RÉMY COINTREAU

Preliminary Results

Year ended 31 March 2011

London

10 June 2011

Jean-Marie Laborde

Chief Executive Officer

# Long-term Value Strategy

- Focus on the highly profitable premium segment with a long-term outlook

- Accelerate the growth of our brands in their key markets
  - Strongly and efficiently support this development
  - Be as close as possible to our customers
  - Achieve balanced sales worldwide

# Performance
## (before the reclassification of Champagne)

| | | Organic | Published |
|---|---|---|---|
| Turnover* | **€908.1m** | **+6.4%** | **+12.4%** |
| ➢ of which own brands | €797.6m | +6.5% | +12.5% |
| **Current operating profit** | **€170.3m** | **+11.2%** | **+21.6%** |
| as % of turnover | **18.7%** | | |

**Including sales not distributed through the Rémy Cointreau distribution network*

# Performance
## (after the reclassifcation of Champagne)

| | | Organic | Published |
|---|---|---|---|
| Turnover | **€907.8m** | **+6.4%** | **+12.4%** |
| ➢ of which own brands* | €694.0m | +6.8% | +134% |
| **Current operating profit** | **€167.0m** | **+8.0%** | **+17.6%** |
| Current operating margin | **18.4 %** | | |
| **Net profit – Group share (exc. non-recurring items)** | **€107.5m** | | **+16.7%** |
| Net profit - Group share** | **€70.5m** | | |
| *Net financial debt* | ***€328.9m*** | | |
| ***Net debt/EBITDA ratio*** | ***2.19*** | | |

**after the reclassification of Champagne into Partner Brands*
***after provision for asset impairment*

# Review of Activities

# Strong Full-year Performance in 2010/11

- Growth in all regions
  - Asia and Travel retail: growth drivers
  - Upturn in demand in traditional markets
- Distribution network strengthened in buoyant and emerging markets
- Continued investment behind our brands
- Improved price/mix effect
- Highly favourable cash flow generation
- Significant reduction in net debt

# Strong Full-Year Performance in 2010/11

**Brands**

- Excellent performance by Rémy Martin
- Growth of Cointreau
- Strong recovery of Piper-Heidsieck
- Strong sales evolution in partner brands

**Markets**

- Continued strong growth in Asia and Travel Retail
- Recovery in the US and Europe
- Direct control assumed over Japanese distribution network (April 2011)

