



RÉMY COINTREAU

FINANCIAL REPORT  
2008 | 2009



## CONTENTS

# FINANCIAL REPORT 2008 | 2009

### Page

3	I. THE REMY COINTREAU GROUP
4	1. History
5	2. Organisation chart
6	3. Key figures
7	4. Rémy Cointreau Group operations
10	5. Management report
29	6. Consolidated financial statements
75	II. THE REMY COINTREAU COMPANY
76	1. General information on the Company and its share capital - Stock market
87	2. Corporate governance
93	3. Report of the Chairman of the Board of Directors
104	4. Report of the Board of Directors
112	5. Parent company financial statements
133	RESOLUTIONS SUBMITTED TO THE COMBINED GENERAL MEETING OF 28 JULY 2009
155	PERSON RESPONSIBLE FOR THE DOCUMENT AND INFORMATION POLICY
158	RECONCILIATION TABLE



# THE RÉMY COINTREAU GROUP

Page	
4	1. HISTORY
5	2. ORGANISATION CHART
6	3. KEY FIGURES
7	4. RÉMY COINTREAU GROUP OPERATIONS
7	4.1 Strategy
7	4.2 Organisation
7	4.3 Activities
7	Cognac
8	Liqueurs and Spirits
8	Champagne
9	Partner brands
9	4.4 Distribution
9	4.5 Supply and subcontracting
10	5. MANAGEMENT REPORT
11	5.1 Comments on the consolidated financial statements
17	5.2 Risk factors and insurance policy
22	5.3 Workforce information
25	5.4 Corporate responsibility
27	5.5 Principal establishments and investment and research policy
27	5.6 Exceptional events and litigation
28	5.7 Major events after the year end and future prospects
28	5.8 Outlook
29	6. CONSOLIDATED FINANCIAL STATEMENTS
29	6.1 Consolidated income statement
30	6.2 Consolidated balance sheet
31	6.3 Consolidated statement of changes in equity
32	6.4 Consolidated cash flow statement
33	6.5 Notes to the consolidated financial statements
74	6.6 Statutory Auditors' report on the consolidated financial statements

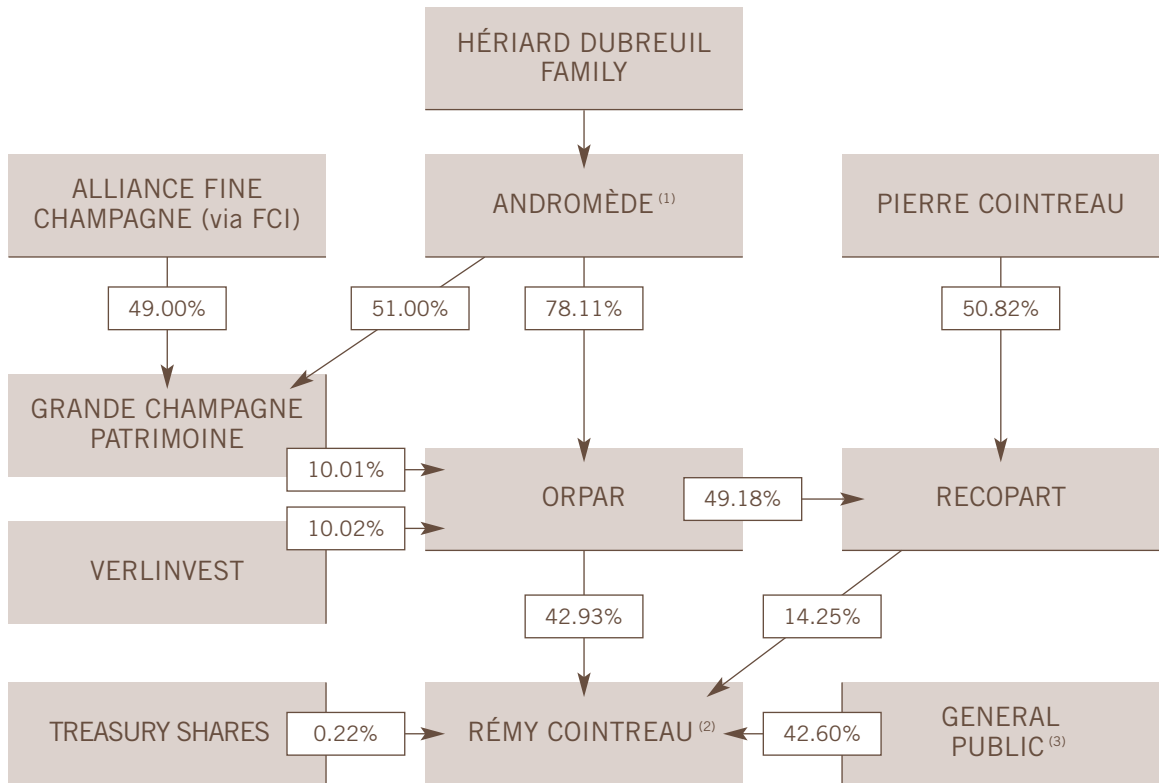
# 1. HISTORY

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

## KEY DATES AND EVENTS IN RÉMY COINTREAU'S HISTORY:

<b>1724</b> Establishment of the house of Rémy Martin Cognac	<b>1999</b> Establishment of the Maxxium distribution joint venture with three partners, the Rémy Cointreau Group, the Edrington Group and Jim Beam brands Worldwide (Fortune Brands)
<b>1849</b> Creation of Cointreau & Cie by the Cointreau brothers.	<b>2000</b> Acquisition of Bols Royal Distilleries including, in particular, the Bols and Metaxa brands
<b>1888</b> Creation of the Metaxa brand	<b>2001</b> Vin & Sprit joins the Maxxium network and becomes its fourth partner
<b>1924</b> Acquisition by André Renaud of E. Rémy Martin & Cie SA	<b>2005</b> Initial public offering of Dynasty Fine Wines Group on the Hong Kong Stock Exchange
<b>1965</b> André Hériard Dubreuil takes over from his father-in-law, André Renaud	Disposal of Bols Polish operations to CEDC
<b>1966</b> Creation of Rémy Martin's international distribution network	Maxxium reinforced by taking over the distribution of a number of Allied Domecq brands acquired by Fortune Brands
<b>1980</b> Creation by Rémy Martin of the French-Chinese joint venture Dynasty Winery in partnership with the city of Tianjin (RPC)	<b>2006</b> Disposal of the Dutch and Italian liqueurs and spirits operations
<b>1985</b> Acquisition by the Rémy Martin Group of Charles Heidsieck champagne	Decision by Rémy Cointreau to fully resume control of its distribution with a deadline of March 2009
<b>1986</b> Creation of the Passoa brand	<b>2008</b> Year of transition with the intention of exiting Maxxium Establishment of a new distribution organisation
<b>1988</b> Acquisition by the Rémy Martin Group of Piper-Heidsieck champagne	<b>2009</b> 30 March, Rémy Cointreau exits the Maxxium distribution joint venture
<b>1989</b> Acquisition by the Rémy Martin Group of Mount Gay Rum	
<b>1990</b> Transfer by Pavis SA of Rémy Martin shares to Cointreau & Cie SA	
<b>1991</b> Adoption by the Group of the corporate name of Rémy Cointreau	
<b>1998</b> Appointment of Dominique Hériard Dubreuil as Chairman of Rémy Cointreau	

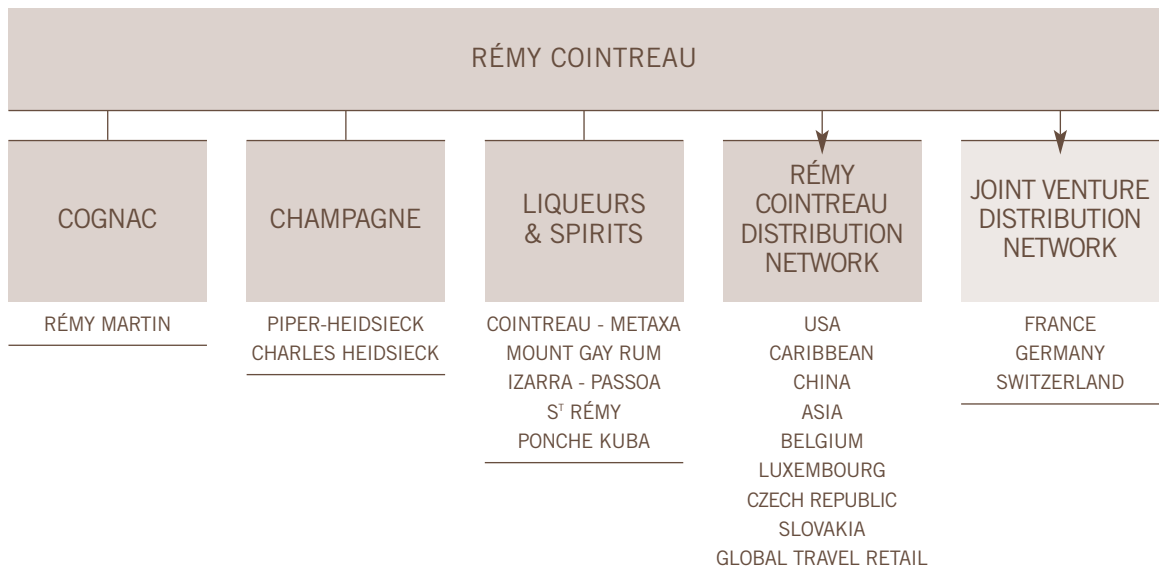
## 2. OWNERSHIP STRUCTURE AND ORGANISATION CHART AT 31 MARCH 2009 (% OF CAPITAL)



(1) Rémy Cointreau is consolidated within the Andromède Group.

