REGISTRATION DOCUMENT 2011/2012

Including the Annual Financial Report

RÉMY COINTREAU

This registration document was filed with the French Financial Markets Authority (AMF) on 26 June 2012, in accordance with Article 212-13 of its General Regulation. It may be used in support of a financial transaction if accompanied by a memorandum approved by the AMF. It was prepared by the issuer under the responsibility of its signatories.

CONTENTS

HISTORY

The Rémy Cointreau Group, whose charentaise origins date back to 1724, is the result of the merger in 1990 of the holding companies of the Hériard Dubreuil and Cointreau families, which 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 wines and spirits business segment. Rémy Cointreau's portfolio of global brands is sold primarily through its own distribution network, which comprises subsidiaries in the United States, Asia, and Western and Central Europe.

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 as 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 resume full control over its distribution by March 2009

2008

Year of transition towards the exit of Maxxium

Establishment of a new direct distribution organisation

2009

30 March: Rémy Cointreau exits the Maxxium distribution joint venture

1 April: Rémy Cointreau controls 80% of its distribution

2010

15 November: Rémy Cointreau announces plans to sell its Champagne division

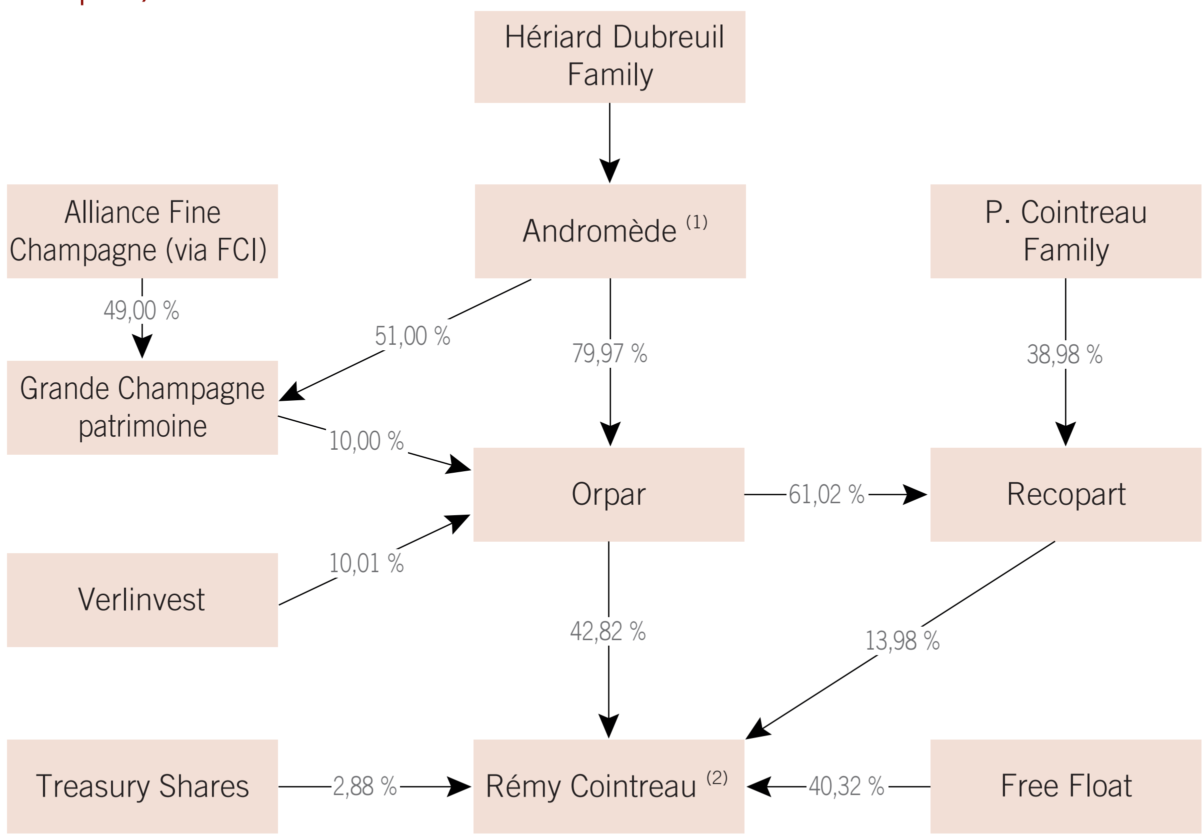
2011

8 July: Remy Cointreau sells its Champagne division to EPI

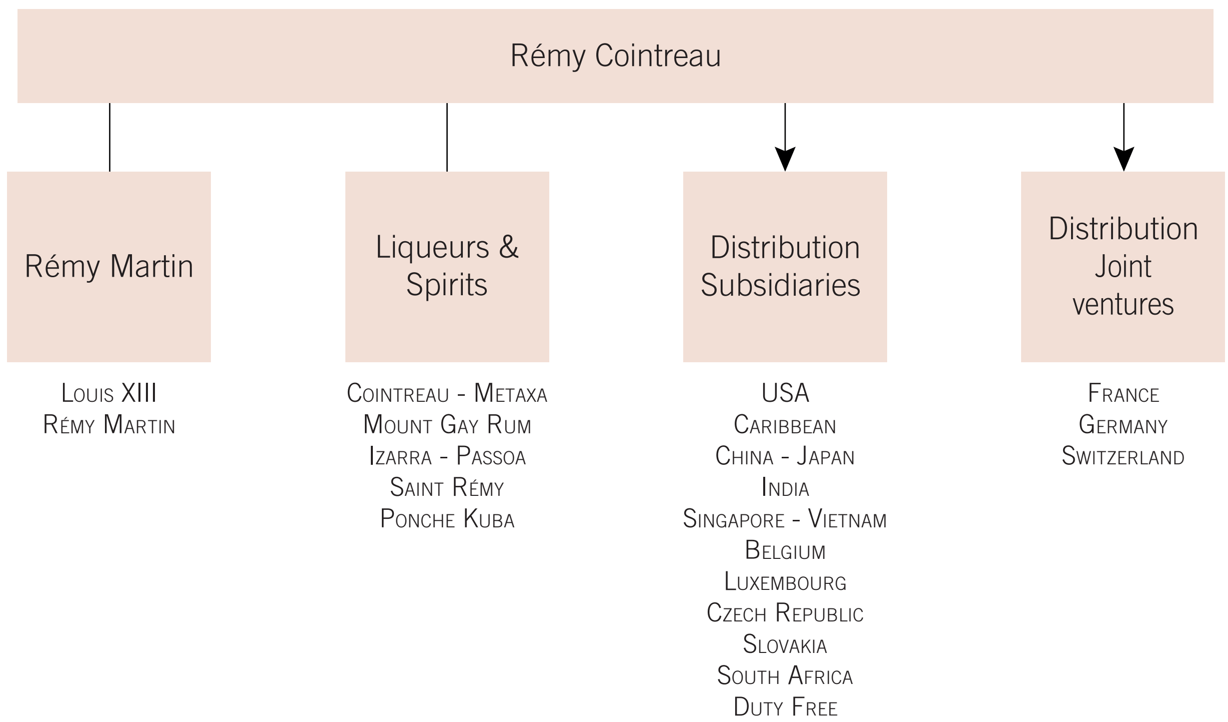
Rémy Cointreau will continue as the sole distributor of Piper-Heidsieck and Charles Heidsieck, as well as Piper Sonoma (the US sparkling wine brand).

SHAREHOLDING STRUCTURE AND ORGANISATION CHART AS OF 31 MARCH 2012

(% of capital)



(1) Rémy Cointreau is consolidated within the Andromède Group.
(2) Only Rémy Cointreau Shares are traded on the Stock Market.



KEY FIGURES

Data in € millions for the period 1 April to 31 March

	2012	2011	2010
Net sales	1,026.1	907.8	807.6
Current operating profit	207.7	167.0	142.0
Current operating margin	20.1%	18.4%	17.3%
Net profit (Group share)	110.8	70.5	86.3
Net profit excluding non-recurring items attributable to the owners of the parent	123.9	107.5	92.1
Purchase of intangible assets, property, plant and equipment	17.2	27.4	22.6
Equity - attributable to the owners of the parent	974.8	1,062.9	1,017.6
Net financial debt	188.6	328.9	501.4
Dividends paid during the financial year (per share in €):	2.30	1.30	1.30
Earnings per share (basic, in €):			
On net profit excluding non-recurring items - attributable to the owners of the parent	2.51	2.19	1.92
On net profit - attributable to the owners of the parent	2.25	1.44	1.80

Net Sales by category	**% of total**	**2012**	**2011**	**2010**
Rémy Martin	57.7%	592.5	486.0	405.7
Liqueurs & Spirits	21.0%	215.8	208.0	206.5
Sub-total Group brands	78.8%	808.3	694.0	612.2
Partner brands	21.2%	217.8	213.8	195.4
Total	**100%**	**1,026.1**	**907.8**	**807.6**

Current operating profit	**2012**	**2011**	**2010**
Rémy Martin	173.0	140.5	105.9
Liqueurs & Spirits	52.6	42.6	51.6
Sub-total Group brands	225.6	183.1	157.5
Partner brands	4.2	2.1	2.4
Holding company	(22.1)	(18.2)	(17.9)
Total	**207.7**	**167.0**	**142.0**

Current operating margin	**2012**	**2011**	**2010**
Rémy Martin	29.2%	28.9%	26.1%
Liqueurs & Spirits	24.4%	20.5%	25.0%
Sub-total Group brands	27.9%	26.4%	25.7%
Partner brands	1.9%	1.0%	1.2%
Total	**20.2%**	**18.4%**	**17.3%**

Net Sales by geographic area	**% of total**	**2012**	**2011**	**2010**
Europe–Middle East–Africa	30.9%	317.4	302.9	288.5
Americas	31.3%	321.3	306.6	275.8
Asia-Pacific	37.8%	387.4	298.3	243.3
Total	**100%**	**1,026.1**	**907.8**	**807.6**

Net Sales by currency	**% of total**	**2012**	**2011**	**2010**
Euro	27.2%	279.1	268.4	256.8
US dollar, HK dollar, Chinese yuan	62.1%	636.8	541.2	457.6
Other currencies	10.7%	110.2	98.2	93.2
Total	**100%**	**1,026.1**	**907.8**	**807.6**

BOARD OF DIRECTORS AND MANAGEMENT BODIES

Board of Directors

CHAIRMAN

Dominique Hériard Dubreuil

DIRECTORS

François Hériard Dubreuil

Marc Hériard Dubreuil

Didier Alix[1]

Caroline Bois

Jean Burelle[1]

Gabriel Hawawini[1]

Laure Hériard Dubreuil

Sir Brian Ivory

Timothy Jones

Patrick Thomas[1]

Jacques Etienne de T'Serclaes[1]

(1) Independent directors

Executive Committee

Jean-Marie Laborde, Chief Executive Officer

Jean-François Boueil, Human Resources Director

Frédéric Pflanz, Chief Financial Officer

Damien Lafaurie, Executive Vice President Global Markets

Christian Liabastre, Executive Vice President Brands Strategy and Development

Patrick Marchand, Operations Senior Vice President

Statutory Auditors

Ernst & Young et Autres

Represented by Marie-Laure Delarue

Auditeurs & Conseils Associés

Represented by Olivier Juramie

Committees

Each committee has at least one independent director. The committees formed within the Board of Directors are the "Audit and Finance", the "Nomination & Remuneration" and the "Strategy, Development and Marketing" committees.

Group operations

1

The Rémy Cointreau Group is one of the major operators in the global Wines and Spirits market, with a portfolio of eight premium international brands that includes the Rémy Martin and Louis XIII cognacs, the orange liqueur Cointreau, the passion-fruit liqueur Passoa, the Basque country liqueur Izarra, Metaxa brandy, St Rémy brandy, Mount Gay rum and Ponche Kuba rum.

The Group is:

- the market leader with Rémy Martin in Fine Champagne cognac and
- one of the leading producers and distributors of liqueurs in Europe with Cointreau, Passoa and Izarra.

Rémy Cointreau is listed on Euronext Paris (Eurolist, compartment A, deferred settlement service), ISIN: FR 0000130395, and is a component of the CAC MID 100 index. The free float comprises approximately 42% of the share capital. The majority of the Rémy Cointreau Group is held by the family holding company, Orpar.

As at 31 March 2012, Rémy Cointreau SA was awarded a “BB” rating with a positive outlook by Standard & Poor’s and a “Ba 1” rating by Moody’s.

1.1 STRATEGY

The Wine and Spirits market features an extensive number of co-existing large local and international brands, resulting in a particularly competitive environment.

Against this background, Rémy Cointreau has, for many years, implemented a value strategy aimed at developing its brands in the premium segments of the global markets, which offer high growth and earnings potential.

The implementation of this strategy has led the Group, over the past few years, to dispose of brands and other assets deemed less suited to its objectives, and to decide, at the end of March 2009, to leave the Maxxium distribution network in order to resume full control of its distribution in its key markets.

The Group has decided to accelerate the implementation of its value strategy by focusing on brands with higher profitability. On 8 July 2011, Rémy Cointreau signed an agreement for the sale of its Champagne division to EPI, and will continue as distributor of Piper-Heidsieck, Charles Heidsieck and Piper Sonoma, the US sparkling wine brand.

Rémy Cointreau, which has its own international distribution network in Asia, the U.S. and in some European countries, controls 85% of its sales. The Group is therefore able to implement a pricing and distribution strategy consistent with its premium positioning.

Thanks to its distribution operations, which are highly responsive and very close to customers, enjoying robust financial health, the Group is in a position to accelerate the growth of its premium and well-known brands. Most of the Group’s brands have existed for more than a century, but they are totally contemporary and bear CSR values.

1.2 ORGANISATION

The Rémy Cointreau Group organisation spans brand divisions, markets management divisions which oversee the distribution network and centralised support functions.

The Group is managed by a Chief Executive Officer, assisted by a five-member Executive Committee.

Rémy Cointreau’s brand portfolio comprises eight brands:

- Rémy Martin and Louis XIII
- Cointreau
- Passoa
- St Rémy
- Mount Gay
- Metaxa
- Izarra
- Ponche Kuba

Their product categories, production processes and geographic sales distribution are taken into account to allocate each brand to one of two divisions: “Rémy Martin” and “Liqueurs & Spirits”.

Brands which Rémy Cointreau distributes through its network on behalf of third parties, as well as minor brands whose products are not produced by the Group, form a separate category, “Partner brands”.

1.3 BRANDS

Rémy Martin

Rémy Martin produces a range of cognacs under the Rémy Martin and Louis XIII brands.

The Rémy Martin cognacs are made exclusively from eaux de vie sourced in Grande Champagne and Petite Champagne, the two leading crus of the Cognac appellation, which offer the greatest ageing potential.

Rémy Martin is positioned primarily in the premium segment, witness its three flagship products, VSOP Fine Champagne, XO Excellence Fine Champagne and Louis XIII Grande Champagne.

In 2011/2012, sales totalled €592.5 million, or 57.7% of total Group sales.

KEY FIGURES

In € millions or %	2012	2011	2010
Net sales	**592.5**	**486.0**	**405.7**
Breakdown by geographic area:			
Europe–Middle East–Africa	**14.0%**	14.4%	14.5%
Americas	**25.9%**	30.4%	32.9%
Asia-Pacific	**60.1%**	55.2%	52.6%
Total	**100.0%**	**100%**	**100%**
Current operating profit	**173.0**	140.5	105.9
Current operating margin	**29.2%**	28.9%	26.1%
Capital employed excluding brands	**515.3**	511.9	543.8
Purchase of intangible assets, property, plant and equipment	**13.9**	11.6	20.3

DESCRIPTION OF "*APPELLATION D'ORIGINE CONTRÔLÉE COGNAC*"

Cognac is a brandy (eaux de vie distilled from grapes) with the *appellation d'origine contrôlée* of the Cognac region of France. The appellation covers six crus, of which "Grande Champagne" and "Petite Champagne" are best suited to the production of superior quality cognacs.

"Fine Champagne" designates a cognac made exclusively using grapes sourced at Grande Champagne (at least 50%) and Petite Champagne.

There are a number of quality levels classified in accordance with 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"), which is included in the QSS category.

COMPETITIVE POSITIONING

Four Cognac brands share 78% of the world market (source: IWSR 2010): Rémy Martin (Rémy Cointreau), Hennessy (LVMH), Martell (Pernod Ricard) and Courvoisier (Beam). Rémy Martin's market share of cognac shipments is 13.2% (source: BNIC March 2012). Rémy Martin makes approximately 80% of its shipments in the superior qualities (QS), which account for more than 56% of the total cognac market (source: BNIC March 2012). Rémy Martin has a market share of 18% in the QS segment, which is enjoying the strongest growth in the industry (source: BNIC March 2012: QS +7.3%, vs +4.5% for the industry as a whole).

SUPPLY OF *EAUX DE VIE*

Since 1966, the creation of cognac eaux de vie stocks has relied on partnership contracts concluded with Grande and Petite Champagne producers. This policy has enabled the Group to manage its long-term supplies and to meet the standards of quality required by Maison Rémy Martin.

The establishment of this partnership mainly involves a co-operative, Alliance Fine Champagne (AFC), which brings together a total of 920 members, who operate just under 65% of Cognac vineyards. Two types of contracts formalise the relationship between AFC and the Rémy Cointreau Group via E. Rémy Martin & Cie:

- collective contracts, involving approximately 803 members, which specify the volume of the new crush to be delivered to the co-operative, which it then stores. These stocks become the property of the co-operative and are financed in part by instalments paid by E. Rémy Martin & Cie and the balance through bank financing or the co-operative's own funds. E. Rémy Martin & Cie 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 added to 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 428 members, who manage supplies by age and whose storage is assured and financed by the distillers. These contracts are between E. Rémy Martin & Cie, AFC and the members concerned. Since April 2005, E. Rémy Martin & Cie 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 analysis of procedures laid down for managing these contracts and the pricing formula applicable upon delivery, it is deemed that the risks and benefits pertaining to eaux de vie inventories held by distillers are transferred to AFC (and as such to the Rémy Cointreau Group) when the eaux de vie have passed quality tests conducted by E. Rémy Martin & Co. and the distiller has purchased shares of the co-operative in proportion to its commitments taken into stock.

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

Liqueurs & Spirits brands

The Liqueurs & Spirits division recorded sales of €215.8 million, representing 21.1% of total Group sales. The Liqueurs & Spirits division houses brands that operate in a high-volume market featuring a large number of contributors in terms of product categories (liqueurs, vodkas, gins, whiskies, rums, brandy and local specialities) and many brands with local or international reach.

Rémy Cointreau's main brands are the orange-peel liqueur Cointreau created in Angers in 1849 (45% of sales), Metaxa, a brandy from the region of Samos (Greece) (19%), Passoa, a passion-fruit liqueur (11%), St Rémy, a French brandy (10%) and Mount Gay (11%), a rum from Barbados created in 1703.

The Group's strategy is to focus investment on targeted markets with high potential for each of its brands.

The products marketed by the Group come essentially from their specific production sites: rums from Barbados (Caribbean), Metaxa from Athens (Greece) and other brands from Angers (France), the birthplace of the Cointreau brand.

MARKET ANALYSIS IN EUROPE

Volumes x8.4 thousands of litre cases	2010	2009	2008
Vodka	**439,759.78**	440,970.02	480,478.43
Liqueurs	**45,771.11**	45,689.57	46,765.55
Flav. spirits	**72,250.77**	73,046.36	73,671.45
Brandy	**49,216.47**	47,936.26	49,844.36
Scotch whisky	**44,960.45**	44,463.84	46,185.74
Local spirits	**8,309.95**	8,775.64	9,165.43
Gin/Tequila/Others	**41,934.73**	44,089.49	46,422.59
Rum/Cane	**25,522.55**	24,654.91	24,141.43
Other whisky	**11,652.20**	11,353.21	11,800.84
Cognac/Armagnac	**4,283.26**	4,135.50	4,763.14
Grand total	**743,661.27**	**745,114.80**	**793,238.96**

Source: IWSR 2011

KEY FIGURES

In € millions or %	2012	2011	2010
Net sales		**208.0**	**206.5**
Breakdown by geographic area:			
Europe–Middle East–Africa	**55.4%**	55.0%	58.8%
Americas	**33.8%**	34.7%	32.9%
Asia Pacific	**10.8%**	10.3%	14.5%
Total	**100%**	**100%**	**100%**
Current operating profit	**52.6**	42.6	51.6
Current operating margin	**24.4%**	20.5%	25.0%
Capital employed excl. brands	**58.0**	57.2	55.2
Purchase of intangible assets, property, plant and equipment	**5.2**	5.8	4.6

COMPETITIVE POSITIONING

The Liqueurs and Spirits industry is highly fragmented due to the wide range of products. New products are launched on a regular basis. The leading producers and distributors are Diageo, Pernod Ricard, Beam and Bacardi Martini. Group brands compete with both local and international brands.

Partner brands

Following the reclassification of the Champagne division within Partner Brands, the relative weight of Partner Brands in total Group sales has doubled. Champagne brands were added to the distribution agreements already in force for other brands and categories in the U.S., Belgium and the Czech Republic, and in travel retail. The most significant contract concerns the Edrington Group's Scotch whiskies, in particular The Famous Grouse and The Macallan brands, as well as Russian Standard vodkas.

For the year ended 31 March 2012, Partner Brands sales totalled €217.8 million, accounting for 21.2% of total Group sales.

OTHER SOURCING AND SUB-CONTRACTING

The Group's liqueurs and other spirits do not have significant sourcing or production constraints.

The Group's top ten suppliers represent roughly 60% of raw material supplies, excluding eaux de vie.

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

- Brazil for Cointreau, from concentrate prepared at the Angers site;
- Greece for Metaxa.

It should be noted that, due to potential risks concerning operations and transport in Greece, stocks of finished products have been increased in Metaxa's major markets.

Sub-contracting represents 16% of the total volume of Group brands.

1.4 DISTRIBUTION

The group has directly-owned distribution subsidiaries in all of its major markets in North America (U.S. and Caribbean), Asia (China, Taiwan, Singapore, Japan), Europe (Belgium, Luxembourg, Czech Republic, Slovakia) and covering the travel retail segment worldwide. Three equity partnerships have also been created in Germany, France and Switzerland. In addition, 17 major distribution contracts have been signed to ensure that the Group's products are sold in its other markets.

This year, the Group expanded its business areas to ensure the expansion of its products into new markets with high potential, including India and South Africa.

Management Report of the Board of Directors

2

Management Report of the Board of Directors to the Combined Shareholders' Meeting of 26 July 2012

Dear Shareholders,

In accordance with the law and our Articles of Association, we have called you to the Combined Shareholders' Meeting to present to you the operating report of your Company for the year ended 31 March 2012 and to submit the financial statements and the appropriation of earnings for this year for your approval, 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 delegations or authorisations to the Board of Directors to increase the share capital with or without pre-emptive subscription rights, to Increase the number of shares to be issued In the event of excess demand, to issue shares and securities granting rights to equity by setting the issue price, to reduce the share capital, and lastly, to bring the Articles of Association into line with applicable laws.

2.1 ANNUAL MANAGEMENT REPORT

The Group posted a recurrent operating profit of €207.7 million for the year ended 31 March 2012, a substantial 24.4% increase (+20.2% organic) over the previous year. The operating margin was 20.2%.

Following exclusive negotiations initiated on 28 February 2011, the Rémy-Cointreau and EPI groups signed an agreement regarding the sale of all of the shares of Piper-Heidsieck Cie champenoise to EPI on 31 May 2011. The sale was completed on 8 July 2011, and gave EPI control of the champagne business in Reims and the Piper Sonoma brand in the United States. Rémy Cointreau and EPI have also signed a global distribution agreement for the Piper-Heidsieck, Charles Heidsieck and Piper Sonoma brands. In accordance with IFRS 5, the financial statements for the years ended 31 March 2012, 2011 and 2010 have been restated in recognition of these transactions. The income statements of the discontinued operations have been reclassified line by line into "profit/(loss) from discontinued operations".

2.1.1 Comments on the consolidated income statement

All data for the year ended 31 March are given in millions of euros. Organic change was measured on a constant exchange rate basis compared with the previous year. The data take into account the reclassification as "assets held for sale" described above.

2.1.1.1 KEY FIGURES

(in € millions)	2012	2011	Reported change	Organic change
Net sales	1,026.1	907.8	13.0%	15.6%
Current operating profit	**207.7**	**167.0**	**24.4%**	**20.2%**
As % of net sales	20.2%	18.4%	–	19.1%
Other operating income/(expenses)	(3.0)	(46.5)		
Operating profit	**204.7**	**120.5**		
Net financial income/(expense)	(35.3)	(29.7)		
Income tax	(47.3)	(21.7)		
Share of profits of associates	(0.4)	4.3		
Net profit/(loss) from continuing operations	**121.7**	**73.4**		
Net profit/(loss) from discontinued operations	**(10.6)**	**(2.8)**		
Net profit/(loss) attributable to non-controlling interests	**(0.3)**	**(0.1)**		
Net profit/(loss) attributable to the owners of the parent	**110.8**	**70.5**		
Net profit/(loss) excluding non-recurring items attributable to the owners of the parent	**123.9**	**107.5**	**15.3%**	
Basic earnings per share:				
Excluding non-recurring items	**€2.51**	**€2.19**		
Attributable to the owners of the parent	**€2.25**	**€1.44**		

	Net sales				Current operating profit				Operating margin		
	2012	2011	Reported change	Organic change	2012	2011	Reported change	Organic change	2012	2012 (org.)	2011
Rémy Martin	592.5	486.0	21.9%	25.1%	173.0	140.5	23.1%	21.6%	29.2%	28.1%	28.9%
Liqueurs & Spirits	215.8	208.0	3.8%	5.1%	52.6	42.6	23.5%	13.6%	24.4%	22.1%	20.5%
Group brands	**808.3**	**694.0**	**16.5%**	**19.1%**	**225.6**	**183.1**	**23.2%**	**19.8%**	**27.9%**	**26.5%**	**26.4%**
Partner brands	217.8	213.8	1.9%	4.1%	4.2	2.1	100.0%	66.7%	1.9%	1.6%	1.0%
Holding company	–	–	–	–	(22.1)	(18.2)	–	21.4%	–	–	–
Total	**1,026.1**	**907.8**	**13.0%**	**15.6%**	**207.7**	**167.0**	**24.4%**	**20.2%**	**20.2%**	**19.1%**	**18.4%**

	Net sales			
	2012	2011	Reported change	Organic change
Europe-Middle East-Africa	317.4	302.9	4.8%	4.7%
Americas	321.3	306.6	4.8%	10.4%
Asia-Pacific	387.4	298.3	29.9%	31.9%
Total	**1,026.1**	**907.8**	**13.0%**	**15.6%**

2.1.1.2 GENERAL COMMENTS ON THE CURRENT OPERATING PROFIT

Change in the current operating profit compared with the year ended 31 March 2011 was as follows:

Current operating profit – year ended 31 March 2011	**167.0**
Change due to exchange rates (net of hedges)	7.0
Change in volumes	59.7
Change in price and product mix	48.0
Change in marketing investments (Group brands)	(51.4)
Change in other expenses	(22.6)
Current operating profit – year ended 31 March 2012	**207.7**

Exchange rate fluctuations had a positive effect in the amount of €7 million, including a favourable effect on the U.S. dollar and related currencies, as well as the yen and the Canadian and Australian dollars. The Group's hedging policy enabled it to record an average exchange rate of 1.34 on the net flows in U.S. dollars generated by its European entities, compared with 1.37 in the year ended 31 March 2011.

The volume effect of €59.7 million reflects an increase in volumes for the Rémy Martin and Liqueurs & Spirits businesses. The substantial improvement stemming from the price and product mix, which contributed €48 million to the increase in the current operating profit, was made possible by the strong growth of superior quality products for Rémy Martin and, in broader terms, the success of the Group's premiumisation strategy.

Lastly, the Group continued to increase marketing investments in support of its brands in the most strategic markets, with an increase of €51.4 million.

Change in other expenses, which include the overheads of distribution structures, brands and the holding structure, stemmed chiefly from the planned development of distribution structures, particularly in Asia.

2.1.1.3 RESULTS FROM OPERATIONS

In the year ended 31 March 2012, the Rémy Cointreau Group generated net sales of €1,026.1 million, an increase of 13.0% compared with the previous financial year (+15.6% organic growth). The current operating profit grew by 24.4% (+20.2% organic growth).

In the comments that follow, all change is expired in terms of organic changes.

All geographic areas posted growth. Asia-Pacific (38% of net sales) continued its robust expansion, with organic growth of 31.9%, particularly in the superior quality Rémy Martin cognacs. The Americas (31% of net sales) saw organic growth of 10.4%, reflecting growth in all categories. Lastly, the Europe-Middle East-Africa region (31% of net sales) posted organic growth of 4.7% on the back of stellar performances for Rémy Martin over the entire area, with all categories doing especially well in Russia.

Rémy Martin

Net sales were €592.5 million, an increase of 25.1% (organic). This marked Rémy Martin's third consecutive year of double-digit growth. Asia-Pacific grew by 36%, a remarkable performance in a growing but highly competitive market. Net sales grew by 9.7% in the Americas, confirming the recovery in that market. Net sales also experienced considerable increase in Europe, with growth in all major markets in the area leading to a 16.9% overall rise.

Rémy Martin recorded a current operating profit of €173 million, a substantial increase of 21.6%. The current operating margin was 28.1%, absorbing a sustained increase in marketing investment in strategic markets.

Liqueurs & Spirits

Net sales were €215.8 million. This represented an increase of 5.1% (organic), marking a return to growth in the wake of the 3.7% (organic) decline posted in the previous year. All brands recorded growth, particularly Cointreau and Mount Gay but also Metaxa, albeit on a weak comparison base characterised by the Greek crisis. This performance is particularly noteworthy, since Europe, where economic conditions are tough, remains the largest market for this category (57% of net sales).

Liqueurs & Spirits recorded a current operating profit of €52.6 million, an increase of 13.6%. The current operating margin was 22.1% (organic), compared with 20.5% in the year ended 31 March 2011.

Partner Brands

This activity, which now includes global distribution of the Piper-Heidsieck and Charles Heidsieck champagne brands, posted net sales of €217.8 million, an increase of 4.1%. The Scotch Whisky brands continued to log strong growth, particularly in the U.S. and in travel retail. After the allocation of a share of selling and administrative expenses, this activity, which rounds out the Group's product portfolio, reported an operating profit of €4.2 million.

2.1.1.4 OPERATING PROFIT

The operating profit was €204.7 million, including impairment of €3.8 million on two secondary brands owned by the Group, following the review of strategic plans concerning them.

The Metaxa brand, acquired in 2000, had been written down by €45 million in the year ended 31 March 2011.

2.1.1.5 NET FINANCIAL INCOME/(EXPENSE)

	2012	2011	Change
Cost of gross financial debt[(1)]	(20.7)	(25.7)	5.0
Investment income	2.0	0.0	2.0
Sub-total	**(18.7)**	**(25.7)**	**7.0**
Early redemption costs	–	(3.7)	3.7
Impact of the portfolio of interest-rate instruments not classified as hedges	(9.2)	(2.2)	(7.0)
Reclassification to the net profit/(loss) from discontinued operations	1.0	4.3	(3.3)
Cost of net financial debt	**(26.9)**	**(27.3)**	**0.4**
Currency gains/(losses)	**(5.1)**	**1.1**	**(6.2)**
Other financial expenses (net)	**(3.3)**	**(3.5)**	**0.2**
Net financial income/(expense)	**(35.3)**	**(29.7)**	**(5.6)**

(1) Excluding early redemption costs and the impacts of interest-rate instruments not classified as hedges.

Net financial expense was €35.3 million, factoring in the following items:

- the average debt for the year was €324.3 million, down nearly 50%, including the impact of the disposal of the Champagne division as of the second quarter;
- since the disposal of the Champagne division, the Group has had a positive cash balance, with long-term funding instruments representing a nominal value of €345 million still in place. This had a corresponding negative impact on the average interest rate of the Group's debt. Cash accordingly totalled €190.1 million as of 31 March 2012;
- the Group has a portfolio of interest-rate swaps worth a notional amount of €150 million to hedge against increases in short-term interest rates in the years 2012-2015. Given market developments and the disqualification of the portfolio as a hedging instrument, the annual change in value of the portfolio and the differential in interest payments on the relevant instruments resulted in a deterioration in the amount of €7 million compared with the previous year. The value of the portfolio is liable to vary further at each balance sheet date, in line with changes in the markets, until the instruments mature;
- the portfolio of currency hedging instruments, aimed at protecting future cash flows in line with the Group's hedging policy, includes options and forward sales, mainly on the U.S. dollar. In view of the volatility of the €/US$ exchange rate during the period, the change of the portfolio's time value, fully qualified for hedge accounting under IAS 39, represented an additional expense of €6.6 million compared with the previous year.

The average interest rate, calculated on average net debt, is 5.8% in view of the breakdown of funding sources. The average interest rate on confirmed long-term resources (€345 million) is approximately 5%.

Other financial expenses include items related to the change in the value of vendor loans (a loan to the EPI group in the year ended 31 March 2012 and a loan to the Lucas Bols group in the previous year, the latter was fully repaid to us as of 31 March 2011) and funding costs for certain eaux de vie owned by the AFC cooperative. These items were stable at €(3.3) million compared with the previous year.

2.1.1.6 NET PROFIT/(LOSS) ATTRIBUTABLE TO THE OWNERS OF THE PARENT

The tax charge amounted to €47.3 million, an effective tax rate of 27.9% (2011: 24.0%), resulting from the geographical breakdown of profits for the year.

The share of profits of associates, i.e. €(0.4) million, stemmed chiefly from the investment in the Dynasty group. Dynasty, a major player in the local wine market in China, began a major reorganisation, which affected its performance during the year.

The net profit from discontinued operations and assets held for sale includes:

- for the previous year, the impact of the reclassification of income attributable to the activities sold as part of the transaction with EPI;
- for the current year, the final impacts of the disposal, which it was not possible to recognise as of 31 March 2011, when the terms of the sale were still being negotiated. In accordance with IFRS, part of the sale price was re-allocated to the distribution agreement under favourable terms for the buyer. The amount has been recorded as a liability and will be reversed in the relevant years. The initial corresponding charge is €9.5 million after tax.

The net profit attributable to the owners of the parent was €110.8 million (2011: €70.5 million), i.e. basic earnings per share of €2.25, compared with €1.44 for the prior year.

Excluding non-recurring items (other operating income and expense after tax and the net profits of discontinued operations and assets held for sale), the net profit attributable to the owners of the parent was €123.9 million, i.e. basic earnings per share of €2.51, compared with €2.19 in the prior year, an increase of 14.6%.

2.1.2 Comments on the statement of financial position

	2012	2011	Change
Brands and other intangible assets	443.2	447.1	(3.9)
Property, plant and equipment	146.4	141.0	5.4
Investments in associates	68.4	64.9	3.5
Other financial assets	86.9	10.9	76.0
Non-current assets (other than deferred tax)	**744.9**	**663.9**	**81.0**
Inventories	792.6	699.2	93.4
Trade and other receivables	207.9	213.6	(5.7)
Trade and other payables	(467.5)	(406.6)	(60.9)
Working capital requirements	**533.0**	**506.2**	**26.8**
Net financial derivatives	(19.8)	11.9	(31.7)
Assets held for sale	0.2	376.3	(376.1)
Net current and deferred tax	(63.5)	(129.1)	65.6
Provisions for liabilities and charges	(30.2)	(36.5)	6.3
Other net current and non-current assets and liabilities	**(113.3)**	**222.6**	**(335.9)**
Total	**1,164.6**	**1,392.7**	**(228.1)**
Financed by:			
Shareholders' equity	**976.0**	**1,063.8**	**(87.8)**
Long-term financial debt	340.0	377.7	(37.7)
Short-term financial debt and accrued interest	38.7	31.8	6.9
Cash and cash equivalents	(190.1)	(80.6)	(109.5)
Net financial debt	**188.6**	**328.9**	**(140.3)**
Total	**1,164.6**	**1,392.7**	**(228.1)**
For information:			
Total assets	**1,989.2**	**2,190.9**	**(201.7)**

Non-current assets increased by €81 million compared with 31 March 2011 due to:

- the provision for impairment of secondary brands in the amount of €3.8 million;
- the increase in the "share of profits of associates", mainly including a currency translation effect on Dynasty;
- the recognition of the vendor loan granted to EPI on the disposal of the Champagne division on 8 July 2011, in the amount of €75 million.

Working capital requirements increased by €26.8 million:

inventories increased by €93.4 million, mainly including the replenishment of stocks of eaux de vie to support the growth of Rémy Martin;

trade and other receivables decreased by €5.7 million, despite the strong growth in net sales, reflecting strict management of this item;

trade and other payables increased by €60.9 million, in line with the increase in inventories and the sustained growth in advertising and promotional expenditure.

Change in financial instruments includes:

- a difference of €(20) million on the portfolio of currency hedging instruments: the start-of-period portfolio, used during the year, had a net value of €15.7 million, while the portfolio formed during the period to hedge next year's flows represented a net liability of €4.3 million;
- a difference of €(11.7) million on the portfolio of interest-rate instruments, of which €8.6 million attributable to change in the value of disqualified swaps.

The change in reported shareholders' equity breaks down as follows:

Net profit/(loss)	111.1
Gains and losses recognised in equity	2.9
Impact of stock-option and similar plans	4.3
Capital increase	2.7
Transactions on treasury shares	(95.2)
Dividends paid	(113.6)
Total change	**(87.8)**

Transactions on treasury shares included €95.6 million for the purchase of 1,421,003 shares under a share buyback programme initiated in December 2011.

Pursuant to resolutions 13 and 15 of the Shareholders' Meeting of 26 July 2011, Rémy Cointreau's Board of Directors, at its meeting of 22 November 2011, appointed an investment service provider to make purchases of Rémy Cointreau SA shares within the limit of 10% of share capital after deducting shares already held in treasury, including those acquired under the liquidity contract.

The shares acquired will be (i) held for subsequent use in exchanges or in payment for acquisitions within the limits prescribed by law, or (ii) cancelled, in accordance with the buyback programme described in Rémy Cointreau's registration document, filed with the AMF on 29 June 2011, as amended by the Shareholders' Meeting of 26 July 2011.

During the year ended 31 March 2012, Rémy Cointreau SA paid a dividend of €1.30 per share in respect of the year ended 31 March 2011 and a special dividend of €1.00 per share, putting the total dividend payment at €113.6 million.

Net debt totalled €188.6 million, a 43% reduction compared with 31 March 2011 (€328.9 million). The impact of the disposal of the Champagne division is estimated at €256 million.

As of 31 March 2012, confirmed financial resources totalled €691 million, breaking down as:

- a private placement of €140 million maturing on 10 June 2015, bearing interest at a rate of 3.67%;
- a €205 million bond maturing on 15 December 2016, with a coupon of 5.18% and an issue premium of 2.26%;
- a €346 million syndicated revolving loan (Euribor + 0.325%) maturing on 7 June 2012.

New funding in an approximate amount of €250 million is being negotiated to supersede the syndicated revolver when it matures.

The A ratio[1] (net debt/EBITDA), which determines the margin applicable to the syndicated loan, was 0.67 as of 31 March 2012. The terms of the syndicated loan stipulate that this ratio, calculated every six months, must remain below 3.5 from 1 October 2008 until the loan matures.

2.1.3 Return on capital employed (ROCE)

As of 31 March 2012, capital employed[2] totalled €659.7 million, an increase of 5% compared with 31 March 2011. Based on the operating profit of €207.7 million, the return on capital employed (ROCE) was 31.5%, a 4.9-point improvement compared with the prior year (2011: 26.6%).

ROCE improved in all categories, with returns of 33.6% for Rémy Martin (2011: 27.4%) and 90.7% for Liqueurs & Spirits (2011: 74.5%).

(1) The A ratio is calculated every six months. It is the ratio of (a) the arithmetic average of net debt at the end of the half-year and the end of the prior half-year – in this case end-March 2012 and end-September 2011 – after taking into account adjustments to eliminate the impact of IFRS on the calculation of net debt and (b) EBITDA for the previous 12 months – in this case the year ended 31 March 2012.

(2) Capital employed includes intangible assets excluding brands and distribution rights, property, plant and equipment, inventories, trade and other receivables, trade and other payables, and provisions for liabilities and charges, excluding those related to tax litigation or discontinued operations.

2.1.4 Comments on the consolidated cash flow statement

	2012	2011	Change
EBITDA	228.7	187.1	41.6
Change in working capital requirements	(6.7)	39.5	(46.2)
Net cash flow from operations	**222.0**	**226.6**	**(4.6)**
Other operating income/(expenses)	(0.3)	(1.9)	1.6
Net financial income/(expense)	(16.9)	(20.3)	3.4
Net income tax	(104.2)	(31.1)	(73.1)
Other operating cash flows	**(121.4)**	**(53.3)**	**(68.1)**
Net cash flow from operating activities – continuing operations	**100.6**	**173.3**	**(72.7)**
Impact of discontinued operations	12.0	8.4	3.6
Net cash flow from operating activities	**112.6**	**181.7**	**(69.1)**
Net cash flow from investment activities – continuing operations	**(15.5)**	**34.3**	**(49.8)**
Impact of discontinued operations	71.3	0.8	70.5
Net cash flow from investment activities	**55.8**	**35.1**	**20.7**
Capital increases	2.7	7.0	(4.3)
Treasury shares	(95.2)	(0.2)	(95.0)
Repayment of financial debt	(33.1)	(187.6)	154.5
Dividends paid to the owners of the parent	(113.6)	(41.2)	(72.5)
Net cash flow from financing activities – continuing operations	**(239.2)**	**(222.0)**	**(17.3)**
Impact of discontinued operations	172.7	–	172.7
Net cash flow from financing activities	**(66.5)**	**(222.0)**	**155.4**
Translation differences on cash and cash equivalents	**7.6**	**(0.5)**	**8.2**
Change in cash and cash equivalents	**109.5**	**(5.7)**	**115.2**

In view of the sale of the Champagne division, and in accordance with IFRS 5, the cash flows corresponding to this activity for the years ended 31 March 2012 and 2011 have been reclassified as "profit/(loss) from discontinued operations". For the year ended 31 March 2012, these items include impacts specific to the transaction.

EBITDA[1] increased by €41.6 million, of which €40.7 million attributable to the increase in the current operating profit.

Change in working capital requirements over the year was an increase of €6.7 million, including a significant increase in inventories of distilled spirits, with trade receivables stable despite the strong growth in trading, and an increase in trade and other payables due to increases in purchases, and advertising and promotional spending.

Net cash outflows relating to financing activities were €16.9 million, a decline of €3.4 million compared with the prior year, in line with change in the financial debt.

Net flows of taxes amounted to €104.2 million, nearly a quarter of which concerned the balance of a tax debt related to the settlement of a past dispute, with the remaining amounts generally attributable to a higher level of current taxes in view of the increase in profits.

Investment flows on continuing operations over the period included €15.9 million in capital expenditure, in line with the amount budgeted for the year. In 2011, the group collected €61.8 million from the repayment of principal and capitalised interest in respect of the vendor loan granted in connection with the disposal of Lucas Bols in April 2006.

Investment flows on discontinued operations totalled €71.3 million, corresponding to the amount of the sale of all shares of Piper-Heidsieck Cie champenoise to EPI on 8 July 2011 for €146.3 million, net of the vendor loan granted in the amount of €75 million.

(1) EBITDA is the 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 impact of the net financial debt of the disposed assets was €172.7 million, classified as financing flows. This impact represents the amount of the net debt of the disposed assets as of 31 March 2011, and not at the time of the sale, on 8 July 2011, when it was €239.5 million.

Other financing flows include:

- the impact of the exercise of stock options in the amount of €2.7 million;
- disbursements as part of share buybacks in the amount of €95.2 million, relating mainly to the share buyback programme described in section 2;
- the payment of the dividend in respect of the 2010/11 financial year in the amount of €64.2 million and the special dividend in the amount of €49.5 million;
- the reduction of gross debt in the amount of €33.1 million.

After taking into account the effects of translation differences, cash and cash equivalents increased by €115.2 million compared with 31 March 2011 (leaving a balance of €190.1 million).

2.1.5 Subsequent events

On 23 May 2012, Rémy Cointreau decided to terminate the execution of the share buyback programme initiated on 6 December 2011. As part of this programme, the company acquired 1,428,794 shares representing 2.88% of share capital at an average price of €67.29 per share. The June 2012 Board of Directors' meeting will set out the terms of the resolution bearing on the new share buyback programme to be proposed at the Annual Shareholders' Meeting of 26 July 2012.

On 5 June 2012, Rémy Cointreau obtained a new five-year revolving loan of €255 million from a pool of 11 banks at competitive conditions including an initial spread of 1.95% per annum. As a result of this transaction, Rémy Cointreau's main credit line will expire in June 2017.

2.1.6 Outlook

With the economic environment improving but remaining uncertain in many parts of the world, Rémy Cointreau continues to look to the future with confidence.

With its sales network, rigorous management of costs and a robust balance sheet, Rémy Cointreau is continuing its strategy of long-term value creation.

The focus on high value-added products, combined with a policy of product innovation and sustained and targeted marketing investment, will provide the Group with the necessary resources to ensure steady, profitable growth.

2.1.7 Risk factors and insurance policy

2.1.7.1 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.

2.1.7.2 DELIVERY COMMITMENTS

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

2.1.7.3 PRINCIPAL CONTRACTS AND CUSTOMERS

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

In general, contracts concluded by Group companies form part the ordinary course of business and the commitments therein are in line with international business practices.

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

The Group's top ten customers represent 43% of consolidated net sales.

2.1.7.4 FOREIGN EXCHANGE RISK

Rémy Cointreau's results are sensitive to movements in exchange rates as the Group realises around 70% of its net sales outside the euro zone, whereas most of the production is within 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 U.S. 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 a decision-making process approved by the Board of Directors.

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

Option sales are restricted to the resale of options to close a prior purchase or to the hedging of transactions which is 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 sales and margins.

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

The USD position structurally represents 85% of hedged flows (this position includes HKD flows which are systematically converted into USD).

During the financial year ended 31 March 2012, the Group thus hedged its USD/EUR flows with a total hedging volume of USD 370 million, resulting in a EUR/USD collection rate of 1.34.

In respect of the financial year ending 31 March 2013, the Group has already subscribed, at 31 March 2012, to hedges of a nominal value of USD 400 million, representing around 94% of this currency's estimated net cash flow with a worse-case scenario of EUR/USD 1.39.

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

2.1.7.5 INTEREST-RATE RISK

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

As of 31 March 2012, the financial debt was analysed as follows:

	Long-term	Short-term	Total
Fixed-rate	338.4	–	338.4
Variable-rate	1.6	31.4	33.0
Accrued interest	–	7.3	7.3
Gross financial debt	340.0	38.7	378.7

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

2.1.7.6 LIQUIDITY RISK

The liquidity risk is mainly driven by the availability and maturity of financial resources. Total gross financial debt at the year-end had a nominal value of €378.7 million, compared with confirmed resources of €691 million. Out of this amount, €346 million will fall due over the next financial year. Of the €691 million in confirmed resources at 31 March 2012, €486 million was made available subject to maintaining the A Ratio (see Note 11.7 to the consolidated financial statements) below 3.5 over all half-year periods until maturity. The syndicated loan of €346 million set to expire on 7 June 2012 is expected to be renewed on time, in view of the Group's financial strength.

The Group's financial resources are detailed in Note 11 to the consolidated financial statements. Other liquidity risk items are also provided in Note **14.6**.

2.1.7.7 FINANCING POLICY

As of 31 March 2012, the Group had no significant specific financing linked to its assets.

2.1.7.8 BRANDS

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

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 necessary steps to combat counterfeiting, particularly in Asia and Eastern Europe, as well as any unfair competition. An integrated legal team permanently monitors the Group's industrial 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 Brands Office of the People's Republic of China acknowledged the three ideograms "REN TOU MA", by which the Rémy Martin brand is known by Chinese consumers, as a recognised brand. This recognition is a powerful addition to the process of combating counterfeit goods which the Group has implemented 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 works closely with the various lawyers responsible for the Group's brands. The co-ordinator in the fight against counterfeiting firstly ensures the follow up of the report on any counterfeiting of the Group's brands, together with professional bodies, distributors, sales departments, customs authorities, government expert agencies. He/she then reports this information, having verified its reliability, shares the best anti-counterfeiting practices with other major wines and spirits groups and ensures the consistency of the steps to be taken by the lawyers and other internal players concerned.

There is currently no significant litigation or risk identified in the area of ownership of the Rémy Cointreau brands.

2.1.7.9 LEGAL RISKS

The production and sales operations of Group products are subject to regulations in France and abroad which vary depending on each country, particularly in respect of production, packaging and marketing of those products. For all important aspects of its activities, the Group has 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 which sets precise rules in respect of the advertising of alcoholic drinks. The movement of the latter is subject to specific taxes and duties. Indirect duties, known as excise duties, which comprise taxation on the movement and consumption of alcoholic drinks, have been harmonised within the European community. The movement of tax-free products within the EU must be accompanied by a document prepared by the shipper and approved prior to the despatch of the goods concerned.

Spirits are subject, depending on their definition and presentation, to the provisions of EC Regulation No. 110/2008. Their definitions, raw materials, authorised processes, sales denominations, minimum alcohol content, labelling rules and conditions for obtaining protected geographical indications status are also precisely defined.

Champagne wines are subject to EC Regulation No. 607/2009 of the Commission of 14 July 2009 that set a number of application provisions for the Council's EC Regulation No. 479/2008 on protected designations of origin, labelling and presentation of certain products in the vine growing and winemaking sector.

In the U.S., 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 customs 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 U.S. Additional entry documents and prior notice of shipping information are required from 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 programme links suppliers and U.S. Customs & Border Patrol ("CBP") to ensure that each participating U.S. importer's supply chain is secure and the integrity of security between suppliers and U.S. ports. Beyond the security benefits, the CBP offers benefits to certified C-TPAT members including reduced number of container inspections and faster customers clearance. Additionally, in the event of border tightening due to a terrorism-related incident, C-TPAT members may not be exposed to increased border scrutiny allowing for continued container clearance.

At the request of the CBP, a routine audit of the Rémy Cointreau and Rémy Cointreau USA supply chain was carried out, and received approval in February 2012. Rémy Cointreau's and Rémy Cointreau USA's membership of the C-TPAT programme has been updated and continues in good-standing.

In addition, each of the 50 States has local laws regulating the transport, purchase and sale of alcoholic drinks. Such 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 may evolve in France, within the European Union or in the rest of the world and affect Rémy Cointreau's business segment or increase the liability of the companies operating within that segment.

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

As of 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, trade mark registration and renewal, either directly, using internal legal specialists to implement modern brand management practices, or through intellectual property advisors whose expertise is recognised globally. The Group never hesitates to initiate opposition proceedings, anywhere in the world, each time it considers that a trade mark registration application may impair its property rights. It is also a member of professional organisations which combat counterfeiting.

The Group is careful never to be legally dependent on third parties in a way which could 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, permanently manages the Group's legal affairs. It carries out preventative checks on all legal risks, both internal and 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 areas of business law.

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

Ongoing litigation as of the date of this report is mentioned in Section 2.3.2.

The Group's insurance coverage policy is specified in Section 2.1.7.11 of this report.

2.1.7.10 OTHER RISKS

Customer/country risk

Rémy Cointreau does not, or seldom, operates in regions considered to be unstable, 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. Its constant efforts to optimise distribution at a global level are a factor in limiting this risk.

Performance driven by international operations

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

Due to its international reach and a significant share of its net sales being realised within the dollar zone, Rémy Cointreau is also subject to currency risks. This topic is covered in the section 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 which are monitored by quarterly committee meetings.

Due to the Group's wines and spirits activities, its main production sites in France are subject to local authority licensing. The Cognac site is classified as Seveso high threshold on account of 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.

In general, 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 employees and to external providers who work on the sites.

During the financial year, €4.1 million was invested in the fields of safety, quality and 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 designated for consumers, as well as the internationally recognised ISO 22000 standard for certification of production sites' HACCP plans.

Information technologies risks

The Rémy Cointreau Group's processes are based on the extensive use of IT systems, 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 partially unavailable. For this reason, a data backup plan has been implemented in each company, as well as a production continuity plan, in order to protect the Group against such risks.

2.1.7.11 INSURANCE

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

The Group has also worked in close partnership with the prevention departments of insurance companies for many years. This partnership has enabled prevention and safety audits to be carried out regularly 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 from the outset with all damage of any kind suffered by the Group.

The Rémy Cointreau Group works closely with a worldwide insurance broker and all its policies were taken out with major insurance companies with recognised financial strength.

The main insurance cover is part of integrated international programmes covering strategic risks such as general civil liability, withdrawal of delivered products, damage to property and consequent operating losses, transport of goods and public liability for corporate officers.

In view of the nature of its operations, the Group focuses, in particular, on the risks related to storage and to the transport of raw materials 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:

Insurance	Guarantees and limits
Material Damage and Operating Loss	The Group's industrial operations are covered as part of an international policy based in France. Material damage is covered in the form of "All risks except". This is a multi-year policy, 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 operating losses. This limit was determined following analysis of the Maximum Possible Disaster study.
General Civil Liability	This is an annual 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 physical, material and immaterial damage likely to be caused to third parties. In the U.S., local policies have been taken out covering employer civil liability as well as motor insurance civil liability.
Environment Liability	This annual policy guarantees that the Group is covered for environmental risks.
Transport Liability	This policy was taken out on a multi-year basis and covers transport risks up to a limit of €10,000,000 per claim. This policy provides cover for all Group merchandise, shipped worldwide and by any means of transport.
Public Liability Policy for corporate officers	This policy is renewed each year. The level of the guarantee limit varies according to identified and updated risks.

Other insurance policies have been taken out in order to cover secondary risks, such as the vehicle fleet, travel, assets and personnel during business travel.

The Group suffered no significant claims in the 2011/2012 financial year where the losses were not recovered under its insurance cover.

Total insurance premiums, excluding employee-related collective insurance contracts, for the 2011/2012 financial year did not exceed 0.17% of consolidated net sales.

The Group believes that the guarantees offered by all its insurance policies and the premium and excess amounts correspond to the standard sums for its sector.

2.2 HUMAN RESOURCES

2.2.1 Human resources policy

The Rémy Cointreau Group's human resources policy for 2011/2012 is based on the Group's founding convictions which govern its objectives and guide its action plans.

One of these convictions is that the professional development of the Group's men and women contributes to the collective performance of its teams.

Another of the Group's commitments is that diversity is seen as a strategic opportunity and a major advantage that promotes the international effectiveness of its organisations.

Furthermore, the human resources policy is intended to strengthen the feeling of belonging to the Group, with the aim of bringing together a community sharing the same vision, created by common values.

Lastly, true to the historical choices it has made, in France Rémy Cointreau's contractual policy favours collective agreements in all areas of employee negotiations.

2.2.1.1 ENCOURAGING EMPLOYEE DEVELOPMENT

Rémy Cointreau has continued to use its development tools – now on an international basis – to encourage the development of the skills of the Group's men and women. Performance evaluation processes, succession planning and training policies have a strong emphasis on the implementation of collective or individual action plans aimed at supporting the career aspirations of the Group's men and women, fostering skills development and contributing to team performance.

In particular, 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 resources decisions in order to guarantee the Company's ability to operate in the long term.

2.2.1.2 FOSTERING THE GROUP'S MULTICULTURAL IDENTITY AND PROMOTING DIVERSITY

The Rémy Cointreau Group is an international group with more than 60% of its employees based outside France. The Group believes that its multicultural dimension represents a significant asset in its international development. Training is increasingly focused on sharing experiences in all countries where the Group operates. International mobility, both on a professional and geographic level, contributes to spreading the Group's values extensively throughout its organisation. Moreover, the Group's commitment to diversity is also demonstrated by its willingness to favour building teams that include men and women of different ages, and with different training backgrounds and professional experience.

2.2.1.3 STRENGTHENING THE FEELING OF BELONGING

In addition to being enriched by this diversity, the Rémy Cointreau Group seeks to strengthen the feeling of belonging to a community inspired by a shared vision, united around a set of common values and working to achieve a common objective. Furthermore, Rémy Cointreau has put in place ambitious international training programmes to familiarise its marketing, sales and financial teams with the principles, policies and practices that the Group applies to all its brands in all the countries in which it operates.

2.2.1.4 MAINTAINING AN AMBITIOUS SOCIAL DIALOGUE

The 2011/2012 financial year was marked, once again, by the signing of collective agreements that underlined a willingness, shared by trade unions and employee representatives, to favour dialogue and consultation.

In France, a wage policy was defined within the framework of a collective agreement, approved by a majority and signed in February. The agreement on strategic workforce planning was renewed and an agreement on gender equality at work was signed with unanimous approval.

Lastly, in line with its willingness to let employees share in company profits, the profit-sharing and incentive plans from which French employees benefit were renewed during the financial year.

2.2.2 Changes in the size of the workforce

2.2.2.1 THE WORKFORCE

At 31 March 2012, the Group's workforce totalled 1,560 people, a decrease of 61 employees compared with 2011. The disposal of the Champagne division led to a decrease of 155 employees.

Elsewhere, 94 employees were added to other Group entities, equivalent to an 6.4% increase in the total workforce in 2011/2012.

Based on a constant scope of consolidation, this increase in the workforce is twice higher than the average for the previous two years.