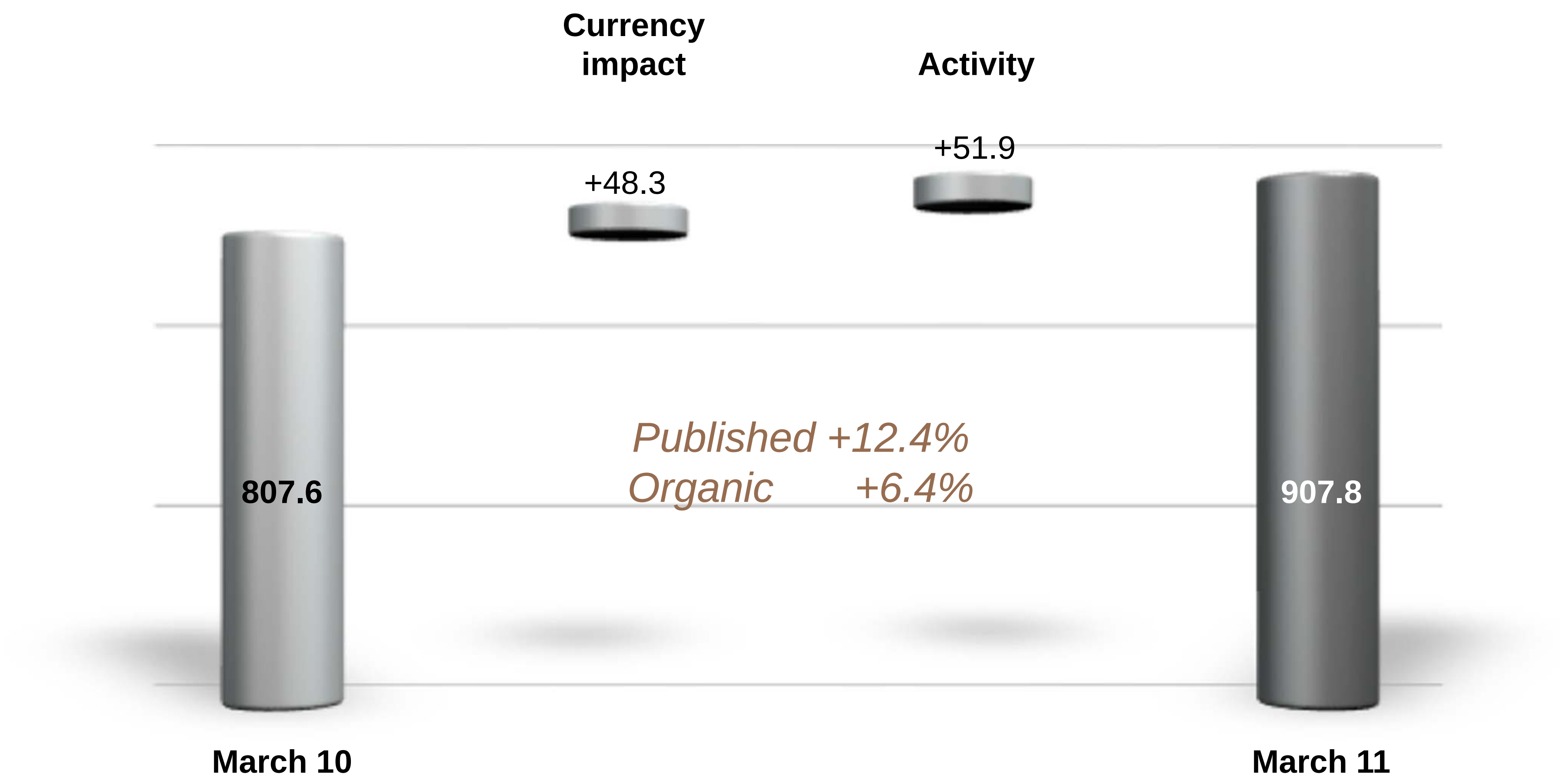
# Breakdown of Turnover by Activity

| | % Change | |
|---|---|---|
| | **Organic** | **Published** |
| **12 Months** | | |
| Cognac | +12.1 | +19.8 |
| Liqueurs & Spirits | (3.7) | + 0.7 |
| Sub-total - Group brands | + 6.8 | +13.4 |
| Partner brands[1] | + 5.4 | + 9.4 |
| **Total** | **+ 6.4** | **+12.4** |