(2) Only Rémy Cointreau shares are traded on the Stock Market.

(3) Inc. Arnhold and S. Bleichroeder, LLC 15.28%.



### 3. KEY FIGURES

Data in millions of euros for the periods from 1 April to 31 March

	2009	2008	2007
Turnover	714.1	817.8	785.9
Current operating profit	137.0	159.6	153.8
as % of turnover	19.2%	19.5%	19.6%
Net profit - Group share	86.1	98.4	(23.0)
Operating investments	31.5	27.3	25.8
Equity	970.7	911.5	852.5
Net financial debt	531.9	440.9	562.1
Dividends paid during the financial year (per share)	1.30	1.20	1.10
Earnings per share (in €):			
Net earnings from continuing operations	€1.84	€2.03	€(1.46)
Net earnings - Group share	€1.84	€2.12	€(0.50)

#### Turnover by division

	2009	% 2009	2008	2007
Cognac	311.9	43.7%	362.3	347.6
Liqueurs and spirits	196.0	27.4%	211.7	209.3
Champagne	125.9	17.6%	142.4	126.0
Total Group brands	633.8	88.8%	716.4	682.9
Partner brands	80.3	11.2%	101.4	103.0
<b>Total</b>	<b>714.1</b>	<b>100%</b>	<b>817.8</b>	<b>785.9</b>

#### Current operating profit

	2009	% 2009	2008	2007
Cognac	75.1	54.8%	93.5	87.2
Liqueurs and Spirits	53.2	38.8%	53.2	55.3
Champagne	10.8	7.9%	12.4	10.1
Total Group brands	139.1	101.5%	159.1	152.6
Partner brands	(2.1)	(1.5)%	0.5	1.2
<b>Total</b>	<b>137.0</b>	<b>100%</b>	<b>159.6</b>	<b>153.8</b>

#### Current operating margin

	2009	2008	2007
Cognac	24.1%	25.8%	25.1%
Liqueurs and Spirits	27.1%	25.1%	26.4%
Champagne	8.6%	8.7%	8.0%
Total Group brands	21.9%	22.2%	22.3%
Partner brands	(2.6)%	0.5%	1.2%
<b>Total</b>	<b>19.2%</b>	<b>19.5%</b>	<b>19.6%</b>

#### Turnover by geographic region

	2009	% 2009	2008	2007
Europe	275.1	38.6%	303.3	274.4
Americas	283.0	39.6%	350.6	370.4
Asia & Others	156.0	21.8%	163.9	141.1
<b>Total</b>	<b>714.1</b>	<b>100%</b>	<b>817.8</b>	<b>785.9</b>

#### Turnover by currency

	% total	2009	2008	2007
Euro	31.8%	227.2	245.5	224.3
US Dollar, HK Dollar, Chinese Yuan	51.2%	365.9	434.3	436.8
Other currencies	17.0%	121.0	138.0	124.8
<b>Total</b>	<b>100%</b>	<b>714.1</b>	<b>817.8</b>	<b>785.9</b>



## 4. RÉMY COINTREAU GROUP OPERATIONS

The Rémy Cointreau Group is one of the principal operators in the world market for wines and spirits with a portfolio of international premium brands that include Rémy Martin cognac, the orange liqueur Cointreau, Passoa liqueur, Metaxa brandy, Mount Gay rum and Piper-Heidsieck and Charles Heidsieck champagnes.

The Group is:

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

Rémy Cointreau is quoted in compartment A of Eurolist on the Euronext Paris Stock Exchange and is a component of the CAC MID 100 and SBF 120 indices.

Approximately 43% of the shares comprise the free float. Rémy Cointreau is held by the Orpar and Récopart family holding companies.

Rémy Cointreau SA has been rated “BB -” stable prospects by Standard & Poor’s and “Ba2” stable prospects by Moody’s.

### 4.1 STRATEGY

Within a rapidly changing wines and spirits industry, Rémy Cointreau pursues a value strategy aimed at increasing the growth of its premium brands in high potential global markets.

Implementing this strategy thus led the Group, over the last four financial years, to dispose of the brands and other assets deemed subordinate and to decide, in November 2006, to leave the Maxxium distribution network in March 2009 in order to regain full control of its distribution.

The 2008/09 financial year was a year of transition during which Rémy Cointreau built its own network in Asia with subsidiaries in Shanghai, Tokyo, Singapore and Taiwan, created joint ventures in France and Germany and entered into partnerships with local distributors in the rest of the world (mainly in Europe).

### 4.2 ORGANISATION

Rémy Cointreau is organised into three product divisions (Cognac, Champagne and Liqueurs and Spirits) that include its various brands and, since 1 April 2009, has had its own distribution network, divided into three major regions (Europe, Americas and Asia-Pacific). A fourth division, “Partner brands”, brings together third party brands distributed by the Group’s subsidiaries. This matrix organisation also includes support functions (finance, IT, legal, taxation, human resources, supply chain, etc.) which benefit the divisions as well as the brands. Group operational management is the responsibility of the Chief Executive Officer, assisted by a five-member Executive Committee.

## SECTOR REVIEW

Respective relative size of each activity

Data for the financial year ended 31 March 2009

	Turnover	Current operating profit
Cognac	43.7%	54.8%
Liqueurs and Spirits	27.4%	38.8%
Champagne	17.6%	7.9%
Total Group brands	88.8%	101.5%
Partner brands	11.2%	(1.5%)
<b>Total</b>	<b>100%</b>	<b>100%</b>

### 4.3 ACTIVITIES

#### COGNAC

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

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

#### KEY FIGURES

(€ millions or %)	2009	2008	2007
Turnover	311.9	362.3	347.6
Geographical analysis:			
Europe	18.4%	19.4%	18.1%
Americas	42.8%	46.3%	52.3%
Asia & Others	38.8%	34.3%	29.6%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Current operating profit	75.1	93.5	87.2
as % of turnover	24.1%	25.8%	25.1%
Capital employed			
excluding brands	558.3	557.8	553.4
Purchase of non-current assets	22.4	14.0	14.8

#### DESCRIPTION OF “APPELLATION D’ORIGINE CONTRÔLÉE COGNAC”

Cognac is a brandy (eaux-de-vie distilled from grapes) with the “appellation d’origine contrôlée” from the Cognac region of France. The “Appellation” is based on six vintages, of which the best two for superior quality Cognac production are “Grande Champagne” and “Petite Champagne”. “Fine Champagne” designates a cognac that comes exclusively from Grande Champagne (a minimum of 50%) and Petite Champagne. There are a number of quality levels classified according to legal standards in respect of the average age of the eaux-de-vie:

- VS (“Very Superior”), with a minimum legal age of two years,
- QS (“Qualité Supérieure”), covering all the VSOP and QSS labels:

- VSOP (“Very Superior Old Pale”), with a minimum legal age of four years,
- QSS (“Qualité Supérieure Supérieure”), with a minimum legal age of six years,
- XO (“Extra Old”) is included in the QSS category.

During the year Rémy Martin launched several products in the QSS range, which lies at the heart of its strategy:

- RARE which is a superior VSOP aimed at the Russian market, in particular;
- 1898 in China, positioned above XO, and
- magnum Black Pearl, a new limited edition of Louis XIII.

#### COMPETITIVE RANKING

Rémy Martin’s market share reached 14.4% at 31 March 2009 (Source: BNIC).

88% of Rémy Martin’s shipments were from superior quality segments, its core business, compared with 54% for other players in the category. Its market share of the top QSS segment was 34.0% (Source BNIC).

With 1.8 million cases (at end December 2008 - Source IWSR), Rémy Martin ranks second among the four major Cognac companies, which together account for 9.7 million cases, out of an overall total of 12.8 million cases.

#### LIQUEURS AND SPIRITS

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

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

Volume (8.4 L/case)	2005	2006	2007
Vodka	431,191	434,570	432,327
Oth.Flav.Spirits	73,265	73,020	73,686
Brandy	45,486	45,752	46,629
Scotch Whisky	45,734	45,876	45,703
Liqueurs	43,566	42,964	42,941
Gin / Tequila / Others	28,870	27,986	27,080
Rum / Cane	22,869	23,101	23,986
Other Whisky	10,828	11,042	11,383
Cognac / Armagnac	4,729	4,799	4,812
<b>Total</b>	<b>706,539</b>	<b>709,109</b>	<b>708,548</b>

Source : © Copyright 2008 The IWSR.

Rémy Cointreau’s principal brands are the orange liqueur Cointreau (43% of divisional sales in the 2008/09 financial year), the Greek brandy Metaxa (26%), Passoa liqueur (12%), S’ Rémy brandy (9%) and Mount Gay rum (10%).

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

All the products marketed by the Group come from Angers (France), origin of the Cointreau brand, with the exception of rum which comes from Barbados and Metaxa which comes from Greece.

#### KEY FIGURES

(€ millions or %)	2009	2008	2007
Turnover	196.0	211.7	209.3
Geographic analysis:			
Europe	59.6%	56.9%	54.0%
Americas	33.4%	34.5%	37.1%
Asia & Others	7.0%	8.6%	9.0%
Total	100%	100%	100%
Current operating profit as % of turnover	27.1%	25.1%	26.4%
Capital employed, excluding brands	67.2	56.1	67.3
Purchases of non-current assets	5.6	4.8	5.8

#### COMPETITIVE RANKING

According to IWSR data, in a liqueurs segment market which is in slight decline, Cointreau’s market share is estimated at 1.5%, stable over the last three financial years.