The growth in the workforce mainly relates to Rémy Martin and the sales operations in China and Russia.

2.2.2.2 ANALYSIS OF THE WORKFORCE BY GEOGRAPHIC AREA

The significance of the Asia region in headcount terms continued to grow and represented 26% of the Group's workforce at the end of March 2011 (+4% compared with March 2011). The strengthening of the sales forces of the Chinese subsidiary continued, in order to support the growth of the business, as did the development of the new distribution subsidiary in Japan.

The workforce in the Americas region remained broadly stable.

Excluding the Champagne division, the number of employees based in Europe rose by 6% in 2011/2012. Europe-based employees now represent around half (53%) of the Group's worldwide workforce, reflecting its fast-growing internationalisation over the last five years.

	March 2012	%	March 2011	%	March 2010	%
France	660	43	792	49	809	52
Europe (excluding France)	175	10	151	9	151	10
Americas	320	21	317	20	303	19
Asia	405	26	361	22	308	19
Total	**1,560**	**100**	**1,621**	**100**	**1,571**	**100**

2.2.2.3 ANALYSIS OF THE WORKFORCE BY DIVISION

The workforce continued to grow in 2011/2012 in operational functions of distribution subsidiaries (sales, marketing) enabling the Group's distribution functions to have a strong presence and be efficient in all its key markets: the enhancement of skills in China and the U.S., and the continuation of the development of the sales operations in Russia, India and Japan.

Distribution activity now represents half of the workforce (51%), and the Cognacs, Liqueurs & Spirits production activity just over a third (37%).

	March 2012	%	March 2011	%	March 2010	%
Group brands	573	37	650	40	669	42
Champagne	–	–	155	10	165	10
Distribution	927	59	762	47	688	45
Holding company	60	4	54	3	49	3
Total	**1,560**		**1,621**		**1,571**	

2.2.2.4 ANALYSIS OF THE WORKFORCE BY FUNCTION, OCCUPATION AND GENDER

The sales function represents one-third of the Group's workforce (32%), reflecting the significance of distribution in the Group's operations. In addition to the sales function, the development of the network saw the emergence of local marketing and finance functions, needed to implement brand strategies and oversee operations.

	March 2012	%	March 2011	%	March 2010	%
Sales	497	32	449	28	391	25
Marketing	200	13	190	12	190	12
Production and Purchasing	293	19	364	22	373	24
Supply Chain	151	10	155	9	141	9
Ageing	100	6	127	8	130	8
Finance & Legal	169	11	179	11	168	11
Information Systems	42	3	45	3	46	3
Human Resources	35	2	36	2	36	2
General Services	36	2	43	3	59	4
Senior management	37	2	33	2	37	2
Total	**1,560**		**1,621**		**1,571**	

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

Analysed by occupation, 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%).

2.2.2.5 ANALYSIS OF THE WORKFORCE BY PROFESSIONAL CATEGORY

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

Production activities account for most of the operative and technical positions, of which over 75% are located in France.

Conversely, 85% of the sales workforce is located outside France, primarily in Asia (43%), the U.S. (30%) and Europe (12%).

2.2.2.6 AVERAGE AGE AND LENGTH OF SERVICE

The average age of Rémy Cointreau's workforce is stable at 45 years, with a marked difference between Asia, where the average age is 36, and other regions, including France (45), Barbados (45) and the U.S. (41).

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

By occupation, sales, marketing and finance employees are markedly younger, at 38, than other functions.

The average length of service of the Group's workforce remained stable at 13.8 years during 2011/2012.

2.2.2.7 WORK-LINKED TRAINING CONTRACTS IN FRANCE

The Rémy Cointreau Group continued its proactive work-linked training policy, with the renewal of all work-linked training contracts where necessary and additional recruitment in new positions. These contracts accounted for almost 4% of the workforce in France at the end of March 2012.

2.2.3. Organisation of working hours

To take into account the particular characteristics of different markets, in France, the working week is either annualised and/or adjusted for packaging operations in accordance with high and low activity periods using shiftwork, to respond better to customer demand. Other operations feature cyclical work organisation, i.e. ageing, where the organisation is linked to the peak and off-peak periods for eaux-de-vie deliveries.

2.2.4. Remuneration

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 in all countries. The competitiveness of remuneration packages is measured on a local basis, close to the markets. They are compared with groups and companies with similar features, to ensure attractive 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 2011/2012 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 managers was applied on the basis of a common structure for all countries, while at the same time taking into account specific local factors and practices. Bonus payment structures were thereby linked to business and financial targets, measured as close as possible to the scope of responsibility and according to consistent weighting for all occupations.

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

2.2.5. Social security and welfare

The Group finalised the implementation of new life and disability policy in each of its subsidiaries, in line with Group service provision standards. This enabled the provision of competitive guarantees in light of market practices, including a significant employer contribution.

The current objective is to pool these collective insurance schemes by optimising existing schemes and establishing a preferred partnership to insure against these risks.

2.3 CORPORATE SOCIAL RESPONSIBILITY (CSR)

Our Corporate Social Responsibility policy is an integral part of our value creation strategy

The Group's business strategy and CSR policy are intrinsically linked to every aspect of our operations. We oversee the conservation of natural resources and the enhancement of skills with the same rigour and creativity that we apply to our business development.

Our CSR strategy is based on a policy implemented at local and international level as a matter of routine.

At our production sites and in our sales practices, we act on our commitments to achieve resolute progress and continuous improvements in our processes.

Innovation and pragmatism are the guiding lights that enable our organisation to attain the goals we have set ourselves. This mindset is shared by all of our stakeholders: employees, suppliers, shareholders and all our customers. This enables our CSR policy to contribute real value-added to the development of our brands.

The lessons learnt from the measures implemented to date have helped shape our CSR 2015 plan, a three-year programme for responsible growth. This plan will commit us to targets and results, which will be published in a transparent manner each year. We will continue to develop measures designed to achieve progress wherever necessary. This is in line with the quest for perfection that drives the whole Group.

A proactive and transparent CSR policy

The transparency of the information that we publish is without doubt the most effective demonstration of our commitment to a tangible and realistic CSR policy. This year, for the first time, voluntary verification of a selection of environmental indicators was carried out externally, by Ernst & Young's environmental and sustainable development teams. The environmental indicators traditionally used were supplemented by ratios relating to production (values per standard case).

From the next financial year (2012/2013), our main objective will be to meet the requirements of Article 255 of the *Grenelle de l'Environnement* framework on transparency requirements for social and environmental information.

Every year, we implement a forward-looking CSR policy that is always very much in tune with our strategy. Its structure consolidates our commitments and enables us to set precise targets.

We started to measure the greenhouse gas emissions from our sites, for example, a few years ago, prior to the introduction of legislation, which enabled us to reduce our carbon output before the *Grenelle de l'Environnement* texts were published. Our initiatives are now organised around indicators and objectives defined in relation to the Group's total carbon footprint and the next plan for reducing greenhouse gas emissions.

In more general terms, we believe that the regulatory constraints in this area should be seen as levers for achieving more rigour. By acting before regulations are strengthened, we prepare our teams and raise their awareness, while at the same time fostering our growth. Moreover, we have had time to prepare for the implementation of the decree concerning CSR reporting (which comes into force on 31 December 2012), without any need to rush.

During the year, we also prepared our code of business ethics, which represented a major initiative in the area of CSR governance. The Group will now have a single reference document combining the rules of ethics for all Rémy Cointreau departments, the CSR commitments and the key international principles that guide us: the UN Global Compact, and OECD recommendations.

The code of ethics has six main sections. These cover:

- rules of conduct (including issues relating to conflicts of interest and corruption);
- compliance with current environmental and labour standards;
- protection of privacy;
- self-regulation in terms of responsible communications, consumption and commitments to our customers and suppliers;
- compliance with the law;
- protection of assets.

This initiative was launched by senior management and is intended for all employees, in all countries in which the Group operates. The code of ethics will be translated into English, French and Chinese, and then extended to all languages used in the Group. Employees will be able to familiarise themselves with the document over the next financial year, so that it becomes a real point of reference.

In order to ensure that the code of ethics is applied by everyone, a control and alert mechanism has been put in place for failures in compliance, in addition to monitoring procedures and possible sanctions. These measures will be accompanied by internal and external audits.

Showing our commitment to ISO 26000

As an international group and a member of the UN Global Compact since 2003, Rémy Cointreau bases its strategy on global standards. We have actively chosen to supplement our international commitments by following the guidance of the ISO 26000 standard in our CSR policy. From next year, the six key strands of our strategy will be adapted in line with this new standard.

Our policy will therefore be fully consistent with the changes needed to adapt to the new CSR challenges of evolving legislation and standards, climate change and reports on working conditions.

In a major development for the Group, a new section entitled "CSR governance" will bring together all aspects of CSR management. The other strands of our strategy will be included in the following sections: "Working conditions and human rights", "Winemaking and the environment", "Honest practices", "Consumers" and "Citizenship". An early, concrete result of the Group's adherence to ISO 26000 will be the second CSR Charter (to be published shortly). In the medium term, our commitments and actions may be subject to an ISO 26000 evaluation, to supplement the certification previously achieved and which is renewed regularly, notably in relation to ISO 9001, ISO 14001, OHSAS 18001 and ISO 22000.

We aim to encourage all our suppliers and stakeholders to follow the same path.

WINEMAKING

Our commitment: to implement economically competitive and environmentally-friendly growing methods, combined with traditional expertise, and to promote this approach with our suppliers.

Certification that targets excellence

Environmental certification is the best way of guaranteeing to our clients that rigorous processes govern our winemaking practices. The Rémy Martin Cognac vineyards were awarded the *Agriculture Raisonnée* (integrated agriculture) certification in 2007. In addition, the Cognac employees received 22 days of training to learn more about integrated agriculture applications (corresponding GRI indicator: LA 10).

The *Grenelle de l'Environnement* initiative has established a new certification system, for "high environmental value farming" (AHVE), which reinforces the principles of integrated agriculture. Since its introduction in June 2011, we have taken the necessary steps to convert the integrated agriculture certification of our Cognac vineyards to the high environmental value farming standard (AHVE level 2). The change should take effect following an audit, with the aim of achieving level 3 (excellence) certification by the end of the 2012/2013 financial year.

Promoting good practices and recognising quality

A spearhead for the good practices it promotes, Rémy Cointreau contributes to raising the awareness of winemakers of the *Alliance Fine Champagne* (a co-operative of producers supplying most of the Rémy Martin's eaux-de-vie) regarding the large number of environmental standards and regulations. The Group has launched a self-evaluation project relating to winemaking practices in conjunction with a training organisation. Following the self-evaluations, the winemakers were then invited to a presentation of the results, together with advice and a demonstration of waste treatment at one of the Rémy Martin vineyards. In total, almost 170 people attended the event, held in April 2011.

In the same way, HACCP food safety audits are always followed up by the provision of practical advice, discussions on the implementation of alternative solutions or help on completing the administrative formalities.

The Group is also evaluating the feasibility of achieving collective AHVE certification for *Alliance Fine Champagne* winemakers. A pilot group has already been established. The individual benefits are considerable for winemakers in terms of improving the image of their profession, which is sometimes tarnished by a reputation for using excessive amounts of pesticides. Collective certification would offer them the opportunity to highlight their use of responsible practices instead.

By setting a high standard, Rémy Cointreau is displaying its own environmental credentials, as well as setting an example for *Alliance Fine Champagne winemakers*.

Lastly, the group not only promotes better winemaking practices, it also rewards the know-how of its suppliers: each year the *Centaures de la distillation* ceremony is held to recognise the quality of the work done by the Group's distillers.

2

Environmentally-friendly growing methods

The Rémy Martin vineyards are continuing their programme of reducing the use of pesticides. As a member of the DEPHY Ecophyto farm network, the site has been involved in the Ecophyto 2018 plan since 2011. The aim of the plan is to reduce pesticide use by 50% by 2018, the level targeted by a *Grenelle de l'Environnement* undertaking. In 2011/2012, usage of these products on the vineyards was 30% below approved levels, and 100% of the pesticides used do not harm the environment. Ultimately, the Group aims to show that it is possible to develop systems of sustainable, high-yield farming with low usage of pesticides. We are making particular efforts to train our employees to use pesticides efficiently. Moreover, the regulations require all people who use these products to have obtained an individual training certificate by 2014: this is already the case of all Rémy Martin vineyard employees, which number around 20 people. True to its principle of excellence, Rémy Martin encourages winemakers to attend training programmes, and contributed to the debate by holding a "spraying" forum at its vineyards, which was organised by the Charente Chamber of Agriculture. A video was produced in relation to this training day, which is available online.

With the aim of preserving the biodiversity of its vineyards and employing balanced growing methods, the Group uses natural grass cover (an environmentally sound alternative to weeding) on 31% of the vineyard land surface. The Group stopped using chemical weedkillers five years ago. We minimise our use of fertilisers through regular soil analyses: eight controls were carried out in Cognac this year. Lastly, 100% of vineyards use natural predators to prevent the proliferation of insects harmful to vines.

QUALITY, SAFETY AND THE ENVIRONMENT

Our commitment: to guarantee the premium quality of our products through ongoing investment in research, a constant demand for quality, food safety and industrial safety, and actions taken to protect the environment.

The scope of reporting concerns the companies E. Rémy Martin in Cognac and Cointreau in Angers. It is detailed in the note on methodology for reporting environmental indicators.

Certification, the assessment of energy use, reductions in the consumption of natural resources, the carbon footprint and reduction in CO_2 emissions, the preservation of biodiversity and the verification of CSR information by the Group's Statutory Auditors: all steps are being taken to make our environmental performance a driver of business success.

In 2011/2012, the Group invested €4 million in implementing these actions, an increase of 12% on the previous year (*corresponding GRI indicator: EN30*).

A CERTIFICATION POLICY AIMED AT REDUCING THE ENVIRONMENTAL IMPACT OF OUR BUSINESS

Measures related to quality, safety and the environment are very important to Rémy Cointreau. Our certification policy is aimed at ensuring high standards are maintained in these areas. The application of standards for environmental management, as well as food and industrial safety and quality, represents an integral part of our daily activities. The renewal of ISO 9001 and ISO 22000 certification in Angers, and ISO 14001 certification in Cognac are testimony to this. Follow-up audits for ISO 9001 and ISO 22000 have been carried out in Cognac, and confirmed that the site's commitments are being fulfilled, as did the follow-up audits for ISO 14001 and OHSAS 18001 in Angers.

We are putting in place training programmes to help implement the certification policy. For example, in Angers, packaging staff have been trained in "quality vigilance". In more general terms, 2,519 training hours have been dedicated to quality, safety and environmental issues, with 359 people receiving this training (*corresponding GRI indicator: LA 10*).

The safety of employees and equipment is also very important: €1.6 million has been invested in safety, and 349 people attended safety training this year (corresponding GRI indicator: LA 10). In Cognac, more than 140 internal audits have been carried out to ensure compliance with safety instructions.

In terms of prevention, the sites have introduced risk assessment forms to identify potentially dangerous situations and implement the necessary prevention measures. Evacuation exercises are practised regularly at the sites. The accident rate is stable, and low.
Frequency: 13
Severity: 0.25

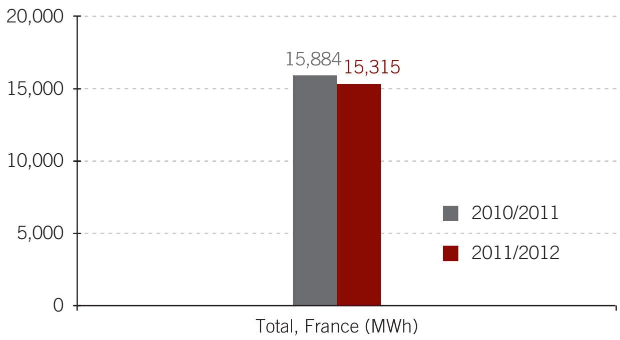
Particular attention has been paid to the suppliers of articles that come into direct contact with products. In this regard, all cap suppliers were audited this year, in compliance with the food safety standard ISO 22000.

From next year, Cognac will put in place an integrated certification procedure, which will encompass three standards: ISO 9001, ISO 14001 and ISO 22000.

ENERGY CONSUMPTION

Rémy Cointreau has reduced its total energy consumption by 3.6%, from 15,884 MWh to 15,315 MWh (*corresponding GRI indicator: EN5*).

Total energy consumption



In 2011/2012, total energy consumption was 3.65 kWh per standard case.

Direct energy use *(gas and fuel oil)*

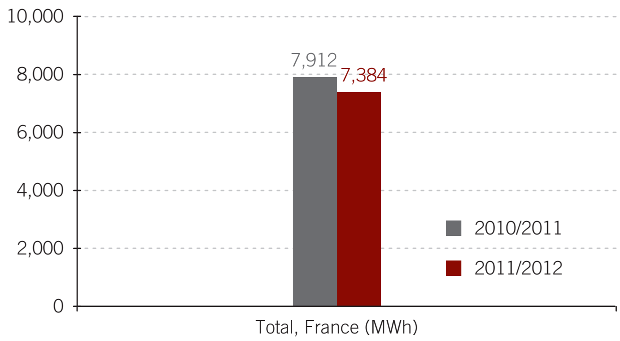
Direct energy consumption fell by 6.7%, from 7,912 MWh to 7,384 MWh *(corresponding GRI indicators: EN3/EN5)*.

In particular, Rémy Martin reduced its consumption by 29.3%, from 2,852 MWh to 2,017 MWh.

These figures reflect a fall in fuel oil consumption of 96%, from 470 MWh to 16 MWh, due to the shutdown of generators previously used to produce electricity.

Gas consumption also fell at this site, by 16%, from 2,382 MWh to 2,001 MWh, owing to the mild winter in 2011/2012.

Change in direct energy consumption (gas, fuel oil)



In 2011/2012, direct energy consumption was 1.72 kWh per standard case.

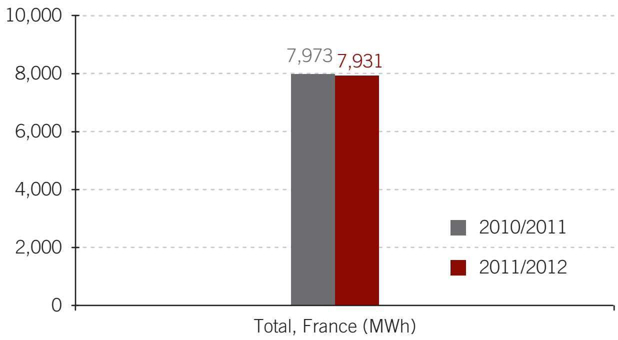
The sharp fall in consumption at the Cognac site offset a 6.1% increase at the Angers site (from 5,059 MWh to 5,366 MWh).

Gas consumption at the Angers site increased by 6.0%, from 5,051 MWh to 5,354 MWh, due to a particularly cold February in 2012.

Indirect energy use *(electricity)*

Indirect energy consumption was broadly stable at 7,931 MWh, from 7,973 MWh, cementing the fall recorded over the last five years *(corresponding GRI indicator: EN4)*.

Change in indirect energy consumption (electricity)



In 2011/2012, indirect energy consumption was 1.85 kWh per standard case.

Electricity consumption at the Angers site increased by 6.4%, from 2,393 MWh to 2,546 MWh, following the installation of new equipment on a packaging line.

This increase was offset by a 3.5% drop in consumption at the Cognac site (from 5,580 MWh to 5,384 MWh).

The efforts made to reduce energy consumption are continuing at our sites, with clearly visible results. In Cognac, in addition to a reduction in heating in the evenings and at weekends, the temperature at our premises has been adjusted in line with the external weather conditions. For example, a 1°C reduction in the temperature at our production premises results in an energy saving of between 7% and 11%.

Building renovations take this figure into account, and ensure there is as much natural light as possible: in the offices, an area in need of updating was completely renovated with the optimisation of insulation and the creation of several areas of natural light. We plan to renovate a section of the building to the same high standards every year.

Lastly, the refurbishment of all the cellars included the installation of low-energy light bulbs, an initiative recognized by the award of an EDF (French power company) energy saving certificate.

At the same time as these technical measures, employees were reminded of the contribution they can make through simple gestures such as the appropriate use of lighting and heating and turning off machines and conveyor belts during breaks.

Centralised energy management at our sites enables us to obtain detailed figures on our energy consumption. Overall, our consumption is falling, which is testimony to the efforts made.

The reduction in energy consumption also stems from our “green IT” initiative.

Rémy Cointreau is taking steps to modernise the IT equipment and working methods at its various sites in France. The first stage in meeting this commitment is the purchase of equipment that consumes less energy. Some 80% of the existing IT equipment has now been replaced, resulting in an energy saving of almost 40%, equivalent to 63,500 kWh *(corresponding GRI indicator: EN 7)*, thanks to the eco-responsible supplier we selected.

This optimisation of resources goes hand in hand with improved management of our old IT equipment which are now recovered and recycled by a specialist company.

Efforts are ongoing and we are monitoring technological progress very closely, so that it can be applied throughout the Group. Furthermore, we are continuing to implement awareness-raising measures internally, in relation both to energy saving and the well-being of our employees.

ECO-DESIGN AND PRESERVATION OF NATURAL RESOURCES

Rémy Cointreau is seeking to reduce the environmental impact of its new products. In this regard, it is using the BEE software, which measures the environmental impact of packaging.

Creativity, a value shared by Rémy Cointreau, is an important aspect of our actions to protect the environment.

One of our actions has been to reduce the weight of the glass in our bottles. This year, the weight of the Rémy Martin 1738 Cognac bottle was reduced by around 12%, equivalent to 70 tonnes of glass *(corresponding GRI indicator: EN 26)*.

We continue to use the product library of bottles that we have put together to compare our products, position them, and consider concrete and measurable ways of reducing their environmental impact.

Work on the eco-design of products continues apace and some of our packaging has already been updated, such as the packaging of the Club Cognac bottle sold in Asia. The eco-design aspects of this packaging were presented at the Luxe Pack Monaco trade fair in October 2011. Our innovations were recognised by the packaging specialists present, particularly as regards the concept of maintaining, if not increasing, the quality perceived.

The aim of reducing the environmental impact of our packaging has led us to optimise the packaging of products sold in France. Their average weight continues to fall, and all of our work in this area has led to a reduction of 84 tonnes in the weight of glass used.

We are now evaluating the impact of the distribution of these products in Europe. This research will be completed in the next financial year. It should enable us to find ways to reduce our environmental impact, for example, by choosing environmentally-aware freight partners.

In relation to conserving natural resources, Rémy Cointreau implements several initiatives to reduce water and paper consumption.

Total water consumption *(corresponding GRI indicator: EN8)* increased by 9.8%, from 72,899 m³ to 80,015 m³.

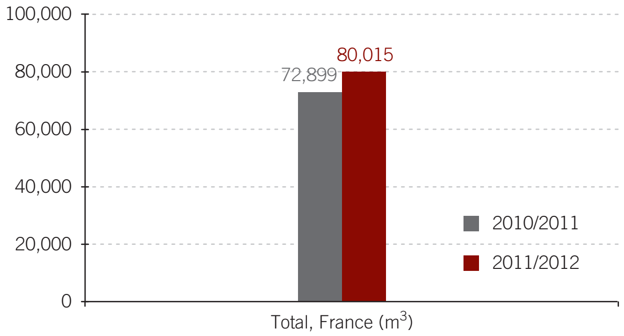
Water consumption at the Angers site increased by 15.3%, from 27,800 m³ to 32,048 m³.

This increase was mainly due to the creation of a new green space and subsequent watering, a leak and the process of certifying the capacity of the tanks.

Activities at the Cognac site generated an increase in water consumption of 6.4%, from 45,099 m³ to 47,967 m³.

The increase was partly due to the construction and installation of new offices.

Water consumption



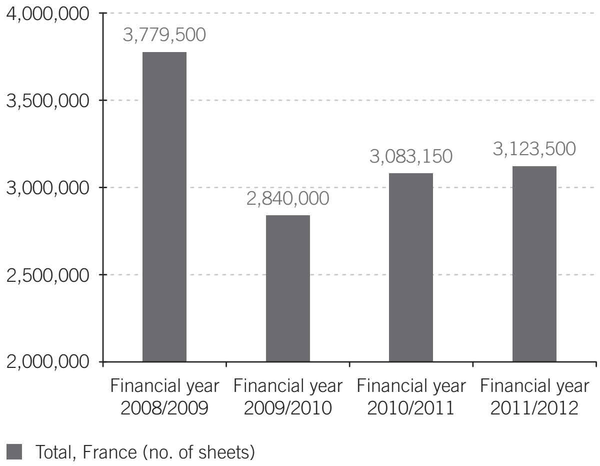
In 2011/2012, water consumption was 18.62 litres per standard case.

Internally, campaigns to raise awareness of eco-behaviour continue to receive strong support. For example, by putting in place a new water saving procedure, the Cognac site reduced the amount of water used for cleaning.

Employees are regularly informed of the environmental issues relating to our activity, through quizzes, regular "environmental news flashes" and meetings of environmental representatives.

Paper consumption increased slightly this year, with 3.1 million sheets of paper used *(corresponding GRI indicator: EN1)*.

Paper consumption



SOLID AND LIQUID WASTE

The Group is continuing its efforts to reduce solid and liquid waste. Here too, employee training is essential for achieving optimum results. Awareness-raising of the need to sort waste is reinforced regularly, for example, through visits to waste treatment centres.

The volume of waste, which mainly consists of ordinary industrial waste, is broadly stable at 1,956 tonnes, from 1,965 tonnes *(corresponding GRI indicator: EN 22)*.

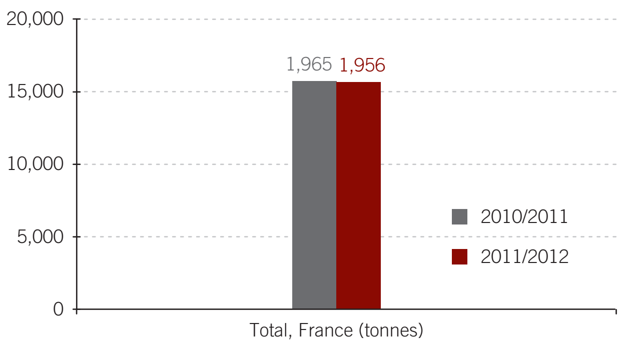
Waste sorting and recycling volumes are also stable (93%).

In line with the level of annual activity, the Angers site reduced its production of waste from 1,136 tonnes to 1,062 tonnes.

In Cognac, meanwhile, there was a slight increase in the production of waste, from 829 tonnes to 894 tonnes.

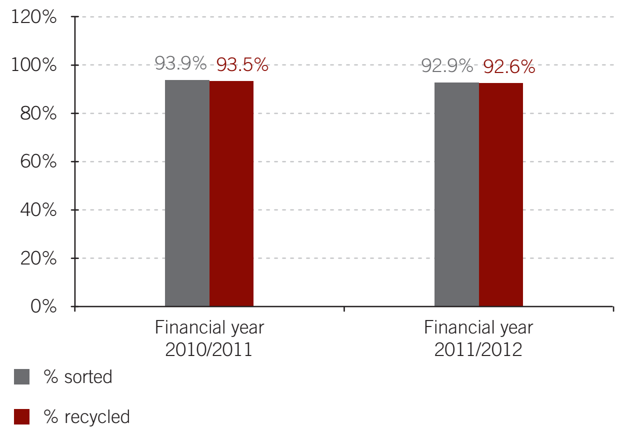
Waste sorting and recycling volumes are stable at 96% in Angers and 89% in Cognac.

Solid waste: volume



In 2011/2012, the volume of waste produced was 0.455 kg per standard case.

Solid Waste



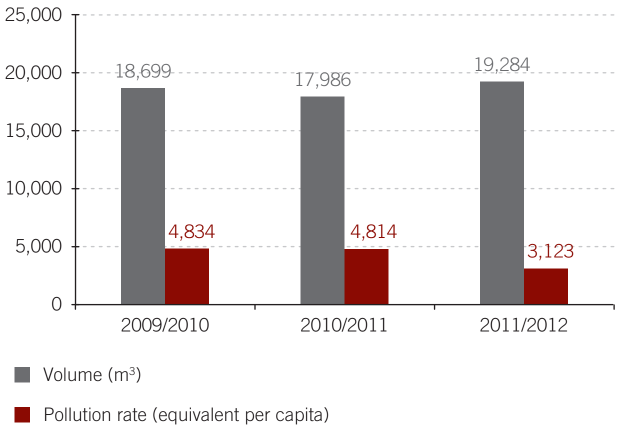
Liquid waste increased by 7.2%, from 17,986 m^3 to 19,284 m^3 (*corresponding GRI indicator: EN 21*).

The increase was mainly attributable to the Cognac site, which recorded a rise of 12.6%, from 7,579 m^3 to 8,535 m^3.

The increase was less significant at the Angers site, at 3.3%, from 10,407 m^3 to 10,749 m^3.

However, the rate of pollution from liquid waste has fallen considerably, by around 35% (from 4,814 equivalent per capita to 3,123) *(corresponding GRI indicator: EN 21)*.

Liquid Waste



In 2011/2012, liquid waste amounted to 4.49 litres per standard case.

Greenhouse gas emissions

The carbon footprint, which measures the greenhouse gas emissions of our activities, is extremely important for Rémy Cointreau.

Applying a principle of excellence, the Group has been gradually introducing this over the last few years, even though its sites are not covered by the new regulatory requirements of the *Grenelle* laws.

The extent of reporting on the carbon footprint has widened over the years, and our approach to it has become more structured, mainly through use of an internal tool created to report data more easily.

True to its principle of partnering with local stakeholders, the Group has put this system in place with the support of Qualeader, a company based in the Pays de Loire in France.

This will enable us to establish an annual carbon footprint within the scope of the *Grenelle* regulations (scope 1 and 2), and an overall footprint every three years, which will include the measurement of all greenhouse gas emissions (scope 3).

We will therefore meet the requirements of the *Grenelle de l'Environnement* decree 2011-829 of July 2011 on a voluntary basis, using version 6 of the ADEME carbon footprint tool, as well as the emission factors from the ADEME databases.

Scope 1 and 2 include emissions from indirect (electricity) and direct (gas, fuel oil) energy consumption, refrigerant gases and company vehicles.

The Group's total emissions amount to 2,366 TeqCO_2, which breaks down into 1,692 TeqCO_2 for scope 1 and 674 TeqCO_2 for scope 2 *(corresponding GRI indicator: EN 16)*.

These emissions mainly derive from direct and indirect energy consumption, which account for 2,158 TeqCO_2, equivalent to 91% of total emissions.

Emissions from the Cognac site are 1,018 TeqCO_2 (560 TeqCO_2 for scope 1 and 458 TeqCO_2 for scope 2).

Emissions from the Angers site are higher, at 1,348 TeqCO_2 (1,131 TeqCO_2 for scope 1 and 217 TeqCO_2 for scope 2).

Greenhouse gas emissions in France

TeqCO_2	**2011/2012**
Scope 1	1,692
Scope 2	674
Scope 1 and scope 2	2,366

In 2011/2012, per standard case, the greenhouse gas emissions for scope 1 were 0.394 kgeqCO_2, 0.157 kgeqCO_2 for scope 2, and 0.551 kgeqCO_2 for scope 1 and scope 2.

In addition to measuring the carbon footprint, we are continuing our measures to reduce carbon emissions. In total, we have saved 1,385 TeqCO_2 *(corresponding GRI indicator: EN 18)*.

- As part of our eco-design initiative, the new packaging for the Club bottle led to a reduction of 151 TeqCO_2. The 70 tonnes of glass saved in the Rémy Martin 1738 Cognac range reduced our carbon emissions by 44 TeqCO_2. Lastly, changes to the packaging of products sold in France reduced emissions by 87 TeqCO_2.

- The lower energy consumption achieved represented a reduction in emissions of 154 TeqCO_2.
- The increase in the number of video conferences (+25%), and their use at an increasing number of sites reduced the amount of business travel required, saving 949 TeqCO_2.

The Group also prioritised electric vehicles when purchasing new cars: two of these vehicles have been delivered to Cognac and Angers.

Lastly, the efforts to reduce our impact on the environment include the commitment by employees to increasingly responsible behaviour. The other initiatives aimed at reducing carbon emissions set out below demonstrate the investment made by employees on a daily basis:

- an increase in locally-sourced supplies, more efficient energy management and the treatment of waste have enabled the company catering operation to reduce CO_2 emissions;
- in Cognac, support for the "green letter" initiative implemented by La Poste, has enabled us to reduce the CO_2 emissions related to postal deliveries. The voluntary support of employees is important: more than half of letters are now sent via this service;
- we have asked our service provider, who operates the inter-site shuttles, to monitor the environmental performance of his vehicles. The last vehicle purchased emits less CO_2, leading to a 45% reduction in CO_2 emissions.

Biodiversity

Preservation of biodiversity also forms part of our environmental responsibility and social commitment *(corresponding GRI indicator: EN 13)*.

At the Rémy Martin vineyards in Cognac, the fallow land dedicated to bees represents an excellent example of an initiative that combines economic efficiency with effective ecosystem functioning. The traditional practice of leaving fallow land is optimised by the planting of selected flowers. As well as returning nitrogen to the soil, this form of planting is also helpful to bees, which can collect pollen and prosper.

We are also pursuing afforestation projects on our land. For example, we are planting poplars, which will increase the profitability of our fields, and at the same time foster the development of flora and fauna that will benefit the environment. Furthermore, last year, we created an experimental three hectare alluvial forest on the banks of the Charente, in order to preserve the quality of the soil and water.

For the third consecutive year, Rémy Cointreau renewed its support for a reforestation project in partnership with the National Forestry Board. The Group is financing a programme of planting oaks over approximately 40 hectares in the forest of Senonches, in the Eure-et-Loire district of France.

Note on methodology for reporting environmental indicators

General principles

Since 2003, Rémy Cointreau has been a signatory to the UN Global Compact, and aims to be an ambassador for the good practices of this worldwide commitment to human rights, labour standards, the environment and the fight against corruption.

The concept of corporate social responsibility (CSR) is promoted within the Company, as well as externally, with customers, suppliers and all other stakeholders.

The measures implemented in the context of the CSR policy are regularly presented in the annual reports, which describe all the CSR indicators, while the GRI (Global Reporting Initiative) indicators are gradually being put in place.

These documents are available on the Rémy Cointreau website and sent to all stakeholders. (http://www.remy-cointreau.com/fr/accueil/).

Reporting protocol

The 2011/2012 reporting protocol is an internal document that describes Rémy Cointreau's CSR commitments and presents the structure and the resources implemented to ensure that reports are of high standard and reliable.

It acts as a guide for internal reporting and a standard for the external verification in 2011/2012 of four environmental indicators, concerning:

- product waste and recycling;
- water consumption;
- direct and indirect energy consumption;
- greenhouse gas emissions (emissions report required by the Grenelle laws).

The reporting protocol is updated annually by 31 December each year, in order to take into account any changes in reporting requirements and CSR indicators.

It can be obtained on request from Rémy Cointreau's Corporate Social Responsibility Director, at the following address: christian.lafage@remy-cointreau.com

Scope

The scope of reporting concerns the companies E. Rémy Martin in Cognac and Cointreau in Angers. This represents 91% of the production of standard Rémy Cointreau cases.

Rémy Cointreau's third production site, located in Barbados (Mount Gay rum), is excluded from the reporting protocol, as are the administrative site in Paris and the sales companies, which are mainly located in the U.S. (Rémy Cointreau USA) and China (Rémy Cointreau China).

These companies will be gradually integrated into the reporting scope over the next few years.

The reporting covers the period 1 April 2011 to 31 March 2012.

Reporting tools

The tools used for reporting are mainly spreadsheets (Excel).

The data is collected and verified at all the Angers and Cognac sites, then consolidated and verified in their published version by the Rémy Cointreau CSR department.

Controls and verification

Internal control

With the aim of ensuring that the process of collecting and consolidating CSR data is reliable, internal controls are carried out and formalised at each stage of the indicator reporting process, for example through analytical reviews (comparison and analysis of year-on-year changes).

The different entities must explain, on a systematic basis, any year-on-year change in the indicators that is greater than 10%.

External control

- The reporting protocol serves as a standard for the external verification of data and is available to external assessors.
- The data sources and data measurement, calculation and consolidation documents, as well as the control procedures, are verified by an independent third party.
- The corresponding information and documentary evidence is kept and made accessible.

Relevance of indicators

The CSR indicators used by Rémy Cointreau demonstrate the concrete nature and reliability of the measures it implements in relation to its CSR commitments.

They contribute to the decision-making process of the users of these indicators in respect of plans designed to enable Rémy Cointreau to make the necessary progress and achieve its CSR objectives.

Indicators selected

QSE (quality, safety and the environment): QSE investments, water consumption, direct (gas, fuel oil) and indirect (electricity) energy consumption, liquid waste volumes and pollution, volume of solid waste and recycling rates, and greenhouse gas emissions and reductions.

The following indicators have been subject to external verification by Ernst & Young's environmental and sustainable development teams:

- The "water consumption" indicator:

This indicator measures total water consumption (en m^3)

- The "volume of solid waste and recycling rate" indicators:

These indicators represent the total annual volume of solid waste (in tonnes) and the recycling rate for solid waste (in %)

- The "direct (gas, fuel oil) and indirect (electricity) energy consumption" indicators:

These indicators measure total energy consumption: gas, fuel oil and electricity (in MWh)

- The "greenhouse gas emissions" indicator:

This indicator measures the greenhouse gas emissions defined by the *Grenelle de l'Environnement* laws, in relation to energy consumption, refrigerant gases and vehicles (in $TeqCO_2$).

It is calculated using the ADEME carbon footprint tool.

The report from the independent assessor Ernst & Young is presented in Rémy Cointreau's registration document.

SUPPLIERS

Our commitment: to involve our suppliers in our corporate and environmental commitments, monitor their actual involvement and support them in their approach to improvement.

Through its concern to know that its suppliers are committed to corporate social responsibility, Rémy Cointreau aims to ensure that they all respect the principles laid down by international charters. Compliance with the UN Global Compact, in particular, is verified through audits carried out by a firm called SGS. This year, our suppliers of boxes, orange peel and essential oils were audited. The audit includes more than 200 questions on all aspects of the company and its operations. Its scope is extremely comprehensive, and extends to areas such as labour conditions and employment relations, safety and the environment. These audits also confirm that suppliers' practices meet the Group's quality requirements. In order to convey to our partners the rigour that forms part of our culture, and to promote an ethos of continuous improvement, we help them put in place plans for achieving concrete progress in the short and medium term. More specifically, three progress plans were defined this year. Amongst the measures included in the plans, 60% have already been implemented by the suppliers concerned.

Moreover, we continue to collect environmental information from our suppliers. The ADEME/Afnor environmental labelling project is currently in its test phase in France, and the information we request from our partners will comply with regulatory requirements.

The business code of ethics also encompasses a code of conduct for purchasing. It affirms that the Group's requirements vis-à-vis its suppliers are matched by impeccable conduct on its part and a great respect for their work.

HUMAN RESOURCES

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

Rémy Cointreau applies the principle of excellence to its international human resources policy. The search for perfection rests on our ability to draft a policy that covers both the entire Group and each individual employee. Our aim is to foster the personal and professional development of our employees, wherever they are located, and whatever job they do, notably through ongoing training. A company that is growing offers opportunities to identify employees with potential and to adopt more inclusive forms of traineeships. At the same time, we pay particular attention to maintaining a positive and productive working environment.

A TRAINING APPROACH THAT TARGETS EXCELLENCE

With a growing global presence, Rémy Cointreau increased its workforce significantly once again during the year. This development was accompanied by a review of the human resources policy, in order to adapt it to the needs of the Company and the expectations of its teams.

The establishment this year of the Rémy Cointreau Academy marked a new phase for this dynamic policy. Conceived as a set of training courses delivered in person by the Group's top managers, this in-house university is fully equipped to train the 300 managers and to instil in them a sense of the Group's culture.

These training courses will be carried out in stages: by the end of the programme, the modules will have covered all the key areas of our activity.

- The Brand Academy will tackle sales and marketing aspects of our brands and the luxury goods sector from a strategic angle. 75% of managers have already completed this course and the remaining managers will do so during the next financial year.
- The Sales Academy provides training in negotiation and sales techniques, with a pragmatic and differentiating market approach, in order to support the brands and create value for our partners and customers, in line with the Group's strategy. This training was initially carried out at local level, mainly in Asia, to give our sales forces a competitive advantage in these key markets for growth.
- Training at the Finance Academy will be given to all managers during the next financial year. 150 non-financial employees have already received training, mainly in France. Aside from the particular financial aspects of our business, this training will make employees more financially aware and improve their understanding of all the Group's criteria for achieving efficiency.

Lastly, in the longer term, training in HR management will focus more specifically on leadership and managerial functions.

The availability of these modules on the Company's intranet will enable new entrants to quickly grasp the essential principles of the Group's culture, with the most functional and practical approach possible.

The training programme continued in parallel, to support employees' professional development. E-learning is also promoted, to encourage every employee to develop and be open to foreign languages, with language learning programmes available. A development library is also available to everyone so that they can expand their knowledge at their own initiative.

In addition to individual training, collective courses are sometimes provided for a particular category of employee. For example, all employees at the Cognac site have attended a training day on the "premiumisation of spirits". This training enabled them to learn more about spirits, brand positioning strategies and the different brand trends and identifiers.

Number of training hours: 11,773 *(corresponding GRI indicator: LA 10).*

SEIZING OPPORTUNITIES FOR EMPLOYEE DEVELOPMENT

As an expanding Group, Rémy Cointreau fosters the development and enhances the skills of its teams. The human resources policy, already in place for a number of years, places particular importance on encouraging employees to take responsibility and to be proactive in managing their careers. In this context, formalisation of the strategic workforce planning process enables the Company to adapt its resources and anticipate its needs. This is particularly true of technical expertise and skills that are in short supply.

In Cognac, the implementation of an investment and business review plan to support the Group's growth envisaged the creation of specific positions to optimise production. Around ten experienced employees were offered the chance to take on the role of interface between the production teams and management, a new position within the Group. The aim of this initiative is to facilitate dialogue to make production more efficient and to provide employees with the right skills to advance their careers. These employees, who perform a crucial role, will receive support and training on an ongoing basis.

Rémy Cointreau also has a recruitment policy designed to attract the most talented employees and develop their potential. The human scale of the Group also enables it to identify talented employees internally, and to encourage them to progress by taking the opportunities offered by our growth strategy. The careers of these employees are managed on an individual basis.

Traineeships represent another excellent way of recruiting and training talented employees. At our French sites, ten trainees educated to between *Bac Pro* and *Bac +5* years (six in Angers and four in Cognac) are learning their trade in an environment in which rigour and creativity are encouraged. Some of our trainees are offered contracts under France's international volunteer programme (VIE).

The transfer of skills is another key priority, which is essential in a sector in which know-how is an art rather than an occupation. Junior – senior partnerships have been created in the cellars to ensure continuity and respect for traditional methods.

Smooth social dialogue to foster the integration and well-being of employees

With the aim of creating a working atmosphere that will enhance the Group's performance and the development of employees, Rémy Cointreau has signed a number of agreements with trade unions and employee representatives. The agreement on remuneration policy notably includes salary reviews for non-management employees, to encourage employee loyalty. The Barbados site also has a specific agreement in this area.

Two new agreements on profit-sharing and strategic workforce planning were signed this year.

At present, 46% of employees based in France are women *(corresponding GRI indicator: LA 13)*. An agreement on gender equality provides for action in five areas: recruitment, remuneration, career development and training, labour conditions and work-life balance. In this context, for example, the Group has implemented an internal experiment with anonymous submission of CVs and the adaptation of workstations.

Over and above these agreements, the Group's French sites pay close attention to the well-being of employees. The Angers and Cognac sites use psycho-social diagnostics in conjunction with ARACT (regional association for the improvement of working conditions). In Cognac, although the results were favourable, the Group has put in place concrete actions to encourage the recognition of each person's work, the improvement of skills and simpler and more efficient labour conditions and relationships. In Angers, a participatory and proactive approach has been favoured. Ten collective interviews were organised on the meaning of perfection for each team. The discussions were managed in a cross-functional and progressive manner. A group of employees from different functions, members of the works council and representatives from the health, safety and working conditions committee (CHSCT) played a major role in this initiative. An ergonomist and an occupational doctor provided assistance. Once again, the results were positive and are testimony to a harmonious working environment; areas for improvement were defined along with measures to be implemented, which will be put in place in the next financial year.

In addition, expenses for improvements in working conditions amounted to €1.09 million.
absenteisme: 4%

Making diversity an opportunity

The Group aims to offer all its employees the opportunity for career development. As a result, we are continuing to adapt our recruitment methods and workstations so that we can employ more disabled people. In Cognac, the efforts made have led to the employment of close to 27 full-time equivalent employees, compared with the legal minimum of 18. In Angers, the Group has opted to pay its traineeship taxes to organisations, schools or entities that promote the employment of disabled people.

In terms of diversity, after two financial years that allowed the Group to put in place a robust policy, it has also implemented measures related to diversity in recruitment, gender equality, the integration of disabled employees and reintegration at local level. Cognac is also working in partnership with the French unemployment agency *(Pôle Emploi)* to recruit people on social reintegration programmes, which has led to employment on permanent contracts.

RESPONSIBLE COMMUNICATION AND CONSUMPTION

Our commitment: to support the international development of our brands with the promotion of responsible consumption, based on transparent principles shared by all our stakeholders, while also investing in scientific alcohol research.

Supporting responsible communication with clear commitments

The initative to promote responsible consumption and communication lies at the heart of the CSR commitments undertaken by the Group in relation to the UN Global Compact. Rémy Cointreau pays significant attention to the expectations of civil society and the authorities concerning the impact of its communications. For a number of years it has adhered to certain principles prior to all of its marketing campaigns, and has put in place an internal control process.

All of our marketing teams follow the guidance of the Group's Ethics Charter which was drafted in 2004. This document lays down the fundamental principles that must be applied in addition to the strict legal framework for the promotion of spirits. Its content is reviewed and updated each year. All of our marketing campaigns comply with these commitments.

At the end of 2011, the Group signed the Charter for Responsible Communications of the French Advertisers' Union. This signifies a commitment, in a broader sense, to good communications practices, which extends, for example, to the eco-design of marketing methods and materials.

The Committee for Responsible Communication, an essential part of self-regulation

The Committee for Responsible Communication (CCR) plays a key role in how we operate and ensures that we comply with our commitments. The CCR is especially vigilant on the protection of minors and the use of the internet and digital media.

The relevant procedures are reviewed each year, and marketing teams are made aware of the new approval processes. The CCR, whose members have legal, marketing, sales and advertising expertise, analyses and approves all campaigns covered by the charters to which Rémy Cointreau is a signatory *(corresponding GRI indicator: PR 6)*. This approval stage for marketing campaigns is essential, and all our teams worldwide must adhere to it, while the committee is required to respond as quickly as possible. The procedure for submitting documents relating to marketing campaigns is therefore now fully electronic. This year, six marketing campaigns and promotions were submitted for the Rémy Martin, Cointreau and Metaxa brands. To support the CCR, the "Alcohol and Society" unit monitors public opinion and industry practices, as well as the latest scientific research into the risks related to the consumption of alcohol. This is an important tool for helping us to regulate our own practices.

Support for alcohol research

Rémy Cointreau continues to provide financial support for the IREB, a scientific alcohol research institute founded in 1971 by the producers and distributors of alcoholic drinks. The IREB carries out and provides grants for work into expanding scientific knowledge about alcohol. It has an independent scientific committee and helps fund around 30 research projects each year. Its Chairman is Christian Lafage, the Group's Corporate Social Responsibility Director.

STAKEHOLDERS AND SUSTAINABLE REGIONAL DEVELOPMENT

Our commitment: to share the experience that we have acquired in sustainable development with all of our stakeholders, and to take concrete action in the countries in which the Group operates so that sustainable development becomes a reality at local level.

Sharing our experience with stakeholders, in France and abroad

Rémy Cointreau discloses its CSR policy and action plan in a transparent manner, in response to requests from its stakeholders. This is particularly the case for its distribution networks in Europe, where its products are appreciated in particular due to its recognised efforts in the area of corporate social responsibility. The provision of information to stakeholders is also appreciated by the rating agencies and SRI fund managers.

The Group is keen to explain and demonstrate that CSR and luxury are not contradictory. In fact, there is a strong link between the requirement for excellence that gives the products their reputation and our CSR practices, which reflect the importance we attach to quality for our clients. Moreover, Rémy Cointreau has been asked to consider this emerging theme, and is providing more and more information on its own global CSR approach.

Furthermore, we are implementing sponsorship initiatives to share our principles outside France. For example, this year the Louis XIII brand is supporting the work of *The Film Foundation,* which was formed to protect cinema heritage by restoring old films. Set up in 1990 by Martin Scorsese, the foundation shares this attachment to preserving a heritage with Rémy Cointreau and Louis XIII in particular. We are keeping more than a hundred years of know-how alive with the same passion that drives The Film Foundation to preserve the cinema of the past. Our common aim is to pass on a history.

Supporting sustainable regional development

The Group is particularly keen to implement good CSR practices in the countries in which it operates. For example, it is continuing its involvement with Revico, a company that processes distillation residues from the Cognac vineyards to produce green energy.

Consumers will receive more detailed information with the advent of environmental labelling. The Group is currently working on this issue, and the groundwork and preliminary studies have already been carried out.

Taking action on a local basis also means sharing Rémy Cointreau's sustainable development experiences on the ground, by going to meet students in schools and universities in the local area which provide specialised courses in sustainable development. In addition to our employee involvement in courses and talks at these schools and universities, the institutions themselves are interested in operating in a more sustainable way. Our expertise is increasingly sought after by the heads of such institutions.

The Group is also continuing to implement social measures at local level. We support the Second Chance Foundation, which helps people in difficult situations with realistic and sustainable professional projects (skills training, starting a company). In partnership with a local association (EGEE – *Entente des Générations pour l'Emploi et l'Entreprise*), Rémy Cointreau gave a presentation on the foundation's work at a forum in Angoulême, an initiative that led to dialogue with local associations and authorities. Lastly, as part of the measures carried out in conjunction with the French unemployment agency (Pôle Emploi), some of our employees have taken the initiative to mentor people on social reintegration programmes, by providing advice and help with networking.

Environmental indicators

	2011/2012	2010/2011
Total energy consumption, in MWh		
Total, France	15,315	15,884
o/w Cointreau	7,913	7,452
o/w E. Rémy Martin & Cie	7,402	8,432
Direct energy consumption (gas, fuel oil), in MWh (GRI indicator: EN3)		
Total, France	7,384	7,912
o/w Cointreau	5,367	5,060
o/w E. Rémy Martin & Cie	2,017	2,852
Indirect energy consumption (electricity), in MWh (GRI indicator: EN4)		
Total, France (MWh)	7,931	7,973
o/w Cointreau (MWh)	2,546	2,393
o/w E. Rémy Martin & Cie (MWh)	5,384	5,580
Water consumption, in m³ (GRI indicator: EN8)		
Total, France	80,015	72,899
o/w Cointreau	32,048	27,800
o/w E. Rémy Martin & Cie	47,967	45,099
Paper consumption, in millions of sheets (GRI indicator: EN1)		
Total, France	3.12	3.08
o/w Cointreau	0.66	0.75
o/w E. Rémy Martin & Cie	1.78	1.44
o/w administrative offices, Paris	0.68	0.89
Waste volume, in tonnes (GRI indicator: EN22)		
Total, France	1,956	1,965
o/w Cointreau	1,062	1,136
o/w E. Rémy Martin & Cie	894	829
Volume of solid waste sorted, in %		
Total, France	92.9	93.9
o/w Cointreau	96.5	96.5
o/w E. Rémy Martin & Cie	88.8	90.4
Volume of solid waste recycled, in %		
Total, France	92.6	93.5
o/w Cointreau	96.0	96.1
o/w E. Rémy Martin & Cie	88.6	90.0
Volume of liquid waste, in m³ (GRI indicator: EN21)		
Total, France	19,284	17,986
o/w Cointreau	10,749	10,407
o/w E. Rémy Martin & Cie	8,535	7,579
Liquid waste pollution rate, eq. per capita (GRI indicator: EN21)		
Total, France	3,123	4,814
o/w Cointreau	859	1,045
o/w E. Rémy Martin & Cie	2,264	3,769

	2011/2012	2010/2011
Greenhouse gas emissions (scope 1 and scope 2), en TeqCO_2 (GRI indicator: EN16)		
Total, France	2,366	–
o/w Cointreau	1,348	–
o/w E. Rémy Martin & Cie	1,018	–
Greenhouse gas emissions (scope 1), en TeqCO_2		
Total, France	1,692	–
o/w Cointreau	1,131	–
o/w E. Rémy Martin & Cie	560	–
Greenhouse gas emissions (scope 2), en TeqCO_2		
Total, France	674	–
o/w Cointreau	216	–
o/w E. Rémy Martin & Cie	458	–

Independent review of selected environmental indicators

Year ended 31 March 2012

To the Shareholders,

In response to the request made to us by Rémy Cointreau, we conducted a review aimed at allowing us to express limited assurance that the selected environmental indicators[1] for the year ended 31 March 2012 (the "indicators") were prepared in accordance with Rémy Cointreau's Corporate Social Responsibility reporting protocol, in its version dated May 2012 (the "framework").

The indicators are described in the "Corporate Social Responsibility" section of the registration document. The methodological information contained in the framework is also provided in the registration document, under the heading "Note on methodology for reporting environmental indicators".

It is the responsibility of Rémy Cointreau's Corporate Social Responsibility department to prepare the indicators and the framework, to keep them up to date and to make them available.

Our role is to express an opinion on the indicators based on our review. Our review was conducted in accordance with the professional standards applicable in France and the international standards set out in the ISAE 3000 (International Standard on Assurance Engagements, December 2003), by IFAC (International Federation of Accountants), and in compliance with the rules of independence established by laws and regulations and the professional code of ethics.

The findings below relate solely to those indicators we actually reviewed, and not to all of the information provided in the "Corporate Social Responsibility" section of the registration document. A higher level of assurance would have required more extensive work.

1. Nature and scope of our review

We performed procedures aimed at allowing us to express limited assurance that the indicators do not contain any material misstatements.

- We assessed the framework in respect of its detail, clarity, objectivity, comprehensiveness and relevance to the Group's activities and the reporting practices of the industry.
- At the Group level, we:
  - conducted interviews with the people in charge of reporting the indicators,
  - performed materiality and risk-of-misstatement analyses,
  - assessed the implementation of the framework, carried out analytical procedures and consistency tests, and verified, through sampling procedures, the consolidation of the indicators.
- At both of the sites covered by the report, we verified the understanding and the application of the framework, and conducted detailed tests, through sampling procedures, checking the calculation formulas and reconciling the data with the supporting documents.
- We reviewed the presentation of the indicators contained in the "Corporate Social Responsibility" section of the registration document.

(1) Tonnage of waste produced (tonnes), Waste recycling rate (%), Water consumption (m³), Energy consumption (MWh), GHG emissions (Scope 1 & 2) (tonnes of CO2 equivalent).

2. Comments on procedures

The framework raises the following comments:

- The indicators reported by the Group in the registration document and the annual report address key environmental issues related to Group activities and demonstrate its commitment on these issues. The Group could round out the reporting by addressing biodiversity issues as well.
- The current reporting scope covers the environmental impacts of sites in the French towns of Cognac and Saint-Barthélémy d'Anjou. To improve the comprehensiveness of the impacts considered, they could be extended to cover the Group's production, distribution, marketing and administrative activities, including those carried out internationally, which are not included at this time.

3. Conclusion

Based on our review, we found no material misstatements liable to call into question the fact that the indicators were prepared, in all material respects, in accordance with the framework.

Paris-La Défense, 8 June 2012

ERNST & YOUNG et Associés

Environment and Sustainable Development

Eric Mugnier

2.3.1 The Group's principal entities and investment and research policy

2.3.1.1 THE GROUP'S PRINCIPAL ENTITIES ARE

The headquarters of Rémy Cointreau

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

Cognac (Rémy Martin)

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

Merpins site (on the outskirts of Cognac)

A 150,000 m² complex used for production (ageing cellars, fermenting room, pre-finishing, laboratory and offices);

A packaging complex of 20,800 m².

Cognac site

An office complex and ageing cellar of approximately 18,500 m².

Angers (Liqueurs & Spirits)

The facilities 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 fermenting, production and packaging operations (nine lines).

Barbados (Liqueurs & Spirits)

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

Other entities

The Group has premises and commercial or administrative offices in the U.S. (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 location.

2.3.1.2 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 million and €30 million per annum.

During the financial year ended 31 March 2012, investment totalled €19.5 million, a decrease of 3% compared with the previous financial year.

Investment involved the following:

- the Cognac site €11.1 million;
- the Liqueurs & Spirits division site, €4.7 million;

Advertising and marketing investment

Communication and promotional expenditure	2012	2011	2010
Absolute values	220.5	170.9	143.6
As % of net sales	21.5%	18.8%	17.8%

These expenses include the cost of advertising campaigns, public relations and communication and promotional activities.

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

2.3.1.3 RESEARCH POLICY

The production facilities have Research and Development departments that work on both content and packaging.

The laboratories are well-equipped and work in regular contact with private external research centres and universities.

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

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 deep involvement in research and development.

Research and development expenditure are expensed as incurred by each of the companies concerned.