[1]*After the reclassification of Champagne into Partner Brands*

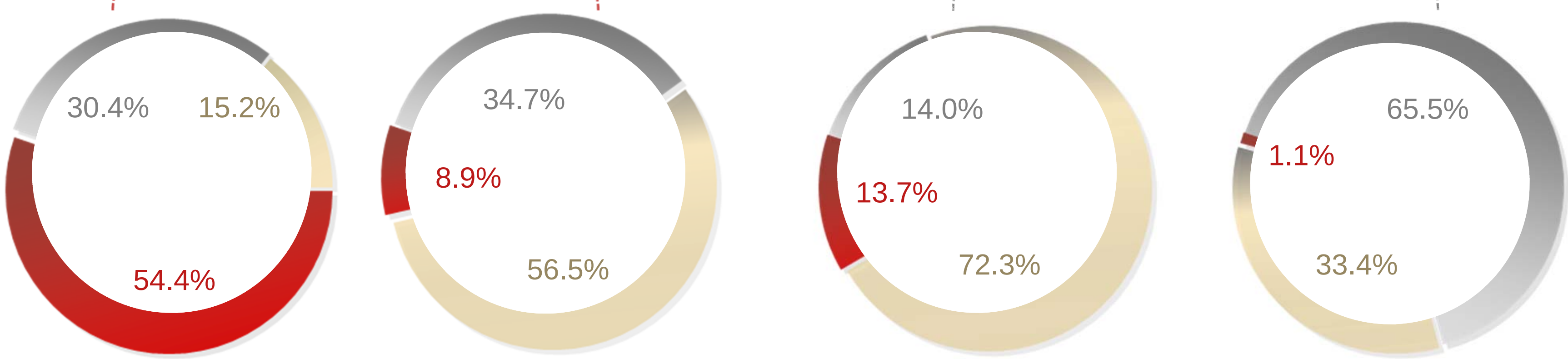
# Group Turnover

€m



# Breakdown of Turnover
## (by activity and geographic area: Group total )

**Group Brands** **Partner Brands**




**Cognac** 53.5%

**Liqueurs & Spirits** 22.9%

**Champagne** 11.4%

**Partner Brands** 12.2%

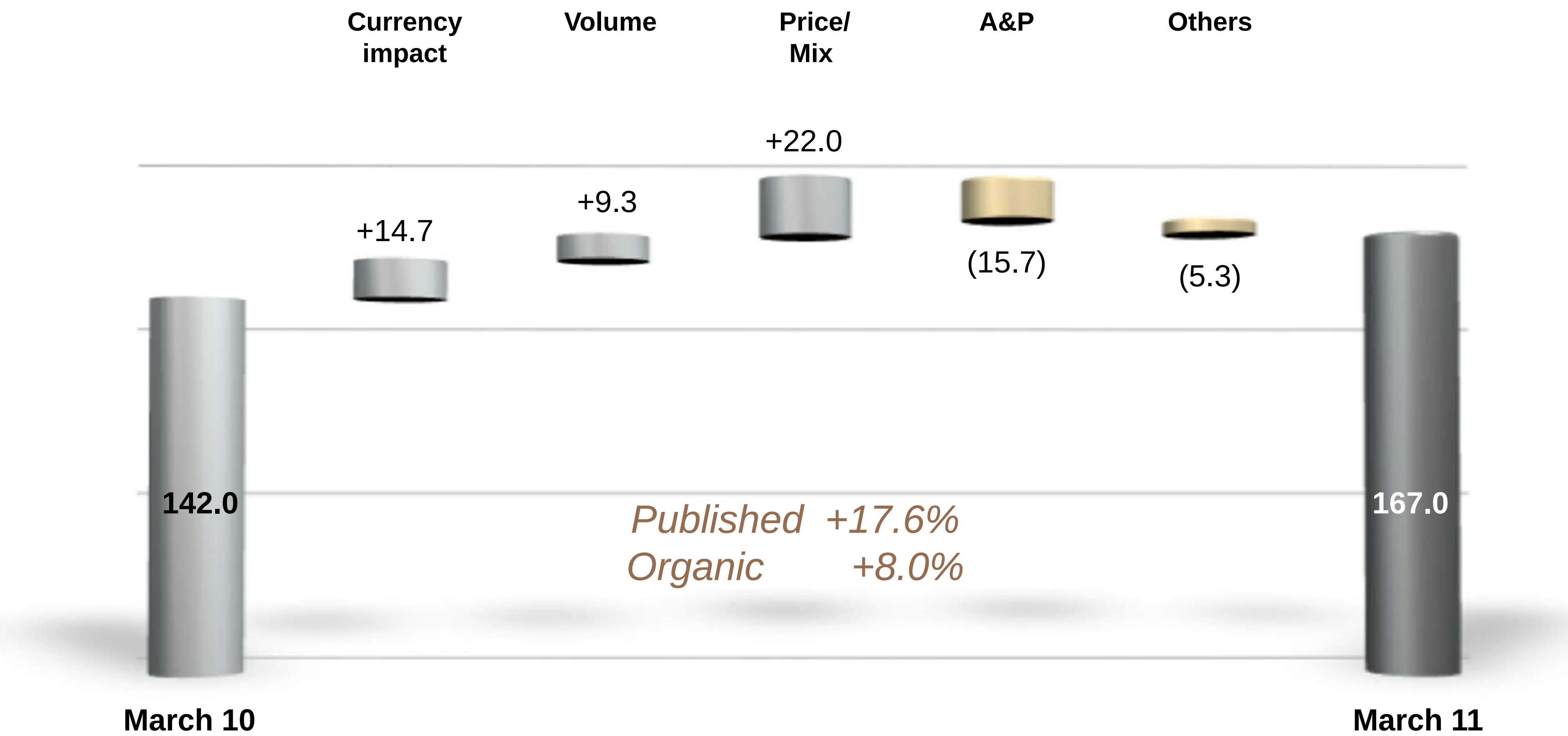
Americas 33.8%

Asia & Others 33.8%

Europe 32.4%

# Growth in Group Current Operating Profit*

€m




Operating margin: 17.6%

18.4% (org. 17.8%)

*After the reclassification of Champagne

# Net Profit*

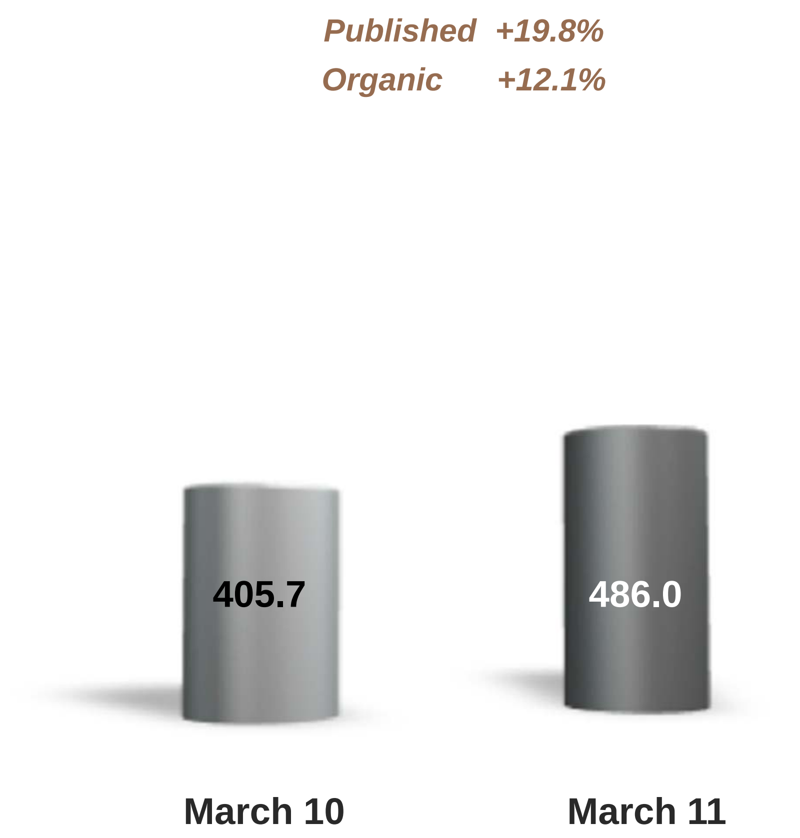
€m


** After the provision for impairment of the Metaxa brand for €34 million (net of tax effect)*
***After the reclassification of Champagne*