#### CHAMPAGNE

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

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

Piper-Heidsieck is aimed at the “major brands” segment and ranks third among export brands (source: Impact 2008). It is a leading brand in France, Germany, Japan, Belgium and the UK. Charles Heidsieck, positioned in the “Wines” top of the range segment, is distributed through specialist channels, mainly in France, Italy, the US and the UK.

#### KEY FIGURES

(€ millions or %)	2009	2008	2007
Turnover	125.9	142.4	126.0
Geographic analysis:			
Europe	75.0%	74.6%	72.4%
Americas	10.4%	13.3%	14.2%
Asia & Others	14.6%	12.1%	13.4%
Total	100%	100%	100%
Current operating profit as % of turnover	8.2%	8.7%	8.0%
Capital employed, excluding brands	276.7	265.4	236.4
Purchases of non-current assets	3.2	8.2	4.7

#### DESCRIPTION OF “APPELLATION D’ORIGINE CONTRÔLÉE CHAMPAGNE”

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

- grapes must come from specific vineyards (32,946 hectares in 2008) in the Champagne region of France;
- the yield of the vines is limited and an annual amount is set to preserve quality;
- only three grape varieties are permitted: Pinot Noir, Pinot Meunier and Chardonnay; and

- minimum ageing of 15 months in the bottle is required for non-vintage champagnes and three years for vintage champagnes.

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

In order to meet rising demand, at the end of 2006 the champagne producers obtained authorisation to increase the crop yield.

Despite this policy of expansion, and taking into account climatic conditions, it is likely that total champagne production will not ultimately exceed 380 million bottles per year.

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

Champagne's major markets are France (56%), the UK (11%), the US (5%) and Germany (4%) (source: CIVC 2008).

#### COMPETITIVE RANKING

Over the 12 months of the 2008/09 financial year, the Piper-Heidsieck and Charles Heidsieck brands recorded a 14% global decline in volume growth, in line with all other winemakers in this division (-12% moving annual average over the same period).

#### PARTNER BRANDS

Taking advantage of the refocusing that has been implemented over the past few years, the relative size of Partner brands in the Group's turnover was reduced and, today, primarily affects the US. The most significant contract concerns the Edrington Group's Scotch whiskies (in particular The Famous Grouse and The Macallan brands).

Partner brands represented 11.2% of turnover and a 1.5% current operating loss in the financial year ended 31 March 2009.

### 4.4 DISTRIBUTION

In November 2006, Rémy Cointreau announced its strategic decision to leave the Maxxium network by 30 March 2009. This network, in which Rémy Cointreau has a 25% stake, will thus distribute the Group's products until 30 March 2009 to 32 countries in Europe, Asia, Canada and South America.

The Group uses its own distribution companies in the US and the Caribbean. In the US market, where customers are wholesalers, Rémy Cointreau's subsidiary has initiated a distribution alliance with Bacardi and Brown Forman that to date involves three states (New York, California and Texas), the gradual expansion of which will generate a dedicated sales force to deal with wholesalers throughout the US.

The Group's products are distributed by exclusive agents in a number of other markets: Rémy Martin and Piper-Heidsieck in Russia, Charles Heidsieck in Poland, Hungary, Switzerland and France, Piper-Heidsieck in Spain and Metaxa in Greece.

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

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

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

Finally, agreements have been renewed in three markets with Edrington (Nordic countries and Korea) and with Bols in the Netherlands.

### 4.5 SUPPLY AND SUB-CONTRACTING

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

#### CHAMPAGNE SUPPLY

In Champagne, 95% of Rémy Cointreau's supplies depend on medium term contracts of four, five, six, nine years and over, entered into with the principal co-operatives in the region and several hundred growers. This contractual arrangement, which covers just over 1,000 hectares of the 32,400 hectares within the appellation, is a strategic factor in developing the Group's brands in a region with limited production capacity. Since 1990, the Group has enriched and strengthened its supply capacity by seeking to improve its qualitative criteria: the renewal of contracts expiring in 2007 (7% of the total) was completed under conditions that ensured a level of supply for the next three years in harmony with its development requirements.

Renewal of contracts which expired in 2008 is under way and represents 17% of the total.

#### SUPPLY OF EAUX-DE-VIE

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

The establishment of this partnership is mainly by means of the co-operative, Alliance Fine Champagne (AFC), which brings together a total of 1,200 members that operate just under 70% of the vineyards of the leading two vintages. Two types of contracts formalise the relationship between AFC and the Rémy Cointreau Group via CLS Rémy Cointreau:

- collective contracts, involving approximately 900 members, which specify the volume of the new harvest to be delivered to the co-operative as well as the desired volume over the coming years. These stocks become the property of the co-operative and are financed in part by payments on account from CLS Rémy Cointreau and the balance from the co-operative's own banking resources. CLS Rémy Cointreau is irrevocably committed to the acquisition in time of these stocks when the eaux-de-vie has been accepted as suitable for the brand and accepted as part of the AFC stock. The price is contractually agreed at the time it is accepted as part of

the stock and is then increased by the actual storage and finance costs incurred by the co-operative.

- individual contracts involving approximately 450 members, who manage supplies by age and whose storage is assured and financed by the home distillers. These contracts are between CLS Rémy Cointreau and the members concerned. Since April 2005, CLS Rémy Cointreau has transferred purchase commitments and the management of three-year contracts with the distillers to AFC.

Rémy Cointreau consolidates as a special purpose entity the inventories of the AFC co-operative as well as the contractual commitments related to the Rémy Martin brand. Based on the analyses of operating modes defined for the management of these contracts and the price formula applicable at delivery, risks and benefits pertaining to eaux-de-vie inventories held by home distillers were deemed to have been transferred to AFC (thus to CLS Rémy Cointreau) from the time the eaux-de-vie passed Rémy Cointreau's quality tests and the home distiller subscribed to shares in the co-operative for delivery commitments. The balance of contractual commitments not yet produced is disclosed in the off-balance sheet commitments.

#### OTHER SUPPLIES AND SUBCONTRACTING

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

The Group's top twelve suppliers represent 47% of raw material supplies, excluding eaux-de-vie and wine.

The Rémy Cointreau Group subcontracts part of its bottling operations to other companies located abroad:

- US for Mount Gay rum,
- Brazil and Venezuela for Cointreau, and
- Greece for Metaxa,

Subcontracting represents 23% of the total volume of Group brands.

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

## 5. MANAGEMENT REPORT

### REPORT OF THE BOARD OF DIRECTORS TO THE COMBINED GENERAL MEETING OF 28 JULY 2009

Dear Shareholders,

In accordance with the law and our bylaws, we have called you to the Combined General Meeting to present the operating report of your Company for the year ended 31 March 2009 and to submit the financial statements for this year for your approval, and the allocation of the profit, as well as to authorise the purchase or sale by the Company of its own shares, the reduction in share capital by the cancellation of treasury shares held by the Company, the renewal of the delegation to the Board of Directors to increase the share capital with or without the pre-emption right to subscribe, to increase the number of securities to be

issued in the event of excess demand, to proceed with the issue of shares and marketable securities giving access to capital and setting the issue price and, finally, to issue shares or securities giving access to the share capital with a view to remunerating contributions in kind.

### COMMENTS ON THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2009

The major event of the year was the Group's exit from the Maxxium distribution joint venture on 30 March 2009. This exit, which resulted in the payment of a distribution agreement cancellation compensation of €224 million and the acquisition of the shares by Maxxium BV for €60.4 million, marks the end of the notice period that began on 23 November 2006, the date Rémy Cointreau gave notice of its exit.

From Autumn 2006 onwards, the Group began to develop a new commercial organisation in the 38 countries served by Maxxium (about 50% of total turnover), in particular in Asia and for "Global Travel Retail" (duty-free markets), two strategic markets for Rémy Cointreau's development. The increased scale of the new network accelerated in the second half of the financial year ended 31 March 2009, resulting in a seamless transition. The Group has thus directly controlled over 80% of its distribution since 1 April 2009.

The financial year ended 31 March 2009 was consequently a year of transition. The cost overruns generated by the construction of the new distribution structure - where Maxxium remained the sole distributor up to 30 March 2009 - coincided with the difficult economic climate affecting the Group's main markets, particularly during the second half of the year.

In these circumstances, the Group was able to demonstrate its capacity for resilience:

- following four years of double-digit organic growth, operating profit declined by 12.9% organically<sup>(1)</sup> (14.2% published), in line with the guidance provided last January;
- in spite of the economic environment, the Group maintained its value strategy;
- the 19.2% current operating margin was virtually stable compared with the previous financial year (19.5%);
- in spite of the cash outflow relating to the exit from Maxxium and the unfavourable economic situation, the banking ratio underlying the availability of the Group's main funding facility (a €500 million syndicated loan) was within the ratio at 2.99 at 31 March 2009 (thus remaining below 3.50).

As part of its exit from Maxxium and the creation of its new network, Rémy Cointreau made six equity investments and created five new distribution subsidiaries during the second half of the year.

Thus, on 31 March 2009, Rémy Cointreau acquired 100% of four distribution subsidiaries previously owned by Maxxium in Belgium, Luxembourg, the Czech Republic and Slovakia as well as acquiring 50% of Diversa GmbH, a subsidiary of Underberg in Germany. These acquisitions, which were carried out on the balance sheet date, had no effect on the income statement compared with the previous year. 50% of Lixir, a distribution joint venture in France was acquired early in October 2008 and equity accounted.

(1) The organic change was measured on a constant exchange rate basis compared with the previous year.