2.3.2 Group exceptional events and litigation or risks

At 31 March 2012, Group companies were plaintiffs or defendants in action taken by their usual contractual business partners (service providers or customers). 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 legal dispute.

Ongoing litigation at the date of this report is not liable to have, or has not had during 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 which has had during the past 12 months, a significant impact on the financial position or profitability of the Company and/or the Group.

Reports of the Chairman and of the Board of Directors

3

3.1 REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

Dear Shareholders,

In compliance with Article L. 225-37 of the French 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 work of your Board of Directors;
- internal control and risk-management procedures 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 Shareholders' Meetings; and
- the principles and rules governing the remuneration and benefits paid to corporate officers.

Note that the disclosures required by Article L. 225-100-3 of the French Commercial Code are presented in Section 3.2.4 of this registration document.

The Report of the Chairman of the Board of Directors was approved by the Board of Directors on 5 June 2012, following the consultation of the Audit and Finance Committee on 4 June 2012.

3.1.1 Corporate Governance Code

At its meeting of 20 November 2008, the Board of Directors approved, without any modification or company-specific amendments, the document entitled "The Corporate Governance of Listed Corporations", issued by the AFEP and the MEDEF as a set of recommendations in October 2008 and published officially in December 2008. The Board of Directors confirmed its adoption at its meeting of 4 June 2009.

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

3.1.2 Composition and conditions of preparation and organisation of the work of the Board of Directors

3.1.2.1 INTERNAL RULES

At its meeting of 7 September 2004, the Board of Directors elected to organise directors' information in such a way that all Directors, be they representatives of 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 its meeting of 8 December 2004, the Board elected to lay down its rules of procedure and its relationship with the Executive Management in a set of internal rules.

The Board of Directors updated its internal rules on 5 December 2005, 5 June 2007 and 20 September 2011. These updates were necessitated by changes to legislation.

The current report cites the main points contained in the Board's internal rules.

3.1.2.2 COMPOSITION OF THE BOARD

It should be noted that Rémy Cointreau's Board of Directors currently comprises 12 members, and that at least 30% of them must, if possible, be independent. There were five independent Directors in 2011/2012. The list of Board members, including reference to the positions held in other companies, is provided in the "Corporate governance" section.

We also remind readers that the Shareholders' Meeting of 26 July 2011 appointed two new women Directors in compliance with the new law on the balanced representation of men and women on Boards of Directors. Your Board accordingly now comprises three women, representing 25% of its members.

The choice of independent Directors is subject to preliminary recommendations from the Nomination and Remuneration Committee. The Board of Directors is regularly informed of the independence of each of its members. The criteria selected to this end are reviewed annually. Generally, a Director is deemed independent when he/she has no relationship of any kind whatsoever with the Company, its Group or its management that could compromise the exercise of his/her freedom of judgement.

All Board members have extensive and multidisciplinary experience of the business world and international markets. The performance of members of the Board of Directors is assessed throughout the year as they take part in meetings of the Board and its committees. Their assessment is formalised after a year-end summary of responses from each Director to a questionnaire 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 members of the Executive Committee.

3.1.2.3 TRANSPARENCY RULES

Upon taking office, and then on a regular basis during their term, Directors are given the Guide published by the French Financial Markets Authority *(Autorité des Marchés Financiers, AMF),* which is aimed at directors of listed companies. It sets out their personal obligations with respect to holding Company shares.

Directors must hold their shares in registered form or deposit shares issued by the Company, its subsidiaries, the company of which it is a subsidiary or other subsidiaries of that company, and 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 provisions of Article L. 621-18-2 of the French Monetary and Financial Code and the articles of the General Regulation of the AMF that have a direct bearing on them. Directors must therefore directly inform the AMF, within five days of the transaction, of any acquisition, sale, subscription or exchange of equity securities of the Company, as well as any transactions carried out on related financial instruments. In addition to Board members, the Chief Executive Officer and the members of the Executive Committee, this rule applies to all individuals or corporate entities related to them in accordance with the 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 with them for at least a year as of the date of the transaction in question, or by any legal entity whose governance is under the responsibility of one of the aforementioned individuals, which is directly or indirectly controlled by that person, which was established for his/her own benefit, or of which the majority of the economic benefits flow to that person.

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

Directors must inform the Board of Directors as soon as they become 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.

3.1.2.4 FREQUENCY OF MEETINGS

It should be noted that the Extraordinary Shareholders' Meeting of 7 September 2004 decided to change the Company's management by establishing a Board of Directors.

Article 16-1 of the Articles of Association provides that the Board of Directors meets as often as required in the interests of the Company. The Board of Directors accordingly met eight times during the financial year.

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

4 April 2011

- EPI's final offer for the acquisition of the Champagne division – Vendor loan.

Attendance rate: 82%.

24 May 2011

- Decision to sell to EPI the entire share capital of Piper-Heidsieck Cie champenoise, formerly Maison Heidsieck, founded in 1785; powers to the executive management.

Attendance rate: 82%.

1 June 2011

- Examination and approval of the financial statements of the Group for the year ended 31 March 2011; comparison with the budget; report of the Audit and Finance Committee.
- Approval of the Company's financial statements for the 2010/2011 financial year.
- Management report of the Board of Directors; Report of the Chairman of the Board of Directors on, among other items, the conditions of preparation and organisation of the work of the Board and the internal control procedures established by the Company.
- Proposed appropriation of income and setting of the ordinary and special dividends.
- Establishment and review of the provisional management documents referred to in Articles L. 232-2 and L. 232-3 of the French Commercial Code.
- Presentation of the Human Resources policy.
- Corporate Social Responsibility policy.
- 2011 Shareholders' Meeting. Proposed Board authorisations.
- Proposed amendments to Articles 6.2, 8.2, 20 and 23 of the Articles of Association relating to share capital, threshold crossings, regulated-party agreements and Shareholders' Meetings, as a result of changes to legislation.
- Notice of the Annual Shareholders' Meeting and an Extraordinary Shareholders' Meeting; setting of the agendas; approval of the Board of Directors' reports and the report of the Chairman to the Annual Shareholders' Meeting; draft resolutions. Powers.

Attendance rate: 91%.

26 July 2011

- Appointment of Dominique Hériard Dubreuil as Chairman of the Board; determination of the remuneration of the Chairman.
- Information on the conclusion of the sale of the Champagne division to EPI on 8 July 2011.
- 2010/2011 budget; determination of updated operating profit and cash flow projections following the sale of the Champagne division.
- Sale of CLS Rémy Cointreau shares to Rémy Cointreau Services by E. Rémy Martin & Cie and Cointreau SAS.

Attendance rate: 67%.

20 September 2011

- Review of the Group's trading since the start of the financial year; provisional net profit and A ratio as of 30 September 2011.
- Appointment of Caroline Bois to the Audit and Finance Committee.
- Noting of the number and value of shares issued between 1 April and 31 August 2011 following the exercise of share subscription options; modification of the share capital and Articles of Association accordingly.
- Update of the Board's internal rules.

Attendance rate: 100%.

22 November 2011

- Review and approval of the interim consolidated financial statements for the six months ended 30 September 2011; comparison with the budget; report of the Audit and Finance Committee.
- Establishment and review of the provisional management documents referred to in Articles L. 232-2 and L. 232-3 of the French Commercial Code.
- Authorisation of two assistance agreements between Rémy Cointreau SA and E. Rémy Martin & Cie, and Rémy Cointreau SA and Cointreau SAS.
- Review of the summary dashboard of currency hedges; report on exceptions to the limits of option-based hedges imposed by the Foreign Exchange Charter.
- Medium-term plan; the Group's strategic options and priorities; decision on the use of the proceeds of the sale of the Champagne division.

Attendance rate: 92%.

7 February 2012

- Update on the share buyback programme.
- Workplace and pay equality policy.
- The Group's undertakings in the field of social, societal and environmental responsibility: the new risks.
- Decision relating to the obligation to retain the bonus shares granted to the Chief Executive Officer on 22 November 2011.
- Group foreign-exchange policy; review of the summary dashboard of currency hedges; report on exceptions to the limits of option-based hedges imposed by the Foreign Exchange Charter.
- Update on development projects.

Attendance rate: 92%.

20 March 2012

- Review and approval of the 2012/2013 budget.
- Update on the share buyback programme.
- Expiry on 7 June 2012 of the €346 million syndicated loan taken out on 7 June 2005; review of prospective refinancing solutions.
- Update on a prospective call for tenders in relation to the expiry of the current term of Ernst & Young, Statutory Auditors.
- Development projects.
- Assessment of the Board of Directors.

Attendance rate: 83%.

3.1.2.5 NOTIFICATION OF MEETINGS TO BOARD MEMBERS

The schedule of Board meetings for the following year is agreed among the Directors at the July meeting of the Board of Directors or at the first meeting following the summer recess. The members of the Board are subsequently notified of each meeting by letter, approximately ten days in advance. They may also be informed by telegram, fax, email or even orally.

The Statutory Auditors are invited to attend the meetings of the Board of Directors called to examine the interim and full-year financial statements.

3.1.2.6 REMUNERATION

The total amount of directors' fees put to a vote by the shareholders is 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 basis:

- a fixed portion defined on an annual basis;
- a variable portion commensurate with each Director's attendance at Board and committee meetings; and
- an additional fixed portion that may also be allocated to the Chairman of the Board and 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 the legal provisions on regulated agreements. No such remuneration was paid during the financial year under review.

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 bound by an employment contract to the Company or any other company controlled by or controlling it being appointed Chairman of the Board, the provisions of the said contract bearing, where applicable, on the compensation or benefits due or liable to be due as a result of the termination or modification of these duties, or subsequent to their termination, are subject to the legal provisions on regulated agreements. The same provisions apply on the appointment of the Chief Executive Officer and the Deputy Chief Executive Officer. A commitment in respect of deferred compensation by the Company for the benefit of the Chief Executive Officer was brought into line with the new provisions of the relevant law dated 21 August 2007. It was made subject to compliance with conditions related to the performance of the beneficiary assessed in the light of that of the Company. This commitment ended on 30 June 2010.

3.1.2.7 INFORMATION ON THE MEMBERS OF THE BOARD OF DIRECTORS

Board members are provided with all the necessary documentation and information prior to meetings of the Board and its various committees.

Documentation and information for Board meetings are subject to wide-reaching financial and commercial analysis, comprising very detailed corporate data allowing a thorough understanding by Board members of the trading environment, results and outlook for the Rémy Cointreau Group.

The prior and regular provision of information to Directors is fundamental to the performance of their duties. As such, the Chairman of the Board of Directors verifies that the senior management provides, on an ongoing basis 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 clarifications or information they deem necessary.

Outside Board meetings, Directors regularly receive all significant information relating to the Company and the Group, in particular monthly operating reports compared against the budget, and are alerted to any event or development that may have a material impact on trading or on information previously submitted to the Board.

They also receive press releases issued by the Company as well as key press articles and equity research reports.

Directors may meet the main Group managers without members of senior management being present, on the condition that they make a prior request to the Chairman of the Board of Directors, who then informs the corporate officers.

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

3.1.2.8 FREQUENCY 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 meetings in other locations, in France or another country, at the Chairman's request.

Pursuant to Article L. 225-37 of the French Commercial Code, Article 16-5 of the Articles of Association and Article 2 of the internal rules, the meetings of the Board of Directors may be held by video- and/or teleconference. The technical resources used must provide for the identification of the Directors and guarantee their actual participation.

Participation by videoconference is not allowed for meetings devoted to the preparation of the annual and consolidated financial statements, or for the Company and Group management reports.

In the event that the Chairman of the Board notes that the videoconferencing system is not operating correctly, the Board may deliberate and/or continue the meeting with those members who are physically present, as long as there is still a quorum.

Any technical incident affecting the meeting will be noted in the minutes of the meeting, including the breakdown and restoration of participation by video- or teleconference.

A Director participating in a meeting by video- or teleconference who is deemed absent due to equipment malfunction may give proxy to a Director in attendance at the meeting after informing the Chairman of the Board. This Director may also give proxy before the meeting by stipulating that the said proxy shall only become effective in the event of a conferencing system malfunction that prevents him or her from being deemed present.

The Board of Directors meeting of 5 December 2005 amended the internal rules to include the changes brought about to Article L. 225-37 of the French Commercial Code by Law No. 2005-842 of 26 July 2005. The Extraordinary Shareholders' Meeting of 27 July 2006, in its seventeenth resolution, amended Article 17.5 of the former Articles of Association (now article 16.5) to the same effect.

During the year, the meetings of the Board of Directors of 4 April 2011, 24 May 2011 and 7 February 2012 made use of tele- or videoconferencing.

3.1.2.9 COMMITTEES ESTABLISHED WITHIN THE BOARD OF DIRECTORS

Three committees have been created within the Board of Directors.

The Board defines their composition and powers. Each committee must include at least one independent Director. The Board appoints a member of each committee as Chairman.

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

In the exercise of their powers, these committees may interview Group executives and statutory auditors after having informed the Chairman of the Board. The Board may entrust third parties with special assignments bearing on one or more specific topics, at the request of these committees. Their remuneration is then set by the Board. The committees report the opinions obtained in this manner to the Board.

The committees do not interact directly with Executive Committee members, but one of the members of the Executive Committee attends the meetings of the committee that addresses topics relating to his/her function. He/she then prepares and makes available all documentation necessary for the committee to perform its duties. The Audit and Finance Committee may request interviews with the Statutory Auditors without the attendance of an Executive Committee member.

The Chairman of the Board and the Chief Executive Officer (unless items bear on him or her personally), may attend all committee meetings.

Audit and Finance Committee

Chairman: Jacques-Etienne de T'Serclaes

Members: Marc Hériard Dubreuil, Caroline Bois (since 20 September 2011), Didier Alix.

Number of independent members: 2.

This committee was created to assist the Board in its analysis of the accuracy and fairness of the consolidated financial statements; it assesses material risks and supervises the quality of internal control and the disclosures made to shareholders and the market.

As such, it examines the financial statements, paying particular attention to the appropriateness and consistency of the accounting principles used. It monitors the process of preparing financial information. It examines significant risks, gives an opinion on the organisation of the internal audit service and on its work programme. It sees that the rules concerning the independence of the auditors are adhered to and gives opinions on the choice of auditor, and on the auditors' work and fees.

This committee met on two occasions, on 30 May and 18 November 2011, with the participation of the Statutory Auditors, in addition to a work meeting. The attendance rate was 100%.

One day prior to committee meetings, the members hold preparatory meetings to exchange and examine the information that has been provided to them. The committee ensures that information relating to agenda items is provided at least three days in advance of the meeting.

Prior to the meeting, the committee members hold a discussion with the Statutory Auditors, at which the senior management is not present.

The following are the main items addressed during these meetings:

- review of the annual financial statements for the year ended 31 March 2011, the 2011 interim financial statements, quarterly trading data and, more broadly, the Company's financial communications;
- review of the cash, debt and banking covenant positions;
- review of the currency hedging positions and monitoring of client risk;
- review of the main litigation risks;
- risk assessment of intangible assets (brands);
- review of the Group's tax situation;
- review of risk mapping;
- review of the internal audit action plan and its findings;
- review of the independence of the Statutory Auditors;
- review of the Statutory Auditors' fees;
- review of the report of the Chairman on internal control;
- review of management fees;
- self-assessment of the Audit and Finance Committee.

Strategy, Development and Marketing Committee

Chairman: Dominique Hériard Dubreuil.

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

Number of independent members: 2.

This committee met on 20 September 2011. The attendance rate was 100%. These committee meetings are systematically opened up to the other members of the Board. Its work is focused on developing the brand portfolio.

Nomination and Remuneration Committee

Chairman: Sir Brian Ivory.

Members: François Hériard Dubreuil, Jean Burelle.

Number of independent members: 1.

This committee met on 31 May 2011, 20 July 2011, 19 September 2011, 21 November 2011 and 19 March 2012. The attendance rate was 100%. It discussed the following items:

- assessment of the quantitative and qualitative objectives of the Executive Committee members and determination of the variable remuneration in respect of 2010/2011;
- analysis of the fixed remuneration of Executive Committee members;
- status of the corporate officers;
- determination of qualitative and quantitative objectives for Executive Committee members for 2011/2012;
- determination of the fixed remuneration for Executive Committee members as of 1 July 2011;
- changes in social contributions in France in 2012;
- assessment of performance criteria included in the November 2009 performance-share plan;
- proposal for the allocation of performance shares in respect of 2011.
- assessment of potential and succession plans;
- determination of the profit-sharing premium;
- supplemental pension schemes;
- job and role evaluation process;
- vision, analysis of values and managerial behaviour.

Each committee reports its findings to the Board of Directors.

3.1.2.10 APPROVAL OF REGULATED AGREEMENTS BY THE BOARD OF DIRECTORS

During the year under review, the Board of Directors approved two agreements between Group companies:

- approval of an assistance agreement between Rémy Cointreau SA and E. Rémy Martin & Cie taking effect on 1 April 2011;
- approval of an assistance agreement between Rémy Cointreau SA and Cointreau SAS taking effect on 1 April 2011.

3.1.2.11 MINUTES OF MEETINGS

The minutes of the meetings of the Board of Directors are prepared at the end of every meeting and given in draft form to members at the subsequent meeting, during which they are approved.

3.1.3 Internal control: definition, objectives and scope

This section was drafted and prepared on the basis of the new framework for risk management and internal control proposed by the AMF on 22 July 2010. This new edition – which includes a section on risk management – takes into account legislative and regulatory changes in 2008, with the transposition into French law of European directives 2006/46/EC and 2006/43/EC, as well as the leading international benchmarks, namely COSO II and ISO 31000.

3.1.3.1 THE GENERAL PRINCIPALS OF RISK MANAGEMENT

For Rémy Cointreau, risk management is an integral part of the responsibilities of the various management teams at the Group level, as well as at the brand and company levels. Some risks inherent to the Group's activities are described in the "Risk factors and insurance policy" section of the Management Report, as well as the policies aimed at preventing and dealing with them.

- To create and preserve the value, assets and reputation of the Group;
- To safeguard decision-making and operational processes to ensure that objectives are achieved;
- To promote the consistency of the Group's activities with its values;
- To promote a shared vision among Group employees of the main risks weighing on their activities.

The components of risk management

The definition and objectives of risk management

Risk represents the possible occurrence of an event with a potential impact on people, assets, the environment, the objectives of the Company or its reputation. The definition used in this registration document goes beyond the financial aspects, and covers the reputation of the Group brands and the sustainability of the Company. It is therefore important that all staff and, in particular, management teams are completely aware of how to manage risk, with the following objectives:

- the key players are the members of the Group and divisional Executive Committees. They are responsible for identifying the principal risks in their fields or in their geographic areas, the extent of the risk, taking into account their frequency of occurrence and the importance of the potential impact, either in terms of reputation, or in terms of the Company's accounts, and action plans to safeguard the business;
- the information collected is summarised for distribution to all stakeholders. This system can be supplemented by feedback, allowing it to be strengthened virtually in real time.

Risk management procedures

Risk management procedures comprise four distinct stages:

- first, the identification of key risks in all areas. These risks are classified by a predefined category and by location to allow for the analysis of either a particular category or a given country;
- second, an analysis of each risk, leading to an assessment of its importance, allowing risks to be prioritised and ensuring a focus on those risks identified as major;
- third, analysis and implementation of action plans with the aim of eliminating the identified risks, reducing them to a predetermined acceptable level, transferring them by taking out an insurance policy, or accepting them.
- Risks are subsequently monitored over time by those responsible, who must provide information on their development and during internal audit reviews, to ensure risks are appropriately managed.

Risk management organisation

The organisation of risk management is based on the following key elements:

- ground rules on the definition of key risks, setting standards such as the assessment of their importance and tolerance limits, and procedures for collection of information, have been clearly defined since the formalisation of risk mapping in April 2008. This exercise was carried out with the assistance and experience of a reputable audit firm;

- the risk management process has helped promote a culture of risk and the sharing of best practice within the Group by the principal players in terms of both action plans and methodology. The result of this process is risk mapping that is regularly updated and which strengthens the annual internal audit.

Permanent monitoring of risk management

All risks considered significant are subject to ad hoc reviews due to their inclusion in the audit programme for the year and to systematic reviews in which stakeholders are required to confirm the implementation of action plans provided, reassess their level of tolerance when these actions have been carried out, and advise on the emergence of new risks.

3.1.3.2 CONNECTION BETWEEN RISK MANAGEMENT AND INTERNAL CONTROL

Risk management and internal control mechanisms complement each other for better control of the Group's activities.

The risk management system is designed to identify and analyse the main risks facing the Company. Exposure exceeding the acceptable limits set by the Group is addressed and, where applicable, is subject to action plans. These may include the implementation of controls, a transfer of the financial consequences (insurance or equivalent) or a change in the organisation. The controls to be implemented are set out by the internal control system. This system accordingly contributes to the handling of the risks weighing on the Group's activities.

For its part, the internal control system relies on the risk management system to identify the key risks to be managed. In addition, the risk management system is also controlled to ensure its correct functioning.

3.1.3.3 THE GENERAL PRINCIPALS OF INTERNAL CONTROL

The Rémy Cointreau internal control system is based on the framework recommended by the AMF on 22 July 2010.

THE DEFINITION AND OBJECTIVES OF INTERNAL CONTROL

The system consists of a set of resources, behavioural patterns, procedures and actions implemented by senior management to enable the Company and its consolidated subsidiaries to better control their activities, to make their operations more efficient and to optimise the use of their resources and ensure the proper functioning of risk management. It therefore goes beyond simple procedures or accounting and financial processes.

It aims in particular to ensure:

- the implementation of instructions and guidelines set by senior management;
- the proper functioning of the internal processes of the Company, including those contributing to the safeguarding of its assets;
- compliance with laws and regulations;
- the reliability of financial information.

Like any control system, it has its limitations and cannot provide an absolute guarantee of achieving the objectives set by the Company. The likelihood of achieving these objectives relies not only on the will of the Company, but on many other factors, including the uncertainty of the outside world, the exercise of powers of judgement or malfunctions that may occur due to technical or human failure.

THE COMPONENTS OF INTERNAL CONTROL

The effectiveness of internal control is closely linked to the control environment, the five principal components of which are described below.

An appropriate and structured organisation

In order to foster an exchange of best practice and cross-group control of its operations, the Group has chosen a matrix-based organisation, ensuring effectiveness and responsiveness for a group combining a human scale with an international presence. Functional management provide their expertise to operating management, taking into account their specific local features. For the sake of clarity, regularly updated organisational charts are available on the Group's intranet.

In 2011/2012, an exhaustive review of corporate governance – made necessary by legislative change in France – resulted in the redefinition of a system of delegation of power that aims to reflect the Group's genuine decision-making centres and to be consistent with the size and complexity of Group structures and the various levels of responsibility.

This organisation is enhanced by a human resources policy based on ability, knowledge and the aspirations of the men and women comprising the Group. 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 that will maintain a high degree of expertise in its workforce.

It is based on an information system that is moving towards modern, high-performance enterprise resource planning (ERP) solutions to meet the Group's growth ambitions for the future. Their continuity in the event of a disaster is ensured by emergency procedures whose effectiveness is tested periodically. The protection of ERP softwares and related data is ensured by security, backup and access procedures.

Rémy Cointreau's reputation is built on strong ethical values, namely integrity, respect for the law and the individual, honesty in dealings with customers, suppliers and employees, as well as social and environmental responsibility. These principles have resulted in the development of a code of business ethics aimed at ensuring that all of the Group's employees, whatever their nationality or location in the world, understand the full range of its values. This unified code is the cornerstone of the Group's internal control and risk management systems.

The organisation has established a culture of excellence and accountability. It takes the form of internal control self-assessments for financial processes and quality assurance audits or certifications for the various business processes.

An internal distribution system for relevant information

The timely publication and communication of relevant information to all people within the Group, enabling them to be as well-informed and confident as possible in carrying out their responsibilities, is based on the following three main factors:

- departmental meetings organised on a periodic basis by the Group's various players, in order to publish and share operational information, exchange points of view, set priorities and co-ordinate action plans;
- technical databases housed within the Group's intranet, which are accessible 24/7 worldwide and which enable the various participants to consult the information necessary for the proper performance of their duties; and
- structured data warehouses, updated on a daily basis, providing the people concerned with relevant and reliable information to enable them to make timely decisions.

Risk management

The Group has set up a risk management system to identify, analyse and address the major risks identified in relation to its objectives. It is described above in the section entitled "General principles of risk management".

Control procedures

Every business and Group activity has its own reference material, comprising charters, codes, standards, procedures and rules of good practice. These documents set out the manner in which a procedure, action or check must be performed, and are an integral part of the internal control process. They are based on the following key areas of expertise:

- purchases. Relations with suppliers are regulated by an ethical contract that makes reference to the UN Global Compact. 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 Code of Conduct for Purchasing ensures that best practices are adopted by all Rémy Cointreau purchasers, avoiding, wherever possible, any infraction that may be detrimental to the Group's interests;
- safety and quality. All production standards and rules issued by operations management are kept in a single database. Their application is regularly reviewed as part of the ISO 9001, 14001 and 22000 certifications, as well as HACCP accreditations, thereby guaranteeing consumers a high level of quality and safety as well as respect for the production site environment. This is rounded out by a Quality/Safety/Environment Charter defining the Group's three priorities, namely 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 the various procedures of its major units, including those located abroad. In addition, production continuity plans including back up sites have been successfully established for most of the Group's sites to comply with the specifications setting out the relevant performance objectives. These are tested on a periodic basis to guarantee their efficiency, as well as to improve the extent of their coverage and performance;
- central management of funding and treasury. The Exchange Rate Risk Management Charter sets out the principles that must be followed to ensure greater security in this area. This document is supplemented by a summary of the risks of the principal processes managed by the Group's Treasury department. The Treasury department is responsible for laying down a policy and reporting procedures for managing credit;
- 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 the existence of a single set of definitions and principles for valuation purposes and 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 detailing the reporting dates for information and its distribution enables senior management to manage their priorities. The availability of these rules on the Group intranet is aimed at guaranteeing that it is consistently updated and ensuring 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 letter of representation to the Group Chief Executive Officer and Chief Financial Officer, in which they assume responsibility for the fairness of the financial statements and the implementation of an internal control process to detect and prevent fraud and errors.

Moreover, the Group's financial controllers can access an intranet portal at any time enabling them to view a rich and diverse range of information: self-assessment questionnaires for internal control, best practice in a number of areas of competence, grids of separation of duties, instructions and formats for internal control reports, contacts, links to reference sites and even the latest news in the fields of risk management, internal control and auditing.

Permanent monitoring of internal control

Internal control is implemented by operational and functional departments under the guidance of senior management.

Work is carried out on a regular basis to monitor the proper functioning of their procedures, either by dedicated internal teams or by specialised external organisations, ensuring the effectiveness of the internal control system in place. The findings of this work form the basis of a report, a summary of which is sent to site managers.

The Internal Audit department takes an active part in monitoring internal control procedures, using operating and compliance audits. It ensures the implementation of best practices and compliance with both local laws and regulations, as well as the Group's principles and standards.

The results of all this work are 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 Audit department.

3.1.3.4 SCOPE OF RISK MANAGEMENT AND INTERNAL CONTROL

The group is organized into two business segments: Cognac and Liqueurs & spirits. These segments comprise companies that own brands with global reputations. They are backed up by a distribution network that markets all of the Group's premium products worldwide through wholly-owned subsidiaries, joint ventures and independent distributors. The internal control process mirrors this organisation, bearing in mind that the Rémy Cointreau parent company – which has its own system – ensures that internal control is implemented in its consolidated subsidiaries. These internal controls are adapted to the specific features of the subsidiaries and their relationship with Rémy Cointreau.

3.1.3.5 RISK MANAGEMENT AND INTERNAL CONTROL PLAYERS

The respective roles of the principal internal and external players involved in internal control are as follows.

Executive Committee

The Executive Committee, comprising senior operating and functional managers, lays down guidelines for the internal control and risk management process, defines the roles and responsibilities of the main stakeholders, co-ordinates their implementation and ensures their effective application.

Board of Directors

The Board of Directors familiarises itself with the essential features of the internal control and risk management process established by the senior management, and ensures that the major risks identified and incurred by the Company are taken into account in its management. As such, the Board is kept informed by the senior management of the main risks facing the Group and the action plans implemented to counter them. 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.

Audit and Finance Committee

The Audit and Finance Committee ensures that internal control procedures are in place and are applied, both in the accounting and financial field and other areas of the Company.

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

The internal audit function, which reports to the Group's Chief Executive Officer, works with all Group entities and, where necessary, with third-party companies in the case of distribution or production subcontracting.

Its work is planned in agreement with the senior management. Its assignments are identified based on risks listed in the risk mapping, 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 is committed, is subsequently presented to the senior 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, the internal audit function is in charge of updating the risk mapping; 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.

Group finance department

Its main task is to assist and monitor the operational departments in their financing activities. It establishes the rules for consolidation and management and ensures the definition and promotion of tools, procedures and best practice in areas such as management, accounting and consolidation, funding and treasury, taxation, financial communication and IT systems.

Group operations department

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 for achieving a high level of production quality, as well as safety and respect for the environment. It also supports the subsidiaries in implementing their supply-chain and industrial policies.

Group market management department

It has established a set of rules known as "Commercial Process", which aims to provide a clear definition of 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 and insurance department

The Legal department, in addition to 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 for "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 policies have been taken out with the most respected insurance companies.

Company management committees

These committees are fully involved in the risk management and internal control processes. They are stakeholders in the development and updating of the Group's risk mapping. They analyse the results of self-assessment questionnaires and issue a report on their own internal control, which is then submitted to the Group. They develop action plans in response to the recommendations of the internal audit function. They are also involved in crisis management and the existence of business continuity plans whose effectiveness is periodically tested by means of dry runs.

3.1.3.6 Internal control in respect of the preparation of financial and accounting information

The "Application guide relating to internal control of accounting and financial information published by issuers" of the AMF Reference Framework was used as the reference document in drafting this section. This approach is part of 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 of the subsidiaries included in the consolidated financial statements.

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

- compliance with laws and regulations and the correct application of instructions and directions set by Group management in the preparation of 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 carried out by the Group Finance department. It supervises the management of the Accounting, Finance and Taxation department, the Control function, the Funding and Treasury department, IT Information Management and the Financial Communication departments. Each of these departments co-ordinates internal control of a financial nature in its own area. The system is further enhanced by the presence of a financial controller at each level of the matrix-based organisation.

Financial and accounting procedures

The Finance department has created an intranet portal dedicated to the management principles and accounting standards adopted by the Group and the application of which is mandatory for all subsidiaries. The 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 information on exchange rates. It also ensures the consistency of data processing and its compliance with IFRS.

At every closing date, 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 disclosed within the appropriate timeframe and that the proper checks are carried out in advance of the preparation of financial and accounting information.

Other than the documentation presented above, the Group has monthly closings. Those before the interim or full-year closing serve as pre-closing reports used to identify and anticipate the different possibilities of treating specific and non-recurring transactions. They are disclosed to the Statutory Auditors for validation at preliminary meetings held when the accounts are closed.

IT systems organisation and safety

The Information Systems department has established procedures aimed at ensuring the continuity of accounting data processing. Some hardware has accordingly been duplicated so that the backup can automatically take over in the event of sudden failure. This system is supplemented by periodic dry runs testing the resumption of IT activity 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. All data are backed up on a daily basis, and a copy of the backup file is stored in a secure location off the IT operation site. Batch data processing work is also programmed in a specific sequence, with systems that alert 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 critical transactions.

The Statutory Auditors

As part of the interim and annual closing of accounts, the auditors carry out various forms of review:

- preliminary reviews, which may focus on the internal control of processes for the preparation of accounting and financial information;
- a limited half-year review of all accounting and financial data prepared by Group companies;
- a limited half-year review of the consolidated financial statements prepared by the Finance department;
- a review of all accounting and financial data prepared by the companies of the Group; and
- a review of the consolidated financial statements prepared by the Finance department.

This allows the Statutory Auditors to certify the legality, truthfulness and fair presentation of consolidated and parent company financial statements. The summary of their work is presented to the Group's Finance department, and to the Audit and Finance Committee.

Processes contributing to the preparation of accounting and financial information

Operating processes for preparing accounts

All the initial accounting production processes are subject to specific procedures as well as validation, authorisation and recognition rules. As such, 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 endorsed before they are implemented.

Closing process and preparation of the consolidated financial statements

The process of closing accounts 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 established. 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 intersegment transactions (inventory margins, dividends, etc.);
- correct calculation of deferred taxation;
- correct analysis and explanation of movements in shareholders' equity, both at parent company and consolidated levels; and
- consistency between management and accounting information.

Financial communication procedure

The people responsible for financial communication draw up a schedule summing up all of the Group's obligations in terms of accounting and financial disclosures. It specifies the nature of the information and the name of the person in charge of its drafting or preparation. Once the information is available, a proofreading procedure assesses its reliability and accuracy, whether it is of an accounting nature or not (workforce size and volumes). The Legal department ensures compliance with the prevailing laws and regulations in respect of both the nature of the information and the mandatory deadlines, and with the principle of providing the same disclosures to all shareholders.

3.1.4 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. As a consequence, the senior management of the Company is the responsibility of the latter. The Board renewed the Chief Executive Officer's term of office on 31 July 2007 and again on 27 July 2010, for periods of three years.

The Chief Executive Officer represents the Company in its relationships with third parties. He is vested with the broadest powers to act in any circumstances in the name of the Company, provided that his actions comply with the objects of the Company and that they are not specifically assigned to the Shareholders' Meeting or the Board of Directors.

In a purely internal measure, not binding on third parties, the Chief Executive Officer must seek the approval of the Board before committing the Company to transactions that are outside the scope 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 company already registered a contribution in cash, in kind, in property or in benefit in excess of €10,000,000 per transaction;
- making the Company party to any economic interest grouping or other businesses, associations or partnerships, in France or abroad, by forming such groupings or assisting in their formation, 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 per transaction;

- 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 €50,000,000 during one financial year.

On 1 June 2011, the Board of Directors also authorised, for a period of one year, the Chief Executive Officer to grant sureties, pledges and guarantees in the name of the Company up to an overall ceiling of €50,000,000 in a given year. Any commitment exceeding this ceiling requires the specific approval of the Board.

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

This authorisation was renewed for a period of one year by the Board of Directors' at its meeting of 5 June 2012.

The Chief Executive Officer has also established an Executive Committee, whose composition was submitted for approval by the Board. The task of the Executive Committee is to assist the Chief Executive Officer on an ongoing basis with operational matters, both in terms of decision-making and implementation. The members of the Executive Committee are listed in Section 5.2.1 of this registration document.

3.1.5 Procedures in respect of participation by shareholders in Shareholders' Meetings

The provisions relating to shareholders' attendance at Shareholders' Meetings are described in Article 23 of the Company's Articles of Association.

A reminder of the main provisions is included in Section 5 of this registration document.

3.1.6 Principles and rules for the determination of remuneration and benefits granted to corporate officers

The overall remuneration policy for corporate officers, and more generally for members of the Executive Committee, is laid down by the Board of Directors, which makes decisions based on recommendations formulated by the Nomination and Remuneration Committee.

The Committee issues its recommendations on all the items comprising the overall remuneration, including:

- cash remuneration – basic and annual variable remuneration (bonus);
- deferred remuneration – potential allocation of performance shares 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 offered by companies comparable with Rémy Cointreau in the appropriate market, 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.

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

Variable annual remuneration - the bonus - is linked to objectives specified at the beginning of the period and approved by the Board of Directors. These objectives are partly quantitative and partly qualitative, and are based on the specific challenges identified for the financial year in question. The target bonus of the Chief Executive Officer represents 120% of his/her gross annual remuneration. In the event of quantitative objectives being exceeded, the bonus is capped at 150% of the gross annual remuneration.

In 2011/2012, the quantitative targets were operating profit, cash generation, net profit and ROCE (return on capital employed).

The variable remuneration policy is consistent throughout the Rémy Cointreau Group. The basic 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-share 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 supplementary defined-benefit 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 condition of employment at the time of retirement; its amount varies from 8% to 15% of gross annual remuneration, depending on the age of the beneficiary at the time of retirement. Since July 2010, these provisions, which no longer concern Jean-Marie Laborde, Chief Executive Officer, concern the Group's main executives, namely Dominique Hériard Dubreuil, Chairman of the Board of Directors, François Hériard Dubreuil and Marc Hériard Dubreuil, Directors, who benefit from the scheme through Andromède SA, which is responsible for funding it.

Rémy Cointreau also offers a supplementary defined-contribution pension scheme to virtually all of its French employees.

As of 1 July 2010, Jean-Marie Laborde, Chief Executive Officer, resigned his position in accordance with the AFEP/MEDEF Code of Governance, to which Rémy Cointreau is party. On this date, Jean-Marie Laborde also relinquished the deferred compensation that the Shareholders' Meeting had confirmed on the proposal of the Board of Directors on 2 June 2010.

3.1.7 Statutory Auditors' report on the report prepared by the Chairman of the Board of Directors on internal control procedures

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 should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Statutory auditors' report, prepared in accordance with article L.225-235 of the French Company Law (Code de Commerce), on the report prepared by the President of the Board of Directors of Rémy Cointreau, on the internal control procedures relating to the preparation and processing of financial and accounting information.

Year ended March 31, 2012

To the shareholders,

In our capacity as statutory auditors of Rémy Cointreau, and in accordance with article L.225 235 of the French Company Law (Code de Commerce), we report to you on the report prepared by the President of your company in accordance with article L.225-37 of the French Company Law (Code de Commerce) for the year ended March 31, 2012.

It is the Chairman's responsibility to prepare and to submit for the Board of Director's approval a report on internal control and risk management procedures implemented by the Company and to provide the other information required by Article L. 225-37 of the French Commercial Code relating to matters such as corporate governance.

Our role is to:

- report on the information contained in the Chairman's report in respect of the internal control procedures relating to the preparation and processing of the accounting and financial information;
- confirm that the report also includes the other information required by Article L. 225-37 of the French Commercial Code. It should be noted that our role is not to verify the fairness of this other information.

We conducted our work in accordance with professional standards applicable in France.

Information on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control procedures relating to the preparation and processing of the accounting and financial information. These procedures consist mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and of the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and of the existing documentation;
- determining if any material weakness in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our work is properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information in respect of the company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the report prepared by the Chairman of the Board of Directors in accordance with Article L. 225-37 of the French Commercial Code.

Other information

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

Paris-La Défense and Paris, June 8, 2012

The Statutory Auditors,

Auditeurs & Conseils Associés
Nexia International

Ernst & Young et Autres

Olivier Juramie

Marie-Laure Delarue

3.2 REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS' MEETING

3.2.1 Comments on the Company's financial statements

3.2.1.1 COMMENTS ON THE INCOME STATEMENT

The Company recorded a current operating profit before tax of €68.7 million for the financial year ended 31 March 2012.

Services invoiced to subsidiaries totalled €17.7 million, compared with €18.1 million in the previous year. Services provided by Rémy Cointreau to its subsidiaries are invoiced on the basis of the cost of services provided, plus a 5% profit margin.

Operating expenses totalled €32.9 million. This sum covers all of the services provided by the Company, which are re-invoiced in part to subsidiaries. The decline of €3.4 million corresponds first to commissions and bond issue costs relating to the restructuring of debt carried out in the previous year in the amount of €6.5 million and second to an increase in costs borne by the Company over the year in the amount of €3.1 million.

Dividends received from subsidiaries during the year totalled €101 million, compared with €240.8 million in the previous year.

Interest expense decreased by €6.2 million to €20.6 million, compared with €26.8 million in the previous year, reflecting the reduction in debt following the sale of Piper-Heidsieck Cie champenoise shares on 8 July 2011 and the non-recurrence of penalties stemming from the early redemption of bonds as part of the restructuring of debt carried out in the previous year.

The company did not record any exceptional items during this year, the equity securities sold in July 2011 having been the object of a provision for impairment during the previous year in relation to their estimated sale price.

The Rémy Cointreau consolidated tax group changed following the disposal of the Champagne division. The disposal of subsidiaries included in the tax consolidation agreement resulted in an adjustment of the estimated tax saving and a change in the estimated tax liability. As a consequence, total proceeds in the amount of €171.8 million were recognised in respect of corporation tax during the year.

Taking into account these factors, the net profit for the year was €240.5 million.

3.2.1.2 COMMENTS ON THE BALANCE SHEET

Fixed assets, which primarily comprise equity securities, decreased by €147.6 million, mainly due to the sale in July 2011 of securities of the Piper-Heidsieck Cie champenoise subsidiary in July 2011.

Under the terms of the sale, the Company provided a €75 million loan to the purchaser for a period of nine years. The terms of the remuneration of the loan provide for the capitalisation of annual interest payments during the first three years.

The other financial assets, totalling €98.8 million, include €95.6 million for the treasury shares acquired by the Company as part of a share buyback programme. In November 2011, the Company implemented a programme involving the purchase of its own shares, contracted to an investment services provider. The contract provides for the purchase of up to 4,500,000 shares by 31 December 2012. As of 31 March 2012, the Company had acquired 1,421,003 of its own shares.

The shares acquired will be assigned to a potential acquisition, to be given in exchange or in payment, or will be cancelled as part of a capital reduction.

Shareholders' equity totalled €1,075.5 million, an increase of €129.5 million. Dividends paid in respect of the year ended 31 March 2011 totalled €113.6 million. The net profit for the year is included in the amount of €240.5 million.

Gross financial debt totalled €585 million, an increase of €69.3 million.

During the prior year, Rémy Cointreau restructured its debt to benefit from favourable market conditions and to modify the maturity of its financial resources. No significant transactions were undertaken during the year under review.

As of 31 March 2012, the syndicated loan, which was reduced in July 2011 from €466 million to €346 million, had not been drawn. The A ratio, on which its availability and margin is based, was 0.67, significantly below the 3.50 limit set under the terms of the contract.

The €112.8 million decrease in other liabilities was attributable primarily to the recovery of a portion of the tax savings under the tax consolidation arrangement.

3.2.1.3 INFORMATION IN RESPECT OF PAYMENT TERMS PURSUANT TO ARTICLE D. 441-4 OF THE FRENCH COMMERCIAL CODE

As of 31 March 2012, supplier invoices totalling less than €0.1 million were due for payment by the end of April at the latest.

3.2.2 Share buyback programme

3.2.2.1 INFORMATION ON TRANSACTIONS CARRIED OUT AS PART OF THE SHARE BUYBACK PROGRAMME IN FORCE DURING THE PERIOD 1 APRIL 2011 TO 31 MARCH 2012

Pursuant to the provisions of Article L. 225-211 of the French Commercial Code, the purpose of this section is to inform the

Shareholders' Meeting of the share purchases made between 1 April 2011 and 31 March 2012 as part of the share buyback programme authorised by the Shareholders' Meetings of 27 July 2010 and 26 July 2011.

Between 1 April 2011 and 31 March 2012, the Company purchased 1,768,516 and sold 139,073 shares. During the same period, it also set aside 222,100 shares to cover share purchase options.

These transactions were carried out:

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

   The Company, acting through an investment services provider, purchased 139,073 of its own shares during the year at an average weighted price of €57.36 per share.

   The Company, acting through an investment services provider, sold 139,073 of its own shares during the year at an average weighted price of €57.40 per share.

2. The Company purchased 208,440 shares as part of the sale contract with a repurchase agreement signed on 24 March 2005 between the Company and Barclays Capital. Taking into account the securities held within this framework as of 31 March 2011, 222,100 shares were used to cover the exercise of share purchase options.

3. The Company purchased 1,421,003 shares in connection with the implementation of the mandate given to an investment services provider in accordance with the decision of the Board of Directors of 22 November 2011 pursuant to the thirteenth and fifteenth resolutions approved by the Shareholders' Meeting of 26 July 2011.

The table below summarises the final position of transactions carried out during the period 1 April 2011 to 31 March 2012:

Percentage of treasury shares held directly or indirectly	0.03%
Number of securities held at the start of the year	21,310

		Average price
Number of securities purchased since the start of the year:		
• as part of the liquidity contract	139,073	€57.36
• as part of the sale with repurchase agreement contract	208,440	
• as part of the implementation of the Share Buy Back Program dated 22/11/2011	1,421,003	€67.19
Number of securities sold since the start of the year as part of the liquidity contract	139,073	€57.40
Number of securities transferred since the start of the year	222,100	
Number of securities cancelled since the start of the year	0	
Number of securities held as of 31 March 2012:		
• as part of the liquidity contract	0	
• as part of the sale with repurchase agreement contract	7,650	
• as part of the implementation of the Share Buy Back Program dated 22/11/2011	1,421,003	

3.2.2.2 TRANSACTIONS CARRIED OUT DURING THE YEAR

Transactions carried out on the exercise or maturity of derivatives

Date of transaction	Name of broker	Purchase/ Sale	Number of shares	Transaction price	Amount in €	Underlying derivative transaction
12/04/2011		Purchase	10,000	€28.07	280,700	Exercise of purchase options provided in addition to the repurchase clause included in the contract for the sale of shares concluded on 24/03/2005 - see: statement posted online on 13/04/2011
15/06/2011		Purchase	67,100	€28.07	1,882,155	Exercise of purchase options provided in addition to the repurchase clause included in the contract for the sale of shares concluded on 24/03/2005 - see: statement posted online on 16/06/2011
29/06/2011		Repurchase clause	12,000	€27.65	331,800	Exercise of the repurchase clause included in the sale contract concluded on 24/03/2005 - see: statement posted online on 05/08/2011

Date of transaction	Name of broker	Purchase/ Sale	Number of shares	Transaction price	Amount in €	Underlying derivative transaction
29/06/2011		Purchase	5,000	28.05	140,250	Exercise of share purchase options provided in addition to the repurchase clause included in the contract for the sale of shares concluded on 24/03/2005 - see: statement posted online on 05/08/2011
20/09/2011		Repurchase clause	15,000	€27.65	407,940	Exercise of the repurchase clause included in the sale contract concluded on 24/03/2005 - see: statement posted online on 26/09/2011
18/11/2011		Repurchase clause	11,000	€27.65	299,156	Exercise of the repurchase clause included in the sale contract - see: statement posted online on 18/11/2011
30/11/2011		Repurchase clause	12,640	€27.65	343,747.44	Exercise of the repurchase clause included in the sale contract concluded on 24/03/2005 - see: statement posted online on 02/12/2011
30/11/2011		Purchase	18,350	€28.05	506,265.49	Exercise of share purchase options provided in addition to the repurchase clause included in the contract for the sale of shares concluded on 24/03/2005 - see: statement posted online on 02/12/2011
01/12/2011		Repurchase clause	36,000	€27.65	979,056	Exercise of the repurchase clause included in the sale contract - see: statement posted online on 02/12/2011
30/01/2012		Repurchase clause	10,300	€27.65	280,118.80	Exercise of the repurchase clause included in the sale contract - see: statement posted online on 07/02/2012
23/02/2012		Purchase	11,050	€28.05	304,862.87	Exercise of purchase options provided in addition to the repurchase clause included in the contract for the sale of shares - see: statement posted online on 28/02/2012

3.2.2.3 OUTSTANDING DERIVATIVES

Date of transaction	Name of broker	Purchase/ Sale	Purchase options/ Maturity	Maturity	Exercise price (€)	Premium	Organised market/ OTC	Comments
24/03/2005	–	Repurchase clause	–	15 Sep. 13	27.67	–	–	42,655 shares remaining
24/03/2005	–	Purchase	Purchase options/	23 Dec. 14	28.07	10.25	OTC	62,001 shares remaining

- As part of the sale contract with a repurchase agreement concluded on 24 March 2005, the Company has the right to repurchase 137,500 securities and purchase options for 172,000 securities with the aim of covering 309,500 options. As of 31 March 2012, the Company held 7,650 shares to cover the exercise of purchase options;
- The company held no shares as part of the liquidity contract as of 31 March 2012;
- As of 31 March 2012, the Company held a total of 1,421,003 shares under the buyback programme approved by the Board of Directors on 22 November 2011;
- The Company holds no treasury shares indirectly.

ANALYSIS OF EQUITY SECURITIES HELD, BY OBJECTIVE

Shares held by the Company are used partly to promote trading in the secondary market or to enhance the liquidity of the Rémy Cointreau share by an investment services provider, via a liquidity contract that complies with the Ethics Charter recognised by the AMF, and partly to cover the exercise of share purchase options. In addition, shares held under the mandate given to an investment services provider in accordance with the decision of the Board of Directors of 22 November 2011 pursuant to the thirteenth and fifteenth resolutions approved by the Shareholders' Meeting of 26 July 2011 will be either (i) set aside for subsequent delivery in exchange or payment for acquisitions within the limits prescribed by law, or (ii) cancelled.

Description of the principal features of the buyback programme submitted for approval by the Shareholders' Meeting of 26 July 2012 as part of the thirteenth resolution

- Securities: shares issued by Rémy Cointreau SA;
- Maximum percentage that may be purchased by the Company: 10% of shares comprising the share capital;
- Maximum number of shares that may be purchased by the Company: 3,526,512 shares may be purchased, taking into account treasury shares, the sale of shares with a repurchase agreement and the purchase of share purchase options;
- Maximum unit price: €150.00;
- Objectives:

– 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 Ethics Charter recognised by the AMF;

– to cancel shares as part of a capital reduction, subject to the adoption of the fifteenth resolution submitted to this Shareholders' Meeting;

– to cover obligations in respect of marketable securities giving access to share capital;

– to grant shares in accordance with the terms and conditions provided by law, notably as part of a profit-sharing plan, to cover share purchase options, as part of a company savings plan or to be used to grant bonus shares to employees and/or authorised executives of the Company and/or companies related to it within the meaning of Articles L. 225-197-1 *et seq.* of the French Commercial Code;

– to purchase shares and retain them to be used subsequently in exchange or payment for acquisitions, in accordance with market practices permitted by the AMF and within the limits prescribed by law; and

– to perform any market practices permitted by the AMF and, more generally, carry out all transactions in compliance with the regulations in force.

Duration of the programme: until the Shareholders' Meeting called to consider the financial statements for the year ended 31 March 2013 and no later than 18 months from 26 July 2012.

3.2.2.4 TRANSACTIONS RESULTING FROM THE EXECUTION OF THE SHARE BUYBACK PROGRAMME AUTHORISED BY THE COMBINED SHAREHOLDERS' MEETING OF 26 JULY 2011

Percentage of treasury shares held directly or indirectly	0.00%
Number of securities held at the start of the programme	7,260/0.01%

		Average price
Number of securities purchased since the start of the programme:		
• as part of the liquidity contract	84,192	€58.99
• as part of the exercise of sale with repurchase agreement contract	145,700	
• as part of the implementation of the Share Buy Back Program dated 22/11/2011	1,428,794	67.29
Number of securities sold since the start of the programme as part of a liquidity contract	84,192	€59.14
Number of securities transferred since the start of the programme	144,200	
Number of securities cancelled since the start of the programme	0	
Number of securities held as of 31 May 2012:		
• as part of the liquidity contract	0	
• as part of the sale with repurchase agreement contract	8,750	
• as part of the implementation of the Share Buy Back Program dated 22/11/2011	1,428,794	

3.2.3 Shareholding structure as of 31 March 2012

As of 31 March 2012, after the Board of Directors had noted the various changes to the share capital that had occurred during the year, as disclosed in Section 5.1.3 of this registration document, the share capital amounted to €79,407,299.20, divided into 49,629,562 shares with a nominal value of €1.60 each.

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

- Orpar held more than one-third of the share capital and more than half the voting rights of your Company as of 31 March 2012;
- Récopart held as of the same date more than 10% of the share capital and more than 15% of the voting rights of your Company; and
- Funds managed by Groupama held as of the same date more than 2% of the share capital and voting rights of your Company;

The employee savings plan represents 2.50% of the share capital of Rémy Cointreau. It is the only form of collective shareholdings by Rémy Cointreau employees.

3.2.4 Items liable to be significant in the event of a public takeover offer

Pursuant to Article L. 225-100-3 of the French Commercial Code, we list below the factors liable to impact a public takeover offer:

- the structure of the Company's share capital is disclosed in Section 5.1.3 of this registration document and refers to a concert party and to shareholders' agreements that had been brought to the Company's attention at the time of writing;
- the direct or indirect investments known by the Company are also described in Section 5.1.3 of this registration document;
- with the exception of the double voting rights allocated, pursuant to Article 23.2 of the Articles of Association, to fully paid-up shares which have been held in registered form for at least four years, in the name of the same shareholder, no shares carry specific privileges;
- there is no restriction in the Articles of Association on the exercise of voting rights except for failure to comply with the provisions in respect of crossing the threshold of 1% share capital or voting rights or any multiple of this percentage, provided by Article 8.2 of the Articles of Association; there are no restrictions on share transfers in the Articles of Association;
- the rules governing the appointment and dismissal of members of the Board of Directors are those of the prevailing laws and the Articles of Association;
- revisions to the Company's Articles of Association are carried out in accordance with the prevailing laws and regulations; and
- the various delegations and authorisations granted to the Board of Directors by the Shareholders' Meeting, notably concerning the issue and repurchase of shares, are disclosed in Section 5.1.2.1 of this registration document. It should be noted, in this respect, that 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 French Commercial Code and in the event of the securities of the Company being targeted by a public offer in circumstances making Article L. 233-33 of the French Commercial Code applicable.

The principal risks to which the Company is exposed and the use of derivative financial instruments are disclosed in Section 2.1.7.

3.2.5 Special report of the Board of Directors on options to subscribe or purchase Rémy Cointreau shares

3.2.5.1 SPECIAL REPORT OF THE BOARD OF DIRECTORS ON OPTIONS TO SUBSCRIBE OR PURCHASE RÉMY COINTREAU SHARES (ARTICLE L. 225-184 OF THE FRENCH COMMERCIAL CODE)

In accordance with the provisions of Article L. 225-184 of the French Commercial Code, we inform you that no options to subscribe or purchase Rémy Cointreau shares were granted during the 2011/2012 financial year.

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3.2.5.2 STOCK-OPTION PLANS AS OF 31 MARCH 2012

	Plan No. 7	Plan No. 8	Plan No. 9	Plan No. 10	Plan No. 11	Plan No. 12	Plan No. 13
Date of Extraordinary Shareholders' Meeting	26/08/1998	26/08/1998	26/08/1998	24/08/2000	24/08/2000 and 21/09/2001	21/09/2001	07/09/2004
Date of Board of Directors' or Management Board meeting	28/04/1999	07/12/1999	30/05/2000	01/03/2001	08/03/2002	16/09/2003	08/12/2004
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 by corporate officers	119,576	127,900	61,960	200,000	275,000	180,000	40,000
• number of corporate officer beneficiaries	10	10	9	5	5	5	1
Total number of beneficiaries	66	85	28	150	43	25	30
Earliest date for exercising options	28/04/1999	07/12/1999	30/05/2000	01/03/2003	08/03/2006	16/09/2007	24/12/2008
Date options lapse	27/04/2009	08/12/2009	30/05/2010	28/02/2011	07/03/2012	15/09/2013	23/12/2014
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	0	56,350	8,500	27,000	35,000
Number of options subscribed as of 31 March 2012	284,600	494,090	131,280	960,250	651,000	242,790	194,500
Remaining balance	**0**	**0**	**0**	**0**	**0**	**17,210**	**32,500**

3.2.5.3 OPTIONS EXERCISED DURING THE YEAR BY THE TEN NON-CORPORATE OFFICER EMPLOYEES WHO EXERCISED THE HIGHEST NUMBER OF OPTIONS

Company granting options	Plan date	Total number of options	Strike price	Average exercise price
Rémy Cointreau	08/03/2002	85,440	25.000	57.634
Rémy Cointreau	16/09/2003	93,450	27.670	61.329
Rémy Cointreau	24/12/2004	62,500	28.070	61.495

It should be noted that Rémy Cointreau SA did not have any employees during the 2011/2012 financial year.

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

Shares granted during the year to the ten non-corporate-officer employees who received the highest number of shares

Company granting shares	Grant date	Total number of shares	Final vesting date	Earliest exercise date
Rémy Cointreau	22/11/2011	56,000	22/11/2013	22/11/2015

Bonus shares granted during the year to the ten non-corporate-officer employees who received the highest number of shares

Company granting shares	Grant date	Total number of shares	Final vesting date	Earliest exercise date
Rémy Cointreau	19/11/2009	57,500	19/11/2011	20/11/2013

3.2.6 Executive and corporate officers' remuneration

3.2.6.1 PRINCIPLES AND RULES GOVERNING EXECUTIVE REMUNERATION

The overall remuneration policy for corporate officers, and, more broadly, for members of the Executive Committee, is set by the Board of Directors, which makes decisions based on recommendations issued by the Nomination and Remuneration Committee.

The Committee issues its recommendations on all the items comprising the overall remuneration, including:

- cash remuneration – fixed and annual variable remuneration (bonus);
- deferred remuneration – potential allocation of performance shares and supplementary pension plan.

The objective of the Nomination and Remuneration Committee is to recommend, for each element comprising remuneration, an overall policy that is both competitive and attractive. To that end, it draws on objective studies of the remuneration offered by companies comparable to Rémy Cointreau in the appropriate market, 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.

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

Variable annual remuneration - the bonus - is linked to objectives specified at the beginning of the period and approved by the Board of Directors. These objectives are partly quantitative and partly qualitative, and are based on the specific challenges identified for the financial year in question. The target bonus of the Chief Executive Officer represents 120% of his/her gross annual remuneration. In the event of quantitative objectives being exceeded, the bonus is capped at 150% of the gross annual remuneration.