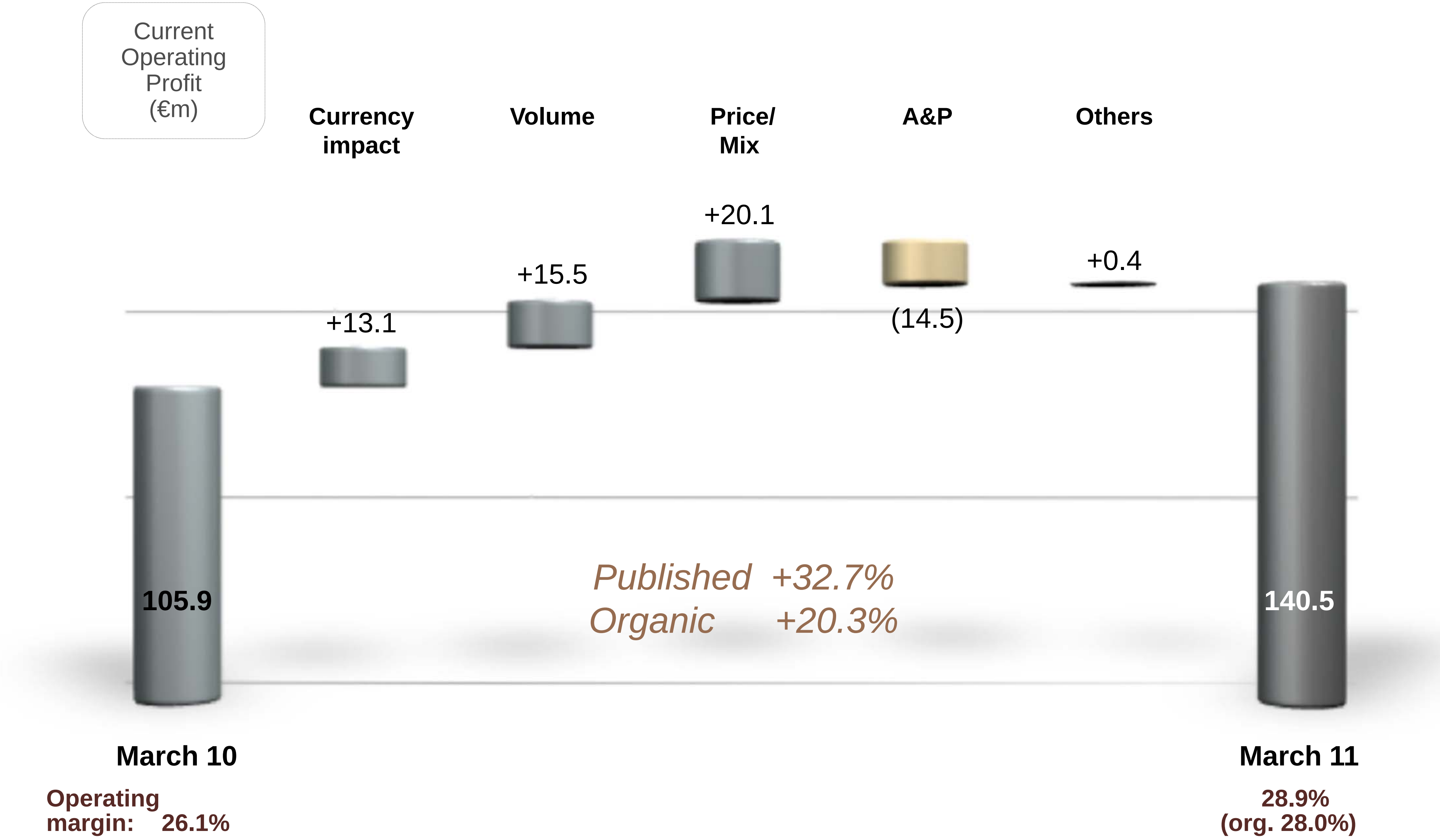
# Cognac
## Strong growth driven by superior qualities