## 5.1 COMMENTS ON THE INCOME STATEMENT

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

(€ millions or %)	2009	2008	% change	Organic performance
Turnover	714.1	817.8	(12.7%)	(11.6%)
Current operating profit	137.0	159.6	(14.2%)	(12.9%)
as % of turnover	19.2%	19.5%	-	19.2%
Other income and expenses	14.9	(0.6)		
Operating profit	151.9	159.0		
Net financial expense	(31.3)	(45.8)		
Income tax	(37.5)	(28.9)		
Share of profit of associates	3.0	9.5		
Net profit from continuing operations	86.1	93.8		
Net profit on activities sold or held for disposal	-	4.6		
Net profit for the year - Group share	86.1	98.4		
Net profit margin - Group share	12.1%	12.0%		
Earnings per share (euros):				
Earnings from continuing operations	€1.84	€2.03		
Earnings per share - Group share	€1.84	€2.12		

### 5.1.1 CURRENT OPERATING PROFIT

During the year ended 31 March 2009, Rémy Cointreau achieved current operating profit of €137.0 million, a 14.2% decrease compared with the previous year (an organic decrease of 12.9%). The operating profit margin was stable at 19.2% (19.2% organic) compared with the previous year (19.5%). The margin was 22% for Group brands (22.2% in 2008).

Compared with March 2008, the movement in current operating profit can be analysed as follows:

<b>March 2008 current operating profit</b>	<b>159.6</b>
Exchange rate movements (net of hedges)	(2.0)
Change in the business and product mix	(64.5)
Price increases	35.1
Change in marketing expenses (Group brands)	8.9
Changes in sales expenses	(5.1)
Other	5.0
<b>March 2009 current operating profit</b>	<b>137.0</b>

The current operating profit absorbed an unfavourable net foreign exchange rate effect of €2.0 million, mainly in Pounds Sterling (GBP) and Australian Dollars (AUD). This effect only marginally concerned the US Dollar, which is the Group's primary transaction currency. The €/US\$ exchange rate was an average of 1.43 over the financial year, compared with 1.41 over the previous year (albeit with higher volatility), and due to its hedging policy, the Group achieved an average collection rate of 1.37 on the net US Dollar cash flows generated by its European entities, a similar level to the previous year.

Rémy Cointreau continued its ambitious pricing policy, even in those markets most affected by the economic crisis, such as the US. The effect of price increases was valued at €35.1 million.

After taking into account the one-off inventory reduction relating to the transition to the new distribution network, of the stocks returned by Maxxium

in those countries where Rémy Cointreau is now directly in charge of distribution, as well as the wholesalers and distributors' continuing destocking movement noted over the past few months (particularly in the US and Russia), the effect of movements in volume and product mix was estimated at a negative €64.5 million.

Advertising investment was maintained at a high level (18.5% of turnover, compared with 17.1% the previous year). However, it slightly decreased in absolute value terms.

General commercial and administrative expenses increased by €5.1 million, including the costs incurred in establishing the new distribution network.

Other items, including general administrative expenses and other income, improved by €5.0 million

## 5.1.2 REVENUE AND OPERATING PROFIT

### Turnover by sector

(€ millions or %)	2009	% of total	2008	% of total	Change	Organic performance
Cognac	311.9	43.7%	362.3	44.3%	(13.9%)	(13.6%)
Liqueurs and Spirits	196.0	27.4%	211.7	25.9%	(7.4%)	(5.9%)
Champagne	125.9	17.6%	142.4	17.4%	(11.6%)	(9.2%)
Total Group brands	633.8	88.8%	716.4	87.6%	(11.5%)	(10.4%)
Partner brands	80.3	11.2%	101.4	12.4%	(20.8%)	(19.6%)
<b>Total</b>	<b>714.1</b>	<b>100%</b>	<b>817.8</b>	<b>100%</b>	<b>(12.7%)</b>	<b>(11.6%)</b>

### Turnover by geographic region

(€ millions or %)	2009	% of total	2008	% of total	Change	Organic performance
Europe	275.1	38.5%	303.3	37.1%	(9.3%)	(7.4%)
Americas	283.0	39.6%	350.6	42.9%	(19.3%)	(17.7%)
Asia & Others	156.0	21.8%	163.9	20.0%	(4.8%)	(6.2%)
<b>Total</b>	<b>714.1</b>	<b>100%</b>	<b>817.8</b>	<b>100%</b>	<b>(12.7%)</b>	<b>(11.6%)</b>

### Current operating profit

(€ millions or %)	2009	% of total	2008	% of total	Change	Organic performance
Cognac	75.1	54.8%	93.5	58.6%	(19.7%)	(19.8%)
Liqueurs and Spirits	53.2	38.8%	53.2	33.3%	-	+1.5%
Champagne	10.8	7.9%	12.4	7.8%	(12.9%)	(3.2%)
Total Group brands	139.1	101.5%	159.1	99.7%	(12.6%)	(11.4%)
Partner brands	(2.1)	(1.5%)	0.5	0.3%	n/s	n/s
<b>Total</b>	<b>137.0</b>	<b>100%</b>	<b>159.6</b>	<b>100%</b>	<b>(14.2%)</b>	<b>(12.9%)</b>

### Current operating margin

	2009	2009 Organic performance	2008
Cognac	24.1%	24.0%	25.8%
Liqueurs and Spirits	27.1%	27.1%	25.1%
Champagne	8.6%	9.3%	8.7%
Total Group brands	21.9%	22.0%	22.2%
Partner brands	(2.6%)	(2.5%)	0.5%
<b>Total</b>	<b>19.2%</b>	<b>19.2%</b>	<b>19.5%</b>

In the year ended 31 March 2009, the Rémy Cointreau Group generated turnover of €714.1 million, a decrease of 12.7% compared with the previous year (down 11.6% organically).

The Group's own brands posted an 11.5% decline (down 10.4% organically).

The distribution contracts of partner brands Roust (Russian Standard and Imperia vodkas) and Merryvale (Californian wines) in the US were terminated at the end of June 2008. These two brands had generated turnover of €17.9 million over the previous financial year.

In the following comments, all movements are provided in organic data.

By geographic region, the decline in turnover was less in Asia (down 6.2%), due to the power of the Rémy Martin brand, particularly in the very superior quality segment. In China, there was double-digit growth in turnover. The economic deterioration in the

US had a negative impact on the sales of the Americas regions, which fell by 17.7%, adversely affecting the performance of all categories. The Europe region was affected by the Russian market, where the Group remained particularly cautious with regard to the customer risk, which has become a major concern for all exporters to this region. The effects of the economic crisis were felt in other European countries. However, the Group achieved growth in a number of major markets, such as the UK and Eastern European countries (excluding Russia). Overall, the Europe region declined by 7.4%. The transition to the new network, Rémy Cointreau having ensured with Maxxium that final inventory levels were optimised in the various markets.

#### Cognac

The division reported turnover of €311.9 million, a decline of 13.6%. The Americas region, which remains the leading market in this division (43% of

turnover) fell by 19%. In the US, wholesalers reacted to the crisis by implementing significant destocking. The Group remains focused on its price positioning. For "Asia & Others" (39% of turnover), the level of business was down 4.8% due to the very superior qualities, which held their own. In this region, where Rémy Cointreau assumed direct control over its distribution in all its key markets, turnover was also adversely affected by the return of inventories held by Maxxium's distribution companies at 30 March 2009. In Europe, turnover decreased by 16.2%, with a marked decline in Russia and in duty-free market (Travel Retail).

The Cognac business reported a current operating profit of €75.1 million, down 19.8%. The current operating margin was 24.0%, a slight decline compared with the previous year (25.8%). Marketing investment remained high but was redirected to Asian markets. General expenses and other operating items were stable after absorption of the cost overruns relating to the implementation of the new distribution network.

#### **Liqueurs & Spirits**

The turnover of the division declined by 5.9% to €196.0 million. The Cointreau brand was the most affected (down 13.1%), due to its exposure to the US and Europe. Other key brands in the division, Metaxa, Mount Gay and Passoa, are less sensitive to the on-trade market and held up well in the economic climate.

The Liqueurs & Spirits business reported a 1.5% increase in its current operating profit to €53.2 million. The current operating margin was 27.1% or two percentage points more than in the previous period (25.1%), due to the pricing policy, the improved product mix and focused advertising investment. General expenses and other activity-related items increased by 4.8% after absorbing the cost overruns relating to the implementation of the new distribution network.

#### **Champagne**

Following the financial year ended 31 March 2008, which had seen turnover growth of 15.4%, the turnover of the division fell by 9.4% to €125.9 million. This development was largely attributable to the difficult environment seen in the various Champagne markets over the second half of the year (US, Europe). Nevertheless, the Group continued its value strategy. In addition, certain promising markets in the Asia-Pacific region experienced significant growth.

The Champagne business achieved a current operating profit of €10.8 million, down 3.2%. The current operating margin was 9.3%, a slight increase compared with the previous period, under the combined effect of price increases and the optimisation of advertising investment which had reached high levels the previous year. It should be noted that this division absorbed an increase in the price of grapes of around 6.5%.

#### **Partner brands**

This division recorded a 19.6% decrease in turnover to €80.3 million, due to the termination of two significant distribution contracts in the US.

After allocating a share of general sales and administrative expenses, the business generated an operating loss of €2.1 million.

### **5.1.3 OPERATING PROFIT**

The operating profit was €151.9 million after taking into account net income of €14.9 million, of which €13.6 million directly related to leaving Maxxium.

In fact, as early as September 2008, the Group had adjusted the compensation provision for the termination of the Maxxium distribution agreement (a €37.0 million reversal) and recognised a €16.0 million writedown to bring down the value of the Maxxium shares from €76.4 million (value at 31 March 2008) to €60.4 million, agreed with Maxxium partners on 2 September 2008.