In 2011/2012, the quantitative targets were operating profit, cash generation, net profit and ROCE (return on capital employed).

The variable remuneration policy is consistent throughout the Rémy Cointreau Group. The basic 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-share 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 supplementary defined-benefit 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 condition of employment at the time of retirement; its amount varies from 8% to 15% of gross annual remuneration, depending on the age of the beneficiary at the time of retirement. Since July 2010, these provisions which no longer concern Jean-Marie Laborde, Chief Executive Officer, concern the Group's main executives, namely Dominique Hériard Dubreuil, Chairman of the Board of Directors, François Hériard Dubreuil and Marc Hériard Dubreuil, Directors, who benefit from the scheme through Andromède SAS, which is responsible for funding it.

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

As of 1 July 2010, Jean-Marie Laborde, Chief Executive Officer, resigned his position in accordance with the AFEP/MEDEF Code of Governance.

3.2.6.2 EXECUTIVE DIRECTORS' REMUNERATION

Executive Directors' remuneration is presented hereinafter 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

Dominique Hériard-Dubreuil, Chairman	2010/2011	2011/2012
Remuneration due in respect of the period (specified in Table 2)	251,534	260,227
Value of options granted during the financial year	0	0
Value of performance shares granted during the financial year	0	0
Total	**251,534**	**260,227**
Jean-Marie Laborde, Chief Executive Officer		
Remuneration due in respect of the period (specified in Table 2)	1,423,876	1,664,909
Value of options granted during the financial year (specified in Table 4)	0	0
Value of performance shares granted during the financial year (specified in Table 6)	1,054,000(1)	1,111,500
Total	**2,477,876**	**2,776,409**

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TABLE 2

Summary table of remuneration paid to each Executive Director

	Amounts in respect of 2010/2011		Amounts in respect of 2011/2012	
Dominique Hériard-Dubreuil, Chairman	**Payable**	**Paid**	**Payable**	**Paid**
Fixed remuneration from Rémy Cointreau	0	0	120,354	120,354
Fixed remuneration from controlling companies	205,034	205,034	88,901	88,901
Director's fees from Rémy Cointreau	26,500	26,500	28,500	28,500
Director's fees from controlling companies	20,000	20,000	20,000	20,000
Benefits in kind - car	0	0	2,472	2,472
Total	**251,534**	**251,534**	**260,227**	**260,227**
Jean-Marie Laborde, Chief Executive Officer				
Fixed remuneration	630,549	630,549	643,791	643,791
Variable remuneration	731,800	739,959	757,200	837,968
Exceptional remuneration	55,376	55,376(1)	0	177,000(2)
Directors' fees	0	0	0	0
Benefits in kind - car	6,150	6,150	6,150	6,150
Total	**1,423,876**	**1,432,035**	**1,407,141**	**1,664,909**

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

(2) Exceptional bonus awarded on the sale of the Champagne division.

TABLE 3

Directors' fees

Board members	Directors' fees paid (prior year)	Directors' fees paid (present year)
François Hériard Dubreuil	€26,500	€28,500
Marc Hériard Dubreuil	€26,500	€28,500
Sir Brian Ivory	€33,000	€36,000
Jean Burelle	€26,500	€28,500
Jacques Etienne de T'Serclaes	€36,000	€40,000
Gabriel Hawawini	€26,500	€28,500
Timothy Jones	€26,500	€28,500
Orpar	€26,500	€28,500
Patrick Thomas	€26,500	€28,500
Didier Alix	€14,250	€14,250
Total	**€254,500**	**€289,750**

In respect of the 2011/2012 financial year, companies controlling Rémy Cointreau paid the following remuneration to François Hériard Dubreuil: €209,094 (2010/2011 : €211,299), Marc Hériard Dubreuil: €209,340 (2010/2011 : €212,267).

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/or any Group company	Plan number and date	Type of options (purchase or subscription)	Value of options based on the method used for the consolidated financial statements	Number of options granted during the year	Strike price	Exercise period
N/A						

TABLE 5

Share subscription or purchase options exercised during the financial year by each Executive Director

Options exercised by each Executive Director	Plan number and date	Number of options exercised during the year	Strike price	Grant date
N/A				

TABLE 6

Performance shares granted during the year to each Executive Director

Performance shares granted by Rémy Cointreau in 2009/2010	Plan date	Number of shares granted during the year	Value of shares based on the method used for the consolidated financial statements	Vesting date	Date of earliest availability
Jean-Marie Laborde	22/11/2011	19,000	1,111,500	22/11/2013	22/11/2015

TABLE 7

Performance shares vested during the year by each Executive Director

Performance shares vested for each Executive Director	Plan date	Number of shares vested during the year	Vesting conditions	Vesting date
Jean-Marie Laborde	19/11/2009	19,000	The main vesting terms and conditions are specified in the Note 10.3.2 to the consolidated financial statements	19/11/2011

TABLE 8

Information on options to subscribe or purchase shares

This information is provided on page 65, sections 3.2.5 and subsequent.

To date, no options to subscribe or purchase shares have been granted to the Executive Officers, namely Dominique Hériard Dubreuil and Jean-Marie Laborde.

TABLE 9

Options to subscribe or purchase shares granted to the top ten beneficiaries who are not executive officers

This information is provided on page 66, section 3.2.5.3.

TABLE 10

	Employment contract	Supplementary pension plan	Compensation or benefits due or likely to be due as a result of termination or change of duties	Non-competition compensation
Dominique Hériard Dubreuil Chairman of the Board of Directors Date first appointed: 7 September 2004 Date appointment expires: AGM to consider the financial statements for the year 2013/2014	NO	NO(1)	NO	NO
Jean-Marie Laborde Chief Executive Officer Date first appointed: 1 July 2010 Date appointment expires: 26 July 2013	NO	NO	NO	YES

(1) Since August 2011, the mechanism described on page 67 no longer applies to Dominique Hériard Dubreuil.

A non-competition clause is stipulated in the Chief Executive Officer's terms of appointment, which will remain in force for a period of 24 months after termination of the term of office, regardless of the reason for termination. This clause prohibits the Chief Executive Officer from offering his services to a specific list of competing companies in a delineated geographical area, and, as compensation for this prohibition, provides for the payment of a consideration equal to 12 months of gross remuneration for the year preceding the effective termination of the term of office.

3.2.7 Other

3.2.7.1 INFORMATION ON TRANSACTIONS WITH MEMBERS OF GOVERNANCE BODIES

See the Statutory Auditors' Special Report for the year ended 31 March 2012 for regulated agreements concluded during the year or in previous years and which remained in force during the year under review.

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.

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

None.

Financial statements

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4.1 CONSOLIDATED FINANCIAL STATEMENTS OF THE RÉMY COINTREAU GROUP AT 31 MARCH 2012

4.1.1 Consolidated income statement

At 31 March, in € millions	Notes	2012	2011	2010
Net sales	15	1,026.1	907.8	807.6
Cost of sales		(396.1)	(389.5)	(361.7)
Gross margin		**630.0**	**518.3**	**445.9**
Distribution costs	16	(344.8)	(284.4)	(238.8)
Administrative expenses	16	(79.0)	(72.8)	(70.3)
Other income/(expense)	16	1.5	5.9	5.2
Current operating profit	**15**	**207.7**	**167.0**	**142.0**
Other operating income/(expense)	18	(3.0)	(46.5)	(2.2)
Operating profit		**204.7**	**120.5**	**139.8**
Net finance costs		(26.9)	(27.3)	(22.0)
Other financial income/(expense)		(8.4)	(2.4)	2.7
Net financial income/(expense)	**19**	**(35.3)**	**(29.7)**	**(19.3)**
Profit before tax		**169.4**	**90.8**	**120.5**
Income tax	20	(47.3)	(21.7)	(32.5)
Share of profits of associates	5	(0.4)	4.3	4.9
Profit from continuing operations		**121.7**	**73.4**	**92.9**
Net profit/(loss) from discontinued operations	21	(10.6)	(2.8)	(3.9)
Net profit/(loss) for the year		**111.1**	**70.6**	**89.0**
Attributable to:				
non-controlling interests		0.3	0.1	2.7
owners of the parent		**110.8**	**70.5**	**86.3**
Net earnings per share - from continuing operations (€)				
basic		2.47	1.50	1.94
diluted		2.46	1.49	1.93
Net earnings per share - attributable to owners of the parent (€)				
basic		2.25	1.44	1.80
diluted		2.24	1.43	1.79
Number of shares used for the calculation				
basic	10.2	49,324,332	48,991,452	47,989,124
diluted	10.2	49,473,230	49,248,856	48,191,494

4.1.2 Statement of comprehensive income

At 31 March, in € millions	2012	2011	2010
Net profit/(loss) for the year	**111.1**	**70.6**	**89.0**
Movement in the value of hedging instruments(1)	(16.2)	20.0	(6.9)
Actuarial difference on pension commitments	(1.7)	(0.3)	(4.9)
Movement in the value of AFS shares(2)	(0.3)	0.2	0.1
Related tax effect	6.3	(6.7)	3.8
Release of actuarial difference on pension commitments of the Champagne division, net of tax	(1.5)	–	–
Movement in translation differences	16.3	(7.6)	0.3
Total income/(expenses) recorded in equity	**2.9**	**5.6**	**(7.6)**
Total comprehensive income for the year	**114.0**	**76.2**	**81.4**
Attributable to owners of the parent company	113.7	76.2	78.7
Attributable to non-controlling interests	0.3	–	2.7
(1) of which unrealised gains and losses transferred to income	(12.0)	7.9	0.2
(2) of which unrealised gains and losses transferred to income	–	–	–

4.1.3 Statement of financial position

At 31 March, in € millions	Notes	2012	2011	2010
Brands and other intangible assets	3	443.2	447.1	629.9
Property, plant and equipment	4	146.4	141.0	208.6
Investments in associates	5	68.4	64.9	64.3
Other financial assets	6	86.9	10.9	71.2
Deferred tax assets	20	44.0	30.3	27.1
Non-current assets		**788.9**	**694.2**	**1,001.1**
Inventories	7	792.6	699.2	969.8
Trade and other receivables	8	207.9	213.6	248.1
Income tax receivables		3.9	1.6	8.3
Derivative financial instruments	14	5.6	16.4	3.2
Cash and cash equivalents	9	190.1	80.6	86.3
Assets held for sale	2	0.2	485.3	–
Current assets		**1,200.3**	**1,496.7**	**1,315.7**
Total assets		**1,989.2**	**2,190.9**	**2,316.8**
Share capital		79.4	79.1	77.6
Share premium		738.2	735.7	708.2
Treasury shares		(95.8)	(0.6)	(0.4)
Consolidated reserves and profit of the year		244.4	256.4	232.4
Translation reserve		8.6	(7.7)	(0.2)
Equity - attributable to the owners of the parent		**974.8**	**1,062.9**	**1,017.6**
Non-controlling interests		1.2	0.9	0.9
Equity	10	**976.0**	**1,063.8**	**1,018.5**
Long-term financial debt	11	340.0	377.7	537.7
Provision for employee benefits	23	21.8	20.5	23.8
Long-term provisions for liabilities and charges	12	6.9	6.5	5.1
Deferred tax liabilities	20	98.4	121.8	199.8
Non-current liabilities		**467.1**	**526.5**	**766.4**
Short-term financial debt and accrued interest	11	38.7	31.8	50.0
Trade and other payables	13	467.5	406.6	439.3
Income tax payables		13.0	39.2	11.9
Short-term provisions for liabilities and charges	12	1.5	9.5	19.8
Derivative financial instruments	14	25.4	4.5	10.9
Liabilities held for sale	2	–	109.0	–
Current liabilities		**546.1**	**600.6**	**531.9**
Total equity and liabilities		**1,989.2**	**2,190.9**	**2,316.8**

4.1.4 Statement of changes in consolidated equity

At 31 March, in € millions	Share capital and premium	Treasury shares	Reserves and net profit	Translation difference	Profit recorded in equity	Attributable to owners of the parent company	Attributable to non-controlling interests	Total equity
At 31 March 2009	**761.3**	**(2.3)**	**222.2**	**(0.5)**	**(10.0)**	**970.7**	**(1.8)**	**968.9**
Net profit/(loss) for the period	–	–	86.3	–	–	86.3	2.7	89.0
Gains (losses) recorded in equity	–	–	–	0.3	(7.9)	(7.6)	–	(7.6)
Share-based payments	–	–	3.4	–	–	3.4	–	3.4
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)
At 31 March 2010	**785.8**	**(0.4)**	**250.3**	**(0.2)**	**(17.9)**	**1,017.6**	**0.9**	**1,018.5**
Net profit/(loss) for the period	–	–	70.5	–	–	70.5	0.1	70.6
Gains (losses) recorded in equity	–	–	–	(7.5)	13.2	5.7	(0.1)	5.6
Share-based payments	–	–	3.4	–	–	3.4	–	3.4
Capital increase	29.0	–	–	–	–	29.0	–	29.0
Transactions on treasury shares	–	(0.2)	–	–	–	(0.2)	–	(0.2)
Dividends	–	–	(63.1)	–	–	(63.1)	–	(63.1)
At 31 March 2011	**814.8**	**(0.6)**	**261.1**	**(7.7)**	**(4.7)**	**1,062.9**	**0.9**	**1,063.8**
Net profit/(loss) for the period	–	–	110.8	–	–	110.8	0.3	111.1
Gains (losses) recorded in equity	–	–	–	16.3	(13.4)	2.9	–	2.9
Share-based payments	–	–	4.3	–	–	4.3	–	4.3
Capital increase	2.8	–	(0.1)	–	–	2.7	–	2.7
Transactions on treasury shares	–	(95.2)	–	–	–	(95.2)	–	(95.2)
Dividends	–	–	(113.6)	–	–	(113.6)	–	(113.6)
At 31 March 2012	**817.6**	**(95.8)**	**262.5**	**8.6**	**(18.1)**	**974.8**	**1.2**	**976.0**

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4.1.5 Statement of cash flows

At 31 March, in € millions	Notes	2012	2011	2010
Current operating profit		207.7	167.0	142.0
Depreciation, amortisation and impairment		14.7	14.2	13.5
Share-based payments		4.3	3.1	3.4
Dividends received from associates	5	2.0	2.8	2.1
EBITDA		**228.7**	**187.1**	**161.0**
Change in inventories		(40.0)	(11.4)	(19.8)
Change in trade receivables		4.4	26.6	(39.4)
Change in trade payables		5.5	2.5	23.4
Change in other receivables and payables		23.4	21.8	50.8
Change in working capital requirement		(6.7)	39.5	15.0
Net cash flow from operations		**222.0**	**226.6**	**176.0**
Other operating income/(expense)		(0.3)	(1.9)	(1.4)
Net financial income/(expense)		(16.9)	(20.3)	(25.3)
Income tax		(104.2)	(31.1)	(53.6)
Other operating cash flows		**(121.4)**	**(53.3)**	**(80.3)**
Net cash flow from operating activities - continuing operations		**100.6**	**173.3**	**95.7**
Impact of discontinued operations		12.0	8.4	(7.4)
Net cash flow from operating activities		**112.6**	**181.7**	**88.3**
Purchase of intangible assets and property, plant and equipment	3/4	(17.2)	(27.4)	(22.6)
Purchase of shares in associates and non-consolidated investments	5/6	(0.7)	(0.7)	(10.7)
Disposal of intangible assets and property, plant and equipment		1.4	0.5	0.7
Disposal of shares in associates and non-consolidated investments	6	1.3	–	–
Net cash flow from other investments	6	(0.3)	61.9	(2.7)
Net cash flow from investment activities - continuing operations		**(15.5)**	**34.3**	**(35.3)**
Impact of discontinued operations/assets held for sale		71.3	0.8	4.2
Net cash flow from investment activities		**55.8**	**35.1**	**(31.1)**
Capital increase	10	2.7	7.0	1.4
Treasury shares	10	(95.2)	(0.2)	1.9
Increase in financial debt		25.0	329.8	1.5
Repayment of financial debt		(58.1)	(517.4)	(30.0)
Dividends paid to owners of the parent		(113.6)	(41.2)	(38.5)
Net cash flow from financing activities - continuing operations		**(239.2)**	**(222.0)**	**(63.7)**
Impact of discontinued operations		172.7	–	–
Net cash flow from financing activities		**(66.5)**	**(222.0)**	**(63.7)**
Translation differences on cash and cash equivalents		7.6	(0.5)	3.4
Change in cash and cash equivalents		**109.5**	**(5.7)**	**(3.1)**
Cash and cash equivalents at start of year	9	**80.6**	**86.3**	**89.4**
Cash and cash equivalents at end of year	9	**190.1**	**80.6**	**86.3**

4.1.6 Notes to the consolidated financial statements

4

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 5 June 2012. They will be submitted for shareholder approval at the Shareholders' General Meeting on 26 July 2012.

NOTE 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) No. 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 2012.

These standards can be consulted on the European Commission website at: http://ec.europa.eu/internal_market/accounting/ias/index_en.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, with the exception of 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 registration 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 registration document for the year ended 31 March 2006.

IFRS 1 offered 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 did not apply IFRS 2 relating to share-based payments to stock option plans opened before 7 November 2002, the date prior to which application was 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 TO ACCOUNTING PRINCIPLES COMPARED WITH THE PREVIOUS YEAR

The following standards and interpretations became applicable to Rémy Cointreau as of 1 April 2011:

- IAS 24 - Related party disclosures;
- IFRS 1 - Limited exemptions from comparative IFRS 7 disclosures for first-time adopters;
- IFRIC 14 - The limit on a defined-benefit asset, minimum funding requirements and their interaction;
- IFRIC 19 - Extinguishing financial liabilities with equity instruments;
- 2010-2011 IFRS improvements.

The standards, interpretations and amendments whose application is compulsory as of 31 March 2012 and for which the Group has not chosen early application for the consolidated financial statements at 31 March 2012, are as follows:

- amendments to IAS 1 on the presentation of other comprehensive income;
- amendments to IAS 12, "Income taxes": recovery of underlying assets;
- amendments to IAS 19, primarily aimed at removing the option to postpone the recognition of all or part of actuarial differences (corridor method);
- amendment to IAS 27, "Consolidated and separate financial statements";
- amendment to IAS 28, "Investments in associates and joint ventures";
- amendment to IAS 32, "Offsetting financial assets and financial liabilities";
- amendments to IFRS 7, "Financial instruments: disclosures": transfers of financial assets;
- amendments to IFRS 7 and IFRS 9, "Financial instruments, date of application of IFRS 9 and transition information requirements";
- IFRS 10, "Consolidated financial statements";
- IFRS 11, "Joint arrangements";
- IFRS 12, "Disclosure of interests in other entities";
- IFRS 13, "Fair value measurement".

Note 1.1 Use of estimates

The 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.

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.

PENSION COMMITMENTS 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 OPTION 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 these 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.

Note 1.2 Basis of consolidation

The consolidated financial statements include, on a fully consolidated basis, all significant subsidiaries of which Rémy Cointreau directly or indirectly controls 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 holds 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. Where 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.

Note 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 reserve" until the sale or liquidation of the subsidiary concerned.

Note 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 of the functional currency, as 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 hedges, for which the effects of changes in foreign exchange rates are recognised directly in equity under "Translation reserve".

The Rémy Cointreau Group generates around 70% of its net sales outside the Eurozone, 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 balance sheet date;
- 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/(expense) (for other cash flows) as the cash flows covered by the hedging transactions occur;
- net financial income/(expense) 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 at the same level as their underlying transactions (i.e. within gross profit for trading transactions).

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

Note 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 decrease in value. For the purpose of this testing, goodwill is allocated to Cash Generating Units (CGUs).

Note 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 for the period in which they are incurred.

The brands recorded on the Rémy Cointreau Group's balance sheet are not amortised as they have the benefit of 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 at the period end and as soon as there is any indication of a decrease in value. These tests are described in Note **1.8.**

In addition, distribution rights associated with brands are recognised when an acquisition is 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;
- application licences and direct costs of installations and/or upgrades: 3 to 7 years;

Note 1.7 Property, plant and equipment

A) GROSS VALUE

In accordance with IAS 16 "Property, plant and equipment", the gross value of items of property, plant and equipment corresponds to their acquisition or production cost. These assets are not revalued subsequently.

Their value 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 an 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 market value of the asset or the present value of future 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 Rémy Cointreau Group's non-current assets are predominantly used in production. Given that they are used until the end of their estimated useful lives, it is deemed that 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 tools 3 to 15 years;
- Computer equipment 3 to 5 years;
- Other property, plant and equipment 5 to 10 years.

Note 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 decrease in value, and automatically at each period 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 of 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 the Group's management has decided to sell, the assets concerned are stated at the lower of their carrying amount and estimated market value after transaction costs. If negotiations are in progress, the value is 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 years) 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 market value.

Note 1.9 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 counterparty to these inventories is generally recorded in trade payables.

Inventories are stated at the lower of cost and net realisable value.

A substantial part of the inventories held by the Rémy Cointreau Group consists of "eaux-de-vie" (cognac, brandy and rum) 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.

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

Inventories that are undergoing ageing are valued at cost price, excluding finance costs. The latter are recognised in the income statement in the period in which they are incurred. Cost price includes the purchase price and incidental costs and adjusted each year to include costs directly attributable to the ageing process as well as to reflect evaporation.

The approach used to determine realisable value takes into account the sale price of finished goods made from these inventories.

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

Note 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 asset 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, with changes in value being recognised:

- in general, 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.

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 of 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 from counterparty banks. Changes in the value of currency derivatives 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/(expense) for any residual change in fair value of the hedging instruments and the change in fair value of the non-hedging instruments.

D) LOANS AND FINANCIAL DEBT

Financial resources are generally stated at nominal value net of costs incurred when arranging this financing. These costs 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 amortised using the straight-line method over the term of the contract.

Note 1.11 Cash and cash equivalents

Cash and cash equivalents comprise 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 financial debt.

Note 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 values for taxation purposes 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 expense 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, most 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 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 according to the probability that these losses will the later being be utilised.

Note 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 an outflow of resources for the benefit of 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 being recognised in net financial income/(expense).

Note 1.14 Pension commitments and other employee benefits

In accordance with the laws and practices in each country, Rémy Cointreau offers 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 Group companies located in the Eurozone, the discount rate used is based on the iBoxx index for bonds with a maturity close to that of the corresponding liabilities.

Commitments under defined-benefit plans concern:

- 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, Germany and Belgium.

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 are also 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.

Note 1.15 Net sales

Net sales include wholesale trading of finished goods in branded wines and spirits marketed by the Group to:

- distributors;
- agents;
- wholesalers, mainly in North America and China.

These sales are recognised when the significant risks and rewards of ownership have been transferred to the buyer, which generally occurs on shipment.

These amounts are stated net of duties and 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 wine and spirit brands (notably from subcontracting and the distribution of alcohol-free products) are recorded at their net amount under “Other income/(expense)” when they are peripheral to the Group’s core activity.

Note 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 for which plans to this effect have been approved by the Board of Directors. The corresponding operating profit is reclassified in the item "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 provisions 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 stock option plans and related items, 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 financial debt plus short-term financial debt and accrued interest less cash and cash equivalents.

Note 1.17 Segment reporting

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

A) BUSINESS SEGMENTS

The operating segments to be presented are those for which separate financial information is available internally and which 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 Rémy Martin, Liqueurs & Spirits and Partner Brands businesses. Consequently, the Group has identified these 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.

The main brands under the "Liqueurs & Spirits" segment are Cointreau, Passoa, Metaxa, Saint Rémy and Mount Gay.

The Partner Brands division includes brands which are not owned by the Group and those whose production is not carried out wholly by the Group. These brands are distributed using the Group's distribution network. The principle brands are the Scotch whiskies owned by The Egrington Group and the Piper-Heidsieck and Charles Heidsieck champagnes.

Information given by business segment is identical to that presented to the Executive Committee.

B) GEOGRAPHIC AREA

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

The geographic areas used are: Europe-Middle East-Africa, Americas and Asia-Pacific. The Asia-Pacific area includes Asia, Australia and New Zealand.

Note 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 as equity. The value of cash held in the liquidity account is recorded as "Other financial assets".

Note 1.19 Stock options and free share plans

In accordance with IFRS 2 "Share-based payments", plans established 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.

- 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).

Note 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.

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.

Note 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 as “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 as assets held for sale:

- all income statement lines of this company or activity for the reported period and comparative periods are reclassified as “Net profit/(loss) from discontinued operations”. A similar reclassification is performed in the cash flow statement under “Impact of discontinued operations” within net cash flow from operating and investment activities;
- when the disposal is still in progress at the balance sheet date, the potential difference between the carrying value of the assets concerned and the estimated market value, net of disposal expenses and tax, if negative, is recognised as “profit/(loss) from discontinued operations”;
- the profit or loss generated on the disposal transaction, net of transaction costs and taxes, is also recognised under “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 as “Net cash flow from investing activities”, and any impact of the de-consolidation of the cash held by the entity sold, classified as “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 as “Profit/(loss) from discontinued operations”. A similar reclassification is performed in the cash flow statement under “Impact of discontinued operations” within cash flow from investing activities.

Note 1.22 Consolidation of co-operatives

Since 1 April 2003, the Rémy Cointreau Group 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 financial debt and trade payables. Related finance costs are also included in the Group’s finance costs.

NOTE 2 Changes in consolidation scope

Following exclusive negotiations initiated on 28 February 2011, the Rémy-Cointreau and EPI groups signed an agreement on 31 May 2011 for the sale of the entire shareholding in Piper-Heidsieck Compagnie Champenoise to EPI, which was implemented on 8 July 2011, enabling the latter to assume control of the Champagne operations in Reims and of Piper Sonoma in the US. In addition, Rémy Cointreau and EPI have signed a global distribution agreement for the Piper-Heidsieck, Charles Heidsieck and Piper Sonoma brands. These transactions were restated and recognised in accordance with IFRS 5 in the annual financial statements as at 31 March 2012.

As the conditions for applying IFRS 5 were already met at 31 March 2011, the comparative data related to the years ended 31 March 2011 and 2010 were taken from the annual financial statements as at 31 March 2011, in which they had already been subject to the applicable reclassifications and restatements.

The effects of the disposal on the income statement are specified in Note **21**.

At 31 March 2011, assets and liabilities relating to the planned disposal were reclassified as "Assets held for sale" and "Liabilities held for sale" as follows:

(in € millions)	2012	2011	2010
Non-current assets	–	207.1	–
Current assets	–	281.5	–
Provisions for liabilities and charges	–	(7.1)	–
Deferred taxes	–	(46.7)	–
Trade and other payables	–	(54.9)	–
Adjustment of the value of net assets held for sale	–	(3.8)	–
Sub-total Champagne division	–	376.1	–
Machecouls industrial site	0.2	0.2	–
Other assets held for sale	0.2	0.2	–
Total net assets held for sale	**0.2**	**376.3**	**–**
Assets held for sale	–	485.3	–
Liabilities held for sale	–	(109.0)	–
Total net assets held for sale	**–**	**376.3**	**–**

NOTE 3 Brands and other intangible assets

(in € millions)	Brands	Distribution rights	Other	Total
Gross value at 31 March 2010	**622.9**	**9.2**	**27.6**	**659.7**
Acquisitions	–	–	2.1	2.1
Disposals, items scrapped	(0.3)	–	(0.8)	(1.1)
Reclassification as assets held for sale	(136.4)	–	(7.2)	(143.6)
Translation difference	(0.5)	(0.2)	(0.1)	(0.8)
Gross value at 31 March 2011	**485.7**	**9.0**	**21.6**	**516.3**
Acquisitions	–	–	1.5	1.5
Disposals, items scrapped	–	(2.1)	–	(2.1)
Other movements	–	–	0.1	0.1
Translation difference	0.6	0.1	0.2	0.9
Gross value at 31 March 2012	**486.3**	**7.0**	**23.4**	**516.7**
Accumulated amortisation and depreciation at 31 March 2010	**3.4**	**7.4**	**19.0**	**29.8**
Charges	45.0	–	2.6	47.6
Disposals, items scrapped	(0.2)	–	(0.7)	(0.9)
Reclassification as assets held for sale	–	–	(7.0)	(7.0)
Translation difference	–	(0.2)	(0.1)	(0.3)
Accumulated amortisation and depreciation at 31 March 2011	**48.2**	**7.2**	**13.8**	**69.2**
Charges	3.9	–	2.3	6.2
Disposals, items scrapped	–	(2.1)	–	(2.1)
Translation difference	0.1	–	0.1	0.2
Accumulated amortisation and depreciation at 31 March 2012	**52.2**	**5.1**	**16.2**	**73.5**
Net carrying amount at 31 March 2010	**619.5**	**1.8**	**8.6**	**629.9**
Net carrying amount at 31 March 2011	**437.5**	**1.8**	**7.8**	**447.1**
Net carrying amount at 31 March 2012	**434.1**	**1.9**	**7.2**	**443.2**

As at 31 March 2012, accumulated depreciation on intangible assets was €52.2 million, entirely related to brands (2011: €48.2 million; 2010: €3.4 million).

The net carrying amount in "Distribution rights" is equivalent to a brand.

"Other" includes mainly software licenses.

Amounts shown under "Reclassification as assets held for sale" at 31 March 2011 relate to the Champagne division (Note **2**).

Intangible assets do not include any goodwill. Brands owned by Rémy Cointreau are all considered to have an indefinite useful life. As such they are not amortised (Note **1.6**). However they are subject to an impairment test annually or as soon as there is an indication of a decrease in value. The method used to establish the present value of the brands is described in Note **1.8**.

Impairment tests carried out at 30 September 2011 for two secondary brands (from Liqueurs & Spirits and Partner Brands) indicating a decrease in value due to revision of the strategic plans, resulted in the recognition of a total impairment charge of €3.8 million. The tests were validated by an independent expert. The net carrying amount of those two brands was brought down from €6.7 million to €2.9 million.

During the year ended 31 March 2011, Metaxa, the Greek brandy brand acquired in 2000, was subject to a €45 million impairment to reflect the variance between its recoverable value and its carrying amount.

Tests during the year ended 31 March 2012 used the recoverable value as present value, based on discounted future cash flows from medium-term plans (5 years) and approved by the Board of Directors. The pre-tax discount rate used was 9.95% and the perpetual growth rate was between 1% and 2%.

Considering the forecasts and financial parameters on which such tests are based, an increase of 0.5 points in the discount rate, a reduction of 0.5 points in the perpetual growth rate or a 10% decrease in the cash flow forecasts in the medium-term plans would not lead to impairment of any of the brands or other intangible assets held by the Group.

NOTE 4 Property, plant and equipment

(in € millions)	Land	Buildings	Other	In progress	Total
Gross value at 31 March 2010	**41.9**	**113.6**	**191.3**	**3.3**	**350.1**
Acquisitions	0.2	2.9	9.8	5.9	18.8
Disposals, items scrapped	(0.1)	(1.6)	(4.5)	(0.2)	(6.4)
Reclassification as assets held for sale	(33.8)	(33.6)	(28.8)	(2.0)	(98.2)
Other movements	–	0.5	1.5	(3.3)	(1.3)
Translation difference	–	(0.5)	(0.8)		(1.3)
Gross value at 31 March 2011	**8.2**	**81.3**	**168.5**	**3.7**	**261.7**
Acquisitions	–	2.1	13.9	1.9	17.9
Disposals, items scrapped	(0.1)	(0.4)	(1.5)	–	(2.0)
Other movements	0.1	1.4	(2.4)	(1.1)	(2.0)
Translation difference	–	0.5	1.3		1.8
Gross value at 31 March 2012	**8.2**	**84.9**	**179.8**	**4.5**	**277.4**
Accumulated amortisation and depreciation at 31 March 2010	**1.8**	**39.9**	**99.8**	**–**	**141.5**
Charges	0.6	2.9	10.7	–	14.2
Disposals, items scrapped	(0.1)	(1.2)	(4.3)	–	(5.6)
Reclassification as assets held for sale	(1.3)	(7.8)	(18.8)	–	(27.9)
Other movements	–	(0.9)	(0.1)	–	(1.0)
Translation difference	–	–	(0.5)	–	(0.5)
Accumulated amortisation and depreciation at 31 March 2011	**1.0**	**32.9**	**86.8**	**–**	**120.7**
Charges	0.4	2.3	9.7	–	12.4
Disposals, items scrapped	–	(0.2)	(0.8)	–	(1.0)
Other movements	–	0.4	(2.4)	–	(2.0)
Translation difference	–	0.1	0.8	–	0.9
Accumulated amortisation and depreciation at 31 March 2012	**1.4**	**35.5**	**94.1**	**–**	**131.0**
Net carrying amount at 31 March 2010	**40.1**	**73.7**	**91.5**	**3.3**	**208.6**
Net carrying amount at 31 March 2011	**7.2**	**48.4**	**81.7**	**3.7**	**141.0**
Net carrying amount at 31 March 2012	**6.8**	**49.4**	**85.7**	**4.5**	**146.4**

As at 31 March 2012, no property, plant or equipment owned by the Group is subject to a depreciation provision.

For the year ended 31 March 2012, acquisitions amounting to €17.9 million mainly related to industrial capital expenditure on the Group's various production facilities in Cognac, Angers and Barbados.

These non-current assets are unencumbered.

NOTE 5 Investments in associates

Investments in associates represent equity interests in companies meeting the principle described in Note **1.2**.

(in € millions)	Dynasty	Lixir	Diversa	Other	Total
As at 31 March 2010	**55.6**	**1.3**	**7.4**	**–**	**64.3**
Dividend paid	(2.1)	(0.7)	–	–	(2.8)
Profit/(loss)	3.5	0.6	0.2	–	4.3
Translation difference	(1.2)	–	–	–	(1.2)
Other	0.3	–	–	–	0.3
As at 31 March 2011	**56.1**	**1.2**	**7.6**	**–**	**64.9**
Dividend paid	(1.2)	(0.6)	(0.2)	–	(2.0)
Perimeter variation	–	–	–	0.7	0.7
Profit/(loss)	(1.3)	0.7	0.2	–	(0.4)
Translation difference	5.4	–	–	–	5.4
Other	(0.2)	–	–	–	(0.2)
As at 31 March 2012	**58.8**	**1.3**	**7.6**	**0.7**	**68.4**

Note 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.

There are no commercial transactions between the Rémy Cointreau Group and Dynasty.

At 31 March 2011, Rémy Cointreau held 336.5 million Dynasty shares representing a 26.96% equity stake. The share price on the Hong Kong stock exchange on that date stood at HKD 1.54 (2011: HKD 2.90; 2010: HKD 2.52).

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, data are adjusted to reflect the fact that Rémy Cointreau has a financial year-end of 31 March.

The main financial data from 1 January to 31 December in HKD millions are as follows:

	2011	2010
Net sales	1,445.1	1,614.6
Current operating profit	19.3	227.7
Net profit/(loss)	**2.2**	**157.1**
Non-current assets	713.6	703.8
Working capital requirement	971.0	539.4
Cash and cash equivalents	357.0	760.3
Equity	**2,041.7**	**2,003.4**
Total assets	**2,593.3**	**2,680.8**

Note 5.2 Lixir

On 7 October 2008, the Rémy Cointreau Group acquired a 50% interest in the French distribution company Lixir from William Grant & Sons Investments Ltd for €0.5 million.

Lixir's financial year-end is 31 December. Lixir's net sales totalled €179.2 million over the Rémy Cointreau financial year (2011: €166.1 million).

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Note 5.3 Diversa

On 31 March 2009, the Rémy Cointreau Group acquired a 50% interest in Diversa GmbH to form a distribution joint venture in Germany with the Underberg group.

Diversa GmbH generated net sales of €128.2 million for the year to 31 March 2012 (2011: €118.3 million).

Note 5.4 Other

During the year ended 31 March 2012, the Rémy Cointreau Group entered into a joint venture with an Indian partner for the creation of a local brandy to be developed during the next financial year.

NOTE 6 Other financial assets

(in € millions)	**2012**	**2011**	**2010**
Non-consolidated equity investments	4.6	6.6	5.1
Prepayments for post-employment benefit schemes	–	0.4	0.4
Vendor loan (Note **6.2**)	78.0	–	60.7
Loan to non-consolidated investments	0.1	0.1	1.1
Liquidity account excluding Rémy Cointreau shares	3.0	3.0	2.9
Other	1.2	0.8	1.0
Total	**86.9**	**10.9**	**71.2**

Note 6.1 Non-consolidated equity investments

(in € millions)	**% held**	**2012**	**% held**	**2011**	**% held**	**2010**
Dettling & Marmot (Switzerland)	25.0%	1.0	25.0%	1.0	25.0%	1.0
Ducs de Gascogne S.A. (France)	30.1%	1.1	30.1%	1.1	30.1%	1.1
Tianjin Dvpt Holding Ltd (PRC)	0.2%	0.4	0.2%	0.7	0.2%	0.5
Balachoa-Vinhos de Portugal (Portugal)	0.8%	0.5	0.8%	0.5	0.8%	0.5
REVICO (France)	–	–	5.0%	0.4	5.0%	0.4
TRANSMED (France)	–	–	6.8%	1.3	6.8%	–
Destilerias de Vilafranca S.A. (liquidation in process)	100.0%	1.5	100.0%	1.5	100.0%	1.5
Other investments	–	0.1		0.1		0.1
Total		**4.6**		**6.6**		**5.1**

Note 6.2 Vendor loan

As part of the disposal of the Champagne division, which took place on 8 July 2011, the Rémy Cointreau Group granted a vendor loan of €75 million, over a maximum term of nine years (maturing on 8 July 2020), and bearing interest at 5% during the first six years and 6% during the last three years. Interest will be capitalised in the first three years.

At 31 March 2012, this loan was recognized at the present value of cash flow to be collected by Rémy Cointreau in the event that the loan is repaid on maturity in accordance with the terms and conditions of the contract.

At 31 March 2010, the “Vendor loan” heading related to the loan granted as part of the disposal of the Lucas Bols division. This loan, valued at €61.8 million, was repaid during the financial year ended 31 March 2011.

Note 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**).

NOTE 7 Inventories

Note 7.1 Breakdown by category

(in € millions)	2012	2011	2010
Goods for resale and finished goods	138.8	93.5	105.4
Raw materials	47.8	30.0	85.7
Ageing wines and "eaux-de-vie"	610.2	579.9	780.0
Other	3.0	2.1	2.4
Gross value	**799.8**	**705.5**	**973.5**
Provision for impairment	(7.2)	(6.3)	(3.7)
Carrying amount	**792.6**	**699.2**	**969.8**

Accounting principles applying to inventories are described in Note **1.9**.

At 31 March 2012, some inventories are subject to agricultural warrants in an amount a €27.9 million (2011: €32.8 million; 2010: €6.6 million).

Note 7.2 Analysis of the change

(in € millions)	Gross value	Impairment	Carrying amount
As at 31 March 2010	**973.5**	**(3.7)**	**969.8**
Movement	(6.7)	(3.1)	(9.8)
Perimeter variation	(255.9)	0.3	(255.6)
Translation difference	(5.4)	0.2	(5.2)
As at 31 March 2011	**705.5**	**(6.3)**	**699.2**
Movement	85.4	(0.7)	84.7
Translation difference	8.9	(0.2)	8.7
As at 31 March 2012	**799.8**	**(7.2)**	**792.6**

NOTE 8 Trade and other receivables

(in € millions)	2012	2011	2010
Trade receivables	160.5	157.9	191.5
Receivables related to taxes and social charges (excl. income tax)	16.5	10.8	19.5
Sundry prepaid expenses	7.2	6.4	6.1
Advances paid	6.8	16.9	18.6
Receivables related to asset disposals	–	0.1	2.9
Other receivables	16.9	21.5	9.5
Total	**207.9**	**213.6**	**248.1**
Of which provision for doubtful debts	(5.3)	(4.4)	(5.1)

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 2012, the breakdown of trade receivables by maturity was as follows:

(in € millions)	Total	Current	Due: Less than 3 months	Due: More than 3 months
Trade receivables gross	165.8	112.3	32.7	20.8

NOTE 9 Cash and cash equivalents

(in € millions)	**2012**	**2011**	**2010**
Financial assets measured at fair value though profit and loss	126.4	0.1	28.1
Associates' current accounts	–	–	0.2
Cash at bank	63.7	80.5	58.0
Total	**190.1**	**80.6**	**86.3**

The increase in the "Cash and cash equivalents" item was partly due to the proceeds of the disposal of the Champagne division.

NOTE 10 Equity

Note 10.1 Share capital, issue premium and treasury shares

	Number of shares	Treasury shares	Total number of shares	Share capital	Issue premium	Treasury shares
As at 31 March 2010	**48,509,769**	**(14,853)**	**48,494,916**	**77.6**	**708.2**	**(0.4)**
Exercise of stock options	263,963	–	263,963	0.5	6.6	–
Portion of dividend paid in shares	565,770	–	565,770	0.9	20.9	–
2008 free share plan	88,900	–	88,900	0.1	–	–
Liquidity account	–	2,253	2,253	–	–	0.1
Other treasury shares	–	(8,710)	(8,710)	–	–	(0.3)
As at 31 March 2011	**49,428,402**	**(21,310)**	**49,407,092**	**79.1**	**735.7**	**(0.6)**
Exercise of stock options	103,860	–	103,860	0.2	2.5	–
2009 free share plan	97,300	–	97,300	0.1	–	–
Share buyback programme	–	(1,421,003)	(1,421,003)	–	–	(95.6)
Other treasury shares	–	13,660	13,660	–	–	0.4
As at 31 March 2012	**49,629,562**	**(1,428,653)**	**48,200,909**	**79.4**	**738.2**	**(95.8)**

10.1.1 SHARE CAPITAL AND PREMIUM

At 31 March 2012, the share capital consisted of 49,629,562 shares with a nominal value of €1.60.

During the year ended 31 March 2012, 103,860 shares were issued in connection with stock options granted to certain employees.

On 19 November 2011, 97,300 shares were issued (from available reserves) on expiry of the vesting period of the 2009 free share plan.

10.1.2 TREASURY SHARES

At its meeting of 22 November 2011, the Board of Directors of Rémy Cointreau decided to appoint an investment services provider to buy back shares of Rémy Cointreau SA, within the limit of 10% of the share capital net of the shares currently held by Rémy Cointreau, including those acquired under the liquidity contract (Note **1.18**) and in accordance with resolutions 13 and 15 approved by the Shareholders' General Meeting of 26 July 2011.

In compliance with the description of the share buyback programme published in the registration document of Rémy Cointreau registered with the AMF on 29 June 2011, as amended by the Shareholders' General Meeting of 26 July 2011, the shares bought will be allocated to the following objectives (i) retention with a view to use for external growth within the limits permitted by law and (ii) cancellation.

The investment service provider may purchase up to 4.5 million shares in the period ending 31 December 2012 at a buying price determined in compliance with European Commission Regulation (EC) 2273/2003 dated 22 December 2003 and General Regulation issued by the AMF.

As at 31 March 2012, 1,421,003 shares were purchased as part of the share buyback program for a total cost of €95.6 million.

In addition, as at 31 March 2012, no shares were held under the liquidity accounts put in place in November 2005 (Note **1.18**) and 7,650 shares were held temporarily, to be allocated to the exercise of stock option plans 12 and 13.

Note 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**.

	2012	2011	2010
Average number of shares (basic):			
Average number of shares	49,587,843	49,012,762	48,003,977
Average number of treasury shares	(263,511)	(21,310)	(14,853)
Total used for calculating basic earnings per share	**49,324,332**	**48,991,452**	**47,989,124**
Average number of shares (diluted):			
Average number of shares (basic)	49,324,332	48,991,452	47,989,124
Dilution effect of stock options and free share plans(1)	148,898	257,404	202,370
Total used for calculating diluted earnings per share	**49,473,230**	**49,248,856**	**48,191,494**

(1) The Rémy Cointreau share price used as a reference for the dilution effect was €61.23 for 2012, €47.25 for 2011 and €30.69 for 2010

Note 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 24 August 2000 (Plan 11), 21 September 2001 (Plans 11 and 12) and 7 September 2004 (Plan 13).

Exercise start date	Plan No	Term in years	Type(1)	Options granted	Exercise price in €	Lapsed options	Options exercised at 31 March 2011	Options exercised during the year	Average exercise price	Options outstanding at 31 March 2012
8 March 2006	11	6	S	659,500	25.00	8,500	547,140	103,860	58.80	–
16 September 2007	12	6	P	287,000	27.67	27,000	131,690	111,100	61.26	17,210
24 December 2008	13	6	P	262,000	28.07	35,000	83,500	111,000	59.31	32,500
Total				**1,208,500**		**70,500**	**762,330**	**325,960**	**59.81**	**49,710**

(1) S = Subscription, P = Purchase.

For all plans, one option equals one share granted.

Pursuant to a mechanism approved by the AMF on 8 March 2005, Rémy Cointreau hedged plans 12 and 13 in March 2005 by means of a repurchase option (plan 12) and a call option (plan 13) concluded with a financial institution enabling Rémy Cointreau to deliver shares to the beneficiaries at exercise date at a cost equal to the exercise price.

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10.3.2 FREE SHARE PLANS

Grant date[1]	Plan no.	Vesting period	Minimum retention period	Initial number of shares granted	Share price on grant date	Lapsed shares	Shares granted at end of vesting period	No. of shares outstanding at 31 March 2012
19 November 2009	2009	2 years	2 years	102,300	34.05	5,000	97,300	–
23 November 2010	2010	2 years	2 years	94,000	52.65	4,000	N/A	90,000
22 November 2011	2011	2 years	2 years	96,500	58.50	–	N/A	96,500
Total				**292,800**		**9,000**	**–**	**186,500**

(1) The grant date is the date of the Board meeting which decided on granting each plan.

Grant date	Plan no.	Combined General Meeting that approved the plan
19 November 2009	2008	16 September 2008
23 November 2010	2009	16 September 2008
22 November 2011	2010	26 July 2011

For these three plans, the Board of Directors determined that the following acquisition terms would apply:

- 60% of the shares are granted on condition that the beneficiary is still employed by the Group at the end of the vesting period;
- 40% of the shares are granted on 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 2009 plan resulted in the creation of 97,300 new shares as a deduction against reserves. The plan was fully granted (with the exception of 5,000 shares which lapsed due to the departure of 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 as operating profit (Note **1.19**).

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 granted. The amount is amortised on a straight-line basis over the rights vesting period from the date of the Board meeting approving each plan.

For the free share plans, the unit value is based on the share price at the grant date for Executive Management or Management Committee beneficiaries or the notice date for other beneficiaries, less the estimated value of the dividends per share which would be due during the vesting period.

The assumptions used for the estimation of the benefit value and the resulting values for the plans included in the calculation of the expense for the year ended 31 March 2012 were as follows:

	Plan 2009	Plan 2010	Plan 2011
Expectation performance criteria will be met	100%	100%	100%
Staff turnover ratio	0%	5.0%	5.0%
Fair value per option[1]	€31.25	€50.05	€55.62
Fair value per option[2]	€32.70	€49.88	€58.65

(1) Executive Management and Management Committee members.

(2) Other beneficiaries.

For the year ended 31 March 2012, the related expense is €4.3 million (2011: €3.1 million; 2010: €3.4 million).

Note 10.4 Dividends

The Shareholders' General Meeting of 26 July 2011 approved:

- the payment of a dividend of €1.30 per share in respect of the year ended 31 March 2011;
- the payment of an exceptional dividend of €1.00 per share, deducted from the distributable amount after allocation of the ordinary dividend.

Both dividends were paid together in cash in October 2011 for a total amount of €113.6 million.

Note 10.5 Minority interests

(in € millions)	2012	2011	2010
Minority interests in Mount Gay Distilleries	1.2	0.9	0.9
Total	**1.2**	**0.9**	**0.9**

Note 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 management takes into account the intrinsic features of its business and the strategic objectives it has set for the Group. These require a high level of capital employed, mainly in "eaux-de-vie" and wine inventories undergoing ageing, and provide a unique guarantee for its brands' future and their potential to create shareholder value.

For several years 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.

Another key indicator is the "A ratio" (Average net financial debt/ EBITDA) (Notes **11.7, 11.8** and **14.6**) with which the Group must comply in order to access a significant part of its financial resources. The A ratio was 0.67 as at March 31 2012, substantially below the limit of 3.50 set out in the contracts.

During the year ended 31 March 2012, continuing activities generated operating cash flow (before tax and financial expense) of €222 million. Net financial debt decreased by €140.3 million and the net debt to equity ratio was 0.19 (2011: 0.31; 2012: 0.49).

NOTE 11 Financial debt

Note 11.1 Net financial debt

	2012			2011			2010		
(in € millions)	Long-term	Short-term	Total	Long-term	Short-term	Total	Long-term	Short-term	Total
Gross financial debt	340.0	38.7	378.7	377.7	31.8	409.5	537.7	50.0	587.7
Cash and cash equivalents (Note **9**)	–	(190.1)	(190.1)	–	(80.6)	(80.6)	–	(86.3)	(86.3)
Net financial debt	**340.0**	**(151.4)**	**188.6**	**377.7**	**(48.8)**	**328.9**	**537.7**	**(36.3)**	**501.4**

Note 11.2 Gross financial debt by type

	2012			2011			2010		
(in € millions)	Long-term	Short-term	Total	Long-term	Short-term	Total	Long-term	Short-term	Total
Bonds	199.1	–	199.1	198.0	–	198.0	191.5	–	191.5
Private Placement	139.3	–	139.3	138.1	–	138.1	–	–	–
Drawdown on syndicated credit	–	–	–	40.0	–	40.0	344.8	25.2	370.0
Drawdown on other facilities	–	25.0	25.0	–	–	–	–	–	–
Other financial debt and overdrafts	–	0.1	0.1	–	0.1	0.1	–	0.5	0.5
Issue costs of syndicated credit	–	–	–	–	–	–		(0.1)	(0.1)
Accrued interest	–	7.3	7.3	–	7.4	7.4	–	2.4	2.4
Total Rémy Cointreau S.A.	**338.4**	**32.4**	**370.8**	**376.1**	**7.5**	**383.6**	**536.3**	**28.0**	**564.3**
Other financial debt and overdrafts	1.6	1.2	2.8	1.6	15.1	16.7	1.4	15.8	17.2
Borrowings by special purpose entities	–	5.1	5.1	–	9.2	9.2	–	6.2	6.2
Total subsidiaries	**1.6**	**6.3**	**7.9**	**1.6**	**24.3**	**25.9**	**1.4**	**22.0**	**23.4**
Gross financial debt	**340.0**	**38.7**	**378.7**	**377.7**	**31.8**	**409.5**	**537.7**	**50.0**	**587.7**

Note 11.3 Gross financial debt by maturity

(in € millions)	Long-term	Short-term
before 31 March 2013	–	38.7
31 March 2014	1.6	
10 June 2015	139.3	
15 December 2016	199.1	
Total	**340.0**	**38.7**

At 31 March 2012, undrawn amounts under the confirmed credit lines of Rémy Cointreau were €346 million (2011: €426 million; 2010: €210 million).

At 31 March 2012, the Rémy Cointreau Group's total amount of confirmed financial resources was €691 million (2011: €811 million; 2010: €804.4 million), including €346 million maturing on 7 June 2012, €140 million on 10 June 2015 and €205 million on 15 December 2016.

Liquidity risk is detailed in Note **14**.

Note 11.4 Gross financial debt by type of rates

	2012			2011			2010		
(in € millions)	Long-term	Short-term	Total	Long-term	Short-term	Total	Long-term	Short-term	Total
Fixed interest rate	338.4	–	338.4	336.1	–	336.1	191.5	–	191.5
Floating interest rate	1.6	31.4	33.0	41.6	24.4	66.0	346.2	47.6	393.8
Accrued interest	–	7.3	7.3	–	7.4	7.4	–	2.4	2.4
Gross financial debt	**340.0**	**38.7**	**378.7**	**377.7**	**31.8**	**409.5**	**537.7**	**50.0**	**587.7**

	2012			2011			2010		
(in € millions)	Long-term	Short-term	Total	Long-term	Short-term	Total	Long-term	Short-term	Total
Drawdown on syndicated credit	–	–	–	40.0	–	40.0	344.8	25.2	370.0
Drawdown on other facilities	–	25.0	25.0	–	–	–	–	–	–
Other financial debt and overdrafts	1.6	6.4	8.0	1.6	24.4	26.0	1.4	22.4	23.8
Total floating interest rate debt	**1.6**	**31.4**	**33.0**	**41.6**	**24.4**	**66.0**	**346.2**	**47.6**	**393.8**

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 date are provided in Note 14.

Note 11.5 Gross financial debt by currency

	2012			2011			2010		
(in € millions)	Long-term	Short-term	Total	Long-term	Short-term	Total	Long-term	Short-term	Total
Euro	340.0	37.8	377.8	377.7	30.5	408.2	537.7	38.9	576.6
U.S. Dollar	–	0.9	0.9	–	1.3	1.3	–	11.1	11.1
Gross financial debt	**340.0**	**38.7**	**378.7**	**377.7**	**31.8**	**409.5**	**537.7**	**50.0**	**587.7**

Note 11.6 Bonds

In June 2010, Rémy Cointreau carried out a new 6.5-year bond issue with a par value of €205 million. The bonds have a par value of €50,000 each and were issued at 97.745% of par value (issue premium of 2.255%), bearing interest of 5.18% payable on 15 June and 15 December of each year. They will be redeemed at par at maturity on 15 December 2016.

This bond is not secured.

The issue carries a number of clauses relating to early redemption at the issuer's option, primarily in the event of a capital increase, whether for the general public or privately placed, or 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. Furthermore, in the event of a change of control all bearers are entitled to request redemption of their bonds held at 101%.

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 from the date of receipt of the sale proceeds, offer early redemption of the issue up to the amount of the sale proceeds. The agreement additionally contains certain conventions that may limit the maximum dividend payout in the event of a loss.

After taking the issue premium and expenses into account, the net proceeds from the issue were about €197 million, making an effective interest rate of approximately 5.89%.

The proceeds were allocated to the early redemption, in June and August 2010, of the seven-year bonds issued on 15 January 2005, bearing interest at 5.2%, the outstanding par value of which was €192.4 million at 31 March 2010. As part of this transaction, a redemption premium of €2.7 million was paid to bond holders. This expense was included in the cost of net financial debt for the period ended 31 March 2011.

Note 11.7 Private placement

On 10 June 2010, Rémy Cointreau secured a so-called "private placement" syndicated finance package with financial institutions. This €140.0 million contract was concluded for five years (maturing on 10 June 2015). The structure package includes a two-tranche loan of €65 million (tranche A) and €75 million (tranche B), respectively, as well as various back-to-back swap contracts, thus guaranteeing a fixed rate of 3.6675% for the duration of the contract.

After deducting the commitment fee, the net proceeds from the issue were about €138.6 million, which resulted in an effective interest rate of approximately 3.94%. The proceeds were allocated to the repayment of drawdowns on the syndicated credit.

This contract is unsecured. Availability of the funds is subject to the A ratio (see Syndicated credit) remaining below 3.5 at each half-year end for the duration of the contract.

Note 11.8 Syndicated credit

At 31 March 2012, Rémy Cointreau had access to a €346 million syndicated loan entered into on 7 June 2005. The agreement provides for a revolving credit facility, of which €346 million expires on 7 June 2012.

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 net financial debt/EBITDA ratio (A ratio):

A Ratio	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:

Period	A Ratio
From the outset to 30/09/2006	A Ratio < 4.50
01/10/2006 to 30/09/2007	A Ratio < 4.00
01/10/2007 to 30/09/2008	A Ratio < 3.75
01/10/2008 to maturity	A Ratio < 3.50

Definitions of the indicators used in the calculation of the A ratio 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 2012, the A ratio stood at 0.67 (2011: 2.19; 2010: 3.17).

NOTE 12 Provisions for liabilities and charges

Note 12.1 Analysis of change

(in € millions)	Restructuring	Early retirement plan	Other	Total
At 31 March 2010	**7.1**	**0.1**	**17.7**	**24.9**
Increase	–	–	4.8	4.8
Reversals - Used	(2.1)	(0.1)	(3.2)	(5.4)
Reversals - Unused	(1.6)	–	(3.5)	(5.1)
Reclassification as liabilities held for sale	(2.7)	–	(0.4)	(3.1)
Translation difference	–	–	(0.1)	(0.1)
At 31 March 2011	**0.7**	**–**	**15.3**	**16.0**
Increase	–	–	2.2	2.2
Reversals - Used	(0.2)	–	(8.1)	(8.3)
Reversals - Unused	–	–	(1.6)	(1.6)
Translation difference	–	–	0.1	0.1
At 31 March 2012	**0.5**	**–**	**7.9**	**8.4**

"Restructuring" covers costs for the restructuring, closure and transfer of sites in France and the Netherlands. "Other" comprises provisions raised in respect of trade and tax disputes.