**Volume sales (‘000 cases)**


**Turnover (€m)**



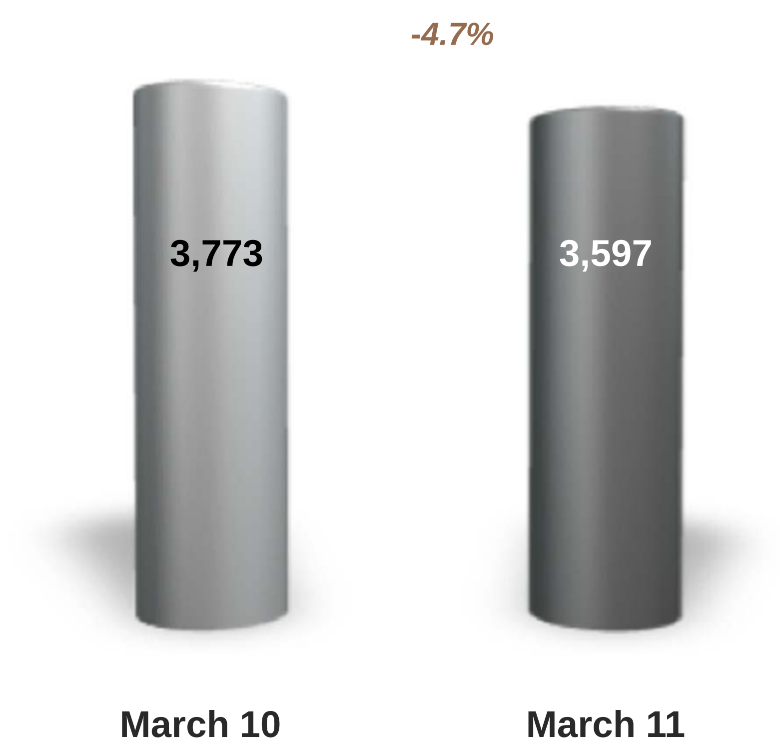
# Cognac



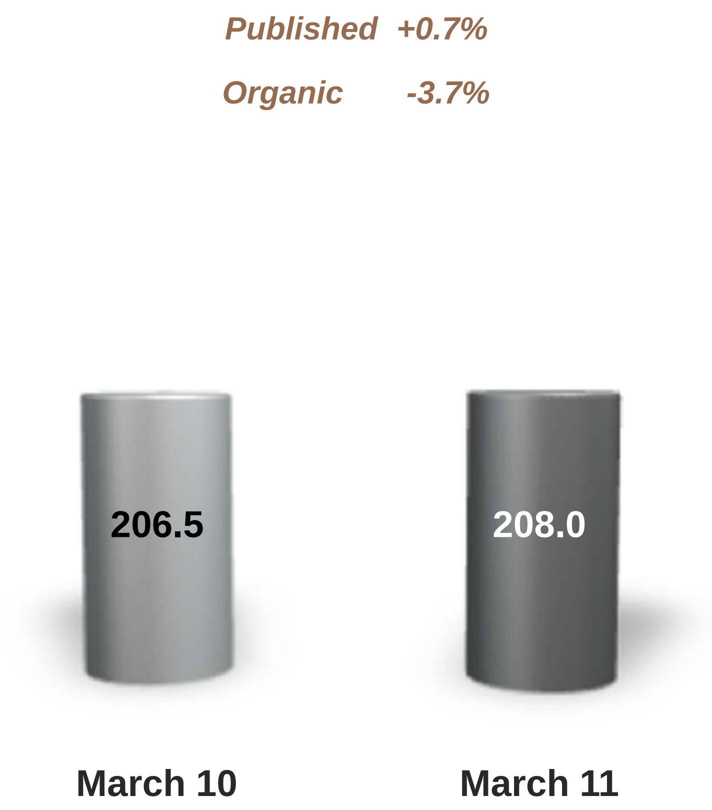
Current Operating Profit (€m)
Currency impact
Volume
Price/ Mix
A&P
Others
+13.1
+15.5
+20.1
(14.5)
+0.4
105.9
140.5
Published +32.7%
Organic +20.3%
March 10
March 11
Operating margin: 26.1%
28.9%
(org. 28.0%)