The other Maxxium-related items include legal costs, a €1.1 million charge in respect of compensation (waiver) paid to the banks party to the syndicated loan (some of Maxxium's final exit conditions being likely to contravene certain provisions of the contract) as well as the recognition as profit and loss of the translation adjustment to the equity-accounting of Maxxium, resulting in a €4.0 million charge, as shares were transferred to Maxxium on 30 March 2009.

#### 5.1.4 NET FINANCIAL INCOME (EXPENSE)

Net financial income (expense) was an expense of €31.3 million, a €14.5 million improvement over the previous financial year.

(€ millions)	2009	2008	Change
Average net financial debt	477.8	541.2	(63.4)
Average interest rate	6.93%	5.54%	
Cost of “recurring” debt	(33.1)	(30.0)	(3.1)
Early redemption premium and waiver	-	(10.5)	10.5
<b>Cost of financial debt</b>	<b>(33.1)</b>	<b>(40.5)</b>	<b>7.4</b>
Interest and movement in value of seller loan	9.2	1.8	7.5
Proceeds from the disposal of the CEDC shares	-	4.2	(4.2)
Updating of provisions	(10.6)	(9.6)	(1.0)
Exchange gains/(losses)	4.7	(1.6)	6.3
Others	(1.5)	(0.1)	(1.5)
<b>Other financial income and expenses</b>	<b>1.8</b>	<b>(5.3)</b>	<b>7.1</b>
<b>Net finance expense</b>	<b>(31.3)</b>	<b>(45.8)</b>	<b>14.5</b>

The recurring finance expense increased by €3.1 million. Average debt decreased by nearly 12% but the average interest rate rose due to the higher financing costs of the AFC co-operative’s inventories. Excluding AFC, it was 5.51%, compared with 4.75% the previous year.

In the financial year ended 31 March 2008, the non-recurring items included a total of €8.0 million in charges relating to the early redemption of the 6.50% €175 million bond issue redeemed in July 2007 and the payment of a €2.5 million compensation (“waiver”) to bond holders of the €200 million bond issue.

At 31 March 2009, “Other financial income and expenses” included:

- the €(10.6) million update of the provision for Maxxium compensation;
- the €5.8 million actuarial revaluation of the €50 million seller loan granted to the acquiring company in the course of the disposal of the Lucas Bols division on 11 April 2006, of which €40 million had been recognised due to an early repayment option that was not exercised at 31 March 2009; and
- a €4.7 million translation adjustment due to the valuation of the portfolio of financial instruments, qualified of future cash flow hedges in accordance with IAS 39.

#### 5.1.5 NET PROFIT FROM CONTINUING OPERATIONS

The tax charge amounted to €37.5 million, representing an effective tax rate of 31.1%, higher than the 25.5% the previous financial year, primarily due to the non tax deductible capital loss incurred on the disposal of the Maxxium shares.

The share of profit of associates totalled €3.0 million, including €2.3 million and €0.7 million relating to the Dynasty Group and Lixir, respectively. Maxxium has not been equity-accounted since 1 April 2008. The share of Maxxium’s profit was €6.1 million for the financial year ended 31 March 2008.

Net profit from continuing operations was €86.1 million, giving basic earnings per share of €1.84 (€1.83 diluted).

#### 5.1.6 NET PROFIT - GROUP SHARE

Net profit on activities sold or held for disposal, as well as minority interests, both being nil, net profit - Group share amounted to €86.1 million (2008: €98.4 million), giving basic earnings per share of 1.84 (€1.83 diluted).



## 5.1.7 BALANCE SHEET

(€ millions)	2009	2008	Change
Brands and other intangible assets	629.8	627.0	2.8
Property, plant and equipment	197.0	180.0	17.0
Investments in associates	62.1	120.3	(58.2)
Other investments	61.1	54.1	7.0
Non-current assets (other than deferred tax)	950.0	981.4	(31.4)
Inventories	961.2	861.6	99.6
Trade and other receivables	282.1	238.3	43.8
Trade and other payables	(452.9)	(307.4)	(145.5)
Working capital requirement	790.4	792.5	(2.1)
Net financial derivatives	3.9	26.0	(22.1)
Assets held for disposal	0.2	2.5	(2.3)
Net current and deferred tax	(204.9)	(154.4)	(50.5)
Provisions for liabilities and charges	(37.0)	(295.6)	258.6
Other net current and non-current assets	(237.8)	(421.5)	183.7
<b>Total</b>	<b>1,502.6</b>	<b>1,352.4</b>	<b>150.2</b>
Financed by:			
Equity	970.7	911.5	59.2
Long-term borrowings	592.4	322.1	270.3
Short term borrowings and accrued interest	28.9	156.1	(127.2)
Cash and cash equivalents	(89.4)	(37.3)	(52.1)
Net borrowings	531.9	440.9	91.0
<b>Total</b>	<b>1,502.6</b>	<b>1,352.4</b>	<b>150.2</b>
For information:			
<b>Total assets</b>	<b>2,322.1</b>	<b>2,162.7</b>	<b>159.4</b>

Non-current assets declined by €31.4 million, including:

- a €17 million increase in net property, plant and equipment, including around €19 million for the Cognac division (new cellars, renewal of casks and industrial equipment);
- a €58.2 million decrease in “Investments in associates”, of which €76.4 million was related to the sale of Maxxium shares (value at 31 March 2008) and positive flows of €7.2 million and €1.3 million was in relation to Diversa GmbH and Lixir, respectively; and
- a €7.1 million positive increase in other financial assets, of which €5.8 million was in respect of the revaluation of the seller loan.

The working capital requirement was €790.4 million, a similar level to the previous financial year.

“Net financial derivatives” declined by €22.1 million due to the recycling in profit and loss of the movement in the value of the exchange rate hedging instrument portfolio at 31 March 2008 for €22.5 million, as these instruments matured during the financial year ended 31 March 2009.

Provisions for liabilities and charges decreased by €258.6 million, including €250.4 million in respect of the compensation provision for the termination of the Maxxium distribution agreement (update of €10.6 million, reversal of €37 million and payment of €224 million).

The increase in equity consists of the following items:

Net profit for the year	86.1
Loss taken to equity <sup>(1)</sup>	(14.0)
Impact of stock option and similar plans	3.6
Increase in share capital and share premium	22.3
Transactions in treasury shares	(2.4)
Dividends paid in respect of the 2007/08 financial year	(60.5)
Movement in translation reserves	24.1
<b>Total change</b>	<b>59.2</b>

(1) Movement in the value of hedging instruments and actuarial differences on pension commitments, net of tax.

The dividend was paid on 8 October 2008 as follows: €39.2 million in cash and €21.3 million in shares, the latter being included in the €22.3 million increase in share capital and share premium.

At 31 March 2009, net debt totalled €531.9 million, an increase of €91 million compared with March 2008, including the payment of the Maxxium distribution contract exit compensation of €224.0 million, net of the transfer of the Maxxium BV shares for €60.4 million, resulting in a net outflow of €163.6 million.

At 31 March 2009, Rémy Cointreau had confirmed financial resources of €812.4 million, comprising:

- €192.4 million in bond issues (interest rate: 5.2%, maturity: January 2012);
- €500.0 million “revolving” syndicated loan facilities (Euribor + 0.325%, of which €34 million will mature in June 2010 and €466 million in June 2012); and
- four new bilateral facilities totalling €120 million, negotiated at the beginning of the period, of which €30 million will mature on 31 December 2009, €40 million at 31 March 2010, €20 million on 30 April 2010 and €30 million on 9 July 2010. These facilities carry interest at EURIBOR or EONIA, increased by a margin of 0.200% to 0.400% depending on credit lines.

The A ratio<sup>(1)</sup> (Average net debt/EBITDA), which defines the margin applicable to the syndicated loan was 2.99 at 31 March 2009 (2.54 at 31 March 2008). According to the terms and conditions of the syndicated loan, this ratio, calculated every half-year, must remain below 3.5% from 1 October 2008 to maturity. Availability of the €30 million credit line maturing on 9 July 2010 is also subject to compliance with this ratio.

The net effect of the exit from Maxxium led the Group to increase its level of debt. Rémy Cointreau management has made it a priority to comply with these ratios and is confident in the Group's capacity to do so over the coming half-year periods.

(1) The ratio A is calculated every half-year. It is the ratio of (a) the arithmetic average of the net debt at the end of the half-year and the end of the previous half-year - here the end of March 2009 and the end of September 2008 - after the restatements to eliminate the impact of IFRS on the calculation of the net debt and (b) gross operating profit (EBITDA) for the preceding twelve months - here the year ended 31 March 2009.

## 5.1.8 CASH FLOW STATEMENT

The net cash flows generated by the Group over the financial year can be analysed as follows:

(€ millions)	2009	2008	Change
Net cash flow from operating activities - excluding Maxxium compensation	164.1	122.5	41.6
Maxxium compensation and ancillary charges	(226.2)	-	(226.2)
Net cash flow from investing activities of continuing operations	29.2	33.1	(3.9)
Net cash flow from continuing activities before financing	(32.9)	155.6	(188.5)
Net cash from operations disposed of or held for disposal	0.7	(2.5)	1.8
Net cash flow before financing	(33.6)	153.1	(186.7)
Share capital increase	0.9	8.0	(7.1)
Treasury shares	(2.2)	1.0	(3.2)
Dividends paid to shareholders of the parent company	(39.2)	(48.1)	8.9
Cash flow related to capital	(40.5)	(39.1)	(1.4)
Increase in borrowings	136.6	82.0	54.6
Repayment of borrowings	(2.3)	(186.6)	184.3
Increase/(decrease) in gross financial debt	134.3	(104.6)	238.9
Net cash flow from financing activities	60.2	9.4	50.8
Translation differences on cash and cash equivalents	(8.1)	7.3	(15.4)
Change in cash and cash equivalents	52.1	16.7	35.4

### OPERATING AND INVESTING CASH FLOW

Net cash flow from operating activities, excluding Maxxium compensation, increased by €41.6 million to €164.1 million compared with the previous year.