Note 12.2 Maturity

The provisions are intended to cover probable items of expenditure payable as follows:

(in € millions)	2012	2011	2010
Long-term provisions (or unknown maturity)	6.9	6.5	5.1
Short-term provisions	1.5	9.5	19.8
Total	**8.4**	**16.0**	**24.9**

NOTE 13 Trade and other payables

(in € millions)	2012	2011	2010
Trade payables – « eaux-de-vie »	193.8	186.1	175.8
Other trade payables	83.6	82.5	131.9
Advances from customers	8.2	11.7	10.1
Payables related to tax and social charges (excl. income tax)	49.1	37.9	40.3
Excise duties	1.0	1.3	1.8
Advertising expenses payable	66.0	46.3	40.7
Miscellaneous deferred income	13.7	1.4	1.6
Other liabilities	52.1	39.4	37.1
Total	**467.5**	**406.6**	**439.3**

NOTE 14 Financial instruments and market risks

Note 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 2012

(in € millions)	Notes	Carrying amount	Fair value	Loans and receivables at amortised cost	Fair value through income statement[1]	Held for sale	Hedging instruments
Other financial assets	6	86.9	86.9	79.3	3.0	4.6	–
Trade and other receivables	8	207.9	207.9	207.9	–	–	–
Derivative financial instruments	14	5.6	5.6	–	–	–	5.6
Cash and cash equivalents	9	190.1	190.1	–	190.1	–	–
Assets		**490.5**	**490.5**	**287.2**	**193.1**	**4.6**	**5.6**
Long-term financial debt	11	340.0	340.0	340.0	–	–	–
Short-term financial debt and accrued interest charge	11	38.7	38.7	38.7	–	–	–
Trade and other payables	13	467.5	467.5	467.5	–	–	–
Derivative financial instruments	14	25.4	25.4	–	9.3	–	16.1
Liabilities		**871.6**	**871.6**	**846.2**	**9.3**	**0.0**	**16.1**

(1) These financial instruments relate to the “held for trading” category.

At 31 March 2011

(in € millions)	Notes	Carrying amount	Fair value	Loans and receivables at amortised cost	Fair value through income statement[1]	Held for sale	Hedging instruments
Other financial assets	6	10.9	10.9	1.3	3.0	6.6	–
Trade and other receivables	8	213.6	213.6	213.6	–	–	–
Derivative financial instruments	14	16.4	16.4	–	–	–	16.4
Cash and cash equivalents	9	80.6	80.6	–	80.6	–	–
Assets		**321.5**	**321.5**	**214.9**	**83.6**	**6.6**	**16.4**
Long-term financial debt	11	377.7	377.7	377.7	–	–	–
Short-term financial debt and accrued interest	11	31.8	31.8	31.8	–	–	–
Trade and other payables	13	406.6	406.6	406.6	–	–	–
Derivative financial instruments	14	4.5	4.5	–	3.2	–	1.3
Liabilities		**820.6**	**820.6**	**816.1**	**3.2**	**0.0**	**1.3**

(1) These financial instruments relate to the “held for trading” category.

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At 31 March 2010

(in € millions)	Notes	Carrying amount	Fair value	Loans and receivables at amortised cost	Fair value through income statement[1]	Held for sale	Hedging instruments
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 financial debt	11	537.7	537.7	537.7	–	–	–
Short-term financial debt 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) These financial instruments relate to the "held for trading" category.

Note 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. More 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 of the financial statements of companies outside the Eurozone into euros.

The Group's hedging policy only allows 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 net sales and margins.

Note 14.3 Breakdown of financial instruments (interest and foreign exchange rates)

(in € millions)	2012	2011	2010
Assets			
Interest rate derivatives	–	–	1.4
Exchange rate derivatives	5.6	16.4	1.8
Total	**5.6**	**16.4**	**3.2**
Liabilities			
Interest rate derivatives	15.5	3.8	7.4
Exchange rate derivatives	9.9	0.7	3.5
Total	**25.4**	**4.5**	**10.9**

Note 14.4 Interest rate derivatives

At 31 March 2012, interest rate derivatives in the portfolio were as follows:

14.4.1 BREAKDOWN BY TYPE

(in € millions)	2012	2011	2010
Assets			
Cap (purchase)	–	–	0.1
Floor (purchase)	–	–	1.3
Total	**–**	**–**	**1.4**
Liabilities			
Floor (sell)	–	–	1.3
Interest rate swaps	11.2	2.5	6.1
Instruments related to private placement	4.3	1.3	–
Total	**15.5**	**3.8**	**7.4**

14.4.2 BREAKDOWN BY MATURITY

(in € millions)	Nominal	Initial value	Market value	Qualification
Interest rate swaps:				
Maturing January 2015	125.0	–	9.3	Trading(1)
Maturing March 2015	25.0	–	1.9	Trading(1)
Related to private placement maturing June 2015	140.0	–	4.3	FVH(1)
Total liabilities	**290.0**	**0.0**	**15.5**	

(1) FVH: Fair value hedge; Trading: held for trading purposes.

The variation of €8.7 million in the valuation of the interest rate swaps is entirely recognised in the income statement, under the item "Net finance costs", as the instruments have lost the hedging status held in the previous financial year.

The variation of €3.0 million in the valuation of instruments related to the private placement is offset by a €4.2 million expense recognised directly in equity, a €1.0 million increase in the valuation of the financial debt and an income of €0.2 million in "Net finance costs".

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SENSITIVITY TO INTEREST RATE RISK

Given the financing in place and existing hedges, a 50 bp increase or decrease in interest rates would have the following impact:

As at 31 March 2012

	Euribor 3 months(1)	
	+50 bp	**-50 bp**
Net profit/(loss)	1.2	(1.2)
Equity excluding net profit/(loss)	0.2	(0.3)
Change in value of financial instruments	1.9	(1.9)
Floating rate financial debt	31.4	31.4
- of which hedged	25.0	25.0
- of which not hedged	6.4	6.4

(1) Benchmark value is Euribor 3 months as at 31 March 2012, i.e. 0.777%.

As at 31 March 2011

	Euribor 1 month(1)	
	+50 bp	**-50 bp**
Net profit/(loss) after tax	1.5	(1.6)
Equity excluding net profit/(loss)	–	–
Change in value of financial instruments	2.3	(2.4)
Floating rate financial debt	66.0	66.0
- of which hedged	66.0	66.0
- of which not hedged	–	–

(1) Benchmark value is Euribor 3 months as at 31 March 2012, i.e. 0.777%.

Note 14.5 Exchange rate derivatives

The Group uses options and 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 back-to-back currency swaps to 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.

(in € millions)	Nominal(1)	Initial value	Market value	Of which CFH(2)	Of which Trading(2)
Put options and tunnel options					
Seller USD (vs EUR)	142.3	4.7	(2.5)	(2.5)	–
Other currencies (vs EUR)	28.4	0.5	(0.3)	(0.3)	–
	170.7	**5.2**	**(2.8)**	**(2.8)**	**–**
Forward sales					
Seller USD (vs EUR)	190.9	–	(0.2)	(0.2)	–
Other currencies (vs EUR)	21.2	–	(0.2)	(0.2)	–
	212.2	**–**	**(0.4)**	**(0.4)**	**–**
Purchase/(sale) of currency swaps (operating activities)(3)					
Seller USD (vs EUR)	(64.3)	–	0.4	–	0.4
Other currencies (vs EUR)	(10.5)	–	(0.0)	–	(0.0)
	(74.8)	**–**	**0.4**	**–**	**0.4**
Purchase/(sale) of currency swaps (financing activities)(3)					
Seller USD (vs EUR)	(19.6)	–	(1.2)	–	(1.2)
Other currencies (vs EUR)	0.6	–	(0.3)	–	(0.3)
	(19.0)	**–**	**(1.4)**	**–**	**(1.4)**
Total	**289.0**	**5.2**	**(4.3)**	**(3.2)**	**(1.1)**

(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 2012, a pre-tax expense of €11.9 million was recognised directly in equity in respect of valuation of the currency instrument portfolio and which related wholly to the recycling to profit and loss following the expiry of the instruments held at 31 March 2011.

SENSITIVITY TO FOREIGN EXCHANGE RISK

Taking into account the hedges in place, a 10% increase or decrease in the EUR/USD exchange rate would have the following impact, with the impact on net profit/(loss) arising mainly from the ineffective part of hedging of future flows:

As at 31 March 2012

	U.S. dollar sensitivity	
	+10%	**-10%**
EUR/USD rate(1)	1.47	1.20
(in € millions)		
Net profit/(loss)	2.8	(8.5)
Equity excluding net profit/(loss	14.0	(14.1)
Change in value of financial instruments	27.3	(36.4)
Nominal amount at balance sheet date(2):		
- USD/EUR instruments	361.4	441.7
- USD/EUR receivables potentially exposed	74.3	90.9

(1) Benchmark is the EUR/USD rate at 31 March 2012, being 1.3356.

(2) Translated in EUR millions at each simulation rate.

As at 31 March 2011

	U.S. dollar sensitivity	
	+10%	**-10%**
EUR/USD rate(1)	1.56	1.28
(in € millions)		
Net profit/(loss) after tax	(2.9)	1.0
Equity excluding net profit/(loss)	12.0	(8.0)
Change in value of financial instruments	15.7	(12.8)
Nominal amount at balance sheet date(2):		
- USD/EUR instruments	243.2	297.3
- USD/EUR receivables potentially exposed	78.6	96.1

(1) Benchmark is the EUR/USD rate at 31 March 2011, being 1.4207.

(2) Translated in EUR millions at each simulation rate.

Note 14.6 Liquidity risks

The following table shows the contractual maturity profile of disbursements relating to financial liabilities recognised at 31 March 2012.

(in € millions)	Before 31 March 2013	Before 31 March 2014	Before 31 March 2015	Before 31 March 2016	Subsequent	Total
Financial debt and accrued interest	38.7	1.6	–	140.0	205.0	385.3
Trade and other payables	467.5	–	–	–	–	467.5
Derivative financial instruments	4.2	4.2	3.5	–	–	11.9
Liabilities recognised at 31 March 2012	**510.4**	**5.8**	**3.5**	**140.0**	**205.0**	**864.7**
Future interest on financial debt	16.0	15.8	15.8	11.6	18.2	77.4
Total disbursements	**526.4**	**21.6**	**19.3**	**151.6**	**223.2**	**942.1**

In accordance with IFRS 7, liabilities are stated at their carrying amount at the balance sheet date excluding discounting effects. The amounts drawn down on credit lines at 31 March 2012 are assumed to be carried forward until the maturity of each of the corresponding facilities. The corresponding interest expense is calculated using the parameters known at the balance sheet date. For 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 market conditions prevailing at the balance sheet date.

The liquidity risk is mainly driven by the availability and maturity of the financial resources. At the balance sheet date, total gross financial debt was €385.3 million in nominal value for confirmed resources with a maturity of more than one year amounting to €345 million (Note **11.3**). The availability of €140 million is subject to compliance with the A ratio (Note **11.7** and **11.8**), which must be below 3.50 at the end of every six-month period until maturity of the financing.

Rémy Cointreau holds a syndicated loan with a drawdown capacity of €346 million which expires on 7 June 2012. In view of its sound financial structure, Rémy Cointreau is confident in the refinancing of this facility.

NOTE 15 Segment reporting

The principles applying to the segmentation by business and geographic area are detailed in Note **1.17**.

Note 15.1 Business

15.1.1 BREAKDOWN OF NET SALES AND CURRENT OPERATING PROFIT

There are no intra-segment sales.

	Net sales			Current operating profit		
(in € millions)	**2012**	**2011**	**2010**	**2012**	**2011**	**2010**
Rémy Martin	592.5	486.0	405.7	173.0	140.5	105.9
Liqueurs & Spirits	215.8	208.0	206.5	52.6	42.6	51.6
Sub-total Group brands	808.3	694.0	612.2	225.6	183.1	157.5
Partner Brands	217.8	213.8	195.4	4.2	2.1	2.4
Holding	–	–	–	(22.1)	(18.2)	(17.9)
Total	**1,026.1**	**907.8**	**807.6**	**207.7**	**167.0**	**142.0**

15.1.2 BREAKDOWN OF THE BALANCE SHEET

At 31 March 2012

(in € millions)	Rémy Martin	Liqueurs & Spirits	Partner Brands	Unallocated	Total
Non-current assets	349.0	238.9	1.7	199.3	788.9
Current assets	783.9	72.6	128.1	19.8	1,004.4
Derivative financial instruments	–	–	–	5.6	5.6
Assets held for sale	–	–	–	0.2	0.2
Cash and cash equivalents	–	–	–	190.1	190.1
Total assets	**1,132.9**	**311.5**	**129.8**	**415.0**	**1,989.2**
Equity	–	–	–	976.0	976.0
Financial debt and accrued interest	–	–	–	378.7	378.7
Provisions for liabilities and charges	15.7	5.1	1.8	7.6	30.2
Deferred and current tax assets	–	–	–	111.4	111.4
Trade and other payables	365.6	48.8	41.5	11.6	467.5
Derivative financial instruments	–	–	–	25.4	25.4
Total equity and liabilities	**381.3**	**53.9**	**43.3**	**1,510.7**	**1,989.2**

At 31 March 2011

(in € millions)	Rémy Martin	Liqueurs & Spirits	Partner Brands(1)	Unallocated	Total
Non-current assets	346.8	237.7	3.6	106.1	694.2
Current assets	736.6	73.0	91.6	13.2	914.4
Derivative financial instruments	–	–	–	16.4	16.4
Assets held for sale	–	–	–	485.3	485.3
Cash and cash equivalents	–	–	–	80.6	80.6
Total assets	**1,083.4**	**310.7**	**95.2**	**701.6**	**2,190.9**
Equity	–	–	–	1,063.8	1,063.8
Financial debt and accrued interest	–	–	–	409.5	409.5
Provisions for liabilities and charges	15.8	5.5	1.7	13.5	36.5
Deferred and current tax assets	–	–	–	161.0	161.0
Trade and other payables	319.4	47.0	32.2	8.0	406.6
Derivative financial instruments	–	–	–	4.5	4.5
Liabilities held for sale	–	–	–	109.0	109.0
Total equity and liabilities	**335.2**	**52.5**	**33.9**	**1,769.3**	**2,190.9**

(1) After reclassification of capital employed of the Champagne brands that are not held for sale.

At 31 March 2010

(in € millions)	Rémy Martin	Liqueurs & Spirits	Champagne	Partner Brands	Unallocated	Total
Non-current assets	345.4	282.8	199.3	11.0	162.6	1,001.1
Current assets	756.4	78.3	287.2	77.5	26.8	1,226.2
Derivative financial instruments	–	–	–	–	3.2	3.2
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
Financial debt 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 assets	–	–	–	–	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**

15.1.3 CAPITAL EXPENDITURE AND DEPRECIATION AND AMORTISATION EXPENSES

	Capital expenditure and acquisition of intangible assets			Depreciation and amortisation charges		
(in € millions)	**2012**	**2011**	**2010**	**2012**	**2011**	**2010**
Rémy Martin	13.9	11.6	20.3	9.9	9.6	8.9
Liqueurs & Spirits	5.2	5.8	4.6	4.3	4.0	4.1
Partner Brands	0.3	0.4	1.1	0.5	0.6	0.5
Total	**19.4**	**17.8**	**26.0**	**14.7**	**14.2**	**13.5**

Note 15.2 Geographic area

15.2.1 NET SALES

	Net sales		
(in € millions)	**2012**	**2011**	**2010**
Europe - Middle East - Africa	317.4	302.9	288.5
Americas	321.3	306.6	275.8
Asia-Pacific	387.4	298.3	243.3
Total	**1,026.1**	**907.8**	**807.6**

15.2.2 BALANCE SHEET

At 31 March 2012

(in € millions)	Europe-Middle East-Africa	Americas	Asia-Pacific	Unallocated	Total
Non-current assets	680.9	31.9	76.1	–	788.9
Current assets	768.5	126.8	109.1	–	1,004.4
Derivative financial instruments	–	–	–	5.6	5.6
Assets held for sale	0.2	–	–	–	0.2
Cash and cash equivalents	–	–	–	190.1	190.1
Total assets	**1,449.6**	**158.7**	**185.2**	**195.7**	**1,989.2**
Equity	–	–	–	976.0	976.0
Financial debt and accrued interest	–	–	–	378.7	378.7
Provisions for liabilities and charges	29.9	–	0.3	–	30.2
Deferred and current tax liabilities	101.5	0.6	9.3	–	111.4
Trade and other payables	336.7	43.7	87.1	–	467.5
Derivative financial instruments	–	–	–	25.4	25.4
Total equity and liabilities	**468.1**	**44.3**	**96.7**	**1,380.1**	**1,989.2**

At 31 March 2011

(in € millions)	Europe-Middle East-Africa	Americas	Asia-Pacific	Unallocated	Total
Non-current assets	597.5	34.5	62.2	–	694.2
Current assets	709.7	117.0	87.7	–	914.4
Derivative financial instruments	–	–	–	16.4	16.4
Assets held for sale	466.5	18.8	–	–	485.3
Cash and cash equivalents	–	–	–	80.6	80.6
Total assets	**1,773.7**	**170.3**	**149.9**	**97.0**	**2,190.9**
Equity	–	–	–	1,063.8	1,063.8
Financial debt and accrued interest	–	–	–	409.5	409.5
Provisions for liabilities and charges	35.2	–	1.3	–	36.5
Deferred and current tax liabilities	149.0	0.6	11.4	–	161.0
Trade and other payables	308.4	39.9	58.3	–	406.6
Derivative financial instruments	–	–	–	4.5	4.5
Liabilities directly linked to assets held for sale	109.0	–	–	–	109.0
Total equity and liabilities	**601.6**	**40.5**	**71.0**	**1,477.8**	**2,190.9**

At 31 March 2010

(in € millions)	Europe-Middle East-Africa	Americas	Asia-Pacific	Unallocated	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 held 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
Financial debt 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
Total equity and liabilities	**599.3**	**38.4**	**62.0**	**1,617.1**	**2,316.8**

15.2.3 CAPITAL EXPENDITURE

	Capital expenditure and acquisition of intangible assets		
(in € millions)	2012	2011	2010
Europe-Middle East-Africa	16.2	14.3	22.8
Americas	2.1	2.8	2.6
Asia-Pacific and other	1.1	0.7	0.6
Total	**19.4**	**17.8**	**26.0**

NOTE 16 Analysis of operating expenses by type

(in € millions)	2012	2011	2010
Personnel costs	(135.7)	(122.8)	(111.1)
Advertising and promotion expenses	(220.5)	(170.9)	(143.6)
Depreciation, amortisation and impairment of non-current assets	(14.7)	(14.2)	(13.5)
Other expenses	(98.2)	(91.3)	(86.9)
Expenses allocated to inventories and production costs	45.3	42.0	46.0
Total	**(423.8)**	**(357.2)**	**(309.1)**
Of which:			
Distribution costs	(344.8)	(284.4)	(238.8)
Administrative expenses	(79.0)	(72.8)	(70.3)
Total	**(423.8)**	**(357.2)**	**(309.1)**

Distribution costs comprise advertising and promotion expenses, commission income or expenses, brand royalties, ordinary writedowns of inventories and trade receivables and the overheads of the Group distribution companies.

Administrative expenses comprise all overheads of the holding companies and production companies.

Other income and expenses correspond to the profit generated by peripheral activities.

Personnel costs consist of the following:

(in € millions)	2012	2011	2010
Salaries and social charges	(123.6)	(114.6)	(103.3)
Pension and other similar benefits	(2.5)	(3.6)	(3.6)
Employee profit-sharing	(5.3)	(1.5)	(0.8)
Share-based payments	(4.3)	(3.1)	(3.4)
Total	**(135.7)**	**(122.8)**	**(111.1)**

NOTE 17 Number of employees

The number of employees is stated in full-time equivalents at the balance sheet date and covers all fully consolidated companies.

(full-time equivalents)	2012	2011	2010
France	674	792	809
Europe (excluding France)	161	151	151
Americas	320	317	302
Asia-Pacific	405	361	309
Total	**1,560**	**1,621**	**1,571**

NOTE 18 Other operating income and expenses

(in € millions)	2012	2011	2010
Impairment of brands	(3.8)	(45.0)	–
Tax adjustments (other than on income taxes)	0.7	(1.6)	(1.5)
Restructuring plans, closures or transfer of sites	–	–	(0.6)
Other	0.1	0.1	(0.1)
Total	**(3.0)**	**(46.5)**	**(2.2)**

NOTE 19 Financial income/(expense)

Note 19.1 Cost of net financial debt by type

(in € millions)	2012	2011	2010
Bonds	(11.7)	(12.4)	(10.5)
Private placement	(5.2)	(5.1)	–
Syndicated credit and unconfirmed lines	(0.9)	(3.0)	(6.6)
Finance costs of special purpose entities	(2.9)	(3.1)	(3.0)
Interest flows on interest rate hedging instruments	–	(2.5)	(3.4)
Ineffective portion of interest rate hedging instruments	–	–	(1.2)
Other financial expenses	–	0.4	(0.1)
Sub-total	**(20.7)**	**(25.7)**	**(24.8)**
Impact of early repayment of bonds	–	(3.7)	–
Effect of non-hedging interest rate instruments	(9.2)	(2.2)	–
Cost of gross financial debt	**(29.9)**	**(31.6)**	**(24.8)**
Interest income	2.0	–	–
Cost of net financial debt before reclassification	**(27.9)**	**(31.6)**	**(24.8)**
Reclassification to profit/(loss) from discontinued operations	1.0	4.3	2.8
Cost of net financial debt	**(26.9)**	**(27.3)**	**(22.0)**

Financial debt is described in Note **11**.

The impact of interest rate hedging instruments (Note **14.4**) is as follows:

(in € millions)	2012	2011	2010
Interest paid on interest rate swaps	(0.6)	–	–
Ineffective portion of interest rate instruments	(8.6)	(2.2)	(1.2)
Total impact	**(9.2)**	**(2.2)**	**(1.2)**

Note 19.2 Other financial income and expenses

(in € millions)	2012	2011	2010
Currency gains	–	1.1	–
Vendor loan - interest accrued and revaluation	3.0	1.1	7.9
Other financial income	**3.0**	**2.2**	**7.9**
Currency losses	(5.1)	–	(1.9)
Other financial expenses of special purpose entities	(4.7)	(4.4)	(1.0)
Discounting charge on provisions	–	(0.1)	(0.1)
Other financial expenses	(1.6)	(0.1)	(2.2)
Other financial expenses	**(11.4)**	**(4.6)**	**(5.2)**
Total	**(8.4)**	**(2.4)**	**2.7**

The item “Vendor loan – interest accrued and revaluation” relates:

- for 2012, to the loan granted at the time of the disposal of the Champagne division;
- for 2011 and 2010, to the loan granted at the time of the disposal of Lucas Bols and which was repaid in full as at 31 March 2011.

The loans are described in Note **6.2**.

Currency losses and gains recorded in “Other financial expenses” include mainly the impact of hedge accounting under IAS 39 relating to the cash flow hedge and the currency gains/(losses) from financing transactions. Currency gains/(losses) from operations are recognised in gross profit (Note **1.4**).

(in € millions)	2012	2011	2010
Ineffective portion of currency hedges	(8.4)	(1.8)	(3.2)
Other	3.3	2.9	1.3
Currency gains/(losses)	**(5.1)**	**1.1**	**(1.9)**

NOTE 20 Income taxes

Note 20.1 Net income tax expense

(in € millions)	2012	2011	2010
Current tax income/(expense)	(73.7)	(61.2)	(32.1)
Deferred tax income/(expense)	26.4	39.5	(0.4)
Total	**(47.3)**	**(21.7)**	**(32.5)**
Effective tax rate	–27.9%	–24.0%	–27.0%

Note 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 expenses of companies with taxable income against losses incurred by other subsidiaries. The resulting tax saving is recognised in the year of offset.

Note 20.3 Analysis of origin and allocation of deferred taxes

(in € millions)	2012	2011	2010
Breakdown by type			
Pension provisions	6.8	5.9	6.8
Regulated provisions	(8.6)	(14.4)	(12.8)
Other provisions	6.8	0.7	1.0
Brands	(93.4)	(93.5)	(172.2)
Non-current assets	(13.3)	(8.0)	(13.6)
Margins on inventories	16.3	11.9	11.0
Losses carried forward	8.7	13.7	8.6
Other timing differences	22.3	(7.8)	(1.5)
Net liability	**(54.4)**	**(91.5)**	**(172.7)**
Breakdown by tax group			
France	(78.3)	(94.7)	(140.5)
U.S.	2.9	3.5	1.6
Netherlands	(15.4)	(18.2)	(59.4)
Other	36.4	17.9	25.6
Net asset/(liability)	**(54.4)**	**(91.5)**	**(172.7)**
Deferred tax asset	44.0	30.3	27.1
Deferred tax liability	(98.4)	(121.8)	(199.8)
Net asset/(liability)	**(54.4)**	**(91.5)**	**(172.7)**

Note 20.4 Tax losses and capital losses carried forward

At 31 March 2012, the tax losses carried forward totalled €28.7 million (2011: €46.9 million). The potential tax saving arising from the use of these losses is €9.0 million (2011: €14.7 million) of which €8.7 million were recognised as a net deferred tax asset. It is estimated that €7.1 million will be recovered within the next three years.

Note 20.5 Tax proof

In 2012, the income tax expense amounted to €47.3 million. The difference between the actual tax expense and the theoretical tax expense based on the French statutory rate of 36.1% is analysed as follows:

(in € millions)	**2012**	**2011**	**2010**
Theoretical tax expense	(61.1)	(31.3)	(41.5)
Actual tax expense	(47.3)	(21.7)	(32.5)
Difference	**13.8**	**9.6**	**9.0**
Permanent differences between consolidated profit and taxable profit	(8.7)	(5.5)	(5.1)
Use of tax losses or timing differences not previously recognised	1.2	1.8	0.5
Unused losses from subsidiaries with a loss-making tax position	(0.2)	–	(2.2)
Difference in tax rates applicable to foreign subsidiaries	25.4	15.0	18.6
Adjustment to the tax expense for prior years	(3.9)	(1.7)	(2.8)
Total	**13.8**	**9.6**	**9.0**

NOTE 21 Net profit/(loss) from discontinued operations

(in € millions)	**2012**	**2011**	**2010**
Champagne			
Pre-tax profit/(loss) for the year	–	0.4	(10.4)
Income tax expense for the year	–	(0.5)	3.5
Disposal expenses	(1.1)	–	–
Restatement on the EPI distribution contract	(9.5)	–	–
Value restatement of discontinued assets[(1)]	–	(3.8)	–
Sub-total Champagne	**(10.6)**	**(3.9)**	**(6.9)**
Other profit/(loss) from discontinued operations	–	1.1	3.0
Total	**(10.6)**	**(2.8)**	**(3.9)**

(1) Comprising a loss before tax of €17.6 million and a positive tax effect €13.8 million.

Pursuant to IFRS, part of the disposal price of the Champagne division was allocated to the distribution contract, whose terms are favourable to the buyer in the initial years. This amount was recognized as a liability and will be released over the periods concerned. The related charge after tax was €9.5 million.

NOTE 22 Net profit/(loss) excluding non-recurring items

Net profit/(loss) excluding non-recurring items corresponds to net profit/(loss) restated for other operating income/(expense) (as described in Note **18**), the related tax effects and the profit/(loss) from discontinued operations.

Note 22.1 Reconciliation with net profit/(loss)

Net profit/(loss) excluding non-recurring items attributable to the owners of the parent may be reconciled with net profit/(loss) attributable to the owners of the parent as follows:

(in € millions)	2012	2011	2010
Net profit/(loss) attributable to the owners of the parent	**110.8**	**70.5**	**86.3**
Brand impairment	3.8	45.0	–
Site restructuring, closure or transfer	–	–	0.6
Tax adjustment excluding income taxes	(0.7)	1.6	1.5
Other	(0.1)	(0.1)	0.1
Tax effect	(0.5)	(12.3)	(0.3)
Net profit/(loss) from discontinued operations	10.6	2.8	3.9
Net profit/(loss) excluding non-recurring items attributable to the owners of the parent	**123.9**	**107.5**	**92.1**

Note 22.2 Net profit/(loss) excluding non-recurring items per share – attributable to the owners of the parent

(in € millions)		2012	2011	2010
Net profit/(loss) excluding non-recurring items attributable to the owners of the parent		**123.9**	**107.5**	**92.1**
Number of shares				
basic	10.2	49,324,332	48,991,452	47,989,124
diluted	10.2	49,473,230	49,248,856	48,191,494
Earnings per share (€)				
basic		2.51	2.19	1.92
diluted		2.50	2.18	1.91

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NOTE 23 Pensions and other post-employment benefits

Note 23.1 Defined-benefit pension plans

(in € millions)	2012	2011	2010
Present value of obligations at start of year	**(29.7)**	**(33.1)**	**(28.4)**
Service cost	(1.0)	(1.3)	(1.9)
Interest on actuarial liability	(1.2)	(1.4)	(1.7)
Curtailments or settlements	3.6	0.3	0.5
Benefits paid	0.8	5.7	2.4
Actuarial gains (losses)	(1.6)	(0.2)	(3.6)
Past services costs	–	–	–
Closure of pension scheme	1.3	–	–
Change in consolidation scope(1)	4.1	–	–
Other (including transfers)	–	0.2	(0.4)
Translation difference	–	0.1	–
Present value of obligations at end of year(2)	**(23.7)**	**(29.7)**	**(33.1)**
Not funded	(17.2)	(19.9)	(20.0)
Partly funded	(6.5)	(9.8)	(13.1)
Carrying amount of plan assets at start of year	**5.4**	**9.1**	**9.3**
Expected return	0.1	0.2	0.5
Contributions received	0.9	0.9	1.5
Changes in schemes	(2.9)	–	–
Benefits paid	(0.1)	(4.6)	(1.1)
Actuarial gains (losses)	–	0.2	(1.1)
Closure of pension scheme	–	–	–
Change in consolidation scope(1)	–	–	–
Other (including transfers)	–	(0.2)	–
Translation difference	–	(0.2)	–
Carrying amount of plan assets at end of year(2)	**3.4**	**5.4**	**9.1**
Funded status	**(20.3)**	**(24.3)**	**(24.0)**
Unrecognised past service costs	(1.1)	0.1	0.6
Unrecognised actuarial (gains)/losses	–	–	–
Net commitment(2)	**(21.4)**	**(24.2)**	**(23.4)**
Liability	**(21.4)**	**(24.6)**	**(23.8)**
Asset	**–**	**0.4**	**0.4**

(1) Disposal of Champagne division.

(2) Including the following amounts for operations held for sale at 31 March 2011: actuarial liability €(4.1) million; carrying amount of plan assets: N/A; net pension commitment €(4.0) million.

Note 23.2 Charges for the year

(in € millions)	2012	2011	2010
Service cost	(1.0)	(1.3)	(1.9)
Interest on actuarial liability	(1.2)	(1.4)	(1.7)
Expected return on plan assets	0.1	0.2	0.5
Amortisation of other items not recognised	(0.1)	(0.5)	–
Impact of curtailments	0.6	0.2	0.5
Total income/(expense)(1)	**(1.6)**	**(2.8)**	**(2.6)**
Benefits paid	0.7	1.1	1.3
Employer's contribution	0.8	0.9	1.4
Net income/(expense)(1)	**(0.1)**	**(0.8)**	**0.1**
Actuarial assumptions			
Average discount rate	3.94%	5.03%	4.94%
Average salary increase	2.85%	2.68%	2.91%
Expected working life	6 to 19 years	6 to 19 years	6 to 19 years
Expected rate of return on plan assets	4.00%	4.18%	4.98%
Increase in medical costs	5.00%	5.00%	5.00%

(1) 2011: Including amounts related to operations held for sale: €0.1 million for each item.

Note 23.3 Actuarial gains and losses.

(in € millions)	2012	2011	2010
Opening balance	**(17.8)**	**(17.8)**	**(13.4)**
Movement for the year	(3.6)	–	(4.4)
of which experience adjustments	0.5	0.6	(0.3)
Closing balance	**(21.4)**	**(17.8)**	**(17.8)**

Note 23.4 Breakdown of present value obligation by nature

(in € millions)	2012	2011	2010
Retirement indemnities	(8.2)	(8.0)	(7.9)
Supplementary pension plans	(14.3)	(17.7)	(21.3)
Long-service awards	(0.6)	(0.6)	(0.6)
Post-employment healthcare benefits	(0.6)	(3.4)	(3.3)
Total(1)	**(23.7)**	**(29.7)**	**(33.1)**

(1) 2011: Including those relating to operations held for sale: €(4.1) million.

Note 23.5 Dedicated financial assets

At 31 March 2012, the assets underlying the liabilities were held by insurance companies who invest these assets together with their general assets.

Note 23.6 Sensitivity

The sensitivity of the present value of the rights to an increase/decrease of 250 basis points in the discount rate is less than €1 million.

Given the present non-material scope of post-employment healthcare benefit schemes, the sensitivity to an increase in medical costs exceeding 5% is not significant for the Group.

NOTE 24 Off-balance sheet commitments and contingent assets and liabilities

Note 24.1 Operating activity commitments

(in € millions)	2012	2011	2010
Purchase commitments - non-current assets	3.0	6.9	0.4
Leasing commitments - offices	12.4	14.1	11.7
Leasing commitments - equipment	1.9	1.0	2.5
Purchase commitments - “eaux-de-vie”	39.9	60.9	6.0
Purchase commitments - wine	37.7	67.7	69.2

The office leasing commitments mainly relate to the lease of the Group’s Paris head office and that 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 wine purchase commitments comprise purchase commitments for wine in the U.S.

The maturity analysis of commitments at 31 March 2012 was as follows:

Breakdown of commitments by maturity at 31 March 2012

(in € millions)	Total	2013	Beyond
Purchase commitments - non-current assets	3.0	2.3	0.6
Leasing commitments - offices	12.4	4.6	7.8
Leasing commitments - equipment	1.9	0.7	1.2
Purchase commitments - “eaux-de-vie”	39.9	21.8	18.1
Purchase commitments - wine	37.7	8.6	29.1

Note 24.2 Financing commitments, deposits and similar guarantees

(in € millions)	2012	2011	2010
Tax deposits	0.2	0.2	–
Customs deposits	12.9	14.0	11.7
Export deposits	0.5	0.5	0.5
Environmental deposits	2.5	2.3	2.3
Guarantees granted to suppliers	6.3	6.3	6.3
Agricultural warrants on AFC inventories	27.9	32.8	6.6
Miscellaneous guarantees on credit lines	8.7	10.4	22.9

Breakdown of commitments by maturity at 31 March 2012

(in € millions)	Total	2013	Beyond
Tax deposits	0.2	0.2	–
Customs deposits	12.9	12.9	–
Export deposits	0.5	0.5	–
Environmental deposits	2.5	2.5	–
Guarantees granted to suppliers	6.3	–	6.3
Agricultural warrants on AFC inventories	27.9	27.9	–
Miscellaneous guarantees on credit lines	8.7	8.7	–

Note 24.3 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 and still outstanding at 31 March 2012 were as follows:

Disposal transaction	Transaction date	Description of outstanding guarantees	Term	Maximum amount
Lucas Bols	11 April 2006	Tax items	11 October 2012	
		Total all guarantees		100
		Franchise		2.6
Bols Hungary	12 July 2006	Tax items	12 July 2012	
		Total all guarantees		2.4
Piper-Heidsieck Compagnie Champenoise	8 July 2011	Tax items and assimilated	Legal period + 90 days	No limit
		Other elements	31 December 2012	45.0

Note 24.4 Other contingent liabilities

At 31 March 2012, Rémy Cointreau was involved in various litigations. After reviewing each case in relation to each subsidiary concerned, and after seeking legal advice, the provisions deemed to be necessary have been established to cover the estimated risks, where applicable.

Rémy Cointreau declares that it has not omitted any material off-balance sheet items in the presentation of its consolidated financial statements.

NOTE 25 Related parties

Note 25.1 Transactions with associates

At 31 March 2012, the Rémy Cointreau Group's main associates were Dynasty Fine Wines Group Ltd, Lixir and Diversa. The transactions with these companies are described in Note **5**.

Note 25.2 Transactions with Orpar and Andromède

Andromède is a main shareholder of Rémy Cointreau through Orpar. Transactions between Rémy Cointreau and these companies are as follows:

(in € millions)	**2012**	**2011**	**2010**
Service fees paid	3.3	3.2	2.6
Current account	0.1	0.1	0.2
Trade payables and other liabilities	0.1	0.9	–

Note 25.3 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 to the Rémy Cointreau Group.

(in € millions)	**2012**	**2011**	**2010**
Purchases of non-current assets	2.4	2.4	4.0
Other purchases	0.7	0.8	0.6
Trade payables	–	0.2	1.0

Note 25.4 Management bodies

Since 7 September 2004, the Group's management bodies have comprised the members of the Board of Directors and the Executive Committee (comprising six members).

Short-term benefits comprise fixed and variable remuneration and directors' fees.

(in € millions)	**2012**	**2011**	**2010**
Short-term benefits	6.6	5.7	5.7
Post-employment benefits	0.2	0.1	0.4
Share-based payments	2.3	1.6	2.0
Total	**9.1**	**7.4**	**8.0**

In addition, on 4 June 2008 the Board of Directors authorised 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 a 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%.

NOTE 26 Post-balance sheet events

On 23 May 2012, Rémy Cointreau decided to terminate the execution of the share buyback programme initiated on 6 December 2011. As part of this programme, the company acquired 1,428,794 shares representing 2.88% of share capital at an average price of €67.29 per share. The June 2012 Board of Directors' meeting will set out the terms of the resolution bearing on the new share buyback programme to be proposed at the Annual Shareholders' Meeting of 26 July 2012.

On 5 June 2012, Rémy Cointreau signed a new €255 million syndicated loan with a pool of 11 banks. The five-year loan supersedes a previous syndicated loan that expired on 7 June 2012.

NOTE 27 List of consolidated companies

At 31 March 2012, the consolidation included 43 companies (50 at 31 March 2011). Thirty-nine companies were fully consolidated and four were accounted for using the equity method. All companies have a 31 March year-end, with the exception of Dynasty Fine Wines Group Ltd and Lixir, which have a 31 December year-end.

		% interest	
Company	**Activity**	**March 2012**	**March 2011**
EUROPE			
France			
Rémy Cointreau SA[1]	Holding / Finance	100.00	100.00
Rémy Cointreau Services[1]	Holding / Finance	100.00	100.00
CLS Rémy Cointreau[1]	Production / Distribution	100.00	100.00
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 - Distillerie de la Côte Basque[1]	Production	100.00	100.00
Alliance Fine Champagne[2]	Special purpose entity	100.00	100.00
Lixir[3]	Distribution	50.00	50.00
Rémy Cointreau International Marketing Services	Other	100.00	100.00
Netherlands			
Rémy Cointreau Nederland Holding NV	Holding / Finance	100.00	100.00
DELB BV	Holding / Finance	100.00	100.00
Rémy Cointreau Nederland BV	Holding / Finance	100.00	100.00
De Bron 1575 BV	Holding / Finance	100.00	100.00
Other countries			
Hermann Joerss GmbH & Co (Germany)	Distribution	100.00	100.00
Cointreau Holding GmbH (Germany)	Holding / Finance	100.00	100.00
Diversa Spezialitaten GmbH[3] (Germany)	Distribution	50.00	50.00
S. & E. & A. Metaxa ABE (Greece)	Production	100.00	100.00
Financière Rémy Cointreau SA (Belgium)	Holding / Finance	100.00	100.00
Rémy Cointreau Belgium (Belgium)	Distribution	100.00	100.00
Rémy Cointreau Luxembourg (Luxembourg)	Distribution	100.00	100.00
Rémy Cointreau Slovakiasro (Slovakia)	Distribution	100.00	100.00
Rémy Cointreau Czech Republic sro (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
Rémy Cointreau Travel Retail Americas Inc	Distribution	100.00	100.00
Barbados			
Mount Gay Distilleries Ltd	Production	95.22	95.22
Mount Gay Holding Ltd	Holding / Finance	100.00	100.00

Company	Activity	% interest March 2012	% interest March 2011
ASIA-PACIFIC			
China/Hong Kong			
Dynasty Fine Wines Group Ltd(3)	Production	26.96	27.03
Rémy Cointreau Shanghaï	Distribution	100.00	100.00
E. Rémy 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 Taïwan 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
Rémy Cointreau India Private Ltd (India)	Distribution	100.00	100.00
Rangit Ltd (Mauritius)	Holding / Finance	100.00	100.00
CHANGES IN CONSOLIDATION SCOPE			
Shanghaï RC Trading Ltd (China)(4)	Distribution	100.00	–
Cointreau Do Brazil (licores) Ltda (Brazil)	Other	100.00	–
Twin Peaks Beverages Private Ltd (India)(3)(4)	Production	50.00	–
Rémy Cointreau South Africa Pty Ltd (South Africa)(4)	Distribution	100.00	–
Champ.P&C Heidsieck(5)	Production	–	99.98
Champ. F. Bonnet P & F(5)	Production	–	100.00
Piper Heidsieck C.C.(5)	Production	–	100.00
G.V. de l'Aube(5)	Agricultural production	–	100.00
G.V. de la Marne(5)	Agricultural production	–	99.95
Fournier & Cie - Safec(5)	Agricultural production	–	100.00
Société Forestière Agricole et Viticole de Comméteuil(5)	Agricultural production	–	100.00
Ponche Kuba BV(6)	Holding / Finance	–	100.00
Metaxa BV(6)	Holding / Finance	–	100.00
Lodka Sport BV(6)	Other	–	50.00
't Lootsje II BV(6)	Holding / Finance	–	100.00

(1) Company included in the French tax group.

(2) Special purpose entity.

(3) Equity-accounted company.

(4) Incorporated during the year.

(5) Disposed of during the year.

(6) Liquidated.

4.1.7 Statutory Auditors' Report on the consolidated financial statements

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.

Year ended March 31, 2012

To the shareholders,

In compliance with the assignment entrusted to us by your General Meetings, we hereby report to you, for the year ended March 31, 2012 on:

- the audit of the accompanying consolidated financial statements of Rémy Cointreau;
- the justification of our assessments;
- the specific verification required by law.

These 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.

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 includes examining, on a test basis, 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 overall financial statements presentation. 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 IFRSs as adopted by the EU.

2. Justification of assessments

In accordance with the requirements of article L. 823-9 of French Company Law (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

Brands' impairment test

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

Provisions for risks and reserves are recorded according to the method described in note 1.1 of the notes to the consolidated financial statements. We examined the information and assumptions used by your company on which are based these estimates, reviewed the calculation made by your company, compared the estimates made during previous periods with actual realizations and assessed the approval process of these estimates by the management of your company. We carried out the 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.

3. Specific verification

In accordance with professional standards applicable in France, we have also verified 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.

Paris and Paris-La Défense, June 8, 2012

The Statutory Auditors

Auditeurs & Conseils Associés	**Ernst & Young et Autres**
Nexia International	
Olivier Juramie	**Marie-Laure Delarue**

4.2 FINANCIAL STATEMENTS OF RÉMY COINTREAU SA

4.2.1 Balance sheet

For the years ended 31 March, in € millions

	Notes	2012	2011	2010
ASSETS				
Intangible fixed assets		32.4	32.4	32.4
Property, plant and equipment		–	–	–
Equity investments		1,439.6	1,587.2	1,765.9
Receivables relating to equity investments		–	–	–
Other long-term investments		–	–	–
Loans		77.8	–	–
Other financial assets		98.8	3.6	3.4
Total fixed assets	**2.1/2.2**	**1,648.6**	**1,623.2**	**1,801.7**
Other receivables	2.3	75.8	21.5	27.5
Marketable securities		–	–	–
Cash and cash equivalents		–	0.8	0.8
Total current assets		**75.8**	**22.3**	**28.3**
Prepaid expenses		0.1	0.1	0.1
Deferred expenses		–	–	0.9
Bond redemption premiums	2.4	3.4	4.1	
Unrealised foreign exchange losses		–	–	–
Total assets		**1,727.9**	**1,649.7**	**1,831.0**

	Notes	2012	2011	2010
LIABILITIES AND SHAREHOLDERS' EQUITY				
Share capital		79.4	79.1	77.6
Share issue, merger and transfer premium		738.2	735.7	708.2
Legal reserve		7.8	7.8	7.6
Regulated reserves		–	–	–
Other reserves		–	–	–
Retained earnings		9.6	158.6	212.5
Net profit/(loss)		240.5	(35.2)	9.5
Regulated provisions		–	–	–
Shareholders' equity	**2.5**	**1,075.5**	**946.0**	**1,015.4**
Convertible bonds				–
Provisions for liabilities and charges	2.9	0.4	6.7	5.3
Other bonds	2.6	208.1	208.1	194.5
Other borrowings		211.6	127.3	63.4
Borrowings and amounts due to financial institutions	2.7	165.3	180.3	370.6
Borrowings		**585.4**	**515.7**	**628.5**
Trade payables		0.1	1.7	0.2
Tax and social security liabilities		0.5	0.4	0.4
Amounts payable on fixed assets and related accounts		–	–	–
Other operating liabilities		66.4	179.2	181.2
Operating liabilities		**67.0**	**181.3**	**181.8**
Deferred income		–	–	–
Unrealised translation gains		–	–	–
Total liabilities and shareholders' equity		**1,727.9**	**1,649.7**	**1,831.0**

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4.2.2 Income statement

As of 31 March, in € millions	Notes	2012	2011	2010
Services provided	3.1	17.7	18.1	14.4
Reversals of depreciation, amortisation and provisions, transferred charges		–	–	–
Other income		–	–	–
Total operating income		**17.7**	**18.1**	**14.4**
Purchases and external expenses		32.4	35.1	24.3
Taxes and duties		0.1	0.1	0.1
Wages and salaries		–	–	–
Social security charges		–	–	–
Depreciation and amortisation of fixed assets		–	0.9	0.8
Provisions for liabilities and charges		–	–	–
Other expenses		0.4	0.3	0.3
Total operating expenses		**32.9**	**36.4**	**25.5**
Operating profit/(loss)		**(15.2)**	**(18.3)**	**(11.1)**
Financial income from equity investments	3.2	101.0	240.8	41.0
Income from investment securities and equity investments		2.7	–	–
Other interest and related income		0.1	2.2	3.8
Reversals of provisions and transferred charges		1.3	1.9	0.3
Foreign exchange gains		–	–	–
Net gains on disposals of marketable securities		0.1	0.1	0.2
Total financial income		**105.2**	**245.0**	**45.3**
Charges for amortisation and provisions		0.7	243.5	–
Interest and similar expenses		20.6	26.8	23.4
Foreign exchange losses		–	–	–
Net losses on disposals of marketable securities		–	–	0.1
Total financial expenses		**21.3**	**270.3**	**23.5**
Net financial income/(expense)		**83.9**	**(25.3)**	**21.8**
Profit/(loss) on ordinary activities before tax		**68.7**	**(43.6)**	**10.7**
Exceptional gains on management transactions		–	–	–
Exceptional gains on capital transactions		147.6	–	0.7
Reversals of provisions and transferred charges		243.8	–	–
Total exceptional income		**391.4**	**–**	**0.7**
Exceptional gains on management transactions		–	0.1	–
Exceptional gains on capital transactions		391.4	–	0.5
Exceptional depreciation, amortisation and provisions		–	–	–
Total exceptional expenses		**391.4**	**0.1**	**0.5**
Net exceptional income/(expense)	**3.3**	**0.0**	**(0.1)**	**0.2**
Income tax	3.4	171.8	8.5	1.4
Net profit/(loss)		**240.5**	**(35.2)**	**9.5**

4.2.3 Cash flow statement

As of 31 March, in € millions	2012	2011	2010
Net profit/(loss)	240.5	(35.2)	9.5
Depreciation, amortisation and provisions	**0.7**	**246.4**	**3.9**
Operating	–	–	–
Financial	0.7	243.5	–
Exceptional	–	2.0	3.1
Deferred charges	–	0.9	0.8
Reversals of depreciation, amortisation and provisions	**(250.2)**	**(1.9)**	**(0.3)**
Operating	–	–	–
Financial	(1.3)	(1.9)	(0.3)
Exceptional	(248.9)	–	–
(Gains)/losses on disposals	**243.8**	**–**	**(0.2)**
Proceeds from disposals	(147.6)	–	(0.7)
Carrying amount of assets sold	391.4	–	0.5
= Operating cash flow	**234.8**	**209.3**	**12.9**
A - Resources			
Operating cash flow	234.8	209.3	12.9
Disposals of intangible fixed assets	–	–	–
Disposals of property, plant and equipment	–	–	–
Disposals or reductions of financial assets	147.6	–	0.7
Reduction of receivables relating to equity investments	0.4	16.9	1.9
Capital increase and share premium	2.6	7.0	1.4
Long- and medium-term borrowings	25.0	345.0	–
Total	**410.4**	**578.2**	**16.9**
B - Uses			
Dividends	113.6	41.2	38.6
Acquisitions of fixed assets:	–	63.0	–
• Intangible fixed assets	–	–	–
• Property, plant and equipment	–	–	–
• Financial assets	–	63.0	–
Increase in receivables relating to equity investments	173.3	17.1	1.9
Repayment of borrowings	40.0	522.4	–
Deferred charges	–	–	–
Bond redemption premiums	–	4.6	–
Reduction of shareholders’ equity	–	–	–
Total	**326.9**	**648.3**	**40.5**
A - B = Change in working capital	**83.5**	**(70.1)**	**(23.6)**
Analysis of change in working capital			
Increase/(decrease) in trade payables	1.6	(1.5)	–
Increase/(decrease) in advance payments on orders	–	–	–
Increase/(decrease) in other current assets/liabilities, including bank overdrafts	81.9	(68.6)	(23.6)
Total	**83.5**	**(70.1)**	**23.6**

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4.2.4 Five-year financial summary

As of 31 March, in € millions	**2008**	**2009**	**2010**	**2011**	**2012[1]**
1. Share capital at year-end					
Share capital	74.5	75.8	77.6	79.1	79.4
Number of shares in circulation	46,558,793	47,370,044	48,509,769	49,428,402	49,629,562
Maximum number of shares to be created through the conversion of bonds	–	–	–	–	–
2. Operations and results for the year					
Sales excluding taxes	15.6	15.8	14.4	18.1	17.7
Profit before tax, depreciation, amortisation and provisions	97.2	27.8	11.4	198.8	(175.7)
Income tax	12.7	41.2	(1.4)	8.5	171.8
Profit/(loss) after tax, depreciation, amortisation and provisions	106.9	70.2	9.5	(35.2)	240.5
Dividends	60.5	61.6	63.1	113.6	69.5
3. Earnings per share (€)					
Profit/(loss) after tax, but before depreciation, amortisation and provisions	2.0	0.6	0.2	4.2	(0.1)
Profit/(loss) after tax, depreciation, amortisation and provisions	2.3	1.5	0.2	(0.7)	4.8
Net dividend per share	1.3	1.3	1.3	2.3	1.4
4. Employees					
Workforce	–	–	–	–	–
Total payroll	–	–	–	–	–
Staff benefits					
(social security and other benefits)	–	–	–	–	–
Profit sharing (included in total payroll)	–	–	–	–	–

(1) Subject to the approval of the Ordinary Shareholders' Meeting. A dividend of €1.40 per share will be proposed.

4.2.5 Notes to the Financial Statements

NOTE 1 Accounting principles, rules and 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 value in use. Value in use is determined using a number of criteria, including in particular net assets, unrealised capital gains and future earnings potential.

b. Receivables and liabilities are recorded at their nominal value. Any such items that are denominated in foreign currency are translated at the closing exchange rate for the year. Where applicable, a provision for doubtful debts is recorded on receivables to cover any risk of non-collection.

c. The difference arising from the valuation of receivables and liabilities denominated in foreign currencies, using the closing exchange rate, is recorded on the balance sheet as an unrealised foreign currency translation gain or loss.

d. Interest-rate hedging instruments are recorded in off-balance sheet commitments.

NOTE 2 Notes to the balance sheet

Note 2.1 Fixed assets

(in € millions)	Gross cost at the start of the year	Increase	Decrease	Gross cost at the close of the year
Intangible fixed assets	32.4	–	–	32.4
Equity investments	1,831.0	–	391.4	1,439.6
Other financial assets	3.6	95.6	0.4	98.8
Loans		77.8	–	77.8
Total	**1,867.0**	**173.4**	**391.8**	**1,648.6**

The amount recorded in “Intangible assets” relates to business goodwill from the merger with RC PAVIS. It has no legal protection.

“Equity investments” include investments in companies that are fully consolidated in the Rémy Cointreau Group’s consolidated financial statements in the amount of €1,437.5 million.

The decrease chiefly reflects the removal of Piper-Heidsieck Compagnie Champenoise securities following their disposal.

“Other financial assets” include:

- a balance of €3 million held as part of a liquidity contract with a liquidity provider. The liquidity provider’s sole purpose is to promote the liquidity of the Company’s securities and the regularity of their quotation on the market. At the year-end, no Company shares were held in connection with this contract. The cash balance on this account at the year-end was invested in a money-market instrument valued at €3 million;
- in connection with its obligation to cover the stock options granted to certain employees, the Company held 7,650 shares valued at €0.2 million;
- a programme bearing on the purchase of the Company’s own shares was set up in November 2011 and contracted to an investment services provider. The contract provides for the purchase of up to 4,500,000 shares by 31 December 2012. As of 31 March 2012, the Company had acquired 1,421,003 of its own shares worth a total of €95.6 million.

Under the terms of the contract for the sale of Piper-Heidsieck Compagnie Champenoise, a nine-year loan in the amount of €75 million was granted to the purchaser to finance part of the acquisition. As of the date at which these funds were made available, and until the end of the third year of the loan, the annual interest payment will be capitalised. At year-end, such payments stood at €2.8 million.

Note 2.2 Amortisation, depreciation and provisions

(in € millions)	At the start of the year	Increase	Decrease	At the close of the year
Equity investments	243.8	–	243.8	–
Other				
Total	**243.8**		**243.8**	**–**

The decrease in provisions corresponds mainly to the reversal of provisions on Piper-Heidsieck Compagnie Champenoise securities.

Note 2.3 Maturity analysis of receivables

(in € millions)	Gross amount	Less than one year	More than one year
Fixed assets			
Receivables relating to equity investments	–	–	–
Loans	77.8	–	77.8
Other financial assets	98.8	98.8	–
Current assets			
Other receivables	75.8	75.8	–
Prepaid expenses	–	–	–
Total	**252.4**	**174.6**	**77.8**

“Other receivables” correspond chiefly to the income tax paid by the Company as the parent company of the tax group and the claim on income tax due in respect of the year by subsidiaries belonging to the tax group.

Note 2.4 Maturity analysis of bond issue premiums

(in € millions)	Gross amount	Less than one year	More than one year
Bond issue premiums	3.4	0.7	2.7
Total	**3.4**	**0.7**	**2.7**

In June 2010, Rémy Cointreau issued a new bond with a par value of €205.0 million, including an issue premium of €4.6 million, to be amortised on a straight-line basis over the term of the bond, i.e. 6.5 years.

Note 2.5 Shareholders’ equity

BREAKDOWN OF SHARE CAPITAL

Share capital comprises 49,629,562 fully paid-up shares with a nominal value of €1.60.

During the year, 201,160 new shares were issued in respect of the following transactions:

- the exercise of stock options giving rise to 103,860 new shares;
- the allocation of 97,300 bonus shares out of reserves, concerning the 2009 plan.

CHANGE IN SHAREHOLDERS’ EQUITY

	Number of shares	Share capital	Additional paid-in capital	Legal reserve	Retained earnings	Net profit/(loss)	Total
As of 31 March 2010	**48,509,769**	**77.6**	**708.2**	**7.6**	**212.5**	**9.5**	**1,015.4**
Appropriation of earnings	–	–	–	0.2	9.3	(9.5)	–
Net profit/(loss)	–	–	–	–	–	(35.2)	(35.2)
Exercise of options	263,963	0.4	6.6	–	–	–	7.0
Dividends (part payment in shares)	565,770	0.9	20.9	–	(63.1)	–	(41.3)
Allocation of 2008 bonus share plan	88,900	0.2	–	–	(0.2)	–	–
As of 31 March 2011	**49,428,402**	**79.1**	**735.7**	**7.8**	**158.5**	**(35.2)**	**945.9**
Appropriation of earnings	–	–	–	–	(35.2)	35.2	–
Net profit/(loss)	–	–	–	–	–	240.5	240.5
Exercise of options	103,860	0.2	2.5	–	–	–	2.7
Dividend	–	–	–	–	(113.6)	–	(113.6)
Allocation of 2009 bonus share plan	97,300	0.1	–	–	(0.1)	–	–
As of 31 March 2012	**49,629,562**	**79.4**	**738.2**	**7.8**	**9.6**	**240.5**	**1,075.5**

STOCK-OPTION AND SIMILAR PLANS

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 Extraordinary Shareholders' Meetings of 24 August 2000 (plan 11), 21 September 2001 (plans 11 and 12) and 7 September 2004 (plan 13).

Earliest exercise date	Plan No.	Term	Type[1]	Number of options allocated	Exercise price in euros	Lapsed options	Options exercised as of 31/03/2011	Options exercised during the year	Average exercise price	Options circulating as of 31/03/2012
8 March 2006	11	6 years	S	659,500	25.00	8,500	547,140	103,860	58.80	–
16 September 2007	12	6 years	P	287,000	27.67	27,000	131,690	111,100	61.26	17,210
24 December 2008	13	6 years	P	262,000	28.07	35,000	83,500	111,000	59.31	32,500
Total				**1,208,500**		**70,500**	**762,330**	**325,960**	**59.81**	**49,710**

(1) S = Subscription, P = Purchase.

For all plans, one option equals one share granted.

Plan Nos. 12 and 13 are hedged (see Note **4.4**).