# Liqueurs & Spirits

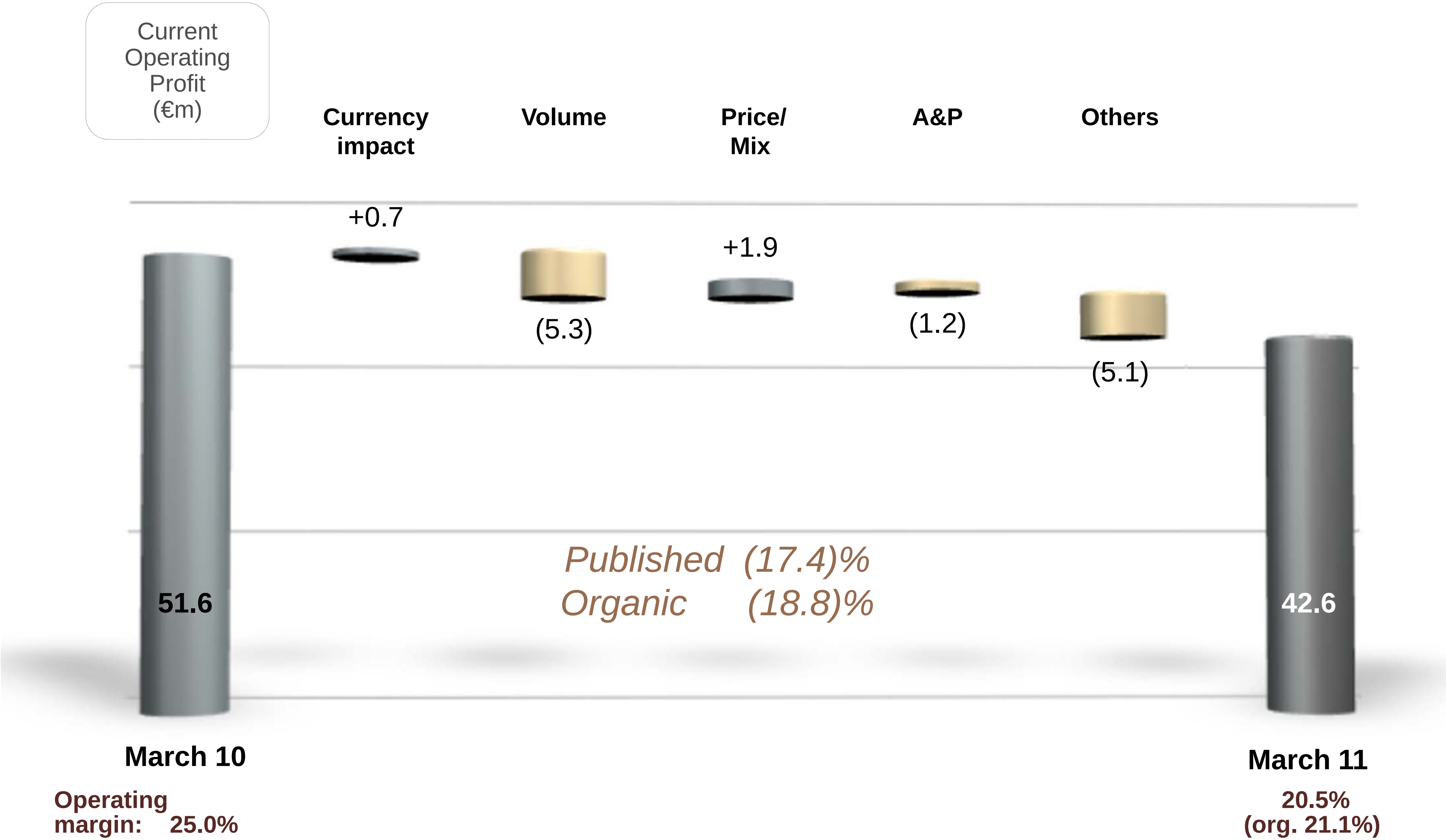
**Volume sales (‘000 cases)**




**Turnover (€m)**

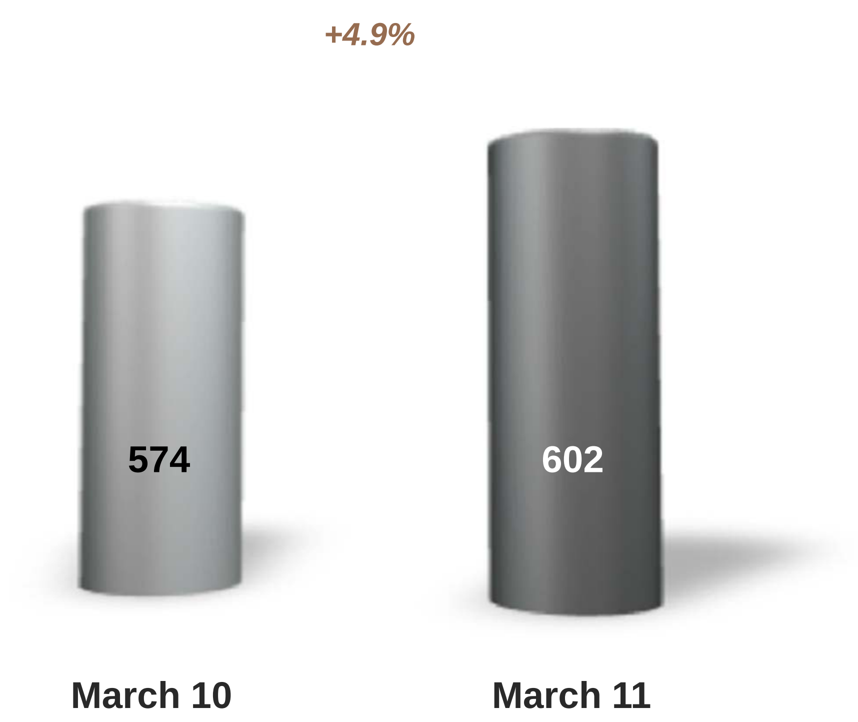


# Liqueurs & Spirits



# Champagne
## (prior to the reclassification of Champagne)

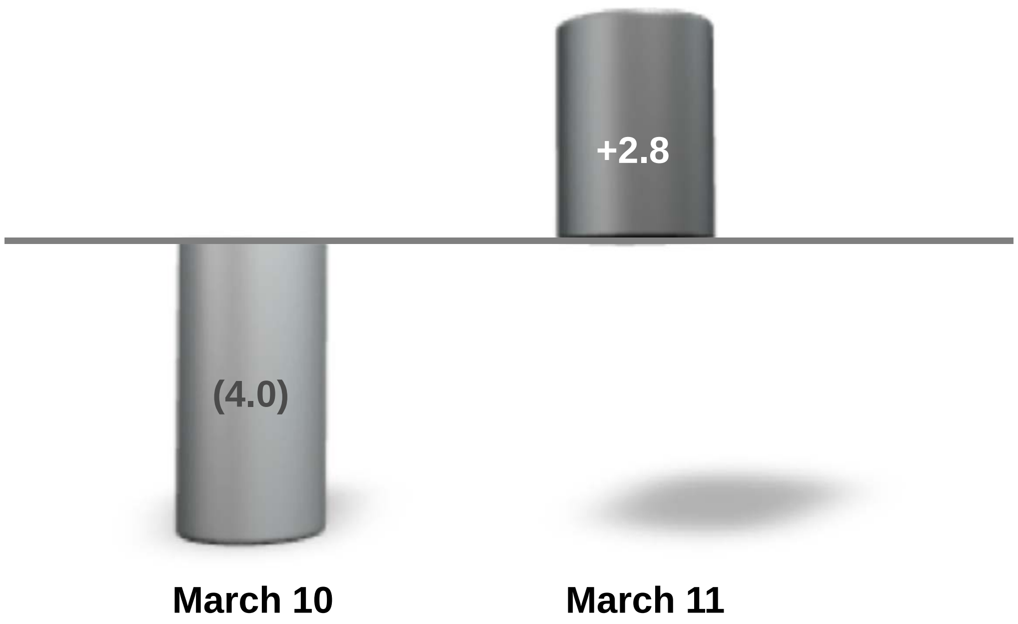
**Volume sales ('000 cases)**




**Turnover (€m)**

# Champagne
## (prior to the reclassification of Champagne)

Current Operating Profit (€m)



# Partner Brands
## (prior to the reclassification of Champagne)

**Turnover (€m)**

*Published +11.6%*
*Organic +6.2%*


March 10 March 11

**Current operating profit (€m)**


March 10 March 11

# Consolidated Preliminary Results

Frédéric Pflanz

Finance Director

# Analysis of Current Operating Profit

| *(€m)* | **2011** | **2010** |
|---|---|---|
| Turnover | 907.8 | 807.6 |
| Gross profit | *518.3* | *445.9* |
| *in %* | *57.1%* | *55.2%* |
| Sales & marketing expenses | (284.4) | (238.8) |
| Administrative expenses | (72.8) | (70.3) |
| Other income & expenses | 5.9 | 5.2 |
| Current operating profit | 167.0 | 142.0 |
| **Current operating margin** | **18.4%** | **17.6%** |

*After the reclassification of Champagne*

# Net Profit

| (€m) | 2011 | 2010 |
|---|---|---|
| Current operating profit | 167.0 | 142.0 |
| Other operating income and expenses | (46.5) | (2.2) |
| *inc. provision for impairment of the Metaxa brand* | (45.0) | - |
| Operating profit | 120.5 | 139.8 |
| **Financial charges** | **(29.7)** | **(19.3)** |
| Profit before tax | 90.8 | 120.5 |
| Taxation | (21.7) | (32.5) |
| Share in profit of associates | 4.3 | 4.9 |
| Profit/(loss) from discontinued operations | (2.8) | (3.9) |
| **Net profit – Group share** | **70.5** | **86.3** |
| **Net profit – Group share exc. non-recurring items** | **107.5** | **92.1** |

*After the reclassification of Champagne*

# Financial Charges

| *(€m)* | **2011** | **2010** |
|---|---|---|
| Cost of net financial debt | (27.3) | (22.0) |
| (inc. early redemption cost) | (3.7) | - |
| Average net financial debt | 561.0 | 642.8 |
| Average interest rate* | 4.97% | 3.86% |
| Other financial income and expenses | (2.4) | 2.7 |
| **Financial charges** | **(29.7)** | **(19.3)** |