(€ millions)	2009	2008	Change
Gross operating profit	156.8	185.1	(28.3)
Change in working capital requirement	3.3	(26.2)	29.5
Net cash flow from operations	160.1	158.9	1.2
Other operating income and expenses	(6.3)	(9.4)	3.1
Net financial expenses	(17.6)	(37.5)	19.9
Net income tax	27.9	10.5	17.4
Other operating cash flows	4.0	(36.4)	40.4
Net cash flow from operating activities - continuing operations	164.1	122.5	41.6

The decrease in the gross operating profit (EBITDA) <sup>(1)</sup> primarily due to the decline in operating profit (down €22.6 million) and the absence of dividends received from Maxxium over the financial year (€6.9 million received over the year ended 31 March 2008) was offset by rigorous management of the working capital requirement and a significant decline in cash outflows due to financial expenses <sup>(2)</sup> and taxation.

The increase in investment flows includes the €5.8 million impact of the acquisition of the Lixir shares and the partial impact of the acquisition of the four entities acquired from Maxxium (part of the price being payable in May 2009). The balance reflects an increase in capital expenditure compared with the previous year.

(1) Gross operating profit (EBITDA) is calculated as current operating profit, adjusted by adding back depreciation and amortisation charges on property, plant and equipment and intangible assets and charges in respect of share-based payments and dividends received from associates during the period.  
(2) During the financial year ended 31 March 2009, Rémy Cointreau paid out €7.7 million in relation to the early redemption of a €175 million bond issue and compensation paid to bondholders of a €200 million loan issue.

## NET CASH FLOW FROM FINANCING

A cash dividend of €39.2 million was paid over the financial year out of a total of €60.5 million, due to the part payment of this dividend in shares.

The Group mainly increased its debt by drawing on its syndicated loan. At the end of the year, drawdowns exceeded funding requirements and thus generated a positive cash flow.

## 5.2 RISK FACTORS AND INSURANCE POLICY

### 5.2.1 SEASONALITY OF THE BUSINESS

Rémy Cointreau generates more 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.

### 5.2.2 DELIVERY COMMITMENTS

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

### 5.2.3 PRINCIPAL CONTRACTS AND CUSTOMERS

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

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

There are no contracts with third parties by a Group company that carry major obligations or commitments for the entire Group, with the exception of joint venture contracts signed on 31 May 2001 by E.Rémy Martin and Cie and various other subsidiaries with Maxxium Worldwide BV and which ceased on 30 March 2009.

The Group's top ten customers (excluding sales to Maxxium) represent 30% of consolidated turnover.

## 5.2.4 EXCHANGE RATE EXPOSURE

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

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

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

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

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

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

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

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

During the financial year ended 31 March 2009, the Group thus hedged its USD/EUR flows with a total hedging volume of USD 284 million, resulting in a EUR/USD collection rate of 1.37, compared with an average exchange rate of 1.43 over the period.

In respect of the financial year ended 31 March 2010, the Group has already subscribed at 31 March 2009 to hedges of a nominal value of USD 265 million, representing 80% of this currency's estimated net cash flow with a worse-case scenario of EUR/USD 1.46. Note that these hedges primarily comprise options.

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

### 5.2.5 INTEREST RATE EXPOSURE

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

At 31 March 2008, the financial debt was analysed at follows:

(€ millions)	Long-term	Short-term	Total
Fixed rate	191.0	0.0	191.0
Variable rate	401.4	20.6	422.0
Accrued interest, not mature	-	8.3	8.3
<b>Gross financial debt</b>	<b>592.4</b>	<b>28.9</b>	<b>621.3</b>

The variable rate debt was covered by foreign exchange hedges, the terms and conditions and sensitivity of which is described in Note 14.4 to the consolidated financial statements.

### 5.2.6 LIQUIDITY RISK

The liquidity risk is primarily induced by the maturity and availability of financial resources. Total gross financial debt at the year-end had a nominal value of €623.1 million, compared with confirmed resources of €849.8 million. Out of this amount, €102.0 million will fall due over the next financial year and €84.0 million over the following. Of the €849.8 million in confirmed resources at 31 March 2009, €620 million were made available subject to maintaining the “Ratio A” (Average net consolidated financial debt/consolidated EBITDA, see Note 11.7 to the consolidated financial statements) below 3.50 over all half-year periods until maturity. Rémy Cointreau’s management has made it a priority to comply with these ratios and is confident in the Group’s capacity to do so over the coming half-year periods.

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

### 5.2.7 FINANCING POLICY

At 31 March 2009, the Group had no significant specific financing linked to its assets.

### 5.2.8 BRANDS

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

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

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

Since 2006, Rémy Cointreau has significantly developed its internal resources in the fight against counterfeiting, notably with the appointment of a co-ordinator who co-operates closely with the various lawyers with responsibility for the Group’s brands. The co-ordinator of the fight against counterfeiting firstly ensures the

follow up of the report on any counterfeiting of the Group’s brands together with specialist organisations, distributors, sales staff, customs authorities, DRE and economic missions. He then reports this information, having verified its reliability, shares the best anti-counterfeiting practices with other major groups in wines and spirits and ensures the consistency of the steps to be taken by the lawyers and other concerned internal players.

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

### 5.2.9 LEGAL RISKS

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

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

Spirits are subject, depending on their definition and presentation, to the provision of regulation CEE No. 110/2008. The raw materials, processes authorised, sales denominations, minimum alcohol content, labelling rules and conditions to obtain protected geographical indication status are also precisely defined for spirits.

In the US, Federal law “The Federal Alcohol Administration Act (FAA Act)”, regulates all commercial practices among the importers, such as the Group’s subsidiary Rémy Cointreau USA, wholesalers and retailers, as well as local production of alcoholic drinks. Internationally, this Federal law regulates the composition of products, the content of the documentation from the producing country, labelling constraints and the custom duties 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 of all merchandise to the US.

In December 2008, Rémy Cointreau and Rémy Cointreau USA became members of the C-TPAT (“Customs-Trade Partnership Against Terrorism”). This is a programme which brings together suppliers and the US CBP (US Customs and Border Protection) to ensure the security of the logistic chains of the American importers concerned and the integrity of security between suppliers and American harbours. Apart from the security benefits, the CBP offers various advantages to C-TPAT members, such as a reduction in the number of customs inspections or a reduction in delays experienced at the border in particular. In the event of a terrorist incident, members of the C-TPAT can avoid a detailed border control, therefore enabling them to continue to clear their goods from customs.

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

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

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

At the date of the present report, neither Rémy Cointreau SA nor any of its subsidiaries has 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 the utmost attention to brand defence, brand registration and renewal, either directly, through the implementation by intellectual property advisors of modern brand management procedures, or through intellectual property advisors whose expertise is recognised globally. The Group never hesitates to initiate litigation, anywhere in the world, each time it considers that a brand registration application may impair its property rights. It is also a member of professional organisations that combat counterfeiting. Finally, the Group has initiated brand awareness recognition procedures for some of its brands in countries where these procedures are provided by law.

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

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

There are no contracts with third parties by a Group company that carry major obligations or commitments for the entire Group, with the exception of joint venture contracts signed on 31 May 2001 by E.Rémy Martin and Cie and various other subsidiaries with Maxxium Worldwide BV and which ceased on 30 March 2009.

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

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

The Group’s insurance coverage policy is specified in Chapter 1.28 of this report.

## 5.2.11 OTHER RISKS

### CUSTOMER/COUNTRY RISK

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

Rémy Cointreau has historically had very little exposure to customer risk. In that respect, relentlessly striving for distribution optimisation at a global level is a factor in limiting this risk.

### PERFORMANCE DRIVEN BY INTERNATIONAL OPERATIONS

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

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

### COMPETITION

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

### INDUSTRIAL AND ENVIRONMENTAL RISKS

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

Safety/Environment audits are carried out on a regular

basis at production sites by personnel and certified external auditors, leading to action plans followed by quarterly committee meetings.

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

The Cognac and Angers sites are ISO 14001 certified. This certification is validated by annual follow-up audits. Indicators used by ISO 14001 certification have also been rolled out to other Group sites.

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

During the financial year, more than €3 million was invested in France to prevent industrial risks, primarily in the fields of fire safety.

In terms of product risks, the Group refers to the HACCP standard (Hazard Analysis of Critical Control Point): an international method for implementing a system that guarantees the hygiene of food served to consumers, as well as the ISO 22000 standard: an internationally recognised standard for certification of production sites' HACCP plans. The Angers site, the first Group plant to be awarded the ISO 22000 certification, received its initial certificate on 22 October 2008 from the Association Française d'Assurance Qualité. The plan to roll this out to other sites will be implemented in 2009/10.

During the financial year ended 31 March 2009, no significant disaster was reported at the various Group sites, either in terms of industrial or product safety.

## INSURANCE

The Rémy Cointreau Group has always been committed to a voluntary risk management policy, which implements both identification procedures for individuals and assets and an overall approach to insurance contracts. The Group has also worked for many years in close partnership with the prevention departments of insurance companies. This partnership has enabled prevention and safety audits to be carried out at all sites and their facilities to be upgraded to the current standards. The prevention policy reduces the Group's operational risks to a minimum.

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

The Rémy Cointreau Group works closely with a worldwide insurance broker and all its policies were subscribed to with a number of major insurance companies with recognised financial strength. The main insurance cover is part of integrated international programmes for strategic risks such as general civil liability, withdrawal of delivered products, damage to property and consequent loss of profit, transport of goods and public liability for senior executives.