Allocation of bonus shares

Grant date[1]	Plan No.	Vesting period	Minimum retention period	Options allocated at outset	Share price as of the grant date	Lapsed options	Options allocated at the end of the vesting period	Options circulating as of 31/03/2012
19 November 2009	2009	2 years	2 years	102,300	34.05	5,000	97,300	
23 November 2010	2010	2 years	2 years	94,000	52.65	4,000	n/a	90,000
22 November 2011	2011	2 years	2 years	96,500	58.50	–	n/a	96,500
Total				**292,800**		**9,000**	**97,300**	**186,500**

(1) The grant date is the date of the Board meeting that approved allocations under each plan.

Grant date	Plan No.	Combined Shareholders' Meeting that authorised the plan
19 November 2009	2009	16 September 2008
23 November 2010	2010	16 September 2008
22 November 2011	2011	26 July 2011

In respect of these three plans, the Board of Directors determined that the following terms 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 satisfied performance criteria measured at the end of the financial year preceding the end of the vesting period. These criteria concern the current operating margin and the return on capital employed, measured on a like-for-like basis.

The shares granted at the end of the vesting period for the 2009 plan resulted in the creation of 97,300 new shares as a deduction against reserves. This plan was granted in full (with the exception of 5,000 shares that lapsed due to the departure of beneficiaries).

Note 2.6 Other bonds

(in € millions)	2012	2011	2010
€200 million bond	–	–	192.4
€205 million bond	205.0	205.0	–
Total nominal value	**205.0**	**205.0**	**192.4**
Accrued interest	3.1	3.1	2.1
Total	**208.1**	**208.1**	**194.5**

In June 2010, Rémy Cointreau issued a new 6.5-year bond with a nominal value of €205.0 million. The bonds have a nominal value of €50,000 each and were issued at 97.745% of par (issue premium of 2.255%), bearing interest of 5.18% payable on 15 June and 15 December of each year. They will be redeemed at par at maturity (15 December 2016).

This bond is not secured.

The bond carries a number of clauses for early redemption at the issuer's option, primarily in the event of a capital increase, whether for the general public or privately placed, or 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. Furthermore, all bearers are entitled to request redemption of their bonds at 101% in the event of a change of control.

In the event of the sale of assets, and if the sale proceeds are not used for authorised transactions, Rémy Cointreau must, within 365 days of the date of receipt of the sale proceeds, offer early redemption of the bond up to the amount of the proceeds of the sale. Furthermore, the agreement contains certain conventions that may limit the maximum dividend payout in the event of a loss.

After taking the issue premium and expenses into account, the net proceeds from the bond were approximately €197.0 million, putting the effective interest rate at around 5.89%.

The proceeds were allocated to the early redemption, in June and August 2010, of a seven-year bond issued on 15 January 2005, bearing interest at 5.2%, the outstanding par value of which was €192.4 million as of 31 March 2010. As part of this transaction, a redemption premium of €2.7 million was paid to bondholders.

Note 2.7 Other borrowings

Other borrowings primarily include transactions with subsidiaries of the Rémy Cointreau Group.

Borrowings and liabilities with financial institutions break down as follows:

(in € millions)	2012	2011	2010
Private placement	140.0	140.0	–
Drawdowns on syndicated bank line	–	40.0	370.0
Drawdowns on other confirmed credit facilities	–	–	–
Drawdowns on unconfirmed credit lines	25.0	–	–
Overdrafts	–	–	0.3
Total nominal value	**165.0**	**180.0**	**370.3**
Accrued interest	0.3	0.3	0.3
Total	**165.3**	**180.3**	**370.6**

PRIVATE PLACEMENT

On 10 June 2010, Rémy Cointreau secured a so-called "private placement" syndicated finance package with financial institutions. The €140.0 million contract was concluded for five years (maturing on 10 June 2015). The structured financing includes a loan comprising two tranches, of €65 million (tranche A) and €75 million (tranche B) respectively, as well as various swap contracts that exactly match the two tranches, thereby guaranteeing a fixed rate of 3.6675% for the duration of the contract.

After deducting the commitment fee, the net proceeds from the issue were approximately €138.6 million, putting the effective interest rate at around 3.94%. The proceeds were allocated to the repayment of drawdowns on the syndicated credit facility.

This contract is unsecured. Availability of the funds is subject to the A Ratio (see Syndicated Credit) remaining below 3.5 at the end of each half-year period for the duration of the contract.

BANK SYNDICATE

As of 31 March 2012, Rémy Cointreau benefited from a syndicated loan of €346 million concluded on 7 June 2005. The contract includes the provision of a €346 million revolving credit facility maturing on 7 June 2012.

Sums drawn are subject to interest at EURIBOR plus a margin initially set at 0.675% per annum, which may vary as shown in the following table on the basis of the ratio of "average net debt to EBITDA" (the A ratio).

A Ratio	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 applicable margin 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:

Period	A Ratio
From date of signing to 30/09/2006	A Ratio < 4.50
From 01/10/2006 to 30/09/2007	A Ratio < 4.00
From 01/10/2007 to 30/09/2008	A Ratio < 3.75
From 01/10/2008 to maturity	A Ratio < 3.50

The A Ratio is the ratio of net debt to EBITDA over the prior 12 months. The amounts used for the various indicators in the calculation for each period are adjusted in accordance with the terms of the agreement.

As of 31 March 2012, the A Ratio was 0.67 (2011: 2.19; 2010: 3.17).

Note 2.8 Maturity analysis of debt

(in € millions)	Gross amount	Less than one year	One to 5 years	More than 5 years
Other bonds	208.1	3.1	205.0	–
Borrowings and amounts due to financial institutions	165.3	25.3	140.0	–
Other borrowings	211.6	211.6	–	–
Trade payables	0.1	0.1	–	–
Tax and social security liabilities	0.5	0.5	–	–
Other liabilities	66.4	66.4	–	–
Total	**652.0**	**307.0**	**345.0**	**–**

Note 2.9 Provisions

(in € millions)	Regulated provisions	Provisions for risks and liabilities	Provisions for impairment	Total
Opening balance	–	6.7	243.8	250.5
Charges	–	–	–	
Reversals	–	(6.3)	(243.8)	(250.1)
Closing balance	**–**	**0.4**	**–**	**0.4**

(in € millions)	Charges	Reversals
• operating	–	–
• financial	–	1.2
• exceptional	–	243.8
• income tax	–	5.1
Total	**–**	**250.1**

The reversal of provisions for impairment relates primarily to the provision covering Piper-Heidsieck Compagnie Champenoise securities sold during the year.

Note 2.10 Deferred income

There was no deferred income as of 31 March 2012.

Note 2.11 Accrued expenses

(in € millions)	2012
Bonds	3.1
Borrowings and amounts due to financial institutions	0.3
Other borrowings	–
Trade payables	0.1
Tax and social security liabilities	0.3
Other liabilities	4.9
Total	**8.7**

NOTE 3 Notes to the income statement

Note 3.1 Analysis of services provided

Services provided totalled €17.7 million and essentially comprised services rendered to all Rémy Cointreau Group subsidiaries and sub-subsidiaries, of which €14.2 million to French companies and €3.5 million to foreign companies.

Note 3.2 Financial income from equity investments

Financial income from equity investments amounted to €101 million and related to dividends received from subsidiaries.

Note 3.3 Exceptional income and expense

(in € millions)	**2012**
Proceeds from the sale of financial assets	147.6
Reversals of provisions on financial assets	243.8
Carrying value of financial assets	(391.4)
Total	**0**

Note 3.4 Income tax

A) INCOME TAX ANALYSIS

(in € millions)	Profit/(loss) before tax	Income tax	Profit/(loss) net of tax
Profit/(loss) on ordinary activities	68.8	–	68.8
Net exceptional income/(expense)	0	171.8	171.8
Net profit/(loss)	68.8	171.8	240.6

The Rémy Cointreau consolidated tax group changed following the disposal of the champagne division. The disposal of subsidiaries included in the tax consolidation agreement resulted in an adjustment of the estimated tax saving and a change in the estimated tax liability.

The Company accordingly recognised a saving of €171.8 million in the income statement, representing:

- the tax saving of €20.3 million on the losses of the champagne division;
- a reversal in the amount of €125 million of excess tax savings at the close of the prior year based on the corporate tax rate of 34.43% applied to the losses incurred by companies remaining in the tax group;
- the tax saving for the year ended 31 March 2012 in the amount of €26.5 million.

B) CHANGE IN TAX LOSSES

(in € millions)	Base	Tax rate	Amount of tax expense
Tax loss carry-forward remaining to be allocated at the opening date	427.4	–	–
Loss for the year	67.4		
Deferred amortisation and depreciation	–	–	–
Tax loss carried forward	67.4	–	–
Tax loss carry-forward remaining to be allocated at the closing date	494.8		

The loss for the year arises mainly from the deduction for tax purposes of dividends received from subsidiaries and losses on disposal of securities.

C) INCREASE AND REDUCTION IN FUTURE TAX LIABILITIES

(in € millions)	Base	Tax rate	Amount of tax expense
Reductions	–	–	
Non-deductible provisions as of 31 March 2012	–	36.1	–

Note 3.5 Tax group

Rémy Cointreau elected to form a tax group with effect from 1 April 1993 for Group companies as provided 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 group as if no such group existed, after applying any tax losses carried forward.

The following companies are included in the tax group:

Rémy Martin, Izarra, Cointreau, Rémy Cointreau Services SAS, CLS Rémy Cointreau, Domaines Rémy Martin, Rémy Cointreau International Marketing Services.

NOTE 4 Other information

Note 4.1 Related-party transactions

	Amounts concerning	
(in € millions)	Related companies	Companies with participating interests
Receivables:		
Other receivables	4.8	
Liabilities:		
Other liabilities	5.1	
Financial income:		
Income from equity investments	101.0	
Interest	–	
Financial expense:		
Interest	1.5	
Operating income	17.8	
Operating expenses	31.3	
Exceptional income	–	
Exceptional expenses	–	

Note 4.2 Off-balance sheet commitments

A) FINANCIAL COMMITMENTS

At the year-end, the Group's commitments included guarantees granted to Group subsidiaries in relation to various financing facilities in a total amount of €8.9 million.

Rémy Cointreau manages the risk of an increase in the interest rates on its variable-rate financial resources, which mainly bear interest at EURIBOR (1-3 months). The Group chiefly uses optional instruments (caps) and interest-rate swaps.

As of 31 March 2012, the Company's portfolio of interest-rate hedges comprised the following financial derivatives:

(in € millions)	Nominal	Initial value	Market value
Interest rate swaps			
Maturing in January 2015	125.0	–	(9.3)
Maturing in March 2015	25.0	–	(1.9)
Swaps relating to the private placement	140.0		(4.3)

The market value is based on independent valuations of the instruments at year-end.

B) CONTINGENT LIABILITIES RELATING TO ASSET DISPOSALS

In connection with disposals, guarantees in respect of future liabilities are generally granted to the buyers for 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 that had not lapsed as of 31 March 2012 are as follows:

(in € millions) **Disposals**	**Date of transaction**	**Nature of ongoing guarantees**	**Expiry**	**Maximum amount**
		Tax items	11 October 2012	
Lucas Bols		Total all guarantees		100.0
(joint and several guarantee with DELB BV)	11 April 2006	Franchise		2.6
		Tax and similar items	Legal limit + 90 days	No ceiling
Piper-Heidsieck Compagnie Champenoise	08 July 2011	Other items	31 December 2012	45.0

Note 4.3 Disposals of treasury shares

At 31 March 2012, no Rémy Cointreau shares were held in the liquidity account. Immaterial income generated during the year by the manager of the liquidity account was recorded as financial income.

Note 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 commitment to cover stock options granted to certain employees (284,000 shares under Plan No. 12 and 37,503 shares under Plan No. 13) as required under the provisions of Article L. 225-179 of the French 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 mechanism was approved by the French Financial Markets Authority (AMF) on 8 March 2005. Rémy Cointreau completed the coverage of stock-option plan No. 13 by acquiring 224,497 options to purchase its own shares.

Following the purchase of securities by the Company in previous years, 137,500 shares remained in the repurchase agreement as of 31 March 2011. After repurchases during the financial year, the balance now stands at 42,655 shares.

A total of 62,001 stock options remain outstanding following the exercise of 111,000 options under this plan during the financial year.

In addition, as of 31 March 2012, the Company held 7,650 treasury shares following previous repurchases, of which 650 will be allocated to cover Plan No. 12 and 7,000 Plan No. 13.

NOTE 5 Post-balance sheet events

On 23 May 2012, Rémy Cointreau decided to terminate the execution of the share buyback programme initiated on 6 December 2011. As part of this programme, the company acquired 1,428,794 shares representing 2.88% of share capital at an average price of €67.29 per share. The June 2012 Board of Directors' meeting will set out the terms of the resolution bearing on the new share buyback programme to be proposed at the Annual Shareholders' Meeting of 26 July 2012.

On 5 June 2012, Rémy Cointreau obtained a new five-year revolving loan of €255 million from a pool of 11 banks at competitive conditions including an initial spread of 1.95% per annum. As a result of this transaction, Rémy Cointreau's main credit line will expire in June 2017.

NOTE 6 List of subsidiaries and equity investments as of 31 March 2012

(in '000s of foreign currency or € thousands	Currency	Capital ('000s of currency)	Share-holders' equity excluding capital ('000s of currency)	Share of capital held %	Carrying value of capital held (€ '000s)	Provisions on securities (€ '000s)	Dividends received (€ '000s)	Sales ex-tax prior year ('000s of currency)	Profit/ (loss) after tax ('000s of currency)	Year ended
A) French										
E. Rémy Martin & Cie	EUR	6,725	308,167	100	381,708	–	27,045	188,710	194,922	31/03/2012
Cointreau	EUR	4,037	102,989	100	89,103	–	73,893	55,597	89,206	31/03/2012
Ducs de Gascogne	EUR	1,002	1,960	30	1,143	–	–	–	128	31/12/2011
Rémy Cointreau Services	EUR	1,034,805	50,659	92	966,700	–	–	–	71,365	31/03/2012
Total gross value					**1,438,654**	**–**	**100,938**			
B) Foreign										
Other foreign subsidiaries	EUR	–	–	–	989	2	–	–	–	–
Total gross value	**EUR**	**–**	**–**	**–**	**989**	**2**	**–**	**–**	**–**	**–**
Total gross value (A+B)					**1,439,643**					
Total carrying amount					**1,439,641**					

4.2.6 Statutory Auditors' Report on the Financial Statements

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 and construed in accordance with French law and professional auditing standards applicable in France.

Year Ended March 31st 2012

To the Shareholders of Rémy Cointreau SA,

In compliance with the assignment entrusted to us by your Shareholders' annual general meetings, we hereby report to you, for the year ended March 31, 2012 on:

- the audit of the accompanying financial statements of Rémy Cointreau SA;
- 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 procedures 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 and financial position of the company as at March 31, 2012, 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:

Paragraph 1.a 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 provided 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 provided in accordance with the requirements of article L. 225-102-1 of French Commercial Code relating to compensations 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.

Paris-La Défense and Paris, June 8, 2012

The Statutory Auditors,

Ernst & Young et Autres	**Auditeurs & Conseils Associés**
Represented by	Represented by
Marie-Laure Delarue	**Olivier Juramie**

Statutory Auditors' Special Report on Regulated Agreements and Commitments

This is a free translation into English of a report issued in French. It 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.

Year ended March 31st 2012

To the Shareholders,

In our capacity as auditors for your company, we present to you our report on the agreements and commitments with related parties.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any other agreements and commitments. It is your responsibility, in accordance with the terms of Article R. 225-31 of the Commercial Code (Code de commerce), to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to inform you in accordance with Article R. 225-31 of the Commercial Code (Code de commerce) on the implementation, during the year, of agreements and commitments previously approved by the General Meeting of Shareholders.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing body (Compagnie Nationale des Commissaires aux Comptes) relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

1. Agreements and commitments submitted for approval by the General Meeting of Shareholders

Agreements and commitments authorized during the year

In accordance with Article L. 225-40 of the French commercial code (Code de commerce), we have been advised of the following related parties' agreements and commitments which were previously authorized by your Board of Directors.

1.1. Assistance agreement between Rémy Cointreau S.A. and Cointreau SAS

Person concerned: Mrs. Dominique Hériard Dubreuil, Chairman of Rémy Cointreau S.A. and Chairman of Cointreau SAS.

The Board of Directors of November 22, 2011 authorized the conclusion of an assistance agreement between Rémy Cointreau S.A. and Cointreau SAS. This agreement was signed on November 23, 2011 and took effect April 1, 2011, for an initial term of three years. It is tacitly renewable.

According to this agreement, Rémy Cointreau S.A. provides Cointreau SAS with assistance services in the fields of strategy development and brand positioning, publics relations and the financial and sales fields and other various technical expertise.

The fees for these services are based on the costs borne by Rémy Cointreau S.A., increased by 5%.

The amount VAT excluded resulting from the application of this agreement which were invoiced by Rémy Cointreau S.A. to Cointreau SAS during the course of the financial year 2011/2012 is €2,734,249.

1.2. Assistance agreement between Rémy Cointreau S.A. and E. Rémy Martin SAS

Person concerned: Mrs. Dominique Hériard Dubreuil, Chairman of Rémy Cointreau S.A. and Chairman of E. Rémy Martin SAS.

The Board of Directors of the November 22, 2011 authorized the conclusion of an assistance agreement between Rémy Cointreau S.A. and E. Rémy Martin SAS. This agreement was signed on November 23, 2011 and took effect April 1, 2011, for an initial term of three years. It is tacitly renewable.

According to this agreement, Rémy Cointreau S.A. provides E. Rémy Martin SAS with assistance services in the fields of strategy development and brand positioning, publics relations and the financial and sales fields and other various technical expertise.

The fees for these services are based on the costs borne by Rémy Cointreau S.A., increased by 5%.

The amount VAT excluded resulting from the application of this agreement which were invoiced by Rémy Cointreau S.A. to E. Rémy Martin SAS during the course of the financial year 2011/2012 is €5,128,976.

2. Agreements and commitments previously approved by the General Meeting of Shareholders

Agreements and commitments approved in prior years whose implementation continued during the year

In accordance with Article R. 225-30 of the French commercial code (Code de commerce), we have been advised that the implementation of the following agreements and commitments which were already approved by the General Meeting of Shareholders in prior years continued during the year.

2.1. Service provision agreement with Andromède

Andromède and Rémy Cointreau signed a service provision agreement on March 31, 2011. According to this agreement, Andromède provides to Rémy Cointreau S.A. services in the field of management strategy and finance, institutional and commercial relationship, development and external growth, and directors' management.

This agreement has been authorized by the Board of Directors which met on March 22, 2011, and took effect from April 1, 2011. The fees for these services are determined on the cost borne by Andromède, increased by 5%.

The amount VAT excluded resulting from the application of this agreement which were invoiced by Andromède to Rémy Cointreau S.A. during the course of the financial year 2011/2012 is €3,240,036.

2.2. Marketing and management support agreement with the companies owning the brands

The company Rémy Cointreau S.A. provides assistance and advice regarding brands development strategy, public relations, finances, trading and other various technical expertise for the companies CLS Rémy Cointreau S.A. and Champagnes P&C Heidsieck.

These agreements were authorized by the Board of Directors which met on March 26, 2009. They were 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. The fees for these services are calculated on the basis of the costs borne by Rémy Cointreau S.A., increased by 5 %.

Amounts VAT excluded resulting from the application of these agreements which were invoiced by Rémy Cointreau S.A. to the subsidiaries during the financial year 2011/2012 are the following ones:

- CLS Rémy Cointreau: €5 982 434
- Champagnes P&C Heidsieck: €382 750

Marketing and management support with Champagnes P&C Heidsieck ended in June 2011, with the disposal of Champagne division.

2.3. Assistance agreement between Rémy Cointreau S.A. and the distribution companies Rémy Cointreau Belgium, Rémy Cointreau Czech Republic, Rémy Cointreau International Pte Ltd, SEA Metaxa ABE, Financière Rémy Cointreau SA/NV and Rémy Cointreau USA

Rémy Cointreau S.A. provides these companies with assistance services in the fields of strategy development and brand positioning, public relations and in the financial and trading.

These agreements were authorized by the Board of Directors which met on March 29, 2009. They were signed on March 31, 2009 for a term of three years as of April 1, 2009 and are renewable tacitly each year. The fees for these services are calculated on the costs borne by Rémy Cointreau S.A. increased by 5%.

The amounts VAT excluded resulting from the application of these conventions which were invoiced by Rémy Cointreau S.A. during the financial year 2011/2012 are the following ones:

- Rémy Cointreau USA: €1,200,414
- Rémy Cointreau International Pte Ltd: €1,474,322
- Financière Rémy Cointreau SA/NV: €374,000
- SEA Metaxa Abe: €198,394
- Rémy Cointreau Czech Republic: €119,294
- Rémy Cointreau Belgium: €159,803

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2.4. Cash management agreement with Orpar

A cash management agreement was signed on December 14, 2004 between Orpar and Rémy Cointreau S.A. and the meeting of the Board of Directors of June 5, 2007 authorized its modification through an endorsement of July 4, 2007.

This agreement foresees the payment of the advances granted by Orpar to Rémy Cointreau S.A. determined on the basis of the Euribor, increased by a margin fixed according to the syndicated loan's conditions applicable to Rémy Cointreau S.A.

The advances granted by Orpar to Rémy Cointreau S.A. in accordance with this agreement amounted to €72,501 on March 31, 2012. Interest paid by Rémy Cointreau to Orpar for the financial year amounts to €18,822.

2.5. Endorsement to the cash management agreement with Financière Rémy Cointreau SA/NV

The Board of Directors which met on June 2, 2010, authorized the conclusion of a cash management agreement between Financière Rémy Cointreau SA/NV and various centralized subsidiary companies of the Rémy Cointreau group, including Rémy Cointreau S.A.

This agreement was signed on June 4, 2010, and took effect April 1, 2010. It entrusts to Financière Rémy Cointreau SA/NV, centralizing company, the coordination of all the cash requirements and surpluses of the group.

- Fixed forward advances granted by subsidiary companies to Financière Rémy Cointreau SA/NV bear interest based on Euribor rate or local equivalent in case of advance in currencies. Fixed forward loans granted by Financière Rémy Cointreau SA/NV to subsidiary companies bear interest at the same 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 or local equivalent in case of advance in currencies, decreased of 3 points.
- Daily loans granted by Financière Rémy Cointreau SA/NV to subsidiary companies bear interest based on Eonia rate or local equivalent in case of advance in currencies, plus a margin corresponding to the margin of the syndicated loan granted to the group by a banking union. This margin is renegotiable.

On March 31, 2012, advances granted by Financière Rémy Cointreau SA/NV to Rémy Cointreau S.A. amounted to € 211,549,965.

For the year ended March 31, 2011, interests invoiced by Financière Rémy Cointreau SA/NV to Rémy Cointreau S.A. amounted to €1,442,269.

2.6. Service provision agreement for exchange rate risks and international cash management between Financière Rémy Cointreau SA/NV and various other companies in the group

This agreement was signed on March 25, 2010, and took effect 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-invoices 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.

Charges resulting from the application of this agreement during the course of the financial year 2011/2012 are €76,983.

2.7. Customer credit management agreement between Financière Rémy Cointreau SA/NV and various other companies in the group

This agreement was signed on January 25, 2010, with retroactive effect from April 1, 2009. The fees of Financière Rémy Cointreau SA/NV comply with the same setting rules as those included in the exchange rate risks and international cash management.

Charges resulting from the application of this agreement during the course of the financial year 2011/2012 amounts to €192,457.

2.8. Guarantees given by Rémy Cointreau S.A. in favor 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 fulfill 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 S.A. arrive at term on October 11, 2012.

2.9. Commitment to a retirement with defined services

Mrs. Dominique Hériard Dubreuil, MM. François and Marc Hériard Dubreuil, members of the Board of Directors, benefit from a pension regime with defined services.

Paris-La Défense and Paris, June 8 2012

The Statutory Auditors,

Ernst & Young et Autres
Represented by

Marie-Laure Delarue

Auditeurs & Conseils Associés
Represented by

Olivier Juramie

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Other information

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5.1 INFORMATION ON THE COMPANY AND ITS SHARE CAPITAL, STOCK MARKET

5.1.1 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

Main administrative office: 21 boulevard Haussmann, 75009 Paris

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 Book II of the French Commercial Code applicable to commercial companies and by its Articles of Association.

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 end on 30 September 2073.

Corporate object

Rémy Cointreau’s objects pursuant to Article 2 of its Articles of Association 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, business 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 natural person or legal entity engaged in commercial, financial or industrial activities in France or other countries; and
- in general, any commercial, financial, industrial, property or real estate operation 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 under number 302 178 892 in the Angoulême Trade and Companies Register; APE Code 7010Z.

Inspection of the Company’s legal documents

Legal documents may be inspected at the registered office whose address is provided above.

Financial year

The Company’s financial period commences on 1 April and ends on 31 March of the following year. The duration of the accounting period is one year.

Distribution of profits under the Articles of Association

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 Shareholders’ Meeting may, profit permitting and 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, carry forward or distribute as dividends among the shareholders.

After reviewing the reserves at its disposal, the Shareholders’ 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 past five years)

Dividends distributed during the last five years are disclosed in the notes to the parent company financial statements.

Shareholders’ 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 Meeting.

Right of admission to meetings

Pursuant to Article R. 225-85 of the French 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 for the Company by its service provider Société Générale, Service Assemblées Générales, 32 rue du Champ de Tir, Nantes 44000, France, or in the bearer securities accounts held by an authorised intermediary, who holds their securities account. The registration or recording of bearer securities on the books of the authorised intermediary must be attested to by a certificate of shareholding issued by the latter, attached to the postal voting or proxy form, or to the application for an admission card in the name of the shareholder, or on behalf of the shareholder represented by the registered 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* (French Journal of Legal Notices).

Voting rights

Pursuant to the resolution approved at the Shareholders' 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 a double vote, 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 incorporation 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 relative. The same rules apply for transfer following a merger or share split of a corporate shareholder.

Declaration of crossing of thresholds

In accordance with the Articles of Association and independently from legal requirements, any shareholder (natural person or legal entity), acting either alone or in concert, who acquires in any manner, as set out in Article L. 233-7 *et seq.* of the French 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 and voting rights held within eight trading sessions of crossing one of these thresholds. This also applies each time that the fraction of share capital or voting rights held falls below one of the thresholds stated above.

In addition, this person must also specify in their disclosure to the Company:

(i) the number of shares they own that give future access to shares to be issued and the associated voting rights;

(ii) the number of existing shares that he/she may purchase pursuant to agreements or instruments falling within the scope of Article L. 233-7. I (3) (b) of the French Commercial Code; and

(iii) the number of existing shares affected by any agreement or financial instrument falling within the scope of Article L. 233-7. I (3) (c) of the French Commercial Code.

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 entitled to request, in accordance with the legal terms and conditions, the identity of those shareholders holding shares which give rise, immediately or in the future, to voting rights.

In order to identify the holders of securities, the Company is entitled to request from the share registrars at any time and at its own expense, as applicable, the name or 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 Shareholders' 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 the provisions of Article L. 228-2 of the French Commercial Code concerning identification of holders of securities that confer the right immediately or in the future to vote at the Company's Shareholders' Meetings.

5.1.2 General information on the share capital

Changes to the share capital and shareholder rights

The share capital can be changed in accordance with legal requirements. It may be increased by a decision taken at an Extraordinary Shareholders' Meeting. However, where a capital increase is carried out by incorporation of reserves, profits or share premiums, the relevant Extraordinary Shareholders' Meeting which decides such an increase, rules under the quorum and majority conditions required for Ordinary Shareholders' Meetings.

Capital increases are decided or authorised by an Extraordinary Shareholders' Meeting which sets the terms for an issue of new shares and grants all powers to the Board of Directors to carry this out for a period that may not exceed 26 months.

The Extraordinary Shareholders' 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 provisions.

The share capital may also be written down in accordance with the law.

Amount of share capital

At 31 March 2012, the share capital stood at €79,407,299.20 split into 49,629,562 shares of €1.60 each, all in the same class, fully paid up and comprising 74,852,281 voting rights.

Form of shares: fully paid shares are in nominative or bearer form, at the shareholder's choice.

Authorisation to trade in Company shares

Pursuant to the share buyback programme authorised by the Shareholders' Meeting of 7 September 2004, the Company sold 602,430 shares with a repurchase agreement on 24 March 2005. In order to hedge its share purchase option schemes in full, and to manage part of the dilution relating to the exercise of one of the share subscription option schemes, a resolutive clause was attached to that sale. This transaction was supplemented by the Company's purchase of 224,497 call options from Barclays Bank PLC on 24 March 2005. The combined transaction enabled Rémy Cointreau to cover the exercise of up to 826,927 share subscription or purchase options. In this respect, on 14 February 2006, the Company exercised the resolutive clause in the share sale contract and bought back 280,927 shares at €27.10 per share. These shares were cancelled by the Board of Directors, pursuant to the authorisation given by the Shareholders' Meeting of 28 July 2005. On 17 and 26 September 2007, 20 December 2007 and 30 May 2008, the Company exercised the resolutive clause in the aforementioned share sale contract and bought back 90,000 shares at €27.67 per share to cover the exercise of share purchase options. During the financial year 2010/2011, on 15 June, 8 October, 17 December 2010 and 7 January 2011, the Company bought back 56,500 shares within this framework, at €27.67 per share to cover the exercise of share purchase options. During the financial year 2011/2012, on 29 July, 20 September, 18 and 30 November, 1 December 2011 and 31 January 2012, the Company bought back 96,940 shares within this framework, at €27.67 per share to cover the exercise of share purchase options. A total of 650 shares were held on this account at 31 March 2012.

As part of the same contract, the Company exercised the resolutive clause and bought back, at a price of €28.07 per share, 18,000 shares on 22 December 2008 and 12 February 2009, and 19,503 shares on 25 June and 27 September 2010. The Company also exercised 42,497 purchase options, corresponding to 42,497 shares on 27 September, 5 October, 9 December 2010 and 4 January 2011 to cover the exercise of share purchase options. During the financial year 2011/2012, the Company exercised 100,450 purchase options, on 12 April, 15 June, 29 July and 30 November 2011 to cover the exercise of share purchase options. A total of 7,000 shares were held on this account at 31 March 2012.

In addition, the Company concluded a liquidity contract with a liquidity provider. As part of this mandate, the liquidity provider's sole purpose is to promote the liquidity of the Company's securities and the regularity of their quotation on the market. At 31 March 2012, the Company held no shares on this account.

The thirteenth resolution of the Combined Shareholders' Meeting of Rémy Cointreau of 26 July 2011 authorised the Board of Directors, for a period expiring following the Shareholders' Meeting called to approve the financial statements for the financial year ended 31 March 2012 and, at the latest, within a period of 18 months from 26 July 2011, to buy or sell shares in the Company, within a limit of 10% of the share capital, namely 4,612,030 shares, net of treasury shares, sales 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 €345,902,250.

The share buyback programme is designed to achieve the following, in order of decreasing priority:

- to stimulate the secondary market or provide liquidity for the Rémy Cointreau stock via an investment services provider under a liquidity contract that satisfies the Ethics Charter recognised by the AMF;
- to cancel shares as part of a share capital reduction;
- to honour the commitments relating to marketable securities giving access to share capital;
- to grant shares in accordance with the terms and conditions provided by law, notably as part of a profit-sharing plan, to cover share purchase options, as part of a company savings plan or to be used to grant bonus shares to employees and/or authorised corporate officers of the Company and/or companies related to it within the meaning of Articles L. 225-197-1 *et seq.* of the French Commercial Code.;
- to purchase shares and retain them to be used subsequently in exchange or payment for acquisitions, in accordance with market practices permitted by the AMF and within the limits prescribed by law;
- to implement all market practices permitted by the AMF and, more generally, carry out all transactions in compliance with the regulations in force.

The purchase of these shares, together with their sale or transfer, may be performed subject to the legal and regulatory provisions at any time, including during a public takeover offer period involving the Company's shares, or during a public takeover offer period launched by the Company, subject to the closed periods specified in Article 631-6 of the AMF's General Regulations, or to other legal or regulatory provisions, and by any means, including on the market or off-market, on regulated or unregulated markets, via multi-lateral trading facilities, with systematic internalisers, or-over the counter, 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 facilities, with systematic internalisers, or-over the counter, including under the conditions authorised by the competent market authorities, and during the periods that the Board of Directors, or the person acting on the authority of the Board of Directors shall choose. These transactions may include option transactions, except for the sale of call options, and inasmuch as the last means do not contribute to a significant increase in the volatility of the share price. The maximum portion of the capital acquired or transferred in the form of block transactions may amount to 100% of the authorised share buyback programme. Payment can be made in any form.

As part of these objectives, the repurchased shares may be cancelled in accordance with the thirteenth resolution of the same Shareholders' Meeting, up to 10% of the share capital per period of 24 months.

The maximum share purchase price was set at €75 by the Shareholders' Meeting.

Pursuant to the thirteenth and fifteenth resolutions of the Shareholders' Meeting of 26 July 2011, the Board of Directors resolved to retain an investment services provider to buy back Company shares within a limit of 10% of the share capital, net of treasury shares and in particular any acquired under the liquidity contract. The shares bought back in this way shall be allocated to the following objectives: (i) retention and subsequent use in exchange or as payment for acquisitions, up to legally established limits; and, (ii) cancellation as per the description in the share buyback programme. The service provider may make purchases as and when it sees fit, up to a maximum of 4,500,000 shares at prices that comply with European Regulation 2273/2003 of 22 December 2003 and the AMF's General Regulations.

At 31 March 2012, the Company held 1,421,003 shares on this account for an amount of €95,562,916.25.

This share buyback programme was terminated on 23 May 2012. As of that date, the Company had bought back 1,428,794 shares representing 2.88% of the share capital, at an average price of €67.29.

The renewal of this authorisation will be proposed at the next Annual Shareholders' Meeting.

Authorised share capital

Authorisation to grant stock options

Authorisation was given by way of the twentieth resolution of the Combined Shareholders' Meeting of Rémy Cointreau of 27 July 2010 to the Board of Directors, for a period of 38 months from 27 July 2010, to grant, on one or more occasions, to employees of the Company or companies covered by Article L. 225-180 of the French Commercial Code, or certain of them, as well as the corporate officers of the Company or companies covered by Article L. 225-180 of the French Commercial Code, within the limits set by Article L. 225-182 of the French Commercial Code, options to subscribe for new shares in the Company, to be issued by way of a capital increase, or options to purchase shares in the Company arising from a repurchase pursuant to Articles L. 225-208 or L. 225-209 *et seq.* of the French 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 2% of the share capital of the Company, it being specified that the amount of the capital increase resulting from the issue of shares following the exercise of subscription options will be deducted from the limit set by the sixteenth resolution of the said Shareholders' Meeting.

The subscription price or the share price shall be set by the Board of Directors on 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 the average share price of the 20 trading sessions prior to 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 the average share price of the 20 trading sessions prior to the date of grant of the purchase options, or less than the average purchase price of the shares held by the Company pursuant to Articles L. 225-208 and/or L. 225-209 of the French 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, take the necessary steps to protect the beneficiaries by, if required, adjusting the number of shares that may be obtained from the exercise of options granted to take account of the impact of these transactions, it being specified that, as required, the number of new or additional shares that may be obtained following these adjustments will be set against the above-mentioned limit. The options must be exercised within a period of ten years from the date they are granted.

Authorisation to grant bonus shares to employees and certain corporate officers

The eighteenth resolution of the Combined Shareholders' Meeting of 26 July 2011 authorised the Board of Directors to, for a period of thirty-eight months from 26 July 2011, pursuant to the provisions of Articles L. 225-197-1 *et seq.* of the French Commercial Code, on one or more occasions, grant employees of the Company or related companies within the meaning of Article L. 225-197-2 of the French Commercial Code or certain categories thereof, as well as corporate officers defined by law, bonus shares, whether existing or to be issued, subject to the trading restriction periods required 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 thereby issued free of charge may not be such that the total number of shares granted free under this resolution represents more than 2% of the number of shares in the share capital on the date the Board of Directors resolves to award the bonus shares.

The allocation of shares to their beneficiaries will become final at the end of a minimum vesting period of two years and the minimum period of retention of shares by the beneficiaries is set at two years.

The Board of Directors may make the grant of some or all of the shares conditional on the attainment of one or more performance conditions. In the case of Executive Directors, the bonus share grants will be subject to compliance with performance conditions determined by the Board of Directors.

The Board of Directors will proceed, where appropriate, during the vesting period 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.

Authorisation of the Board of Directors to increase the share capital by incorporation of reserves, profits or premiums

The sixteenth resolution of the Combined Shareholders' Meeting of 26 July 2011 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 French Commercial Code, with the authority to sub-delegate under the conditions established in law, for a period of 26 months from 26 July 2011, to increase the share capital, on one or more occasions, at the times and on the terms of its choosing, by incorporation of reserves, profits or premiums, the capitalisation of which is permitted by law or the Company's Articles of Association, followed by the creation and bonus issue of shares or the increase in the par value of existing shares, or a combination of both.

In the event of the distribution of bonus 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 maximum share capital increase that may be carried out under this authorisation may not exceed a nominal amount of €30,000,000, it being specified that this amount shall be deducted from the ceiling provided for in the fifteenth resolution of the Combined Shareholders' Meeting of 27 July 2010 or, as the case may be, the limit provided for in any similar resolution that may supersede said resolution during the term of this authorisation. This amount does not take account of any adjustments required by law and regulation, and, where applicable, contractual provisions providing for other cases of adjustment, to preserve the rights of holders of securities or other rights giving access to the share capital.

Authorisation of the Board of Directors to increase the share capital by issuing shares in the Company and/or marketable securities giving entitlement to the allocation of debt securities, with or without shareholder preferential subscription rights

The fifteenth, sixteenth and seventeenth resolutions of the Combined Shareholders' Meeting of 27 July 2010, in accordance with the provisions of Articles L. 225-129 *et seq.* and L. 225-129 *et seq.* and L. 228-91 *et seq.* of the French Commercial Code, granted the Board of Directors, with the authority to sub-delegate subject to legal and regulatory provisions, the powers required to increase the share capital and to issue, with or without shareholder preferential subscription rights, shares in the Company as well as marketable securities of any kind, giving immediate or future access to the Company's share capital or giving entitlement to the allocation of debt securities, up to a share capital nominal increase ceiling of €30,000,000, common to the fifteenth, sixteenth, seventeenth, eighteenth, nineteenth, twentieth, twenty-first and twenty-third resolutions of said Shareholders' Meeting and the twentieth and twenty-first resolutions of the Combined Shareholders' Meeting of 28 July 2009 and the eighteenth resolution of the Combined Shareholders' Meeting of 16 September 2008. It is specified that this limit does not take account of Company shares to be issued in respect of any adjustments made in accordance with applicable legal and regulatory provisions, and, if applicable, with contractual provisions that provide for other cases of adjustment in order to preserve the rights of the holders of marketable securities and other rights giving access to the share capital. The total nominal amount of debt securities giving access to the share capital or marketable securities giving entitlement to the allocation of debt securities, that the Board of Directors is empowered to issue further to the resolutions of said Extraordinary Shareholders' Meeting, may not exceed €750,000,000. The issue of preference shares and marketable securities giving access immediately or in future to preference shares are excluded from this authorisation.

The Board of Directors may decide to use treasury shares as a replacement for shares to be issued under this resolution.

The issues decided by virtue of this authority must be carried out within a period of 26 months from 27 July 2010.

The fifteenth resolution concerns share issues with the maintenance of shareholders' preferential subscription rights, the sixteenth resolution concerns the issue without preferential subscription rights, by way of a public offering, and the seventeenth resolution permits the same type of issue within the framework of private placements, as referred to in Article L. 411.2 II of the French Monetary and Financial Code.

The Board of Directors may decide to use treasury shares as a replacement for shares to be issued under this resolution.

The upcoming Annual Shareholders' Meeting will be asked to renew these authorisations.

Authorisation of the Board of Directors to issue Company shares as a result of the issue, by controlled companies, of marketable securities giving future access to the Company's share capital or entitlement to the allocation of debt securities

The same Combined Shareholders' Meeting of 27 July 2010, in its seventeenth resolution, in view of the issue of shares and marketable securities giving access to the capital of the Company to which marketable securities that may be issued by companies in which Rémy Cointreau holds directly or indirectly more than 50% of the share capital would give rights, 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 an overall nominal limit of a capital increase of €30,000,000, common to the fifteenth, sixteenth and seventeenth resolution.

In this context, Rémy Cointreau shareholders do not have a preferential subscription right to these marketable securities issued by these companies.

The issues decided by virtue of this authority must be carried out within a period of 26 months from 27 July 2010.

The renewal of this authority will be proposed at the next Annual Shareholders' Meeting.

Authorisation of the Board of Directors to issue shares, securities or various marketable securities and to freely set the issue price

The eighteenth resolution of the Combined Shareholders' Meeting of 27 July 2010 authorised the Board of Directors, within the framework of the sixteenth and seventeenth resolutions, relating to the issue, without shareholder preferential subscription rights, by way of a public offering or offering referred to in Article L. 411.2 II of the French Monetary and Financial Code, to set, in the manner of its choosing, the issue price for any shares and marketable securities giving access to the share capital, within a limit of a maximum of 10%. The eighteenth resolution of the Combined Shareholders' Meeting of 27 July 2010 authorised the Board of Directors to issue all forms of shares and marketable securities giving access to the share capital within a limit of 10% of the share capital and within the limit set by the sixteenth and seventeenth resolutions, and setting a different issue price to that selected for the issues authorised pursuant to the sixteenth and seventeenth resolutions, which may not be less, at the discretion of the Board of Directors, than either (a) the average price weighted by the trading volume over the 20 trading sessions prior to the setting of the issue price or (b) the average price weighted by the trading volume on the trading session prior to the setting of the issue price, in both cases, reduced by a potential 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. The issue of preference shares and marketable securities giving access immediately or in future to preference shares are excluded from this authorisation.

The renewal of this authority will be proposed at the next Annual Shareholders' Meeting.

Authorisation of the Board of Directors to issue shares or marketable securities giving access to the share capital within a limit of 10% of the share capital as consideration for contributions in kind

The seventeenth resolution of the Combined Shareholders' Meeting of 26 July 2011 authorised the Board of Directors, with the authority to sub-delegate to any person permitted by law and where the provisions of Article L. 225-148 of the French Commercial Code do not apply, to issue all types of shares and marketable securities giving access to the share capital (excluding preference shares), within a limit of 10% of the share capital at the time of issue, in consideration for contributions in kind, the 10% limit being deducted from the ceiling set in the sixteenth resolution of the Combined Shareholders' Meeting of 27 July 2010 (or as the case may be deducted from the ceiling provided for in any similar resolution that may supersede said resolution during the term of this authorisation.

This authorisation is valid for a period of 26 months from 26 July 2011.

Authorisation of the Board of Directors to increase the number of securities to be issued in the event of over-subscription

The Combined Shareholders' Meeting of 27 July 2010, in its nineteenth resolution, authorised the Board of Directors, within the framework of authorisations provided by the fifteenth, 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 of the French 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 resolution in application of which the issue is decided.

This authorisation is valid for a period of 26 months from 27 July 2010.

The renewal of this authorisation will be proposed at the next Annual Shareholders' Meeting.

Summary table of current authorisations given to the Board of Directors for the purpose of increasing the share capital

Description of the authorisation	Date of Shareholders' Meeting	Limit of authorisation	Term of authorisation	Use made of authorisation during the financial year
Grant of share subscription options	27 July 2010	Limited to 2% of the share capital	38 months	None
Issue of marketable securities giving access to the share capital with shareholder preferential subscription rights	27 July 2010		26 months	None
Issue of marketable securities giving access to the share capital without shareholder preferential subscription rights	27 July 2010	€30,000,000 (overall nominal amount for these authorisations)	26 months	None
Issue of shares, securities or marketable securities, freely setting the issue price	27 July 2010	Limited to 10% of the share capital	26 months	None
Increase in the number of securities to be issued in the event of over-subscription	27 July 2010	Limited to 15% of each issue up to a maximum of €30,000,000	26 months	None
Allocation of bonus shares	26 July 2011	Limited to 2% of the share capital	38 months	Allocation of 96,500 shares
Capital increase by incorporation of reserves, profits or premiums	26 July 2011	€30,000,000	26 months	€155,680 resulting from the allocation of 97,300 bonus shares
Capital increase in consideration for contributions in kind	26 July 2011	Limited to 10% of the share capital	26 months	None

Non-equity securities

On 5 January 2005, Rémy Cointreau issued seven-year bonds in the amount of €200 million, which were redeemed in full on 30 June 2010.

Furthermore, Rémy Cointreau issued 6.5 -year bonds totalling €205 million on 30 June 2010.

The features of these transactions 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 2012.

Other securities giving access to the share capital

None.

Other convertible bonds

None.

Authorisation to issue securities giving access to the share capital

The Combined Shareholders' Meeting of 24 August 2000 authorised the Board of Directors to grant, on one or more occasions over a period of five years, employees or management of the Company and companies or EIG covered by Article 208-4 of the French Commercial Companies Act (Article L. 225-180 of the French Commercial Code), options giving the right to subscribe for new shares in the Company within a limit of 3% of the share capital of Rémy Cointreau. The Management Board allocated all the corresponding options at its meetings of 1 March 2001 and 8 March 2002. These plans expired on 28 February 2011 and 7 March 2012.

The Combined Shareholders' Meeting of 21 September 2001 authorised the Management Board to grant, on the same terms and conditions as previously, options giving the right to subscribe for new Company shares within a limit of 3% of the share capital of Rémy Cointreau. The Management Board, at its meetings of 8 March 2002 and 16 September 2003, allocated 634,500 options, including 287,000 options to purchase shares in the Company. The share subscription option plan expired on 7 March 2012.

The table of outstanding option plans is included in the special report in respect of options to subscribe for or to purchase shares.

Changes in the share capital over the past five years

Dates	Nature of transaction	Number of shares created (cancelled)	Share capital In €	Premium In €	Cumulative share capital In €	Number of shares in the share capital
31/03/2006	Exercise of share subscription options	702,116	1,123,385.60	15,317,755.73	73,207,643.20	45,754,777
31/03/2006	Conversion of bonds	30,032	48,051.20	598,640.58	73,255,694.40	45,784,809
31/03/2006	Conversion of OCEANE securities	2,262	3,619.20	94,777.80	73,259,313.60	45,787,071
31/03/2006	Cancellation of shares under the sale and repurchase agreement	(280,927)	(449,483.20)	(7,163,638.50)	72,809,830.40	45,506,144
31/03/2007	Exercise of share subscription options	493,658	789,852.80	10,699,185.77	73,599,683.20	45,999,802
13/09/2007	Exercise of share subscription options	117,246	187,593.60	2,700,654.65	73,787,276.80	46,117,048
13/09/2007	Part payment of dividend in shares	142,739	228,382.40	6,822,924.20	74,015,659.20	46,259,787
20/11/2007	Capital increase by deduction from reserves following the allocation of bonus shares	88,000	140,800.00	–	74,156,459.20	46,347,787
31/03/2008	Exercise of share subscription options	211,006	337,609.60	4,755,625.60	74,494,068.80	46,558,793
08/10/2008	Part payment of dividend in shares	673,843	1,078,148.80	20,222,028.43	75,572,217.60	47,232,636
20/11/2008	Exercise of share subscription options	7,290	11,664.00	133,227.60	75,583,881.60	47,239,926
20/11/2008	Capital increase by deduction from reserves following the allocation of bonus shares	89,500	143,200.00	–	75,727,081.60	47,329,426
31/03/2009	Exercise of share subscription options	40,618	64,988.80	624,426.80	75,792,070.40	47,370,044
15/09/2009	Exercise of share subscription options	3,262	5,219.20	34,577.20	75,797,289.60	47,373,306
21/09/2009	Part payment of dividend in shares	980,095	1,568,152.00	21,415,075.75	77,365,441.60	48,353,401
19/11/2009	Capital increase by deduction from reserves following the allocation of bonus shares	86,600	138,560.00	–	77,504,001.60	48,440,001
31/03/2010	Exercise of share subscription options	69,768	111,628.80	1,303,232.73	77,615,630.40	48,509,769
21/09/2010	Part payment of dividend in shares	565,770	905,232.00	20,944,805.40	78,520,862.40	49,075,539
21/09/2010	Exercise of share subscription options	55,450	88,720.00	1,405,575.00	78,609,582.40	49,130,989
23/11/2010	Exercise of share subscription options	36,827	58,923.20	929,428.50	78,668,505.60	49,167,816
23/11/2010	Capital increase by deduction from reserves following the allocation of bonus shares	88,900	142,240.00	–	78,810,745.60	49,256,716
31/03/2011	Exercise of share subscription options	171,686	274,697.60	4,173,919.50	79,085,443.20	49,428,402
20/09/2011	Exercise of share subscription options	49,287	78,859.20	1,153,315.80	79,164,302.40	49,477,689
22/11/2011	Exercise of share subscription options	1,713	2,740.80	40,084.20	79,167,043.20	49,479,402
22/11/2011	Capital increase by deduction from reserves following the allocation of bonus shares	97,300	155,680.00	–	79,322,723.20	49,576,702
31/03/2012	Exercise of share subscription options	52,860	84,576.00	1,236,924.00	79,407,299.20	49,629,562

There was no material change in the share capital ownership structure following the capital increase in consideration for contributions in kind on 19 December 2000 except for First Eagle Investment Management, LLC, which held 5.66% of the share capital and 6.47% of the voting rights at 31 March 2011 and disclosed that it had fallen under the threshold of 1% of voting rights on 6 December 2011.

Furthermore, the acquisition by Orpar on 22 July 2010 of 721,995 Récopart shares, including 421,995 outright and bare ownership of 300,000, gave it a combined direct or indirect interest of 57.39% of the share capital and 69.67% of the voting rights in Rémy Cointreau.

5.1.3 Ownership of share capital and voting rights at 31 March 2012

Voting rights, number of shareholders, details of shareholders holding 1% or more and the nature of their holding, shareholders' agreement, shares held by employees and treasury shares

Shareholders	Position at 31/03/2012			Position at 31/03/2011			Position at 31/03/2010		
	Number of shares	% of share capital	% of voting rights	Number of shares	% of share capital	% of voting rights	Number of shares	% of share capital	% of voting rights
Orpar	21,252,815	42.82	55.01	21,252,815	43.00	52.55	20,901,034	43.09	52.60
Récopart	6,937,889	13.98	18.10	6,937,889	14.04	17.29	6,937,889	14.30	17.07
Andromède	19,640	0.04	0.05	19,640	0.04	0.05	19,314	0.04	0.02
Sub-total	**28,210,344**	**56.84**	**73.16**	**28,210,344**	**57.07**	**69.89**	**27,858,237**	**57.43**	**69.67**
First Eagle Investment Management, LLC[1]	–	–	–	2,797,672	5.66	6.47	4,818,450	9.93	9.76
Fidelity Investments International[1]	–	–	–	2,204,020	4.46	2.82	2,204,314	4.54	2.85
GROUPAMA	1,400,296	2.82	1.00	748,349	1.51	1.00			
Rémy Cointreau (treasury shares)	1,428,653	2.88	–	21,310	0.04	–	14,853	0.03	–
Free float	18,590,269	37.46	26.00	15,446,707	31.25	20.82	13,613,915	28.07	17.70
Total	**49,629,562**	**100.00**	**100.00**	**49,428,402**	**100.00**	**100.00**	**48,509,769**	**100.00**	**100.00**

(1) In a declaration dated 14 December 2011, First Eagle Investment Management, LLC disclosed that it had fallen below the 1% voting rights threshold on 6 December 2011.

A number of shares possess double voting rights. A total of 26,651,372 shares had double voting rights at 31 March 2012. The main shareholders, Orpar and Récopart, hold such rights, as indicated in the above table.

The employee savings plan represents 2.50% of the share capital of Rémy Cointreau. It is the only form of collective shareholding by Rémy Cointreau employees.

The Company had 1,428,653 treasury shares including 7,650 it acquired under the sale and repurchase agreement signed on 24 March 2005 to cover the exercise of share purchase options, and 1,421,003 acquired under the buyback programme established by the Board of Directors pursuant to the authorisation of the Shareholders' Meeting of 26 July 2011. The details of the repurchase programme authorised by the Shareholders' Meeting of 26 July 2011 can be found in the management report.

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 Articles of Association, 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 Board of Directors. As a result, two corporate officers from Orpar, namely Mr François Hériard Dubreuil and Mr Marc Hériard Dubreuil, were appointed as Chairman and Member of the Board of Directors of Récopart, respectively. The purpose of this condition is to ensure consultation on the exercise of voting rights between Récopart and Orpar, so that they apply a common policy as regards Rémy Cointreau;
- in accordance with the terms and conditions of a Memorandum of Understanding dated 21 and 22 July 2010, on 22 July 2010 Orpar acquired 721,995 Récopart shares, including 421,995 outright and 300,000 in bare ownership from Mr Pierre Cointreau and his children, thereby increasing its investment to 61.02% of the share capital and 54.53% of voting rights of Récopart.
- prior to this transaction, Orpar and Récopart were granted an exemption from the requirement to made a public takeover offer under Article 234-9 6 of the General Regulation set out in Decision and Notification 210C0520 published on the website of the AMF on 14 June 2010. The declaration of crossing of thresholds following this exemption was made by letter of 23 July 2010 and published on the website of the AMF in Decision and Notification 210C0694.

On that date, Récopart held 6,937,889 shares and 13,229,478 voting rights in Rémy Cointreau, i.e. 14.30% of the share capital and 17.08% of the voting rights in Rémy Cointreau. On that date, Orpar held 20,901,034 shares and 40,732,231 voting rights of Rémy Cointreau, i.e. 43.09% of the share capital and 52.59% of the voting rights of Rémy Cointreau. As a result, following this acquisition, Orpar directly or indirectly owned a total of 27,838,923 shares and 53,961,709 voting rights in Rémy Cointreau, i.e. 57.39% of the share capital and 69.67% of the voting rights in Rémy Cointreau, and had thus indirectly crossed over the threshold of 50% of the share capital and 66.67% of the voting rights in Rémy Cointreau.

In application of the Memorandum of Understanding and as part of the implementation of the acquisition, Orpar and Mr Pierre Cointreau and his family entered into the following agreements to govern their relationship within Récopart:

- an undertaking to purchase was granted on 21 and 22 July 2010 by Orpar to the Cointreau family, in relation to the remaining Récopart shares held by the Cointreau family. The undertaking to purchase reflects Orpar's commitment to acquire, from members of the Cointreau family and at their request, a maximum of 2,378,005 Récopart shares;
- an undertaking to sell was granted on 21 and 22 July 2010 by the Cointreau family to Orpar, in relation to the remaining Récopart shares held by the Cointreau family. The undertaking to sell reflects the commitment of the members of the Cointreau family to sell to Orpar, at the latter's request, a maximum of 2,378,005 Récopart shares;
- a shareholders' agreement was concluded on 21 and 22 July 2010, for 20 years from the date of signing. The agreement specified that Récopart, in order to streamline the company's structure, would be turned into a simplified limited company (SAS) and that the company Articles of Association would be redrafted accordingly, which was done in July 2011. The agreement also specified the annual dividend distribution policy.

Orpar also benefits from a preferential subscription right on any share transfer, except for certain types of so-called free transfers, it being specified that the preferential subscription right became automatically applicable from the date Récopart was turned into a simplified limited company and the corresponding amending of its Articles of Association.

Lastly, the agreement specifies that in the event Orpar were to receive a bid from a third party buyer for at least 51% of Récopart shares, which it would be prepared to accept, that all shareholders would be compelled to dispose of their shares jointly with Orpar, on the terms and conditions specified in the agreement.

As a result, the shareholders' agreement dated 27 June 2001 was terminated on 22 July 2010.

Furthermore, two so-called "Dutreil pact" retention commitments were concluded in July 2010 between Orpar and Récopart, acting as principals, in relation to 10,400,000 Rémy Cointreau shares, i.e. 21.44% of the share capital of Rémy Cointreau. These agreements include a commitment to retain the Rémy Cointreau shares covered by this agreement for two years.

Two so-called "Dutreil pact" retention commitments were also concluded in December 2010 between Orpar and Récopart, acting as principals, in relation to 10,820,000 Rémy Cointreau shares, i.e. 22% of the share capital of Rémy Cointreau. These agreements include a commitment to retain the Rémy Cointreau shares covered by this agreement for two years.

These agreements were filed with the AMF on 28 July 2010 and a notification published on 30 July 2010 in Decision and Notification 210C0730 published on the website of the AMF.

Shares and voting rights of members of the Board of Directors on 31 March 2012

Directors Individuals	Shares	%	Shares with double voting rights	Voting rights	%
Dominique Hériard Dubreuil	2,617	0.00	2,466	5,083	0.01
François Hériard Dubreuil	106	0.00	100	206	0.00
Marc Hériard Dubreuil	100	0.00	100	200	0.00
Sir Brian Ivory	100	0.00	100	200	0.00
Jean Burelle	104	0.00	100	204	0.00
Jacques-Etienne de T'Serclaes	536	0.00	500	1,036	0.00
Gabriel Hawawini	100	0.00	0	100	0.00
Timothy Jones	100	0.00	0	100	0.00
Patrick Thomas	100	0.00	0	100	0.00
Didier Alix	204	0.00	0	200	0.00
Caroline Bois	102	0.00	0	102	0.00
Laure Hériard Dubreuil	102	0.00	0	102	0.01
Total	**4,267**	**0.00**	**3,366**	**7,633**	**0.01**

Changes to the share capital ownership structure over the past three years

During the course of 2009/2010, 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 bonus 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.