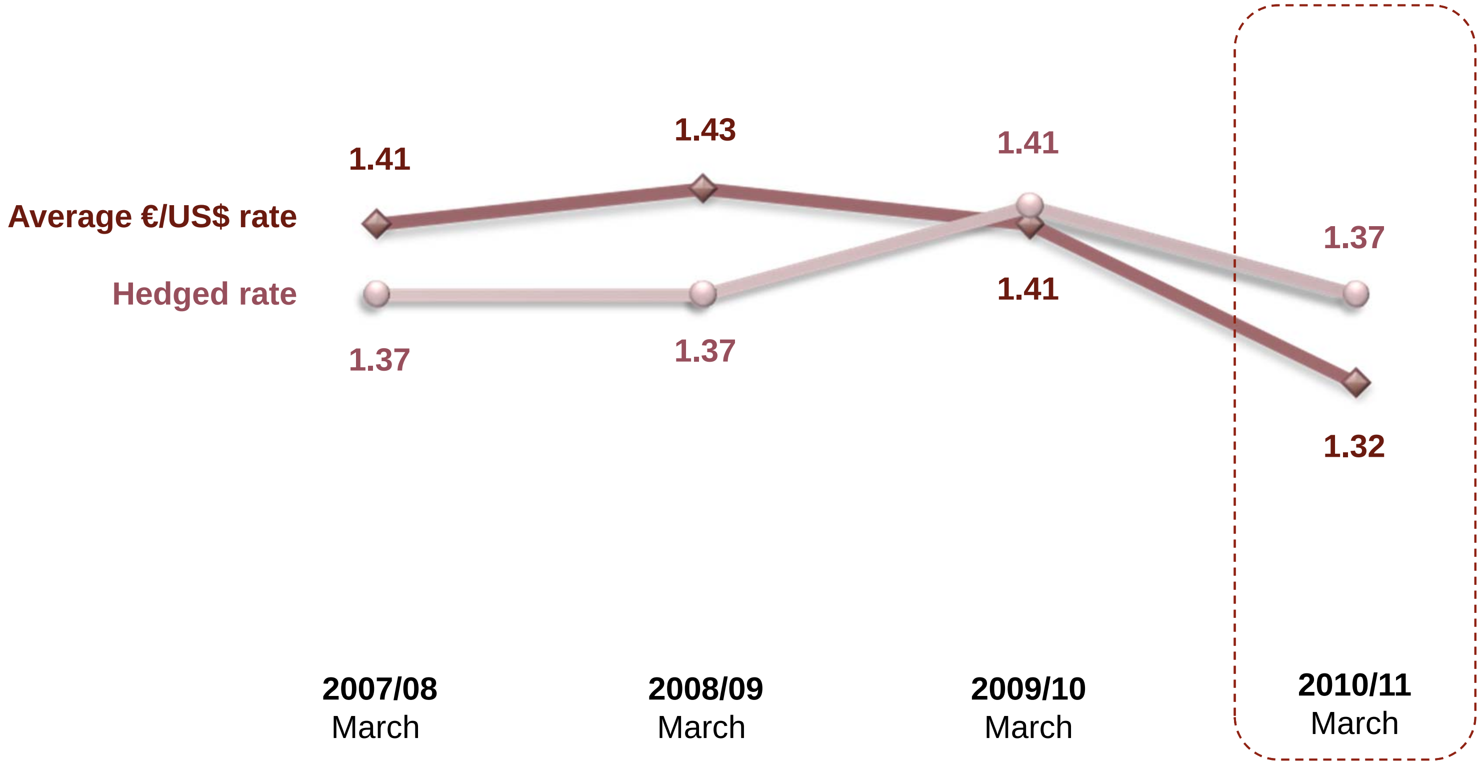
**exc. early redemption costs and before the reclassification of Champagne*

# Financial Debt and Cash Flow

| *(€m)* | **2011** | **2010** |
|---|---|---|
| Net debt | 328.9 | 501.4 |
| Net cash from operating activities of continuing activities | 173.3 | 95.7 |
| Collection seller loan | 61.8 | - |
| Net cash from operating activities of operations held for disposal | 9.2 | (3.2) |
| Other (including capital expenditure) | (27.5) | (35.3) |
| **Cash flow before financing activities** | **216.8** | **57.2** |

*Net debt ratio/EBITDA = 2.19*

# Foreign Exchange Hedging Impact



# Balance Sheet at 31 March

| | Assets 2011 | Assets 2010 | | Equity & Liabilities 2011 | Equity & Liabilities 2010 |
|---|---|---|---|---|---|
| **Non-current assets** | **694** | 1,001 | **Shareholders' equity** | **1,064** | 1,019 |
| **Current assets** | **1,416** | 1,230 | **Current and non-current liabilities** | **717** | 710 |
| *of which inventories* | *699* | *970* | | | |
| *of which trade receivables & other* | *232* | *260* | | | |
| *of which assets held for sale* | *485* | *-* | | | |
| **Cash and cash equivalents** | **81** | 86 | **Gross financial debt** | **410** | 588 |
| **Total assets** | **2,191** | 2,317 | | **2,191** | 2,317 |

# Post-Balance Sheet Events

- On 31 May 2011, the Group signed an agreement with EPI for the sale of its Champagne division, for an enterprise value of €412.2 million
- This disposal transaction should take effect at the beginning of the summer
- Rémy Cointreau will retain all the distribution of the Piper-Heidsieck, Charles Heidsieck and Piper Sonoma brands

**Objectives:**

- Continue the upmarket strategy on premium brands
- Continue the geographic expansion in countries with strong potential
- Direct resources to the most profitable activities

# Outlook for 2011/12

- Confidence strengthened in all regions
- Less favourable “foreign exchange” environment
- Focus on high value-added products
- Aggressive product innovation policy and increased support for brands
- Strict cost control
- First rate financial position
- New opportunities for growth in the medium-term