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

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

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:

<b>Insurances</b>	<b>Guarantees and limits</b>
Material Damage and Loss of Profit	<p>The industrial operations of the Group are covered as part of an international policy based in France.</p> <p>Material damage is covered in the form of “All risks except”.</p> <p>This policy was taken out for a multi-year period, and operates under Difference in Conditions and Difference in Limits of local policies.</p> <p>Damage related to contamination or pollution are covered under this policy.</p> <p><b>Cover</b></p> <ul style="list-style-type: none"><li>• Replacement value as new for goods and property.</li><li>• Wine and alcohol at market replacement value.</li><li>• 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.</li></ul> <p><b>Contractual compensation limits</b></p> <p>A facility of €275,000,000 per claim has been negotiated on the international insurance market for both material damage and loss of profit. This limit was determined following the analysis of the Maximum Possible Disaster study.</p>
General Civil Liability and withdrawal of products	<p>This is a multi-year contract, which operates under Difference in Conditions and Difference in Limits (DIC/DIL) of local policies.</p> <p>This policy guarantees the Group is covered for all tangible and intangible damage likely to be caused to third parties.</p> <p>Cost of withdrawal of delivered products is also covered.</p> <p>In the US, local policies have been subscribed to that cover employer civil liability as well as motor insurance civil liability.</p>
Corporate environmental responsibility	<p>This policy guarantees that the Group is covered for environmental risks. This policy is renewed on an annual basis.</p>
Transport	<p>The policy was taken out on an annual basis and covers transport risks of €10,000,000 per claim.</p> <p>This limit corresponds to the maximum risk during transportation.</p> <p>This policy provides cover for all merchandise in the Group’s business transporters from every point in the world to every point in the world, by every means of transport.</p>
Public Liability policy for senior executives	<p>This policy is renewed each year. The level of the guarantee limit varies according to identified risks and is discounted.</p>

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

The Group suffered no significant loss in the 2008/09 financial year where the losses were not recovered under its insurance cover.

Total insurance premiums, excluding collective insurance of personnel, for the 2008/09 financial year did not exceed 0.21% of consolidated turnover.

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

## 5.3 WORKFORCE INFORMATION

### 5.3.1 HUMAN RESOURCES POLICY

As part of the restructuring of its distribution network, Rémy Cointreau anticipated this major development by recruiting additional employees during the year, in order to add a new commercial and multi-cultural dimension to the Group.

In 2008/09, Rémy Cointreau's Human Resource policy made every effort to support this in-depth transition by drawing on the Company's strategic objectives and on the Group's historic values.

Human resources priorities were again based on the following three areas:

- encouraging the development of each employee's skills;
- guaranteeing the implementation of balanced, equitable, competitive and attractive policies that recognise performance; and
- promoting social dialogue and communication.

By resolutely relying on the development of the expertise of the men and women who work for the Group, Rémy Cointreau continues to confirm its commitment to an ambitious training policy. This is based on four key factors, which are adapted from the Company's strategic objectives and shared by all Rémy Cointreau teams throughout the world. Investment in training represented nearly 4% of payroll expenses during 2008/09.

In addition, Rémy Cointreau provides each manager - as a participant in his/her own career development - with a new procedure aimed at identifying and implementing realistic and ambitious career plans.

In respect of remuneration and benefit policies, Rémy Cointreau guarantees clear and fair practices, based on simple principles.

The basic salary is paid depending on the nature of the position, its value within the organisation and the performance of the incumbent. It is established both on the basis of a clear description of the permanent

duties of the position and the expertise required, and on market practices, as measured in surveys prepared by experts.

Individual variable remuneration - or a bonus - is added to most managers' basic salary. Its maximum value, expressed as a percentage of their annual salary and based on the nature of the objectives pursued, vary depending on each incumbent's position within the organisation.

In addition, depending on local jurisdictions, an employee profit-sharing plan can be implemented to reward the collective performance of a legal entity.

Finally, Rémy Cointreau pioneered a plan to provide virtually all its French personnel with a supplementary pension, financed by the Company.

In 2008/09, a new theme was added to the social dialogue, which endorsed the Group's intention to continue its co-operation.

In fact, on 8 April 2008, every trade union organisation in all the Group's French units signed a collective agreement in favour of diversity and against discrimination. This agreement formalised the Group's practices and established its commitment to the following themes: integration of young people within the Company, gender equality at work, employment of older and disabled people and the recognition of trade union activities.

### 5.3.2 MOVEMENTS IN THE SIZE OF THE WORKFORCE

At 31 March 2009, the Group's workforce totalled 1,512 people, a year-on-year increase of 266 people or 20% of the total workforce. This increase is partly due to the integration of the distribution operations in Belgium, Luxembourg, the Czech Republic and Slovakia, at the end of the financial year, representing 105 employees but also due to the new distribution network in Asia, primarily in China and South East Asia representing 207 employees.

#### 5.3.2 ANALYSIS OF THE WORKFORCE BY GEOGRAPHIC AREA

The Asia region now represents 13% of the workforce, with operations in China, Singapore, Taiwan and Japan. This had an automatic knock-on effect on the relative size of the French workforce, which today only accounts for 55% of the total workforce, located at three production sites, Angers, Cognac and Reims, and at the Group's head office in Paris. The Europe region, excluding France, now represents 10% of the workforce.

The workforce of the Americas region still represents nearly a quarter of the total workforce, comprising the US distribution subsidiary and the Barbados rum production site.



	March 2009	%	March 2008	%	March 2007	%
France	825	55%	840	68%	860	71%
Europe (exc. France)	150	10%	41	3%	38	3%
America	330	22%	327	26%	304	25%
Asia	207	13%	38	3%	17	1%
<b>Total</b>	<b>1,512</b>	<b>100%</b>	<b>1,246</b>	<b>100%</b>	<b>1,219</b>	<b>100%</b>

### 5.3.3 ANALYSIS OF THE WORKFORCE BY DIVISION

The creation of new distribution operations in Asia resulted in the recruitment of some 130 sales people in the region. Therefore, the relative weight of the distribution activity within the Group increased to 40% of the workforce.

Staff numbers in the Cognac/Liqueurs/Spirits and Champagne divisions slightly declined and now represent slightly less than half the workforce for the former and slightly more than one tenth for the latter.

	March 2009	%	March 2008	%	March 2007	%
Cognacs, Liqueurs & Spirits	682	45%	691	56%	731	60%
Champagne	180	12%	182	14%	184	15%
Distribution	605	40%	318	26%	256	21%
Holding	45	3%	55	4%	48	4%
<b>Total</b>	<b>1,512</b>	<b>100%</b>	<b>1,246</b>	<b>100%</b>	<b>1,219</b>	<b>100%</b>

### 5.3.4 ANALYSIS OF THE WORKFORCE BY FUNCTION AND POSITION

The two core businesses of the Rémy Cointreau Group each represent a quarter of the workforce:

- production (Packing, Maintenance, Quality and Safety), Purchase & Development. They are mainly based on the production sites in France and Barbados;
- sales: this function was substantially developed in 2008/09 and now totals 353 employees, representing the majority of growth in the workforce.

	March 2009	%	March 2008	%
Sales	353	23%	169	14%
Marketing	178	12%	140	11%
Production, Purchase & Development	385	26%	385	31%
Supply Chain	144	10%	127	10%
Ageing	127	8%	133	11%
Financial & Legal	159	11%	131	11%
Information systems	46	3%	45	4%
Human resources	34	3%	33	3%
General services	53	4%	52	4%
General management	33	2%	31	2%
<b>Total</b>	<b>1,512</b>	<b>100%</b>	<b>1,246</b>	<b>100%</b>

### 5.3.5 ANALYSIS OF THE WORKFORCE BY GENDER

The analysis by gender reveals an increase from 57% to 60% in men and a decrease from 43% to 40% in women. This development was due to the recruitment of numerous sales representatives in Asia, which is a predominantly male occupation.

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

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

It should be noted that gender ratios remained stable in existing units.

### 5.3.6 ANALYSIS OF THE WORKFORCE BY PROFESSIONAL CATEGORY

25% of the Rémy Cointreau workforce are managers, primarily employed in Executive Management, Sales and Marketing positions.

The production activities on the four ageing and production sites of Cognac, Liqueurs and Spirits and Champagne total most of the operative and technical positions, of which over 88% are located in France.

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

### 5.3.7 AVERAGE AGE

The average age of Rémy Cointreau's workforce is 42 years old.

By country or region, the average age is 44 years old in France, 43 years old in Barbados, 40 years old in the US and 33 years old in Asia.

By category, there is a higher average age among women in the workers/employees category (48) than men (45).

By position, sales representatives are markedly younger than other functions (35).

### 5.3.8 AVERAGE SENIORITY

The average seniority of the Group's workforce has experienced a slight decline, from 16 years to 12.8 for all the Rémy Cointreau Group's workforce. The recruitment of almost 250 new employees worldwide is the principal reason. It should be noted that the average seniority of employees in France has also decreased from 19 years to 17.7.

### 5.3.9 WORK-LINKED TRAINING CONTRACTS IN FRANCE

Since 2007, the Rémy Cointreau Group has invested heavily in work-linked contracts, notably with 20 young people in a training contract who are presently working in its French units on a regular basis, representing over 3% of the workforce in France. These contracts, entered into locally at the production sites with the training schools of the regions of the various sites, principally concern production, bottling and maintenance positions.

This year, ten contracts were renewed or created.