During the course of 2010/2011, the share capital increased by €1,469,812.80 to €79,085,443.20, as a result of the exercise of 263,963 share subscription options, the exercise of the 50% share dividend payment option resulting in the issue of 565,770 shares and the distribution of 88,900 bonus 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. Following the acquisition by Orpar of Récopart shares, on 22 July 2010, Orpar, directly and indirectly, owned 57.39% of the share capital and 69.67% of the voting rights in Rémy Cointreau.

First Eagle Investment Management, LLC (formerly Arnhold and S. Bleichroeder, LLC) held more than 5% 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 and Groupama each held more than 1% of the share capital and less than 1% of the voting rights.

In the financial year 2011/2012, the exercise of 103,850 share subscription options and the allocation of 97,300 bonus shares resulted in the share capital being increased by €321,840 to €79,407,299.20. 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.

Persons controlling the Company and details of their shareholdings

At 31 March 2012, Orpar was 79.97% controlled by Andromède, which is controlled by the Hériard Dubreuil family.

At 31 March 2012, Orpar owned 21,252,815 shares in Rémy Cointreau, representing 42.82% of its share capital, and 41,180,356 voting rights, or 55.01% of the voting rights. Orpar, directly or indirectly, owned shares held by Récopart, representing a total of 56.84% of the share capital and 73.16% of the voting rights in Rémy Cointreau.

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, in particular, 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.

5.1.4 Stock market and shareholding

Shares in Rémy Cointreau are listed on the NYSE Euronext Paris regulated market (ISIN code FR0000130395). Rémy Cointreau is included in the French CACMID 100 index and the European EuroStoxx 100 index.

At 31 March 2012, Rémy Cointreau had a market capitalisation of €3,781,772,624.

Since September 2005, Rémy Cointreau has entrusted a financial institution with the implementation of a liquidity contract that conforms to the AFEI Ethics Charter recognised by the AMF.

Number of shares and volumes traded on Euronext Paris and share price performance over the past eighteen months

	Number of shares traded	Average price In €	High In €	Low In €	Trading volumes In € millions
2010					
December	1,018,054	52.07	54.14	49.62	52.75
2011					
January	2,374,269	52.28	56.15	49.60	124.02
February	1,515,027	50.13	52.40	47.00	75.96
March	1,922,973	51.53	53.34	49.00	98.63
April	1,411,805	54.53	56.52	52.65	76.92
May	982,878	56.29	57.44	54.75	55.28
June	1,567,582	56.48	58.30	54.68	88.68
July	1,637,881	59.62	63.88	55.89	99.01
August	6,440,384	58.89	63.00	52.38	392.10
September	2,045,017	60.22	63.82	51.80	121.89
October	2,141,523	56.62	60.68	48.95	118.86
November	1,752,462	59.23	62.37	56.68	104.83
December	1,463,553	61.16	62.50	59.34	89.56
2012					
January	2,442,961	65.00	68.00	61.50	158.99
February	1,330,808	71.15	73.71	67.13	94.47
March	1,340,847	75.50	77.99	72.92	100.93
April	1,980,635	79.29	85.14	74.16	156.79
May	3,691,818	82.42	86.49	77.60	300.60

5.2 CORPORATE GOVERNANCE

5.2.1 Administrative and management bodies

Principal offices held at present or in the course of the past five years by members of the Board of Directors and management

Administrative and management bodies

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.

Membership of the Board of Directors

Chairman
Mrs Dominique Hériard Dubreuil

French national, 65 years old.

Date first appointed: 7 September 2004.

Date term of office expires: Shareholders' Meeting to consider the financial statements for the year 2014. Professional address: Rémy Cointreau, 21 boulevard Haussmann, 75009 Paris, France.

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. Dominique Hériard Dubreuil is an Officer of the Legion of Honour and a Commander of the National Order of Merit.

Principal appointment outside the Company

Chief Executive Officer and member of the Management Board of Andromède SA.

Other appointments outstanding:

Director of Orpar SA.
Member of the Supervisory Board of Vivendi SA.
Member of the Supervisory Board of Wendel SA.
Chairman of the Supervisory Board of Vinexpo Overseas SAS.
Member of the Supervisory Board of Vinexpo SAS.
Director of AFEP.
Member of the Executive Committee of MEDEF.
Director of INRA.
Director of 2nd Chance Foundation.
Director of Fondation de France
Director of Comité Colbert

Appointments within the Rémy Cointreau Group

Chairman of E. Rémy Martin & Cie
Chairman of Cointreau SASU.
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 appointments (held during the past five years and now terminated)

Managing Director of Andromède SAS.
Director of Baccarat SA.
Director of Botapol Holding BV.
Director of Unipol BV.
Director of Stora Euro Oyj.

Directors

Mr François Hériard Dubreuil

French national, 64 years old.

Date first appointed: 7 September 2004.

Date term of office expires: Shareholders' Meeting to consider the financial statements for the year 2012. Professional address: Orpar, 123 avenue des Champs Elysées, 75008 Paris, France.

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. François Hériard Dubreuil is a member of the INSEAD French Council and Chairman of the INSEAD Foundation.

Principal appointment outside the Company

Chairman and Chief Executive Officer of Orpar SA.

Other appointments

Chairman of the Management Board of Andromède SA.
Representative of Orpar, Chairman of Récopart SAS.
Vice-Chairman and Deputy Managing Director of Oeneo SA.
Chairman of Financière de Nonac SAS.
Chairman of Grande Champagne Patrimoine SAS.
Chairman of the INSEAD foundation.
Director of Dynasty Fine Wines Group Ltd.

Previous functions and appointments (held during the past five years and now terminated)

Chief Executive Officer of Andromède SAS.
Chairman of the Management Board of Récopart.
Director of Shanghai Shenma Winery Co Ltd.
Permanent representative of Grande Champagne Patrimoine.
Chairman of MMI.

Mr Marc Hériard Dubreuil

French nationality, 60 years old.

Date first appointed: 7 September 2004.

Date term of office expires: Shareholders' Meeting to consider the financial statements for the year 2013.

Business address: Orpar, 123 avenue des Champs Elysées, 75008 Paris, France.

Marc Hériard Dubreuil is a graduate of ESSEC and has been a Director of the Company since December 1991, after starting 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 Chief Executive Officer of Oeneo SA.

Other appointments

Chief Executive Officer and member of the Management Board of Andromède SA.
Vice-Chairman, Deputy Managing Director and Director of Orpar SA.
Director of Bull SA.
Member of the Management Committee of Récopart SAS.
Chairman of LVLF SAS.
Chairman of the Supervisory Board of Crescendo Industries SAS.
Director of TC International Limited.

Previous functions and appointments (held during the past five years and now terminated)

Member of the Steering Committee of AUXI-A.
Chief Executive Officer of Andromède SAS.
Member of the Management Board of Récopart SA.
Director of Trinity Concord International Ltd.

Mr Didier Alix

French national, 65 years old.

Date first appointed: 27 July 2010.

Date term of office expires: Shareholders' Meeting to consider the financial statements for the year 2013.

Business address: Société Générale, 17 Cours Valmy, 75886 Paris Cedex, France.

Didier Alix is a graduate of IEP Paris and has a post-graduate degree in economics. He began his career in 1970 at Société Générale where he held various audit and central risk control positions and worked in a number of departments. He was notably a network Manager for France, then Deputy Managing Director for the Retail and Business division. He was appointed Deputy Managing Director in September 2006. He has been an advisor to the Chairman of Société Générale since January 2010.

Principal appointment outside the Company

Advisor to the Chairman of Société Générale.

Other appointments

Chairman of the Supervisory Board of Komercni Banka.
Director of Banque Roumaine de Développement.
Director of SG Private Banking Suisse.
Director of Yves Rocher.
Member of the Supervisory Board of Société Générale Marocaine de Banques.
Director of Crédit du Nord.
Chairman and Chief Executive Officer of Sogébail.
Chairman and Chief Executive Officer of Société Gestion Saint Jean de Passy.
Chairman of the Fondation d'entreprise SG pour la solidarité.
Member of the Supervisory Board of Faiveley Transport.

Previous functions and appointments (held during the past five years and now terminated)

Director of SGBT Luxembourg.
Director of Société Générale de Banques au Cameroun.
Director of Société Générale de Banques au Sénégal.
Director of la Société Générale de Banques en Côte d'Ivoire.
Director of NSGB.
Director of Franfinance.

Ms Caroline Bois

French national, 36 years old.

Date first appointed: 26 July 2011.

Date term of office expires: Shareholders' Meeting to consider the financial statements for the year 2014. Professional address: Kew Gate 3T Limau Garden 466047, Singapore

A graduate of HEC and holder of the MAP masters from INSEAD, Caroline Bois has, since 1998, held various managerial positions in the financial, marketing and IT spheres, at Freelance.com and Dictis in Paris as well as at International SOS in Singapore and in France.

Principal appointment outside the Company

General Manager in Singapore of the shared service centre for administrative functions for the Asia Pacific region within the International SOS Group.

Previous functions and appointments (held during the past five years and now terminated)

None

Mr Jean Burelle

French nationality, 73 years old.

Date first appointed: 3 June 2005.

Date term of office expires: Shareholders' Meeting to consider the financial statements for the year 2013. Professional address: Burelle SA, 1 rue François 1er, 75008 Paris, France.

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. Jean Burelle is a Knight of the Legion of Honour and an 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 Chief Executive Officer of Burelle SA.

Other appointments

Chairman and Chief Executive Officer 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).
Permanent representative of Burelle Participations within the Board of Directors of Sycovest 1.

Previous functions and appointments (held during the past five years and now terminated)

Chairman of Harvard Business School Club de France.
Chairman of Sycovest 1.
Director of Essilor International and Chairman of the Directors' Committee.
Member of the Supervisory Board of EM Lyon (AESCRA).

Mr Gabriel Hawawini

French national, 65 years old.

Date first appointed: 27 July 2006.

Date term of office expires: Shareholders' Meeting to consider the financial statements for the year 2012. Professional address: INSEAD, boulevard de Constance, 77305 Fontainebleau, France

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 is 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 Hawawini has the rank of Knight in the Legion of Honour.

Principal appointment outside the Company

Director of Vivendi Universal.

Other appointments

Director of S&B Industrial Minerals.

Previous functions and appointments (held during the past five years and now terminated)

Chairman of the European Foundation for Management Development Accreditation Commission.
Director of Vivendi Universal.
Director of Cerestar.
Director of Mastrad.
Director of the Indian School of Business.
Director of Accenture (Energy Advisory Board).
Director of the European Foundation for Management Development.

Sir Brian Ivory

British national, 63 years old.

Date first appointed: 7 September 2004.

Date term of office expires: Shareholders' Meeting to consider the financial statements for the year 2014. 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, and is currently Chairman of The Scottish American Investment Company plc and Retec Digitel 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 Arcus European Infrastructure Fund GP LLP.
Chairman of Retec Digital plc.
Chairman of Marathon Asset Management Ltd.
Vice-Chairman of Shawbrook Bank Limited.
Director of Insight Investment Management Ltd.

Previous functions and appointments (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 National Galleries of Scotland.

Mr Timothy Jones

British nationality, 67 years old.

Date first appointed: 31 July 2007.

Date term of office expires: Shareholders' Meeting to consider the financial statements for the year 2013. Professional address: 8 Kirkwick Avenue, Harpenden ASL 2QL, United Kingdom.

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, parent company of Rémy Cointreau SA, since January 2003.

Principal appointment outside the Company

Director of Double Dragon Underwriting Ltd and InnovOx Ltd.

Other appointments

Member of the Royal Society of Chemistry.

Previous functions and appointments (held during the past five years and now terminated)

Deputy Chairman of Education and Learning in Wales.

Ms Laure Hériard Dubreuil

French national, 34 years old.

Date first appointed: 26 July 2011.

Date term of office expires: Shareholders' Meeting to consider the financial statements for the year 2014. Professional address: 1220 Collins Avenue, Miami Beach, FL 33139, US.

A graduate of the Institute of Oriental Languages and Civilisations and of the Fashion Institute of Technology, Ms Laure Hériard Dubreuil has since 2000 held a number of positions within Philipps-Van Heusen in Hong Kong and Gucci in Paris and New York. She set up The Webster store in Miami.

Principal appointment outside the Company

Chairman and Chief Executive Officer of The Webster.

Previous functions and appointments (held during the past five years and now terminated)

None

Other appointments

Chairman of Laure HD Investissements SAS.

Mr Patrick Thomas

French national, 65 years old.

Date first appointed: 16 September 2008.

Date term of office expires: Shareholders' Meeting to consider the financial statements for the year 2014. Professional address: 24 rue du Faubourg Saint Honoré, 75008 Paris, France

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 Chief Executive Officer of Pernod Ricard UK. He was subsequently Chief Executive Officer 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 Company

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, Castille Investissements, Compagnie Hermès de Participations, Full More Group, Grafton Immobilier, Hercia, Herlee, Hermès (China), Hermès Asia Pacific, Hermès Canada, Hermès GB Ltd, Hermès Immobilier Genève, Hermès Korea, Hermès Retail Malaysia, Holding Textile Hermès, Immobilire du 5 rue de Furstenberg, Ateliers de Tissage de Bussières et de Challes, Isamyol 9, Isamyol 16, Isamyol 17, Isamyol18, MotschGeorgeV, SAS Ateliers Nontron, Hermès Intérieur & Design and Hermès Voyageur.

Chairman of the Board of Directors of Hermès Italie, Hermès of Hawai, Hermès of Paris and of Hermtex.

Member of the Supervisory Board of Hermès Prague.

Director of Atelier AS, Boissy Mexico, Boissy Singapore Pte Ltd, Castille Investissements, Compagnie des Cristalleries de Saint-Louis, Créations Métaphores, Full More Group, Herlee, Hermès China, Hermès Asia Pacific, Hermès Australia, Hermès Benelux Nordics, Hermès Canada, Hermès de Paris (Mexico), Hermès GB Ltd, Hermès Grèce, Hermès Iberica, Hermès Immobilier Genève, Hermès Italie, Hermès Japon, Hermès of Hawai, Hermès of Paris (USA), Hermès Monte Carlo, Hermès Retail Malaysia, Hermès Singapore Retail, Hermès South East Asia, Hermtex, John Lobb Japan, Lacoste, La Montre Hermès, Saint-Honoré (Bangkok) and Sipryl Informatique.

Previous functions and appointments (held during the past five years and now terminated)

Member of the Supervisory Board of Neuflize OBC bank.
Chief Executive Officer of Hermès International.
Chairman of Hermès Holding US and Hermès Korea Travel Retail.
Director of Hermès India Retail & Distributors Private Ltd, John Lobb (Hong Kong) Limited, Saint Honoré (Chile) and Wally Yachts.

Mr Jacques-Etienne de T'Serclaes

French national, 65 years old.

Date first appointed: 27 July 2006.

Date term of office expires: Shareholders' Meeting to consider the financial statements for the year 2012. Professional address: 14 rue des Sablons, 75116 Paris, France.

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 Chief Executive Officer.

He is currently founder and Chairman of the charity Agence du Don en Nature (EuroGiki), and Operating Partner at Advent International Global Private Equity. Independent Director and Chairman of the Audit Committee of Altran Technologies. He is also Director of Gifts In Kind International (USA), Banimmo (Belgium) and Altran India.

Principal appointment outside the Company

Operating Partner: Advent International Global Private Equity.

Other appointments

Director of Gifts In Kinds International (USA).
Director of Altran Technologie SA and Altran India (India).
Director of Banimmo (Belgium).

Previous functions and appointments (held during the past five years and now terminated)

Chairman of the Supervisory Board of PricewaterhouseCoopers Audit.
Director of Euro-India Centre

Number of Independent Board members:

Five in the financial year 2011/2012.

At 31 March 2012:

Jean Burelle, Gabriel Hawawini, Patrick Thomas, Jacques-Etienne de T'Serclaes, Didier Alix.

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.

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 French Commercial Code. Jean-Marie Laborde was appointed Chief Executive Officer on 7 September 2004.

Jean-Marie Laborde was reappointed to his position on 27 July 2010 for a period of three years.

Jean-Marie Laborde, a 64 year-old French national, has a masters degree in economics from the University of Bordeaux and an MBA from the Institut Supérieur des Affaires (HEC/ISA). 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. Jean-Marie Laborde is a member of a number of professional organisations. He is a Knight of the Legion of Honour, an Officer of the National Order of Merit and an Officer of the Order of Arts and Humanities.

Principal appointment outside the Company

Director of Finadvance.

Other appointments

Chairman of Rémy Cointreau Services SAS.
Chairman of Mount Gay Distilleries Ltd.
Director of Rémy Cointreau Amérique.
Director of Cointreau Corporation.
Supervisory Director of Rémy Cointreau Nederland Holding NV.
Director of Dynasty Fine Wines Group Ltd.
Director of Rémy Cointreau South Africa Pty Ltd.

Previous functions and appointments (held during the past five years and now terminated)

Director of Maxxium Worldwide BV.
Legal representative of Rémy Cointreau SA, Chairman of RC ONE SAS.
Legal representative of Rémy Cointreau SA, Chairman of Seguin & Cie SAS.

The Chief Executive Officer is assisted by an Executive Committee comprising the following members:

- Jean-François Boueil, Human Resources Director;
- Frédéric Pflanz, Chief Financial Officer;
- Damien Lafaurie, Executive Vice President Global Markets;
- Christian Liabastre, Executive Vice President Brands Strategy and Development;
- Patrick Marchand, Operations Senior Vice President.

No director has been convicted of fraud, been party to a bankruptcy, receivership or liquidation, been charged and/or officially sanctioned, banned by the courts from holding an office or being involved in the running of the company

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;
- no official incrimination and/or public sanction 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 as member of an administrative body 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 relationships

François and Marc Hériard Dubreuil are Dominique Hériard Dubreuil's brothers.

Caroline Bois is the daughter of François Hériard Dubreuil.

Laure Hériard Dubreuil is the daughter of Marc Hériard Dubreuil.

Shareholding in the company

See summary of Company shares held by Directors on page 151.

No 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 management bodies

Neither the Chief Executive Officer nor any member of the Board of Directors is 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 a contract.

Operation of administration and management bodies

The Chief Executive Officer reports to the Board of Directors.

The Board of Directors currently has twelve members. Board members are appointed for three years. The Board is renewed on an annual rolling basis, so that renewal occurs as evenly as possible and the whole Board has been renewed at the end of a three year period.

Any member of the Board of Directors who is over 85 years of age at the beginning of a financial year is deemed to have resigned from office effective at the end of the Annual Shareholders' Meeting called to approve the financial statements for that financial year. However, his/her term of office may be renewed annually, as long as the number of Board members aged 85 or over does not exceed one-third of the number of serving members.

Between 1 April 2011 and 31 March 2012, the Board of Directors met eight times. The average attendance rate was 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 corporate officers trading in the Company's shares.

Board committees

Details of the three committees established by the Board of Directors can be found in the report of the Chairman to the Shareholders' Meeting.

5.2.2 Statutory Auditors: appointments and fees

Current appointments

Statutory Auditors

Practice	Ernst & Young et Autres ½ Place des Saisons 92400 Courbevoie Paris la Défense 1	Auditeurs & Conseils Associés 31 rue Henri Rochefort, 75017 Paris
Represented by	Marie-Laure Delarue	Olivier Juramie
Date first appointed	22/09/1988	26/09/1990
Date appointment renewed	27/07/2006	16/09/2008
Date term of office expires	Shareholders' Meeting to consider the 2011/2012 financial statements	Shareholders' Meeting to consider the 2013/2014 financial statements

Alternate Statutory Auditors

Practice	Auditex ½ Place des Saisons 92400 Courbevoie Paris la Défense 1	Olivier Lelong
Date appointed	27/07/2006	16/09/2008
Date term of office expires	Shareholders' Meeting to consider the 2011/2012 financial statements	Shareholders' Meeting to consider the 2013/2014 financial statements

Fees paid to the Statutory Auditors

€1,108,000 in fees was paid to the Statutory Auditors and members of their network for financial year 2011/2012: These break down as follows:

	Ernst & Young et Autres				Auditeurs & Conseils Associés S.A.			
	Amount		%		Amount		%	
	2012	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Audit								
Auditing of the parent company (separate) and consolidated financial statements	981	1,049	100%	95%	127	115	100%	93%
• Rémy Cointreau SA	246	225			104	92		
• Fully consolidated subsidiaries	735	824			23	23		
Ancillary assignments	–	–	0%	0%	–	8	0%	7%
• Rémy Cointreau SA	–	–			–	8		
• Fully consolidated subsidiaries	–	–			–	–		
Sub-total	**981**	**1,049**	**100%**	**95%**	**127**	**123**	**100%**	**100%**
Other services								
Other services	–	60	0%	5%	–	–	0%	0%
Sub-total	**–**	**60**	**0%**	**5%**	**–**	**–**	**0%**	**0%**
Total	**981**	**1,109**	**100%**	**100%**	**127**	**123**	**100%**	**100%**

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Resolutions presented to the Combined Shareholders' Meeting of 26 July 2012

1. COMMENTS ON THE RESOLUTIONS

Approval of the company and consolidated financial statements

Once you have reviewed its own report and the reports of the Company's Statutory Auditors, your Board of Directors requests that you first approve the company financial statements for the financial year ended 31 March 2012, which show a profit of €240,572,785.96, and then approve the consolidated financial statements drawn up on the same date, which show net income attributable to the owners of the parent of €110,846,000.

Appropriation of 2011/2012 income

Your Board of Directors requests in the third resolution that you approve allocation of the distributable income for the financial year ended 31 March 2012 as follows:

• company profit as of 31 March 2012:	€240,572,784.96
• allocation to the legal reserve	(€179,166.88)
• retained earnings	€9,581,717.03
Total distributable amount	**€249,975,335.11**
• ordinary dividend of €1.30 per share	€64,518,430.60
• extraordinary dividend of €1.00 per share	€49,629,562.00
• retained earnings	€135,827,342.51
Total	**€249,975,335.11**

Both the ordinary and extraordinary dividend amounts, i.e. a total amount of €2.30 per share, including €1.30 distributed as part of the recurrent annual dividend distribution policy, and an exceptional premium of €1.00, will be paid in cash as from 1 October 2012.

According to the terms of Article 117 c I-1 of the French General Tax Code, shareholders who are natural persons residing in France for tax purposes may opt for a fixed income tax withholding rate of 21% of the gross amount received (excluding social security contributions). This option is irrevocable for the payment concerned; it also deprives shareholders of the 40% tax allowance and of the annual fixed-rate allowance specified under Articles 158-3-2 and 158-3-5 of the French General Tax Code, both for this dividend and for other capital distributions received in the same year.

In the event that the Company holds some of its own shares at the payment date, the amount corresponding to the dividends that were not distributed as a result of that holding will be allocated to the "Retained earnings" account.

In accordance with the law, we hereby remind you that the amount of the net dividends for the past three financial years, and the amount of the distributed dividend eligible for the aforementioned tax allowances for shareholders who are tax-resident in France, were as follows:

Financial year ended 31 March	2010/2011	2009/2010	2008/2009
• net dividend per share	€2.30(*)	€1.30	€1.30
• eligible dividend distributed	€2.30(*)	€1.30	€1.30

(*) Including €1.00 as an exceptional dividend.

Scrip dividend payment option

Pursuant to the provisions of Articles L. 232-18 to L. 232-20 of the French Commercial Code, and Article 27 of the Articles of Association, we request that you grant each shareholder the option between receiving the total amount of their dividend, including both the ordinary and extraordinary dividend amounts, i.e. a total amount of €2.30 per share, as a cash or scrip dividend.

The issue price for the new shares that are the subject of this option shall be equal to 90% of the average closing price for the twenty trading sessions prior to the day when the distribution payment decision was taken, less the net amount of the dividend, in accordance with Article L. 232-19 of the French Commercial Code. The Board of Directors shall have the option to round the price determined on this basis up to the nearest euro cent.

Each shareholder shall be able to opt for either one of the dividend payment methods; however, this option shall apply to the total amount, both ordinary and extraordinary, of the dividend for which the option is offered to them. Shareholders who wish to opt for payment of a scrip dividend must make their choice known to their financial intermediary between 3 August 2012 and 5.00 pm on 14 September 2012 at the latest. Once this deadline has expired, the dividend shall only be payable in cash.

If the scrip dividend option is not exercised by 5.00 pm on 14 September 2012 at the latest, both the ordinary and extraordinary dividend amounts shall be paid in cash as from 1 October 2012. If the amount of the dividends to which they are entitled does not correspond to a whole number of shares, shareholders may subscribe either to the next lowest number of shares plus a cash balance, or to the next highest number of shares, in exchange for an additional cash consideration.

The new shares shall be subject to all legal and statutory provisions, and shall rank for dividend from 1 April 2012, which is the beginning of the current financial year.

Lastly, in accordance with Article L. 232-20 of the French Commercial Code, we request that you grant all powers to the Board of Directors to take the necessary measures to implement this scrip dividend distribution, and specifically, to set the issue price of the shares issued under the conditions previously specified, to record the number of shares issued and the capital increase performed, to amend the Company's Articles of Association accordingly, to take all measures to ensure the success of the transaction, and more generally, to do everything that may be appropriate and necessary.

Agreements covered by Article L. 225-38 of the French Commercial Code

We inform you that the Statutory Auditors have been notified of the agreements previously authorised and entered into that remained valid during the financial year, as well as of the agreements authorised during the financial year, for the purpose of preparing their special report. We request that you approve the terms of these agreements. The purpose of the fourth resolution is to approve the agreements covered by Articles L. 225-38 *et seq.* of the French Commercial Code that were entered into or renewed by the Company during the financial year just ended. The new agreements are two assistance agreements between Rémy Cointreau SA and E. Rémy Martin & Cie, and between Rémy Cointreau SA and Cointreau SAS.

Renewal of three Directors' terms of office

As François Hériard Dubreuil, Gabriel Hawawini and Jacques-Etienne de T'Serclaes' terms of office expire at the end of your Shareholders' Meeting, we are asking you to agree to renew them for a period of three years (seventh, eighth, and ninth resolutions). Information regarding these directors is provided in this annual report.

Renewal of a Statutory Auditor's term of office

As the term of office of one of the Statutory Auditors, namely Ernst & Young et Autres, expires at the end of your Shareholders' Meeting, we are putting forward the following resolution (tenth resolution) for your approval:

Renewal of Ernst & Young et Autres' term of office as Statutory Auditor for a period of six years, until the Shareholders' Meeting held to approve the financial statements for the year ended 31 March 2018. The signatory partner for Ernst & Young et Autres will be Pierre Bidart.

As the term of office of an Alternate Statutory Auditor is also expiring, we request in the eleventh resolution that you also renew the appointment of Auditex, based at 1-2 place des Saisons - 92400 Courbevoie - Paris - La Défense 1, for a period of six years, until the Shareholders' Meeting held to approve the financial statements for the year ended 31 March 2018.

Information regarding the Statutory Auditors' fees and their selection process

We inform you that the fees received by Ernst & Young et Autres and by members of their network for the 2012 financial year amounted to €981,000. These fees break down as follows:

Services relating directly to the statutory audit assignment	981
Other services	–
Total	**981**

The proposals for the composition of the Statutory Auditors' panel are the result of a selection process conducted by the Audit and Finance Committee. At its meeting of 20 March 2012, the Board of Directors decided, on the recommendation of the Audit and Finance Committee, to request that the Shareholders' Meeting renew Ernst & Young et Autres' appointment, after noting the high quality of the services provided by the Statutory Auditors.

Directors' fees

We request that you set the amount of the directors' fees allocated to Board Members for the 2012/2013 financial year at €378,000. This amount, which remains similar to the amount for the prior financial year, is in line with the practices followed by several French groups with global operations that are similar to us in size.

Purchase and sale of its own shares by the Company

We request that you authorise the Board of Directors to purchase shares in the Company, up to a maximum amount of 10% of the share capital outstanding on the date such purchases are performed, for a maximum period of eighteen months as from the date of this Shareholders' Meeting. For indicative purposes, that amount corresponds to a maximum number of 3,526,512 shares based on the current share capital, including treasury shares held by the Company as of 31 March 2012, the sale of shares with a repurchase agreement and the purchase of share purchase options.

Since Decree No. 2009-105 of 30 January 2009, which specifically relates to share buybacks where the shares are bought back in order to improve liquidity, the number of shares taken into account to calculate the 10% limit corresponds to the number of shares purchased after deduction of the number of shares resold during the authorisation period.

The purpose of the buyback programme is to enable the following transactions to be performed, in decreasing order of priority:

- to ensure liquidity or promote trading in the secondary market in Rémy Cointreau shares via an investment services provider, under the terms of a liquidity contract that complies with the Ethics Charter recognised by the AMF. We remind you that your Company has entrusted Rothschild & Cie Banque with such a liquidity agreement since 15 November 2005, for a period of one year, renewable by tacit agreement;
- to cancel shares as part of a capital decrease, subject to the adoption of the fifteenth resolution submitted to this Shareholders' Meeting;
- to cover obligations in respect of marketable securities giving access to share capital;
- to grant shares in accordance with the terms and conditions provided by law, notably as part of a profit-sharing plan, to cover share purchase options, as part of a company savings plan or to be used to grant bonus shares to employees and/or authorised executives of the Company and/or companies related to it within the meaning of Articles L. 225-197-1 *et seq.* of the French Commercial Code;

- to purchase shares and retain them to be used subsequently in exchange or payment for acquisitions, in accordance with market practices permitted by the AMF and within the limits prescribed by law;
- to perform any market practices permitted by the AMF and, more generally, carry out all transactions in compliance with the regulations in force.

The purchase of these shares, together with their sale or transfer, may be performed under legal and regulatory conditions at any time, including during a public takeover offer involving the Company's shares, or during a public takeover offer instigated by the Company, subject to the closed periods specified in Article 631-6 of the AMF's General Regulations, or to other legal or regulatory provisions, or by any means, and via the use of any derivative financial instruments, except for the sale of call options, and inasmuch as the last means do not contribute to a significant increase in the volatility of the share price. The maximum portion of the share capital acquired or transferred in the form of block transactions may amount to 100% of the authorised share buyback programme. Payment may be made by any means.

We request that you set the maximum purchase price per share at €150, excluding transaction expenses. The maximum amount that the Company would therefore be likely to pay would amount to €528,976,800, excluding trading fees.

The Board of Directors shall inform shareholders of the transactions performed in its annual management report, in accordance with the provisions of Article L. 255-211 of the French Commercial Code.

We remind you that the Company sold and repurchased 602,430 shares during the 2004/2005 financial year. In order to hedge its share purchase plans in full, and to manage part of the dilution relating to the exercise of one of the share subscription option plans, a resolutive clause was attached to that sale. The transaction was finalised via the Company's purchase of 224,497 call options from Barclays Capital Securities Ltd on 24 March 2005. The overall transaction enables Rémy Cointreau to cover the exercise of a maximum number of 826,927 share subscription or purchase options.

As a result, Rémy Cointreau bought back 280,927 shares from Barclays Capital Securities Ltd on 1 March 2006, in order to limit the dilutive effect of a share subscription option scheme. Pursuant to the delegation of powers granted by your Extraordinary Shareholders' Meeting of 28 July 2005 in its fifteenth resolution, the Board of Directors' Meeting of 28 April 2006 decided to decrease the share capital by cancelling those 280,927 shares, in accordance with the terms of the aforementioned sale and repurchase agreement.

During the 2007/2008 financial year, Rémy Cointreau bought back 75,000 shares from Barclays Capital Securities Ltd, at a price of €27.67, i.e. for a total amount of €2,075,250. This buyback enabled the Company to cover the exercise of 70,295 share purchase options arising from the 16 September 2003 plan, i.e. involving a total amount of €1,945,062.65.

During the 2008/2009 financial year, Rémy Cointreau bought back 33,000 shares from Barclays Capital Securities Ltd, including 15,000 shares at a price of €27.67 and 18,000 shares at a price of €28.07, i.e. for a total amount of €920,310. This buyback enabled the Company to cover in full the exercise of 20,500 share purchase options arising from the 16 September 2003 and 24 December 2004 plans.

No shares were bought back from Barclays Capital Securities Ltd during the 2009/2010 financial year. 4,605 shares purchased during the previous financial year were used to cover the exercise of share purchase options arising from the 16 September 2003 and 24 December 2004 plans. Information regarding the use of the buyback programme during the financial year just ended is provided in the Board of Directors' management report presented to your Shareholders' Meeting.

During the 2010/2011 financial year, Rémy Cointreau bought back 118,500 shares from Barclays Capital Securities Ltd, including 56,500 shares at a price of €27.67, and 72,000 shares at a price of €28.07, i.e. for a total amount of €3,584,395. This buyback enabled the Company to cover in full the exercise of 119,790 share purchase options arising from the 16 September 2003 and 24 December 2004 plans.

During the 2011/2012 financial year, Rémy Cointreau bought back 208,440 shares from Barclays Capital Securities Ltd, including 96,940 in connection with the 16 September 2003 plan, and 111,500 shares in connection with the 24 December 2004 plan, for a total amount of €5,756,062. Given the remaining share balance held as of 31 March 2011, this buyback enabled the exercise of 222,100 share purchase options arising from those plans to be covered.

Furthermore, the Company purchased 1,421,003 shares as part of the implementation of the remit entrusted to an investment services provider, in accordance with the decision of the Board of Directors' meeting of 22 November 2011, which was taken pursuant to the thirteenth and fifteenth resolutions approved by the Shareholders' Meeting of 26 July 2011.

As of 31 March 2012, the number of shares held by the Company amounted to 1,428,653, including 650 shares earmarked for covering the exercise of share purchase options arising from the 16 September 2003 plan, 7,000 shares earmarked to meet the options arising from the 24 December 2004 plan, and 1,421,003 shares in connection with the buyback implemented by the Board of Directors' meeting of 22 November 2011.

This authorisation cancels the authorisation granted by the Ordinary Session of the Combined Shareholders' Meeting of 26 July 2011 in its thirteenth resolution, in respect of the amounts unused to date.

Authorisation to decrease the capital via the cancellation of treasury shares held by the Company

The resolution presented to you relates to your Board of Directors having the ability to cancel shares that may be purchased by the Company, pursuant to the authorisation that your Shareholders' Meeting may grant them in the thirteenth resolution, or shares that may have been purchased pursuant to former authorisations to purchase and sell treasury shares, in accordance with Article L. 225-209 of the French Commercial Code.

The purpose of this resolution is to enable the Board of Directors to decrease the share capital as a result of this cancellation. This transaction may not involve more than 10% of the share capital in each twenty-four month period, in accordance with the law.

The authorisation involved is for a maximum period of eighteen months, and expires following the Shareholders' Meeting convened to approve the financial statements for the next financial year. This authorisation therefore renews the fifteenth resolution adopted at your Shareholders' Meeting of 26 July 2011.

Delegation of authority to the Board of Directors to decide to increase the share capital via the issue, with or without waiver of shareholders’ preferential subscription rights, of shares in the Company and/or of marketable securities giving access to the Company’s share capital, and/or the issue of marketable securities granting entitlement to the allocation of debt securities

The extraordinary session of the Rémy Cointreau Shareholders’ Meeting of 27 July 2010 granted the Board of Directors authorisations aimed at allowing your Company to access the financial markets through the issue of marketable securities giving access to share capital or granting entitlement to the allocation of debt securities, with or without waiver of preferential subscription rights, for a period of twenty-six months.

The Company has not made use of this delegation to date.

You are requested to renew these authorisations in order to enable the Group to dispose of the financial means required for its development as soon as possible at all times, by making use of the instruments that are most appropriate for the market situation.

In accordance with Articles L. 225-19 *et seq.* and L. 228-91 *et seq.* of the French Commercial Code, we are asking your Shareholders’ Meeting to grant the Board of Directors a new delegation of authority for a period of 26 months as from the date of said Shareholders’ Meeting. This delegation, which is the subject of the sixteenth, seventeenth, and eighteenth resolutions will enable the Board of Directors to decide to increase the share capital and to issue shares in the Company, with or without preferential subscription rights, as well as any marketable securities of any kind that give immediate and/or future access to the Company’s share capital, or that grant entitlement to the allocation of debt securities, up to a nominal capital increase ceiling of €30,000,000.

This authorisation excludes issues of preference shares and of marketable securities giving immediate or future access to preference shares.

a) Issues with preferential subscription rights (sixteenth resolution)

The sixteenth resolution concerns issues that maintain your preferential right to subscribe to shares in the Company, or to marketable securities giving access to Rémy Cointreau’s share capital, or the issue of marketable securities giving access to the allocation of debt securities. This resolution will replace the similar authorisation that maintained shareholders’ preferential subscription rights resulting from the fifteenth resolution of the Combined Shareholders’ Meeting of 27 July 2010.

In the event that marketable securities giving future access to share capital are issued, regardless of whether they are issued via conversion, exchange, redemption, the tender of a warrant, a combination of these means, or via any other method, your decision would entail shareholders waiving their preferential right to subscribe to the shares or marketable securities giving access to share capital to which these marketable securities entitle them, in favour of the holders of those securities.

The authority delegated by the Shareholders’ Meeting would therefore grant the Board of Directors the ability to decide to issue shares in the Company, together with any category of marketable securities giving access to share capital up to a maximum nominal capital increase amount of €30,000,000 for a period of twenty-six months. It is, however, specified that (i) the nominal amount of any capital increase resulting, or likely to result in future from issues decided pursuant to the seventeenth, eighteenth, nineteenth, twentieth and twenty-first resolutions of this Shareholders’ Meeting, as well as from the seventeenth and eighteenth resolutions of the Combined Shareholders’ Meeting of 26 July 2011, shall be deducted from this ceiling, and that (ii) this ceiling has been determined without taking into account shares in the Company to be issued in connection with the adjustments likely to be made in accordance with the applicable legal and regulatory provisions, and where applicable, with contractual clauses that provide for other cases of adjustment, in order to protect the rights of holders of marketable securities or of other rights giving access to share capital.

Regardless of whether they involve marketable securities representing debt securities giving access to share capital, or marketable securities granting entitlement to the allocation of debt securities, the maximum overall amount of the marketable securities representing debt securities that may be issued on the basis of the fifteenth resolution shall not exceed €750,000,000. The amount of the marketable securities that are issued pursuant to the delegations of authority granted to the Board of Directors by this Shareholders’ Meeting shall be deducted from that amount.

In accordance with the provisions of Article L. 225-210 of the French Commercial Code, this Shareholders’ Meeting is requested to decide that the preferential subscription rights attached to treasury shares shall not be taken into account when determining the preferential subscription rights attached to the other shares.

On this basis, we are proposing that the Board of Directors, which has the authority to sub-delegate subject to legal conditions, shall have all powers to implement this delegation of authority, together with the powers to suspend it, where applicable, and specifically to decide, depending on market conditions, on the subscription price (with or without an issue premium), and on the conditions and specific features of the issues, to set the amounts to be issued, to determine the issuance procedures and the form of the marketable securities to be created, to set the dividend entitlement date for the securities to be issued, even if it is retroactive, and the conditions for their buyback, to determine and make any adjustments required in accordance with the legal and regulatory provisions, and where applicable, with the contractual clauses, to take any measures aimed at preserving the rights of holders of marketable securities giving access to share capital, potentially to suspend the exercise of the rights attached to these marketable securities for a period determined in accordance with the legal and regulatory provisions, and generally to take all appropriate measures, accomplish the formalities required, and to enter into all agreements to ensure the success of the planned issues, to ask for their listing, where applicable, to acknowledge their completion, and to make any amendments to the Articles of Association rendered necessary by the use of this delegation, and all in accordance with the laws and regulations in force.

You are also requested to allow your Board of Directors to establish revocable subscription rights for the benefit of shareholders, and to decide to limit that right to the amount of the subscriptions received in each case, in the order that it shall determine, and under the conditions provided for in law, if the subscriptions did not cover the full issue, or to allocate all or part of the unsubscribed securities at its discretion, or to offer them to the public, in whole or in part. You are requested to decide that issues of warrants for shares in the Company may be performed not only via a subscription offer, but also via their free allocation to holders of existing shares. You are also being asked to allow your Board of Directors to use treasury shares as a substitute for shares to be issued under this delegation of authority.

b) Issues without preferential subscription rights (seventeenth and eighteenth resolutions)

The aim of these delegations of authority is the early renewal of the delegations granted to the Board of Directors to seize the opportunities offered by the financial markets, in order to gather the financial means required for your Company's development quickly.

The authorisations granted by the sixteenth and seventeenth resolutions of the Combined Shareholders' Meeting of 27 July 2010 specifically provided for the issue of marketable securities in France, abroad and/or on the international markets, by waiving shareholders' preferential subscription rights via a public offer or via a private placement, primarily with investors. The Company has not made use of this authorisation to date.

In accordance with the AMF's recommendation on this subject, and in order to grant shareholders a separate vote, the seventeenth resolution requests that you grant the Board of Directors the authority to decide whether to increase the share capital and to issue shares in the Company with no preferential subscription rights for shareholders, together with any marketable securities, of any kind, giving access to the share capital or granting entitlement to the allocation of debt securities, except for preference shares and marketable securities giving immediate or future access to preference shares, via a public offer, with waiver of preferential rights. Meanwhile the eighteenth resolution requests that you grant the Board of Directors the powers to decide on the same kind of issue, as part of a private placement listed in Section II of Article L. 411-2 of the French Monetary and Financial Code, for the categories of individuals listed In Section II of Article L. 411-2 of the French Monetary and Financial Code, namely (i) individuals providing a portfolio management investment service on behalf of third parties, and/or (ii) qualified investors and/or a restricted circle of investors, as long as those investors are acting on their own account.

At the Shareholders' Meeting, you will hear the Statutory Auditors' special reports read out. They will give you their opinion on these issue authorisations.

i) Issues via a public offer (seventeenth resolution)

In the interest of the Company and its shareholders, your Board of Directors may be led to issue shares without shareholders being able to exercise their preferential subscription rights, in order to seize the opportunities offered by the financial markets under certain circumstances.

This waiver of preferential subscription rights is justified by the need to shorten deadlines, under some circumstances, in order to make it easier to place the marketable securities issued, particularly on the international markets.

Your Board of Directors therefore asks you to grant it the authority to decide to increase the share capital, and to issue shares in the Company, together with any marketable securities of any kind giving access to the Company's share capital or granting entitlement to the allocation of debt securities, with no preferential subscription rights for shareholders, as provided for in the sixteenth resolution, up to the overall ceiling specified therein, i.e. €30,000,000, an amount that is common to both resolutions, for the same period of 26 months from the date of this Shareholders' Meeting. It is, however, specified that (i) the nominal amount of any capital increase resulting, or likely to result in future from issues decided pursuant to the eighteenth, nineteenth, twentieth and twenty-first resolutions of this Shareholders' Meeting, as well as from the seventeenth and eighteenth resolutions of the Combined Shareholders' Meeting of 26 July 2011, and from the twentieth resolution of the Combined Shareholders' Meeting of 27 July 2010 shall be deducted from this ceiling, that (ii) this amount shall be deducted from the overall nominal ceiling provided for in the fifteenth resolution of this Shareholders' Meeting, and that (iii) this ceiling has been determined without taking into account shares in the Company to be issued in connection with the adjustments likely to be made in accordance with the applicable legal and regulatory provisions, and where applicable, with contractual clauses that provide for other cases of adjustment, in order to preserve the rights of holders of marketable securities or of other rights giving access to share capital.

This authorisation excludes issues of preference shares and of marketable securities giving immediate or future access to preference shares.

In the context of this resolution, you are requested to waive shareholders' preferential rights to subscribe to the shares and marketable securities to be issued under this resolution.

In addition, this vote, like the vote on the sixteenth resolution, would entail that shareholders waive their preferential rights to subscribe to the shares or marketable securities giving access to share capital to which those marketable securities entitle them, in favour of the holders of the marketable securities giving access to share capital.

The overall nominal amount of the marketable securities representing debt securities that may be issued on the basis of the sixteenth resolution shall not exceed €750,000,000, and shall be deducted from the nominal ceiling for the marketable securities representing debt securities that may be issued in accordance with the fifteenth resolution of this Shareholders' Meeting.

In the context of this delegation, the issue price is expected to be at least equal to the minimum amount provided for by the laws and regulations in force at the time this delegation is applied, after adjusting that amount in order to take account of the different dividend entitlement date, if necessary.

For marketable securities giving access to shares, the issue price is expected to be set based on that same amount, after making any adjustments required to take account of the different dividend entitlement date, if necessary.

As the regulations currently stand, the issue price for new shares with no preferential subscription rights as part of a public offer by a Company whose shares are admitted for trading on a regulated market cannot be lower than the weighted average price for the last three trading sessions prior to the setting of the price, less a potential maximum discount of 5%.

On this basis, your Shareholders' Meeting is requested to grant your Board of Directors, which has the authority to sub-delegate subject to legal provisions, the authority to decide whether to issue shares and/or marketable securities giving access to share capital, in one or more instalments, or to allocate debt securities via a public offering, and to decide on the conditions and procedures for each issue, as set out in this report with regard to the fifteenth resolution. In addition, you are requested to allow your Board of Directors to use treasury shares as a replacement for shares to be issued under this authorisation.

The Board of Directors nonetheless requests you to authorise it to organise a non-negotiable priority subscription right for the benefit of shareholders, dependent upon circumstances and shareholders' approval, for a minimum period of three trading days, in accordance with the regulations in force, and which may be reduced if necessary. The Board of Directors shall determine the conditions for exercising this subscription right.

You are also requested to grant the Board of Directors the authority to decide whether to issue shares or marketable securities giving access to share capital, with waiver of preferential subscription rights, in consideration for the securities contributed to any public takeover offer launched by the Company for securities in any company whose shares are admitted for trading on one of the regulated markets listed in Article L. 225-148 of the French Commercial Code, including any marketable securities issued by Rémy Cointreau, as well as to decide whether to issue shares and marketable securities representing a portion of Rémy Cointreau's capital, to which the marketable securities issued by companies in which Rémy Cointreau owns at least 50% of the share capital, either directly or indirectly, would grant entitlement.

The same nominal capital increase ceiling of €30,000,000 would apply to these issues.

ii) Issues without preferential subscription rights, via an offering listed in Section II of Article L. 411-2 of the French Financial and Monetary Code (eighteenth resolution)

In addition to the seventeenth resolution, and in order to allow shareholders a separate vote, the eighteenth resolution requests you to grant your Board of Directors the authority to decide whether to increase the share capital, and to issue shares in the Company, as well as any marketable securities of any kind giving access to the Company's share capital or granting entitlement to the allocation of the debt securities provided for in the seventeenth resolution, with no preferential subscription rights for shareholders, up to the overall ceiling provided for in that resolution, i.e. €30,000,000, which is common to both resolutions, for the same period of 26 months as from the date of this Shareholders' Meeting.

The overall nominal amount of marketable securities representing debt securities that may be issued based on the eighteenth resolution shall not exceed 750,000,000, and shall be deducted from the nominal ceiling for marketable securities representing debt securities that may be issued in compliance with the seventeenth resolution of this Shareholders' Meeting.

These issues will occur in the context of an offering via a private placing listed in Section II of Article L. 411-2 of the French Monetary and Financial Code. These transactions would be intended solely for the categories of persons listed in Section II of Article L. 411-2 of the French Monetary and Financial Code, namely (i) persons providing a portfolio management investment service on behalf of third parties and/or (ii) qualified investors and/or a restricted circle of investors, as long as those investors are acting on their own account.

We would add that a qualified investor is an individual who or an entity that has the necessary skills and resources to understand the risks inherent to transactions in financial instruments. The list of these qualified investors is determined by the regulations. A restricted circle of investors consists of individuals other than qualified investors, who amount to less than 100 in number.

The proposed delegation would not increase the total amount of capital increases likely to be performed with waiver of preferential subscription rights, since the issues performed under this delegation would be deducted from the ceiling of the sixteenth resolution.

The nominal amount of capital increases performed in the context of an offering listed in Section II of Article L. 411-2 of the French Monetary and Financial Code cannot in any event be higher than 20% of the share capital in each year.

In the context of this delegation, the issue price is expected to be at least equal to the minimum amount provided for by the laws and regulations in force at the time this delegation is applied, after adjusting that amount in order to take account of the different dividend entitlement date, if necessary.

For marketable securities giving access to shares, the issue price is expected to be set based on that same amount, after making any adjustments required to take account of the different dividend entitlement date, if necessary.

As the regulations currently stand, the issue price for new shares as part an offering with no preferential subscription rights listed in Section II of Article L. 411-2 of the French Monetary and Financial Code, performed by a Company whose shares are admitted for trading on a regulated market, cannot be lower than the weighted average price for the last three trading sessions prior to the setting of the price, less a potential maximum discount of 5%.

The waiver of the preferential subscription rights is justified by the need in some circumstances to shorten deadlines in order to make placing the marketable securities issued easier, particularly on the international market. Your Board of Directors would therefore like to have the means enabling it to gather the financial resources required for the development of your Company quickly and in a flexible manner, via a private placement, where applicable.

You are also being asked to grant your Board of Directors the authority to decide whether to issue shares and marketable securities representing a portion of Rémy Cointreau's capital, to which marketable securities issued by companies in which Rémy Cointreau owns at least 50% of the share capital, either directly or indirectly, would grant entitlement, within the limit of an overall nominal capital increase amount of €30,000,000. It is specified, however, that this amount would be deducted from the maximum overall ceiling determined in this Shareholders' Meeting's sixteenth resolution.

In the event that the Board of Directors uses the sixteenth and/or the seventeenth and/or the eighteenth delegations referred to above, in accordance with the regulations in force, the additional reports on the final conditions of the transactions shall be made available to you, and then presented at the Annual Shareholders' Meeting.

Lastly, you are being asked to grant all powers to the Board of Directors to make the amendments to the Articles of Association rendered necessary by the use of these authorisations, and to enable it to charge the expenses resulting from the capital increases performed to the additional paid-in capital relating to these transactions.

Delegation of authority to the Board of Directors to set the issue price of securities to be issued under the seventeenth and eighteenth resolutions, with waiver of shareholders' preferential subscription rights, up to a limit of 10% of the capital in each year

Article L. 226-136-1 of the French Commercial Code specifies that, in the event of an issue with waiver of preferential subscription rights via a public offering, or via an offering referred to in Section II of Article L. 411-2 of the French Monetary and Financial Code, the Extraordinary Shareholders' Meeting may authorise the Board of Directors to set the issue price in accordance with the terms that it shall determine, up to a limit of 10% of the share capital in each year.

The resolution that you are requested to vote on proposes to renew the authorisation granted in the eighteenth resolution of the Combined Shareholders' Meeting of 27 July 2010.

The proposed resolution includes two minimum price rules, at the discretion of the Board of Directors, while offering the option of a maximum 10% discount.

Furthermore, the authorisation thus granted to the Board of Directors to set the issue price for any issue performed in accordance with the conditions determined in the nineteenth resolution, via a public offering under the seventeenth resolution or via an offering listed in Section II of Article L. 411-2 of the French Monetary and Financial Code under the eighteenth resolution, shall be exercised within the overall limit of 10% of the share capital in each year.

In such an event, your Board of Directors shall be required to draw up an additional report, certified by the Statutory Auditors, which describes the conditions for the transaction and provides data enabling shareholders to assess the effective impact on their position.

This authorisation excludes issues of preference shares and of marketable securities giving immediate or future access to preference shares.

Authorisation enabling the Board of Directors to increase the number of securities to be issued in the event of an issue with or without preferential subscription rights

The aim of the proposed resolution is to authorise the Board of Directors to increase the number of securities to be issued in the event of an issue with or without preferential subscription rights, primarily in the event of excess demand.

This resolution may be used for each of the issues decided pursuant to the aforementioned delegations, in order to increase the number of securities to be issued subject to legal provisions, and subject to compliance with the ceiling specified in the resolution pursuant to which the issue has been decided.

As the regulations currently stand, the implementation of this delegation should occur within thirty days at the latest of the closure of subscriptions for the initial issue, up to a limit of 15% of the initial issue, and at the same price as the one selected for the initial issue.

Authorisation to increase the share capital via the issue of shares reserved for members of an employee savings scheme

Since the Law of 19 February 2001 regarding employee savings, the Extraordinary Shareholders' Meeting has been required, at the time when any decision to increase the capital is taken, to rule on a draft resolution regarding the issue of shares reserved for employees who are members of an employee savings scheme (PEE).

This obligation, which is of a very non-specific nature, has applied to all joint-stock companies, regardless of whether they have an employee savings scheme, and to any decision regarding a cash capital increase, including a deferred increase, since the French Financial Security Act of 1 August 2003. Furthermore, the Law of 9 December 2004, which ratified the Decree of 24 June 2004 on the reform of marketable securities, specifies that when an Extraordinary Shareholders' Meeting authorises the Board of Directors to decide on a capital increase, it must also rule on a draft resolution intended to perform a capital increase for the benefit of the employees (Article L. 225 129-6 of the French Commercial Code). This stipulation therefore avoids convening an Extraordinary Shareholders' Meeting to rule on such a resolution each time that the Board of Directors decides to increase the capital.

Act No. 2011-525 of 17 May 2011 amended Article L. 225 129-6 of the French Commercial Code, so as to specify that the Shareholders' Meeting must rule on such a resolution "where the company has employees".

The Company has no employees, and therefore no employee savings scheme, nor is there a Group employee savings scheme. In this respect, the Company is not included in the scope of application of such an obligation in strictly legal terms. However, in the absence of any official interpretation of such a provision specifically at the level of the company concerned (the parent company) rather than from a consolidated standpoint, and given the severity of the sanctions that apply to non-compliance with such an obligation, we are required to present this resolution to you, while asking you to reject it at the same time, as at the Combined Shareholders' Meeting of 26 July 2011, on the grounds that it cannot apply in our Company's case.

Furthermore, Paragraph 2 of Article L. 225-129-6 of the French Commercial Code also specifies that a Shareholders' Meeting should rule on such a draft resolution every three years (the timeframe is extended to five years where the meeting has ruled on a draft resolution under Sub-paragraph 1 of Article L. 225-129-6 of the French Commercial Code since Act No. 2012-387 of 22 March 2012), where the management report makes it clear that the shares held by employees of the company and of related companies, according to the meaning of Article L. 225-180 amount to less than 3% of the company's capital.

In order to ensure that the authorisations and delegations granted to the Board of Directors to issue shares and various marketable securities giving access to share capital remain fully valid, and to fulfil the requirements of the second sub-paragraph of Article L. 225-129-6 of the French Commercial Code, we are therefore required to present this resolution, which is the result of a non-specific legal obligation, to you, while asking you, as at the Combined Shareholders' Meeting of 26 July 2011, to reject it at the same time, on the grounds that it cannot apply in our Company's case.

Authorisation to decrease the share capital

In its twenty-second resolution, the Combined Shareholders' Meeting of 27 July 2010 had authorised the Board of Directors to reduce the share capital by an amount equivalent to 30% of the share capital for a period of three years, and at a maximum buyback price of €60 per share. We inform you that the Board of Directors has not made use of this delegation. This authorisation expires on 27 July 2013; you are requested to renew it in advance through the twenty-second resolution, with a maximum buyback price of €150 per share, in order to reflect the trend in the Company's share price.

Pursuant to Article L. 225-204 of the French Commercial Code, you are requested to authorise the Board of Directors to decrease the capital in one or more instalments, up to a maximum amount equivalent to 30% of the capital outstanding on the day of the Shareholders' Meeting, via the cancellation of shares in the Company with a par value of €1.60 each, bought back by the Company in the corresponding amount. The maximum buyback price is set at €150 per share. This authorisation would be granted for a period of three years as from this Shareholders' Meeting.

Authorisation granted to the Board of Directors in the event of a public takeover offer targeting the Company's securities

Since Act No. 2006-387 of 31 March 2006, which implemented the European Community Directive on public takeover offers, the principle in the event of a public takeover offer is the one set out in Article L. 233-32 of the French Commercial Code, namely the suspension of any delegation granted by the Shareholders' Meeting before the public takeover offer period, where implementation of that delegation is likely to result in the takeover being unsuccessful, except in respect of seeking of other offers. This principle corresponds to the transposal into French law of the principle whereby directors are required to remain impartial during the public takeover offer period, as set out in Article 9 of the European Community Directive on public takeover offers.

The exception to this principle is specified in Article L. 233-33 of the French Commercial Code, which is the article expressly referred to in the resolution that is being presented to you, whenever the delegation granted to the Board of Directors was given within an eighteen-month period prior to the date when the public takeover offer was filed.

Article L. 233-33 of the French Commercial Code applies - i.e. it sets aside the provisions of Article L. 233-32 - in the event of a public takeover offer launched by an entity whose registered offices are in a European Community Member State that has not made the directors' duty to remain impartial during the public takeover offer period compulsory, as in the case of a takeover offer launched by an entity whose registered offices are outside the European Community, in a country that does not apply any measures equivalent to the requirement on directors to remain impartial.

Your Extraordinary Shareholders' Meeting of 26 July 2011 granted your Board of Directors such an authorisation in its twentieth resolution. The request that is now being submitted to you therefore amounts to a renewal of this authorisation.

