, which was seriously affected by the economic crisis.

Key Figures

(€m)	**30.9.09**	**30.9.08**	**% Change Gross**	**Organic***
▪ Turnover	**361.9**	365.2	(0.9)	(6.8)
▪ Current operating profit	**65.5**	62.5	4.8	2.0
▪ *Operating margin (%)*	***18.1***	*17.1*		*18.7*
▪ Other operating income and expenses	**(0.6)**	19.4		
▪ Operating profit	**64.9**	81.9		
▪ Net financial expenses	**(10.4)**	(16.3)		
▪ Net profit – Group share	**39.8**	48.3		
▪ Net debt	**526.2**	437.1		

**Organic change is calculated using constant exchange rates compared with the previous year.*

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Current operating profit*

(€m)	30.9.09	30.9.08	% Change Published	% Change Organic
Cognac	**46.3**	44.4	+4.3	(3.6)
Liqueurs & Spirits	**24.6**	23.0	+7.0	+11.5
Champagne	**(3.7)**	4.3	N/A	N/A
Sub-total Group Brands	**67.2**	71.7	(6.3)	(8.4)
Partner brands	**4.3**	(2.1)	N/A	N/A
Holding company costs	**(6.0)**	(7.1)	(15.5)	(15.5)
Current operating profit	**65.5**	62.5	+4.8	+1.9

**The application of IFRS 8 caused a change in the presentation of current operating profit by operating segment. Holding company costs are no longer allocated to other segments but presented separately. Comparative data was restated.*

Cognac – Rémy Martin benefited fully from the dynamic Chinese markets. The superior and very superior categories recorded the best performances, thereby confirming Rémy Martin's potential in this region of the world. The full integration of its distribution had a very positive effect. In the US, the economic situation remained depressed, although the second quarter showed signs of improvement. In Europe, the good performance achieved in the UK and Germany was insufficient to offset the sales decline in Russia.

The Cognac business registered a 4.3% increase in current operating profit to €46.3 million (down 3.6% organically). The current operating margin was 25.3%, compared with 26.1% in 2008, while marketing investment was maintained at the same level, or even increased in Asian markets.

Liqueurs & Spirits – Sales in the entire division were stable and current operating profit increased by 7.0% to €24.6 million (up 11.5% organically). The current operating margin of 24.5% (23.5% in 2008) reflected lower Metaxa sales, whereas Cointreau, Passoa, Mount Gay Rum and St Rémy all reported growth during the first six months of the year.

Champagne – Champagne sales fell sharply, as noted in international markets, reflecting the increased impact of the economic crisis. Despite the sharp decline in current operating profit and in the operating margin, marketing investment was maintained. It should be noted that champagne sales peak in the third quarter.

Partner brands – The 12.8% sales growth was due, in particular, to the integration of brands distributed by the subsidiaries acquired in Europe at the end of 2008/09. The division generated an operating profit of €4.3 million.

Consolidated Results

Turnover was €361.9 million, virtually stable at -0.9%, compared with the same period the previous year (down 6.8% organically).

Current operating profit increased by 4.8% to €65.5 million (up 1.9% organically). As a percentage of turnover, it rose by one percentage point to 18.1% (18.7% organically) compared with September 2008. Due to its new distribution model, the Group included a higher level of turnover, which was offset by the full consolidation of distribution structure costs and advertising as well as promotional expenditure (which were previously included within the transfer prices to the Maxxium network).

Operating profit was stable at €64.9 million, if the non-recurring effect of €19.4 million of net income relating to the Maxxium exit transactions at 30 September 2008 is excluded.

Net financial expenses were €10.4 million, a significant improvement. The “Other financial income and expenses” heading included a non-recurring €4.9 million charge at 30 September 2008 in relation to the Maxxium compensation provision. During the period, the reduction in interest rates offset the rise in average debt.

Net profit from continuing activities totalled €39.4 million, after taking into account a €16.7 million income tax charge (which is an effective rate of 30.7%). The share of profit in associates was €1.6 million, an increase of €1 million.

Net profit – Group share amounted to €39.8 million, resulting in earnings per share of €0.84.

Net debt was €526.2 million, which was virtually stable compared with the level at the end of March 2009 (€531.9 million). The net effect of exiting Maxxium resulted in the Group increasing its average debt. At 30 September 2009, the ratio for the banking covenant of the syndicated loan was 3.24 (2.99 at the end of March 2009). The Rémy Cointreau management is confident in the Group’s capacity to meet it over the coming half-years.

Outlook

Rémy Cointreau maintains its long-term value strategy and is focusing investment on developing its major brands.

Positive results are already being felt from the Group’s new distribution model. The Company was able to take advantage of this new asset in order to resist the difficult economic environment.

The Group remains confident in its capacity to successfully withstand this unfavourable economic climate, due to the strength of its brands, the dynamics of its new sales resources and its firm control of its costs. It anticipates slight organic growth in current operating profit for the full year.

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