Amendment of Article 20 of the Articles of Association

We request that you amend Article 20 of the Articles of Association, in order to take into account the new provisions of Article L. 225-39 of the French Commercial Code, as amended by Act No. 2011-525 of 17 May 2011.

Act No. 2011-525 of 17 May 2011 amended the treatment of current agreements entered into under normal conditions. Prior to this act, current agreements entered into under normal conditions were disclosed to the Chairman of the Board of Directors by the interested party, except when their purpose or their financial implications meant that they were not material for any of the parties, while a list of these agreements, and their purpose were disclosed to the members of the Board of Directors and to the Statutory Auditors by the Chairman. This situation is reflected in the last sub-paragraph of the penultimate paragraph, and in the last paragraph of Article 20 of your Articles of Association. By amending the text of Article L. 225-39 of the French Commercial Code, Act No. 2011-525 of 17 May 2011 removed any obligation to disclose current agreements entered into under normal conditions, either by the interested party or by the Chairman of the Board of Directors.

The aim of the proposed amendment to the Articles of Association is therefore to update the Articles of Association in order to take the provisions of Act No. 2011-525 of 17 May 2011 into account, by requesting you to delete the last sub-paragraph of the penultimate paragraph, and the last paragraph of Article 20 of the Articles of Association, which are included below: "However, these agreements shall be disclosed to the Chairman of the Board of Directors by the interested party. The Chairman shall disclose a list of these agreements and their purpose to the members of the Board of Directors and to the Statutory Auditors.

They do not apply in the same way to current agreements entered into under normal conditions, which are not material for any of the parties, due to their purpose or financial implications."

The other clauses of Article 20 are unchanged.

We invite you to vote in favour of the text of the resolutions proposed to you.

The Board of Directors

2. RESOLUTIONS PRESENTED TO THE COMBINED SHAREHOLDERS' MEETING OF 26 JULY 2012

I. Within the remit of the Ordinary Shareholders' Meeting

First resolution

(Approval of the company financial statements for the 2011/2012 financial year)

The Shareholders' Meeting, deliberating under the quorum and majority conditions for Ordinary Shareholders' Meetings, and having reviewed the Board of Directors' report on the financial year ended 31 March 2012 and the report of the Statutory Auditors, approves the financial statements for the year ended 31 March 2012, which include the balance sheet, the income statement, and the notes to that statement, as presented, which show a profit of €240,572,784.96, together with all the transactions reflected in the aforementioned financial statements or summarised in these reports.

In accordance with the provisions of Article 233 c of the French General Tax Code, the Shareholders' Meeting notes that no expenditure and expenses referred to in Article 39-4 of said Code were incurred during the financial year ended 31 March 2012.

Second resolution

(Approval of the consolidated financial statements for the 2011/2012 financial year)

The Shareholders' Meeting, deliberating under the quorum and majority conditions for Ordinary Shareholders' Meetings, and having reviewed the Board of Directors' report and the report of the Statutory Auditors on the consolidated financial statements, approves the consolidated financial statements for the year ended 31 March 2012, which include the balance sheet, the income statement, and the notes to that statement, as presented, which show net profit of €110,846,000 attributable to the owners of the parent company, together with all the transactions reflected in the aforementioned financial statements or summarised in these reports.

Third resolution

(Appropriation of income and setting of the dividend)

The Shareholders' Meeting, deliberating under the quorum and majority conditions for Ordinary Shareholders' Meetings decides to allocate the distributable income for the financial year ended 31 March 2012 as follows, on the recommendation of the Board of Directors:

• company profit as of 31 March 2012:	€240,572,784.96
• allocation to the legal reserve	(€179,166.8'8)
• retained earnings	€9,581,717.03
Total distributable amount	**€249,975,335.11**
• ordinary dividend of €1.30 per share	€64,518,430.60
• extraordinary dividend of €1.00 per share	€49,629,562.00
• retained earnings	€135,827,342.51
Total	**€249,975,335.11**

Both the ordinary and extraordinary dividend amounts shall be paid in cash as from 1 October 2012.

For natural persons who are tax resident in France, the dividend shall be subject to income tax on a progressive scale, and shall be fully eligible for the proportional tax allowance of 40% of the gross amount received, as specified in Article 158-3-2 of the French General Tax Code, and for the annual fixed tax allowance specified in Article 158-3-5 of the French General Tax Code.

According to the terms of Article 117 c I-1 of the French General Tax Code, shareholders who are natural persons residing in France for tax purposes may opt for a fixed tax withholding rate of 21% of the gross amount received. This option is irrevocable for the payment concerned; It also deprives shareholders of the 40% tax allowance and of the fixed annual tax allowance for this dividend and for other capital distributions received in the same year.

In the event that the Company holds some of its own shares at the payment date, the amount corresponding to the dividends that were not distributed as a result of that holding will be allocated to the "Retained earnings" account.

In accordance with the law, we hereby remind you that the amount of the net dividends for the past three financial years, and the amount of the distributed dividend eligible for the aforementioned tax allowances for shareholders who are tax-resident in France, were as follows:

Financial year ended 31 March	2010/2011	2009/2010	2008/2009
• net dividend per share	€2.30(*)	€1.30	€1.30
• eligible dividend distributed	€2.30(*)	€1.30	€1.30

(*) Including €1.00 as an exceptional dividend.

Fourth resolution

(Scrip dividend payment option)

The Shareholders' Meeting, deliberating under the quorum and majority conditions for Ordinary Shareholders' Meetings, having reviewed the Board of Directors' report, and pursuant to the provisions of Articles L. 232-18 to L. 232-20 of the French Commercial Code, and of Article 27 of the Articles of Association, decides to grant each shareholder the option between receiving all of their dividend, including both the ordinary and extraordinary dividend amounts, i.e. an amount of €2.30 per share, as a cash or scrip dividend.

The issue price for the new shares that are the subject of this option shall be equal to 90% of the average closing price for the twenty trading sessions prior to the day when the distribution payment decision was taken, less the net amount of the dividend, in accordance with Article L. 232-19 of the French Commercial Code. The Board of Directors shall have the option to round the price determined on this basis up to the nearest euro cent.

Each shareholder shall be able to opt for either one of the dividend payment methods; however, this option shall apply to the total amount, both ordinary and extraordinary, of the dividend for which the option is offered to them. Shareholders who wish to opt for payment of a scrip dividend must make their choice known to their financial intermediary between 3 August 2012 and 5.00 pm on 14 September 2012 at the latest. Once this deadline has expired, the dividend shall only be payable in cash.

If the scrip dividend option is not exercised by 5.00 pm on 14 September 2012 at the latest, both the ordinary and extraordinary dividend amounts shall be paid in cash as from 1 October 2012.

If the amount of the dividends to which they are entitled does not correspond to a whole number of shares, shareholders may subscribe either to the next lowest number of shares plus a cash balance, or to the next highest number of shares, in exchange for an additional cash consideration.

The new shares shall be subject to all legal and statutory provisions, and shall rank for dividend from 1 April 2012, which is the beginning of the current financial year.

The Shareholders' Meeting grants all powers to the Board of Directors to take the necessary measures to implement this scrip dividend distribution in accordance with Article L. 232-20 of the French Commercial Code, and specifically to set the issue price of the shares issued under the conditions previously specified, to record the number of shares issued and the capital increase performed, to amend the Company's Articles of Association accordingly, to take all measures to ensure the success of the transaction, and more generally, to do everything that may be appropriate and necessary.

Fifth resolution

(Approval of the agreements referred to in Article L. 225-38 of the French Commercial Code)

The Shareholders' Meeting, deliberating under the quorum and majority conditions for Ordinary Shareholders' Meetings, and having reviewed the Statutory Auditors' special report on agreements referred to in Article L. 225-38 of the French Commercial Code, approves each of the agreements and of the transactions that have occurred or were performed during the year just ended that were mentioned therein under the conditions of Article L. 225-40 of the French Commercial Code.

Sixth resolution

(Discharge)

As a result of the previous resolutions, the Shareholders' Meeting, deliberating under the quorum and majority conditions for Ordinary Shareholders' Meetings, grants full and final discharge, with no reservations, to the members of the Board of Directors regarding their management for the financial year ended 31 March 2012. Furthermore, it takes note of the fact that the Statutory Auditors have completed their assignment.

Seventh Resolution

(Renewal of François Hériard Dubreuil's term of office as a Director)

The Shareholders' Meeting, deliberating under the quorum and majority conditions for Ordinary Shareholders' Meetings, decides, on the recommendation of the Board of Directors, to renew François Hériard Dubreuil's term of office as a Director for a period of three years, namely up until the end of the Ordinary Shareholders' Meeting that will approve the financial statements for the year ended 31 March 2015.

François Hériard Dubreuil has let it be known that he accepts this mandate, and that he does not exercise any responsibilities and is not affected by any measures likely to prevent him from fulfilling it.

Eighth Resolution

(Renewal of Gabriel Hawawini's term of office as a Director)

The Shareholders' Meeting, deliberating under the quorum and majority conditions for Ordinary Shareholders' Meetings, decides, on the recommendation of the Board of Directors, to renew Gabriel Hawawini's term of office as a Director for a period of three years, namely up until the end of the Ordinary Shareholders' Meeting that will approve the financial statements for the year ended 31 March 2015.

Gabriel Hawawini has let it be known that he accepts this mandate, and that he does not exercise any responsibilities and is not affected by any measures likely to prevent him from fulfilling it.

Ninth Resolution

(Renewal of Jacques-Etienne de T'Serclaes's term of office as a Director)

The Shareholders' Meeting, deliberating under the quorum and majority conditions for Ordinary Shareholders' Meetings, decides, on the recommendation of the Board of Directors, to renew Jacques-Etienne de T'Serclaes's term of office as a Director for a period of three years, namely up until the end of the Ordinary Shareholders' Meeting that will approve the financial statements for the year ended 31 March 2015.

Jacques-Etienne de T'Serclaes has let it be known that he accepts this mandate, and that he does not exercise any responsibilities and is not affected by any measures likely to prevent him from fulfilling it.

Tenth Resolution

(Renewal of Ernst & Young et Autres's appointment as Statutory Auditor)

The Shareholders' Meeting, having heard a reading of the Board of Directors' report, decides to renew the appointment of Ernst & Young et Autres, represented by Mr Pierre Bidart, as Statutory Auditor for a period of six years, which will expire following the Ordinary Shareholders' Meeting held to approve the financial statements for the year ended 31 March 2018.

Eleventh Resolution

(Renewal of Auditex's appointment as Alternate Statutory Auditor)

The Shareholders' Meeting, having heard the Board of Directors' report, decides to renew the appointment of Auditex, the Alternate Statutory Auditors, who are based at 1-2 place des Saisons - 92400 Courbevoie - Paris - La Défense 1, for a period of six years, which will expire following the Ordinary Shareholders' Meeting held to approve the financial statements for the year ended 31 March 2018.

Twelfth Resolution

(Determination of the directors' fees)

The Shareholders' Meeting, deliberating under the quorum and majority conditions for Ordinary Shareholders' Meetings, in accordance with Article L. 18 of the Articles of Association, sets the overall annual amount of the directors' fees allocated to members of the Board of Directors for the 2012/2013 financial year at €378,000.

Thirteenth Resolution

(Authorisation enabling the Board of Directors to purchase and sell shares in the Company under the provisions of Articles L. 225-209 et seq. of the French Commercial Code)

The Shareholders' Meeting, deliberating under the quorum and majority conditions for Ordinary Shareholders' Meetings, and having reviewed the Board of Directors' report and the items mentioned in the registration document including all the information that needs to be featured in the programme's description, authorises the Board of Directors, which may sub-delegate this authority subject to legal and regulatory provisions, to buy back shares in the Company in one or more instalments within the limits specified below, in accordance with Articles L. 225-209 *et seq.* of the French Commercial Code.

The purchase of these shares, together with their sale or transfer, may be performed subject to the legal and regulatory provisions at any time, including during a public takeover offer period involving the Company's shares, or during a public takeover offer period launched by the Company, subject to the closed periods specified in Article 631-6 of the AMF's General Regulations, or to other legal or regulatory provisions, and by any means, including on the market or off-market, on regulated or unregulated markets, via multi-lateral trading facilities, with systematic internalisers, or-over the counter, 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 facilities, with systematic internalisers, or-over the counter, including under the conditions authorised by the competent market authorities, and during the periods that the Board of Directors, or the person acting on the authority of the Board of Directors shall choose. These transactions may include option transactions, except for the sale of call options, and inasmuch as the last means do not contribute to a significant increase in the volatility of the share price. The maximum portion of the capital acquired or transferred in the form of block transactions may amount to 100% of the authorised share buyback programme. Payment may be made by any means.

The maximum purchase price per share is set at €150 (excluding acquisition expenses) subject to the adjustments relating to potential transactions in the Company's share capital and/or on the par value of the shares.

In the event of a capital increase via the capitalisation of reserves, the allocation of bonus shares, a split or reverse split in the par value and/or of the shares, the price indicated above shall be adjusted by a multiplying factor equal to the ratio between the number of shares making up the capital before the transaction and the number following the transaction.

Purchases may involve a number of shares such that the number of shares held by the Company following these purchases does not exceed 10% of the share capital outstanding on the date such purchases are performed. For indicative purposes, that amount corresponds to a maximum number of 3,526,512 shares based on the current share capital, including the treasury shares held by the Company as of 31 March 2012, which are primarily the result of the share buyback programme, sale and repurchase agreements, and of the purchase of call options.

It is specified that where the shares are repurchased in order to ensure liquidity in Rémy Cointreau's shares under the conditions defined below, the number of shares taken into account in order to calculate this 10% limit shall correspond to the number of shares purchased, less the number of shares resold during the duration of this authorisation.

The maximum overall amount that the Company is likely to pay on the basis of this number of shares will amount to €528,976,800, excluding trading fees.

The purpose of this programme is to enable the following transactions to be performed, in decreasing order of priority:

- to ensure liquidity or promote trading in the secondary market in Rémy Cointreau shares via an investment services provider, under the terms of a liquidity agreement that complies with the Ethics Charter recognised by the AMF;
- to cancel shares as part of a capital decrease, subject of the adoption of the fifteenth resolution submitted to this Shareholders' Meeting;
- to honour the commitments relating to marketable securities giving access to share capital;
- to grant shares in accordance with the terms and conditions provided by law, notably as part of a profit-sharing plan, to cover share purchase options, as part of a company savings plan or to be used to grant bonus shares to employees and/or authorised executives of the Company and/or companies related to it within the meaning of Articles L. 225-197-1 *et seq.* of the French Commercial Code;
- to purchase shares and retain them to be used subsequently in exchange or payment for acquisitions, in accordance with market practices permitted by the AMF and within the limits prescribed by law;
- to implement any market practices permitted by the AMF and, more generally, carry out all transactions in compliance with the regulations in force.

This authorisation will expire at the end of the Shareholders' Meeting convened to approve the financial statements for the financial year ended 31 March 2013, and within a period of eighteen months as from today at the latest.

This authorisation cancels the authorisation granted by the Ordinary Session of the Combined Shareholders' Meeting of 26 July 2011 in its thirteenth resolution, in respect of the amounts unused to date.

The Shareholders' Meeting grants all powers to the Board of Directors, which it may sub-delegate subject to legal and regulatory provisions, to place all stock market orders, to sign all sale or transfer agreements, to enter into all agreements and option agreements, to make all declarations and accomplish all formalities with all bodies, and generally to do all that is necessary for the execution of the decisions that it has taken under this authorisation. The Shareholders' Meeting grants all powers to the Board of Directors to adjust the unit price and the maximum number of the shares to be purchased, in accordance with the change in the number of shares or in the par value resulting from potential financial transactions performed by the Company.

The Shareholders' Meeting takes note that the Board of Directors shall inform shareholders of the transactions performed under this resolution every year, in accordance with the provisions of Article L. 255-211 of the French Commercial Code.

Fourteenth Resolution

(Powers to accomplish formalities)

The Ordinary Shareholders' Meetings confers all powers to accomplish all legal filing and advertising formalities to the holders of a copy, or of a certified excerpt of these minutes.

II. Within the remit of the Extraordinary Shareholders' Meeting

Fifteenth resolution

(Authorisation enabling the Board of Directors to decrease the share capital via the cancellation of treasury shares held by the Company)

The Shareholders' Meeting, deliberating under the quorum and majority conditions for Extraordinary Shareholders' Meetings, and having reviewed the Board of Directors' report and the special report of the Statutory Auditors, grants the Board of Directors, which may sub-delegate this authority subject to legal and regulatory provisions, in accordance with Article L. 225-209 of the French Commercial Code, the authority to reduce the share capital by cancelling, in one or more instalments and in the proportion and at the times that it shall decide, all or part of the shares in the Company that it has acquired or that it may hold pursuant to the authorisation granted to the Company to purchase its own shares, which is the subject of the thirteenth resolution of this Shareholders' Meeting, or of the shares pursuant to former authorisations for the Company to purchase and sell its own shares.

The Shareholders' Meeting grants all powers to the Board of Directors to perform this or these capital reduction(s), to determine their amount, within a limit of 10% of the share capital for each 24-month period, on the understanding that this limit applies to an amount of the Company's share capital that will be adjusted, where applicable, in order to take into account the transactions subsequent to this meeting that affect the share capital, to determine their terms and conditions, to charge the difference between the par value of the cancelled shares and the purchase price surplus to any reserve and paid-in capital items available, to make the corresponding amendments to the Articles of Association, to issue all publications and accomplish all formalities required, to delegate all powers for the implementation of its decisions, and all according to the legal provisions in force when this authorisation is used.

This authorisation will expire at the end of the Shareholders' Meeting convened to approve the financial statements for the financial year ended 31 March 2013, and within a period of eighteen months as from today at the latest.

This authorisation cancels and replaces the fifteenth resolution adopted by the Combined Shareholders' Meeting of 26 July 2011.

Sixteenth resolution

(Delegation of authority to the Board of Directors to decide to increase the share capital via the issue of shares in the Company and/or marketable securities giving access to the Company's share capital, and/or via the issue of marketable securities granting entitlement to the allocation of debt securities, with no waiver of shareholders' preferential subscription rights)

The Shareholders' Meeting, deliberating in accordance with the quorum and majority conditions for Extraordinary Shareholders' Meetings, having reviewed the Board of Directors' report and the Statutory Auditors' special report, and deliberating in accordance with the provisions of Articles L. 225-129 *et seq.* of the French Commercial Code, specifically Article L. 225-129-2, and with Articles L. 228-91 *et seq.* of the French Commercial Code:

- ends the delegation granted by the Company's Combined Shareholders' Meeting of 27 July 2010 in its fifteenth resolution, for the unused portion, with immediate effect;
- grants the Board of Directors, for a period of 26 months as from the date of this Shareholders' Meeting, the authority, which it may sub-delegate subject to the legal and regulatory provisions, to decide to increase the share capital, in one or more instalments, in the proportions and at the times that it shall decide, in France and/or abroad and/or on the international market, in euros, in foreign currencies, or in any monetary unit determined on the basis of several currencies, via the issue of shares in the Company, as well as via any marketable securities giving access to the Company's share capital, with no waiver of shareholders' preferential subscription rights, and including warrants to subscribe to or to acquire shares issued on an independent basis, or to decide to issue marketable securities granting entitlement to the allocation of debt securities, under the same conditions.

Issues of preference shares and of marketable securities giving immediate or future access to preference shares are expressly excluded from this authorisation.

The subscription may be performed in cash, or by offset against certain and liquid receivables against the company, or free of charge.

The overall nominal amount of the immediate or future capital increases resulting from all the issues performed pursuant to this delegation is set at €30,000,000. It is, however, specified (i) that the nominal value of any capital increase resulting, or likely to result in the future, from issues decided pursuant to the seventeenth, eighteenth, nineteenth, twentieth and twenty-first resolutions of this Shareholders' Meeting, and to the seventeenth and eighteenth resolutions of the Combined Shareholders' Meeting of 26 July 2011 shall be deducted from this ceiling, and (ii) that this ceiling is set without taking into account shares in the Company to be issued in respect of the adjustments likely to be performed in accordance with the legislative and regulatory provisions applicable, and, where applicable, with the contractual clauses providing for other cases of adjustment, in order to protect the rights of holders of marketable securities or other rights giving access to share capital.

The overall nominal amount of the marketable securities representing debt securities giving access to share capital or granting entitlement to the allocation of debt securities likely to be issued under this delegation shall not exceed €750,000,000, or its counter-value on the date of the issue decision, without taking into account the adjustments likely to be made in accordance with the law. It is, however, specified that the amount of marketable securities representing debt securities giving access to share capital or granting entitlement to the allocation of debt securities that shall be issued pursuant to the delegations to the Board of Directors granted by this Shareholders' Meeting shall be deducted from this amount. Specifically, the Board of Directors may determine the issue price, the fixed or variable interest rate for the debt securities, and a payment date, as well as the price and terms and conditions for the redemption of these debt securities, with or without a premium, the form of subordinated or unsubordinated securities, with a determined or indeterminate maturity, either in euros or in foreign currencies, or in any monetary unit determined on the basis of several currencies, and the conditions of their amortisation depending on market conditions.

Shareholders may exercise their preferential right to subscribe to shares and to marketable securities giving access to share capital on an irrevocable basis, and in proportion to the amount of shares that they hold, under the conditions specified in law. The Board of Directors may introduce a right to subscribe to shares and to marketable securities giving access to share capital on a revocable basis for the benefit of shareholders, which shall be exercised in proportion to their rights and up to the limit of their demand.

The Shareholders' Meeting decides that the preferential subscription rights attached to the shares owned by the Company shall not be taken into account when determining the preferential subscription rights attached to the other shares, in accordance with Article L. 225-210 of the French Commercial Code.

This decision entails shareholders waiving their preferential subscription rights to the shares or marketable securities giving access to share capital to which these marketable securities entitle them, in favour of holders of marketable securities giving access to the Company's share capital issued pursuant to this resolution.

The Board of Directors may specifically decide that, where applicable, the balance of the capital increase for which subscriptions were not available on an irrevocable or revocable basis shall be freely allocated at its discretion, in whole or in part, or offered to the public in whole or in part, or that the amount of the capital increase shall be limited to the amount of the subscriptions received if the legal conditions are met, it being specified that the Board of Directors shall be able to use the powers referred to above, or only some of them, in the order that it shall deem appropriate.

The Shareholders' Meeting decides that the issue of warrants for shares in the Company may be performed via a subscription offer, but also via their free allocation to the owners of existing shares.

The Board of Directors may decide to use the treasury shares as a replacement for shares to be issued under this resolution.

The Board of Directors, which is authorised to sub-delegate under the conditions determined in law, shall have all powers to implement this delegation - as well as to revoke it, where applicable - and specifically to determine the subscription price (with or without an issue premium), and conditions and features of the issues, depending on market conditions, to set the amounts to be issued, to determine the terms and conditions of the issue, and the form of marketable securities to be created, to set the dividend entitlement date for the securities to be issued, even if it is retroactive, and the conditions of their buyback, to determine and make any adjustments required in accordance with legal and regulatory provisions, and where applicable, with the contractual clauses, to take any measures aimed at preserving the rights of owners of marketable securities giving access to share capital, potentially to suspend the exercise of the rights attached to these marketable securities during a period determined in accordance with the legal and regulatory provisions, and generally to take all appropriate measures, accomplish the formalities required, and enter into any agreements to ensure the success of the planned transactions, to ask for their listing, where appropriate, to record their completion, and to make the amendments to the Articles of Association rendered necessary by use of this delegation, and all in accordance with the laws and regulations in force.

Seventeenth resolution

(Delegation of authority to the Board of Directors to decide to increase the share capital via the issue of shares in the Company and/or marketable securities giving access to the Company's share capital and/or via the issue of marketable securities granting entitlement to the allocation of debt securities, with waiver of shareholders' preferential subscription rights)

The Shareholders' Meeting, deliberating under the quorum and majority conditions for Extraordinary Shareholders' Meetings, having reviewed the Board of Directors' report and the Statutory Auditors' special report, and deliberating in accordance with the provisions of Articles L. 225-129 *et seq.* of the French Commercial Code, specifically Articles L. 225-129-2, L. 225-135, L. 225-136 and L. 228-91 *et seq.* of the French Commercial Code:

- ends the delegation with the same purpose granted by the Company's Combined Shareholders' Meeting of 27 July 2010 in its sixteenth resolution, for the unused portion, with immediate effect;
- grants the Board of Directors the authority, which it may sub-delegate subject to legal and regulatory provisions, for a period of 26 months as from the date of this Shareholders' Meeting, to decide to increase the share capital, in one or more instalments, in the proportion and at the times that it deems fit, in France and/or abroad, and/or on the international market, in euros, in foreign currencies, or in any monetary unit determined on the basis of several currencies, via issuing shares in the Company to the public, as well as any marketable securities giving access to the Company's share capital, or to decide to issue marketable securities granting entitlement to the allocation of debt securities, under the same conditions.

Issues of preference shares and of marketable securities giving immediate or future access to preference shares are expressly excluded from this authorisation.

The subscription may be performed in cash, or by offset against certain and liquid receivables against the Company.

The nominal amount of the immediate or future capital increases likely to be performed pursuant to this delegation shall not exceed €30,000,000. It is, however, specified (i) that the nominal value of any capital increase resulting, or likely to result in the future, from issues decided pursuant to the eighteenth, nineteenth, twentieth and twenty-first resolutions of this Shareholders' Meeting, and to the seventeenth and eighteenth resolutions of the Combined Shareholders' Meeting of 26 July 2011 and to the twentieth resolution of the Combined Shareholders' Meeting of 27 July 2010 shall be deducted from this ceiling, and (ii) that this amount shall be deducted from the overall nominal ceiling specified in the fifteenth resolution of this Shareholders' Meeting, and (iii) that this ceiling is determined without taking into account shares in the Company to be issued in respect of the adjustments likely to be performed in accordance with the legislative and regulatory provisions applicable, and, where applicable, with the contractual clauses providing for other adjustment cases, in order to protect the rights of holders of marketable securities or other rights giving access to share capital.

The nominal amount of the marketable securities representing debt securities giving access to share capital or granting entitlement to the allocation of debt securities likely to be issued under this delegation shall not exceed the amount of €750,000,000, or its counter-value on the date of the issue decision, and shall be deducted from the ceiling applicable to marketable securities representing debt securities giving access to share capital or granting entitlement to the allocation of debt securities specified in the sixteenth resolution of this Shareholders' Meeting, without taking into account the adjustments likely to be made in accordance with the law.

Specifically, the Board of Directors may determine the issue price, the fixed or variable interest rate for the debt securities, and a payment date, as well as the price, and terms and conditions for repayment of the debt securities' principal, with or without a premium, the form of subordinated or unsubordinated securities, with a determined or indeterminate maturity, either in euros or in foreign currencies, or in any monetary unit determined on the basis of several currencies, and the conditions of their amortisation depending on market conditions.

The Shareholders' Meeting therefore decides to waive shareholders' preferential subscription rights to the shares and marketable securities to be issued pursuant to the above delegation, up to the amount defined above.

In addition, this decision entails shareholders expressly waiving their preferential subscription rights to the shares or marketable securities giving access to share capital, to which these marketable securities entitle them, in favour of holders of the marketable securities giving access to the Company's share capital issued pursuant to this resolution.

The Board of Directors may potentially decide to grant shareholders a priority period for all part of the issue during the period, and according to the terms and conditions that it shall determine, in accordance with legal and the regulatory provisions. This priority period shall not give rise to the creation of negotiable rights.

The Board of Directors, which is authorised to sub-delegate under the conditions determined in law, shall have all powers to implement this delegation - as well as to revoke it, where applicable - and specifically to determine the subscription price (with or without an issue premium), and the conditions and features of the issues, depending on market conditions, to set the amounts to be issued, to determine the issuance terms and conditions and the form of the marketable securities to be created, to set the dividend entitlement date for the securities to be issued, even if it is retroactive, and the conditions of their buyback, to determine and make all adjustments required in accordance with the legal and regulatory provisions, and where applicable, with the contractual clauses, to take all measures aimed at preserving the rights of owners of marketable securities giving access to share capital, potentially to suspend the exercise of the rights attached to these marketable securities during a period determined in accordance with legal and regulatory provisions, and generally to take all appropriate measures, accomplish the formalities required, and enter into any agreements to ensure the success of the planned transactions, to ask for their listing, where applicable, to record their completion, and to make the amendments to the Articles of Association rendered necessary by the use of this delegation, and all in accordance with the laws and regulations in force. It is, however, specified that the amount received or receivable by the Company for each of the shares issued under this delegation shall be at least equal to the minimum value determined by the laws and regulations in force at the time this delegation was used, after adjusting that amount to take the different entitlement date into account, where applicable.

The Board of Directors may decide to use the treasury shares as a replacement for shares to be issued under this resolution.

If subscriptions have not covered the full amount of the marketable securities issue, the Board of Directors may limit the amount of the issue to the amount of the subscriptions received, on condition that this amount is at least three-quarters of the issued decided on.

In accordance with Article L. 225-148 of the French Commercial Code, the Shareholders' Meeting authorises the Board of Directors to use this delegation in order to issue shares or marketable securities giving access to share capital, in consideration for the securities contributed to any public takeover offer launched by the Company on the shares of any company whose shares are admitted for trading on one of the regulated markets referred to in said Article L. 225-148, including any marketable securities issued by Rémy Cointreau, and decides to waive shareholders' preferential subscription rights to these shares and marketable securities for the benefit of the holders of these securities, to the extent necessary. This delegation may also be used to issue shares or marketable securities giving access to share capital, in consideration for the securities contributed to a transaction that has the same effect as a public exchange offer launched by the Company on the shares of any company whose shares are admitted for trading on a regulated market governed by foreign law.

In accordance with Article L. 225-148 of the French Commercial Code, the overall nominal ceiling for a capital increase resulting from the issues performed, or from the shares representing a portion of the share capital allocated in consideration for a public exchange offer, is set at €30,000,000. It is, however, specified that this ceiling is deducted from the overall maximum ceiling determined by this resolution, and that it is determined without taking into account shares in the Company to be issued in connection with the adjustments likely to be made in accordance with the law, and with the contractual clauses, where applicable.

The Shareholders' Meeting grants all powers necessary to perform the public exchange offers referred to above, and the issues of shares and/or marketable securities in consideration for the securities contributed, under the conditions specified by this resolution, to the Board of Directors, which may sub-delegate these powers under the conditions determined in law and by the Board of Directors' report, it being understood that the Board of Directors shall specifically be required to determine the exchange parities, as well as the cash balance payable, where applicable, without the terms and conditions for determining the price established by this resolution needing to be applied.

The Shareholders' Meeting also authorises the Board of Directors to use this delegation to issue shares and marketable securities giving access to share capital of Rémy Cointreau, to which the marketable securities that may be issued by companies in which Rémy Cointreau holds at least 50% of the share capital, either directly or indirectly, would grant entitlement, subject to the condition that the Board of Directors of Rémy Cointreau agrees.

In this context, the Shareholders' Meeting notes that the Rémy Cointreau shareholders do not have any preferential subscription rights to the marketable securities issued by these companies, and that this decision entails the Rémy Cointreau shareholders waiving their preferential subscription rights to the shares or marketable securities giving access to share capital to which these marketable securities entitle them, in favour of holders of the marketable securities likely to be issued.

The overall nominal ceiling for a capital increase resulting from the issues performed or from the securities representing a portion of the share capital allocated as a result of the issue of marketable securities by companies in which Rémy Cointreau holds at least 50% of the share capital, either directly or indirectly, is set at €30,000,000. It is, however, specified that this ceiling shall be deducted from the overall maximum ceiling determined by this resolution, and that it is determined without taking into account shares in the Company to be issued in connection with the adjustments likely to be made in accordance with the law, and with the contractual clauses, where applicable.

The Board of Directors, which has the authority to sub-delegate under the conditions established in law, as well as by the Board of Directors' report, shall set the amounts to be issued, shall determine the form of the marketable securities to be created and all the issuance terms and conditions, and generally speaking, shall approve all agreements, take all measures, and accomplish all appropriate formalities in order to execute the planned transactions, in agreement with the Board of Directors or with the Chairman of the company or companies that wish to issue securities. It is, however, specified that the Board of Directors shall be required to determine the exchange parities, as well as the cash amount payable, where applicable.

To the extent required, the Shareholders' Meeting observes that the purpose of this delegation of authority is not the same as that of the eighteenth resolution of this Shareholders' Meeting, which is limited to increasing the share capital by issuing shares in the Company and/or marketable securities giving access to the Company's share capital and/or issuing marketable securities granting entitlement to the allocation of debt securities as part of an offering referred to in Section II of Article L. 411-2 of the French Monetary and Financial Code, with no preferential right to subscribe to shares in the Company. The Shareholders' Meeting therefore takes note of the fact that the potential adoption of the eighteenth resolution shall not affect the validity and the term of this delegation of authority.

Eighteenth resolution

(Delegation of authority to the Board of Directors to decide to increase the share capital via the issue of shares in the Company and/or marketable securities giving access to the Company's share capital, and/or via the issue of marketable securities granting entitlement to the allocation of debt securities, with waiver of shareholders' preferential subscription rights, via an offering referred to in Section II of Article L. 411-2 of the French Monetary and Financial Code)

The Shareholders' Meeting, deliberating under the quorum and majority conditions for Extraordinary Shareholders' Meetings, having reviewed the Board of Directors' report and the Statutory Auditors' special report, and deliberating in accordance with the provisions of Articles L. 225-129 *et seq.* of the French Commercial Code, specifically Articles L. 225-129-2, L. 225-135, L. 225-136. and L. 228-91 *et seq.* of the French Commercial Code:

- ends the delegation with the same purpose granted by the Company's Combined Shareholders' Meeting of 27 July 2010 in its seventeenth resolution, for the unused portion, with immediate effect;
- grants the Board of Directors the authority, which it may sub-delegate subject to legal and regulatory provisions, for a period of 26 months as from the date of this Shareholders' Meeting, to decide to increase the share capital, in one or more instalments, in the proportion and at the times that it shall deem fit, in France and/or abroad, and/or on the international market, in euros, in foreign currencies, or in any monetary unit determined on the basis of several currencies, via issuing shares in the Company as part of an offering referred to in Section II of Article L. 411-2 of the French Monetary and Financial Code, as well as any marketable securities giving access to the Company's capital, or to decide to issue marketable securities granting entitlement to the allocation of debt securities under the same conditions.

Issues of preference shares and of marketable securities giving immediate or future access to preference shares are expressly excluded from this authorisation.

The subscription may be performed in cash, or by offset against certain and liquid receivables against the Company.

The nominal amount of the immediate or future capital increases likely to be performed pursuant to this resolution shall not exceed the ceiling specified in law. It is, however, specified (i) that this amount shall be deducted from the overall nominal ceiling specified in the seventeenth resolution of this Shareholders' Meeting, and (ii) that this ceiling is determined without taking into account shares in the Company to be issued in respect of the adjustments likely to be performed in accordance with the applicable legislative and regulatory provisions, and, where applicable, with the contractual clauses providing for other adjustment cases, in order to protect the rights of holders of marketable securities or other rights giving access to share capital, and (iii) that the nominal amount of the capital increases performed as part of an offering referred to in Section II of Article 411-2 of the French Monetary and Financial Code cannot exceed 20% of the share capital in each year in any event.

The nominal amount of the marketable securities representing debt securities giving access to share capital or granting entitlement to the allocation of debt securities likely to be issued under this delegation shall not exceed the amount of €750,000,000, or its counter-value on the date of the issue decision, and shall be deducted from the ceiling applicable to the marketable securities representing debt securities giving access to share capital or granting entitlement to the allocation of debt securities specified in the seventeenth resolution of this Shareholders' Meeting, without taking into account the adjustments likely to be made in accordance with the law.

Specifically, the Board of Directors may determine the issue price, the fixed or variable interest rate for the debt securities, and a payment date, as well as the price and terms and conditions for repayment of these debt securities' principal, with or without a premium, the form of subordinated or unsubordinated securities, with a determined or indeterminate maturity, either in euros or in foreign currencies, or in any monetary unit determined on the basis of several currencies, and the conditions for their amortisation, depending on market conditions.

The Shareholders' Meeting therefore decides to waive shareholders' preferential subscription rights to the shares and marketable securities to be issued pursuant to the above delegation, up to the amount defined above.

In addition, this decision entails shareholders expressly waiving their preferential subscription rights to the shares or marketable securities giving access to share capital, to which these marketable securities entitle them, in favour of holders of the marketable securities giving access to the Company's share capital issued pursuant to this resolution.

The Board of Directors, which is authorised to sub-delegate under the conditions determined in law, shall have all powers to implement this delegation - as well as to revoke it, where applicable - and specifically to determine the subscription price (with or without an issue premium), and the conditions and features of the issues, depending on market conditions, to set the amounts to be issued, to determine the issuance terms and conditions and the form of the marketable securities to be created, to set the dividend entitlement date for the securities to be issued, even if it is retroactive, and the conditions of their buyback, to determine and make all adjustments required in accordance with the legal and regulatory provisions, and where applicable, with the contractual clauses, to take all measures aimed at preserving the rights of owners of marketable securities giving access to share capital, potentially to suspend the exercise of the rights attached to these marketable securities during a period determined in accordance with legal and regulatory provisions, and generally to take all appropriate measures, accomplish the formalities required, and enter into any agreements to ensure the success of the planned transactions, to ask for their listing, where applicable, to record their completion, and to make the amendments to the Articles of Association rendered necessary by the use of this delegation, and all in accordance with the laws and regulations in force. It is, however, specified that the amount received or receivable by the Company for each of the shares issued under this delegation shall be at least equal to the minimum value determined by the laws and regulations in force at the time this delegation was used, after adjusting that amount to take the different entitlement date into account, where applicable.

The Board of Directors may decide to use the treasury shares as a replacement for shares to be issued under this resolution.

If subscriptions have not covered the full amount of the marketable securities issue, the Board of Directors may limit the amount of the issue to the amount of the subscriptions received, on condition that this amount is at least three-quarters of the issued decided on.

The Shareholders' Meeting also authorises the Board of Directors to use this delegation to issue the shares and marketable securities giving access to share capital of Rémy Cointreau, to which the marketable securities that may be issued by companies in which Rémy Cointreau holds at least 50% of the share capital, either directly or indirectly, would grant entitlement, subject to the condition that the Board of Directors of Rémy Cointreau agrees.

In this context, the Shareholders' Meeting takes note that the Rémy Cointreau shareholders do not have any preferential subscription rights to the marketable securities issued by these companies, and that this decision entails the Rémy Cointreau shareholders waiving their preferential subscription rights to the shares or marketable securities giving access to share capital to which these marketable securities entitle them, in favour of holders of the marketable securities likely to be issued.

The overall nominal ceiling for a capital increase resulting from the issues performed or from the securities representing a portion of the share capital allocated as a result of the issue of marketable securities by companies in which Rémy Cointreau holds at least 50% of the share capital, either directly or indirectly, is set at €30,000,000. It is, however specified that this ceiling shall be deducted from the overall maximum ceiling determined by the seventeenth resolution of this Shareholders' Meeting, and that it is determined without taking into account shares in the Company to be issued in connection with the adjustments likely to be made in accordance with the law, and with the contractual clauses, where applicable.

The Board of Directors, which has the authority to sub-delegate under the conditions established in law, as well as by the Board of Directors' report, shall set the amounts to be issued, shall determine the form of the marketable securities to be created and all the issuance terms and conditions, and generally speaking, shall approve all agreements, take all measures, and accomplish all appropriate formalities in order to execute the planned transactions, in agreement with the Board of Directors or with the Chairman of the company or companies that wish to issue securities. It is, however, specified that the Board of Directors shall be required to determine the exchange parities, as well as the cash amount payable, where applicable.

The Shareholders' Meeting notes that, since this delegation is restricted to a capital increase via the issue of shares and/or of marketable securities giving access to the Company's share capital, and/or via the issue of marketable securities granting entitlement to the allocation of debt securities, without preferential subscription rights via an offering referred to in Section II of Article L. 411-2 of the French Monetary and Financial Code, its purpose is not the same as that of the previous resolution.

Nineteenth resolution

(Authorisation enabling the Board of Directors to set the issue price of securities to be issued under the seventeenth and eighteenth resolutions, with waiver of shareholders' preferential subscription rights, up to a limit of 10% of the share capital per year).

The Shareholders' Meeting, deliberating under the quorum and majority conditions for Extraordinary Shareholders' Meetings, and having reviewed the Board of Directors' report and the Statutory Auditors' special report, in accordance with the provisions of Article L. 225-136-1 of the French Commercial Code:

- authorises the Board of Directors, which may sub-delegate this authority subject to legal and regulatory provisions, to set the issue price for all shares and marketable securities giving access to share capital at an issue price that is different from the one selected in connection with the issues authorised pursuant to the seventeenth and eighteenth resolutions of this Shareholders' Meeting, for a period of 26 months as from today under the seventeenth and eighteenth resolutions of this Shareholders' Meeting, up to a limit of 10% of the share capital in each year, and subject to the ceiling specified, as applicable, in the seventeenth and eighteenth resolutions of this Shareholders' Meeting, pursuant to which the issue from which it is deducted shall be decided. Depending on the choice made by the Board of Directors, that price shall not be lower than (a) the average share price for the last 20 trading sessions prior to the setting of the issue price, weighted by volume, or (b) the average share price for the last trading session prior to the setting of the issue price, weighted by volume, less a potential maximum 10% discount in both cases, and subject to the condition that the amounts receivable for each share are at least equal to the par value. In this event, the Board of Directors shall be required to draw up an additional report, certified by the Statutory Auditors, which describes the conditions for the transactions, and provides data enabling shareholders to assess the effective impact on their position.

Issues of preference shares and of marketable securities giving immediate or future access to preference shares are expressly excluded from this authorisation.

This resolution cancels the authorisation granted by the Combined Shareholders' Meeting of 27 July 2010 in its eighteenth resolution, for the unused amounts.

Twentieth resolution

(Authorisation enabling the Board of Directors to increase the number of securities to be issued in the event of an issue with or without waiver of shareholders' preferential subscription rights)

The Shareholders' Meeting, deliberating under the quorum and majority conditions for Extraordinary Shareholders' Meetings, and having reviewed the Board of Directors' report and the Statutory Auditors' special report, in accordance with the provisions of Article L. 225-135-1 of the French Commercial Code, authorises the Board of Directors, which may sub-delegate this authority subject to legal and regulatory provisions, to increase the number of shares to be issued for each of the issues with or without preferential subscription rights, decided pursuant to the sixteenth, seventeenth, eighteenth, and nineteenth resolutions of this Shareholders' Meeting, within thirty days of the close of subscriptions, up to a limit of 15% of each issue, and at the same price as that selected for the initial issue, subject to compliance with the ceiling specified in the resolution pursuant to which the issue is decided.

The authorisation granted to the Board of Directors by this resolution is valid for a period of 26 months as from today.

This resolution cancels the authorisation granted by the Combined Shareholders' Meeting of 27 July 2010 in its nineteenth resolution, for the unused amounts.

Twenty-first resolution

(Authorisation enabling the Board of Directors to increase the share capital via the issue of shares reserved for the members of an employee savings scheme)

The Shareholders' Meeting, deliberating under the quorum and majority conditions for Extraordinary Shareholders' Meetings, and having reviewed the Board of Directors' report and the Statutory Auditors' special report,

- authorises the Board of Directors, which has the authority to sub-delegate subject to legal and regulatory provisions, under the provisions of the French Commercial Code, and specifically in accordance with Article L. 225-129- 6, sub-paragraphs 1 and 2, and with Article L. 225-138-1, as well as with Articles L. 3332-1 and L. 3332-18 *et seq*. of the French Labour Code, to increase the share capital in one or more instalments, based solely on its own deliberations, in the proportions and at the times that it shall deem fit, via the issue of shares (other than preference shares) reserved for the members of an employee savings scheme, and decides to waive the preferential rights to subscribe to the shares authorised to be issued in this resolution, in favour of the beneficiaries;
- decides that the beneficiaries of the capital increases authorised herein shall be the members of an employee savings scheme of the Company or related companies according to the meaning of Article L. 225-180 of the French Commercial Code, and who also fulfil the potential conditions determined by the Board of Directors;
- sets the validity period of this delegation at 26 months as from today;
- decides to set the overall maximum nominal amount of the capital increase that shall therefore be performed via the issue of shares at €1,500,000, it being specified that this ceiling shall be deducted from the capital increase ceiling specified in the seventeenth resolution of this Shareholders' Meeting (or, where applicable, from the amount of the ceiling specified in a resolution of the same nature that may potentially replace said resolution during the period in which this delegation is valid);
- decides that the price of the shares subscribed by the beneficiaries referred to above, pursuant to this delegation, shall be determined in accordance with legal and regulatory provisions, and that, in the case of shares that are already listed on a regulated market, the price shall not be higher than the average share price for the 20 trading sessions prior to the date on which the decision establishing the opening date of the subscription period was taken, nor over 20% lower than this average, or 30%, where the retention period provided by the plan pursuant to Articles L. 3332-25 and L. 3332-26 of the French Labour Code is longer than or equal to ten years;
- decides that the Board of Directors may also provide for the allocation of free shares or other marketable securities giving access to the Company's share capital pursuant to this authorisation, under the conditions specified in Article L. 3332-21 of the French Labour Code;
- decides that the subscription and payment conditions for the shares may be either in the form of cash, or by offset, under the conditions approved by the Board of Directors;
- authorises the Board of Directors to issue any shares giving access to the Company's share capital that may be authorised by the law or by the regulations in force pursuant to this authorisation;
- decides that the Board of Directors shall have all powers to implement this delegation, with the authority to sub-delegate subject to legal and regulatory provisions, within the limits and under the conditions specified above, specifically in order to:

– draw up a list of the beneficiaries and the conditions that the beneficiaries of the new shares that will result from the capital increases that are the subject of this resolution will be required to meet,

– approve the conditions of the issue(s),

– decide on the amount to issue, the issue price, and the dates and terms and conditions for each issue,

– determine the length of time granted to subscribers to pay for their securities,

– approve the date as from which the new shares rank for dividend, even if it is retroactive,

– record or arrange for the recording of the capital increase corresponding to the number of shares actually subscribed for,

– charge the cost of the capital increase against the corresponding share premiums, and deduct from such proceeds the amounts necessary to bring the legal reserve up to one-tenth of the new share capital after each increase,

– generally speaking, take all measures to perform the capital increases, accomplish the formalities resulting from these increases, and make the corresponding amendments to the Articles of Association.

Twenty-second resolution

(Authorisation to reduce the share capital)

The Extraordinary Shareholders' Meeting, deliberating under the quorum and majority conditions for Extraordinary Shareholders' Meetings, and having reviewed the Board of Directors' report and the Statutory Auditors' special report drawn up pursuant to Article L. 225-204 of the French Commercial Code, authorises the Board of Directors to reduce the share capital, in one or more instalments, solely on the basis of its own deliberations, in accordance with the provisions of Article L. 225-207 of the French Commercial Code, up to a maximum of 30% of the capital outstanding as of the date of the meeting, via the cancellation of shares in the Company with a par value of €1.60, bought back by the Company in a corresponding amount. The shares bought back shall be cancelled in accordance with the law and the regulations in force, and shall no longer grant any corporate rights; specifically, they shall no longer grant entitlement to dividends.

This authorisation shall be valid for a period of three years as from the date of this Shareholders' Meeting.

The Shareholders' Meeting grants all powers to the Board of Directors to determine the procedures and terms and conditions of the transaction, specifically the repurchase price within the maximum limit of €150 per share or its equivalent, and, given the potential objections, to cancel or not cancel the shares acquired, record or not record the final execution of the capital increase, or to limit the amount of that increase, to issue a repurchase request to all shareholders on behalf of the Company, charge the difference between the buyback value of the shares acquired and the par value of the cancelled shares to any reserve and paid-in capital items available, to amend the Articles of Association accordingly, and, more generally, to do anything that will be appropriate or necessary.

This authorisation cancels the authorisation granted by the extraordinary session of the Combined Shareholders' Meeting of 27 July 2010 in its twenty-second resolution, with immediate effect.

Twenty-third resolution

(Authorisation granted to the Board of Directors in the event of a public takeover offer targeting the Company's securities)

The Shareholders' Meeting, deliberating under the quorum and majority conditions for Extraordinary Shareholders' Meetings, and having reviewed the Board of Directors' report:

- authorises the Board of Directors, which has the authority to sub-delegate subject to the legal and regulatory provisions in force, to implement the authorisations and delegations of authority and powers that it has been granted by this Shareholders' Meeting and by the Shareholders' Meeting of 26 July 2011, in the event that the Company's shares were to become the target of a public takeover offer under circumstances that render Article L. 233-33 of the French Commercial Code applicable, and in compliance with the legal and regulatory provisions in force on the date when such use is made of these authorisations and delegations;
- sets the validity period for the authorisation granted to the Board of Directors by this resolution at eighteen months as from today.

This authorisation cancels and replaces the twentieth resolution adopted by the Combined Shareholders' Meeting of 26 July 2011.

Twenty-fourth resolution

(Authorisation for the Board of Directors to charge the expenses generated by the capital increases performed to the premiums relating to these transactions)

The Shareholders' Meeting, deliberating under the quorum and majority conditions of Extraordinary Shareholders' Meetings, authorises the Board of Directors to charge the expenses, duties and fees resulting from the capital increases performed pursuant to the authorisations granted by the above resolutions, as well as by the resolutions of previous Shareholders' Meetings that are still valid, to the amount of the premiums relating to these transactions, and to deduct the amounts required to bring the legal reserve up to one-tenth of the new capital from those premiums, after each capital increase.

Twenty-fifth resolution

(Amendment of Article 20 of the Articles of Association regarding agreements between the Company and a director, or the Chief Executive Officer, or a Deputy Chief Executive Officer)

The Shareholders' Meeting, deliberating under the quorum and majority conditions of Extraordinary Shareholders' Meetings, and having reviewed the Board of Directors' report, decides to amend Article 20 of the Articles of Association in order to take account of the new provisions of Article L. 225-39 of the French Commercial Code, as amended by Act No. 2011-525 of 17 May 2011, and therefore decides to delete the last sub-paragraph of the penultimate paragraph, and the last paragraph of Article 20 of the Articles of Association, which are included below. "However, these agreements shall be disclosed to the Chairman of the Board of Directors by the interested party. The Chairman shall disclose a list of these agreements and their purpose to the members of the Board of Directors and to the Statutory Auditors.

They do not apply in the same way to current agreements entered into under normal conditions, which are not material for any of the parties, due to their purpose or financial implications."

The other clauses of Article 20 are unchanged.

Twenty-sixth resolution

(Powers to accomplish formalities)

The Extraordinary Shareholders' Meeting confers all powers to accomplish all legal filing and advertising formalities to the holders of a copy or of a certified excerpt of these minutes.

3. STATUTORY AUDITORS' SPECIAL REPORT

Combined shareholders' meeting of July 26th 2012 15th, 16th, 17th, 18th, 19th, 20th, 21st and 22nd resolutions

This is a free translation into English of a report issued in French. It 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 15)

As required under the provisions of Article L.225-209 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 of the proposed capital reduction.

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, 2013, 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, as indicated within the 13th resolution, up to a maximum of 10 % of the share capital per 24 month period.

We performed procedures that which we considered necessary in accordance with professional guidance issued by the French institute of statutory auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this operation. These procedures require that we verify whether the reasons and the conditions of the capital reduction, which is not liable to compromise the equal treatment of shareholders, are appropriate.

We have no matter to report concerning the reasons and the conditions of the proposed capital reduction.

2. Issuing of shares and/or securities giving access to the capital of the company and giving right to the allocation of debt instruments, with or without maintaining the preferential subscription rights (resolutions 16, 17, 18, 19 and 20)

In accordance with Articles L.228-92, L.225-135 and the following of the French Commercial Code (Code de Commerce), we hereby submit our report on the proposed authorization 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 from the board of directors' of July 26th, 2012, 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 16).

- 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 17).
- 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 18).

- To delegate to it, for a term of 26 months, to fix the issue prices of securities issued in the context of resolutions 17 and 18, 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 19.

- The resulting increases in share capital which shall occur immediately or on term of the securities issues and those allowed by the resolutions 18, 19, 20 and 21 of this meeting as well as resolutions 17 and 18 of the General Shareholders' Meeting of July, 26, 2011 and in resolution 20 of the General Shareholders' Meeting of September, 27, 2010, 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 16, 17, 18 and 19, may be increased within a limit of 15% of each issue, in accordance with the provision of Articles L. 225-135-1 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 and the following 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 professional guidance issued by the French institute of statutory auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this operation. These procedures require that we verify the content of the Board of Directors' report on this transaction and the methods 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 under resolutions 17 and 18.

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 and 18, we do not express an opinion regarding the calculation on the issue price of the securities to be issued.

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 17 and 18 to waive your preferential subscription rights.

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 authorization is used by your board of Directors in case of issuing 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. 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 €1,500,000. It is being specified that this maximum amount set off the maximum amount of capital increase decided in 17th resolution of July 26th 2012 shareholder's meeting (or, on the maximum amount set in a same kind of resolution that shall replace this resolution).

This share capital increase project is submitted to your approval pursuant to Articles L. 225-129-6 of the French Commercial Code and Article L. 3332-18 et seq. of the French Labor Code (code du travail).

On the basis of its report, the Board of Directors asks you to delegate, for a period of 26 months, the authority to decide a 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 (Compagnie Nationale des Commissaires aux Comptes) 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 final terms of the share capital increase has not yet been set, we do not express an opinion on them 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, we shall prepare an additional report at such time as your Board of Directors makes use of this authorization.

4. 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 €150 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 (Compagnie Nationale des Commissaires aux Comptes) 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 mainly consisted in verifying that the capital reduction does not reduce the amount of share capital below the minimum amount required by law and that it is not liable to compromise the equal treatment of shareholders.

We do not have any comment to make on the reasons for and the conditions of this operation.

Paris-La Défense and Paris, June 8 2012

The Statutory Auditors,

Ernst & Young et Autres
Represented by
Marie-Laure Delarue

Auditeurs & Conseils Associés
Represented by
Olivier Juramie

Person responsible for the registration document, and information policy

1. STATEMENT OF THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

"I hereby certify that, to the best of my knowledge, and after taking all reasonable measures to this end, the information contained in this registration document is accurate and contains no omissions likely to affect the import of that information.

I hereby certify that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the net assets, financial position and results of the Company and of all companies included in the scope of consolidation, and that the management report included on pages 72 to 118 of this document provides a true and fair view of the business trends, results and financial position of the Company and of all companies included in the scope of consolidation, together with a description of the main risks and uncertainties that they face.

I have obtained a letter from the Statutory Auditors, upon completion of their work, in which they state that they have verified the information relating to the financial position and financial statements, as provided in this registration document, and have read the registration document in full.

The historical information shown in this document has been the subject of reports by the Statutory Auditors, which are featured on pages 119 and 135 for the 2011/2012 financial year, and included in this document for reference purposes for the 2010/2011 and 2009/2010 financial years.

In their report on the consolidated financial statements for the 2009/2010 financial year, the Statutory Auditors have drawn our attention to the point detailed in Note 1 to the financial statements, which sets out the changes in accounting policies resulting from the standards, amendments, and interpretations applied by the Company".

Jean-Marie Laborde,

Chief Executive Officer of Rémy Cointreau

2. INFORMATION INCLUDED IN THE REGISTRATION DOCUMENT FOR REFERENCE PURPOSES

Pursuant to Article 28 of (EC) Regulation 809/2004, the following information is included in this document for reference purposes:

- the consolidated financial statements for the 2010/2011 financial year, prepared in accordance with IFRS, together with the related Statutory Auditors' report, are shown on pages 66 to 111 and 112 respectively of the registration document filed with the AMF on 29 June 2011 under Number D. 11-0649;
- the consolidated financial statements for the 2009/2010 financial year, prepared in accordance with IFRS, together with the related Statutory Auditors' report, are shown on pages 52 to 94 and 95 respectively of the registration document filed with the AMF on 1 July 2010 under Number D. 10-0583;
- Rémy Cointreau SA's financial statements for the 2010/2011 financial year, prepared in accordance with French legislation, together with the related Statutory Auditors' general and special reports, are shown on pages 113 to 127 and 128 to 131 respectively of the registration document filed with the AMF on 29 June 2011 under Number D. 11-0649;
- Rémy Cointreau SA's financial statements for the 2009/2010 financial year, prepared in accordance with French legislation, together with the related Statutory Auditors' general and special reports, are shown on pages 97 to 111 and 112 to 116 respectively of the registration document filed with the AMF on 1 July 2010 under Number D. 10-0583.

3. PUBLICLY AVAILABLE DOCUMENTS

The Articles of Association, minutes of the Shareholders' Meetings, Statutory Auditors' reports and other corporate documents may be consulted at the Company's registered office.

The Rémy Cointreau registration document filed with the AMF, together with the Company's press releases regarding sales and net income, the annual and half-yearly reports, the company and consolidated financial statements, and the information regarding transactions in treasury shares and the total number of shares and voting rights may be viewed on the Company's website, at the following address:

www.remy-cointreau.com

Concordance table with the headings from Appendix 1 of European Regulation 809/2004

5

Reconciliation table for use with the annual financial report[1]

(1) In accordance with Articles L. 451-1-2 of the French Monetary and Financial Code and 222-3 of the AMF General Regulations.

Rémy Cointreau

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