### 5.3.10 WORKFORCE SIZE MOVEMENTS

The majority of the recruitment was carried out in the Group's new distribution subsidiaries, in particular in Asia with the recruitment of 198 people, of which 114 were in China. In addition, 105 people were recruited in Europe. The majority of these new positions were created in sales, and to a lesser extent in marketing, finance and supply.

In France, the 40 new recruits were also mainly attributable to the sales, finance and marketing functions, and some to fill production and maintenance vacancies following a number of departures. These 59 departures primarily came from the French Cognac, and Liqueurs and Spirits division of which 50% of them were a result of the end of the restructuring plan initiated in 2006. The other major factor was the in-house mobility to other Group subsidiaries as part of the creation of the new distribution network.

### 5.3.11 WORKING WEEK ORGANISATION

The working week is organised at all sites according to customer needs. It is adapted to the specific features of each market (consumption cycles, events, etc.) and the production constraints of each Rémy Cointreau product. This organisation is subsequently applied sector by sector according to the working constraints of each operation.

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

### 5.3.12 EMPLOYEE PROFIT-SHARING

Employee profit-sharing and Company shareholding are two means implemented by the Rémy Cointreau Group to enable French employees to share in the Group's results.

The profit-sharing agreement of the Cognac and the Liqueurs and Spirits divisions (76% of the workforce in France), was renegotiated in France for three years by applying the following four criteria of Rémy Cointreau's premium strategy: enhanced profitability, turnover growth, improved industrial performance and control of general expenses. As a result of this agreement, a bonus of 9.57% of annual salaries and wages was distributed in 2008/09, within the limit set by legal ceilings.

The following amounts were paid over the past three years in respect of the profit-sharing agreement:

#### Bonuses paid in respect of employee profit-sharing contracts in France

(€ millions)	2009	2008	2007
Cognac, Liqueurs and Spirits	2.7	3.8	4.0
Champagne	1.1	1.1	11.2

### 5.3.13 PROFESSIONAL TRAINING

The strategy announced and adopted by the Rémy Cointreau Group requires that, at all levels of the Company, everyone's energy is focused on the international development of the Group's brands in a premium niche. Training must also be in line with this strategy by matching individual skills to the Group's Human Resources needs.

Professional training expenditure represented 4% of the total 2008/09 payroll of the French operations.

Four focus points have thus been defined within the Rémy Cointreau Group to guarantee the relevance and efficiency of training options.

#### 1 : DEVELOPING OUR MARKETING CULTURE

In order to develop our brands, consolidate their international positions, control our distribution network and establish a "customer culture" at all corporate levels.

#### 2 : DEVELOPING OUR LUXURY GOODS CULTURE

To promote the premium strategy of our brands, enabling all our personnel to understand the strategic choices and the positioning of our brands in their markets.

#### 3 : SHARING AN ECONOMIC AND FINANCIAL CULTURE

To motivate personnel based on the Rémy Cointreau Group's success criteria and improve our performance

on a daily basis (profitability, project management and value creation).

#### 4. DEVELOPING PROFESSIONALISM AND IMPROVING EACH STAFF MEMBER'S PERSONAL EFFICIENCY

To guarantee their employability throughout their professional career (adaptation to technological developments, management, cross-cultural awareness, etc.) and enhance the quality of our products.

In addition, a Development Action Plan, initially aimed at managers, was instituted in 2007/08 with a view to helping personnel become active participants in their career development projects, share their promotion aspirations within or outside the Group and define action plans for these projects to succeed.

Rémy Cointreau wished to create this plan, dedicated to career development, as part of a long-term process which includes other significant matters. As it only focuses on career development, this plan is an efficient way of reporting progress every two years and of defining the way forward and the steps to be implemented in order to enhance their professional future. It is also a useful complement to the pre-assessment interview and the performance assessment interview.

#### 5.4 CORPORATE RESPONSIBILITY

Rémy Cointreau confirms its growing desire to link the development of its operations to a keen sense of responsibility, together with concrete and reasoned steps in favour of an ethical approach to its business, the preservation of the environment and the career development of its personnel.

By publishing its Corporate and Environmental Responsibility Charter (CER) during the 2008/09 financial year, Rémy Cointreau confirmed its commitment to sustainable development, defined since it signed the Global Compact International Charter in 2003, and is a major participant in the Grenelle de l'Environnement (multi-party environmental forum), based on six major themes:

1. Winemaking
2. Quality/Safety/Environment
3. Supplier relations
4. Marketing and sales ethics
5. Human resources
6. Stakeholders and sustainable development of territories

##### 1. WINEMAKING

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

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

Dedicated information days provide opportunities to discuss Rémy Cointreau's corporate and environmental responsibility and to circulate the principles and

methods of integrated agriculture and regional reference documents.

Rémy Cointreau also encourages its winemaking partners to submit to environmental diagnostics, in line with the published "High Environmental Value" agriculture benchmark of the Grenelle Environnement Forum (a multi-party environmental forum).

Additional steps have also been initiated, such as energy production using wood from the vineyards.

##### 2. QUALITY/SAFETY/ENVIRONMENT

As the same time as guaranteeing the quality of its products, Rémy Cointreau's objectives are part of a daily effort to gradually reduce the consumption of natural resources over the long-term.

An annual update of the Carbon Test identifies the principal CO<sub>2</sub> generating activities. Teams of employees from various departments, who have been made aware of the issues, are involved at each of our sites.

Eco-design, involving the teams responsible for product development, enables the Group to measure the environmental impact of each product. The objective is to enter into a continuous improvement process, and to find the best compromise between quality, cost, energy consumption and, taking into account a new parameter, the environmental performance of the products.

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

##### Energy usage

In MWh	Electricity	Gas
2006/07	13,020	11,960
2007/08	13,870	12,200
2008/09	13,580	11,480

##### Water usage

In m <sup>3</sup>	Water
2006/07	125,100
2007/08	122,200
2008/09	88,200

The buyers have also taken these criteria into account. The choice of providers is made in the light of their commitment to more environmentally friendly processes (ie in respect of business trips).

Environmental concerns also involve information technology, through steps taken to reduce energy and paper consumption. Specific attention is paid to reducing the energy consumption of equipment.

Guaranteeing the food safety of products remains the highest priority. All Rémy Cointreau sites have begun an ISO 22000 certification process. The Angers site was certified at the end of 2008.

##### 3. SUPPLIER RELATIONS/RESPONSIBLE PURCHASES

The monitoring of our suppliers' corporate and environmental responsibility policy was stepped up over the past year.

A rapid detection chart of risks that, in principle, are posed by these companies, was drawn up. Beyond our

commitment to comply with the Global Compact Charter, specific obligations were identified, not only in relation to professionalism and value creation, but also in respect of the environment, CO<sub>2</sub> emissions and food safety.

In addition, the “Responsible suppliers” action plan will be extended for a further three years, as part of our partnership with a specialist practice of impeccable reputation.

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

In respect of its Global Compact commitments, Rémy Cointreau also continues to implement its policy of supporting the CER steps of its suppliers.

#### 4. SALES AND MARKETING ETHICS

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

This Charter guides the work of the sales and marketing teams, throughout the world, as well as that of the Consumer Service Department. Monitoring the Charter's effectiveness is the responsibility of the Responsible Communication Committee (RCC), which includes all the relevant departments for each area concerned: legal, marketing, sales and advertising.

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

#### 5. HUMAN RESOURCES

Rémy Cointreau implements an innovative and dynamic human resources policy linked to the organisation of its distribution network.

A booklet that sets out the four main focuses on which the training policy is based (de luxe, economic and sales culture and professionalism) is handed out to all employees. The objective is to make everyone responsible for the development of his/her career, in particular by using his/her individual training rights.

##### Training hours

2006/07	14,220 hours
2007/08	14,880 hours
2008/09	20,760 hours

In April 2008, an agreement was signed on diversity with personnel representatives. This tangible agreement confirms the Group's historic choices on issues of the utmost importance: integration of young people, managing disabilities, employment of older people, gender equality at work and the recognition of trade union activities.

The first concrete steps related to making the positions of temporary disabled employees more secure, the integration of young apprentices (taking into account future retirement) and gender parity in recruitment (over 51% of the Group's 2008/09 new recruits were women).

#### 6. STAKEHOLDERS AND SUSTAINABLE DEVELOPMENT

Dialogue, long-term commitment and volunteering are the main features of Rémy Cointreau's relations with its stakeholders, within and outside the Company.

Meetings with employee volunteers were organised in 2007. They identified 11 eco steps which led to the creation and circulation of in-house documentation and small posters on responsible ways to reduce water, energy and paper consumption. Rémy Cointreau is also open to other influences and is heavily involved in the sustainable development of territories. The Group collaborates with the French Institute of Environmental Training and Research, which is dedicated to environmental education in the institutional, educational and entrepreneurial spheres of the Poitou-Charentes region.

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

#### 7. OUTLOOK

Since 2003, Rémy Cointreau has complied with the commitments of the Global Compact Charter, now associated with the expectations of the Grenelle de l'Environnement.

Rémy Cointreau is involved in all of these commitments and has also launched its 2011 CER plan, involving six main projects over the next three years, focusing on:

##### its environmental responsibility:

- 2011 Carbon Project, involving the reduction of our CO<sub>2</sub> emissions;
- 2011 Eco-design Project, to optimise our packaging;
- 2011 Eco-steps Project, to preserve natural resources;

##### and its corporate responsibility:

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

Rémy Cointreau's corporate and environmental responsibility is now a feature of the Company's daily business. It has been included in our working practices and communication and also involves stakeholders upstream, particularly suppliers.

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

All the sustainable development indicators implemented by the Group are presented in the 2008/09 report on Rémy Cointreau's corporate and environmental policy.

## 5.5 THE GROUP'S PRINCIPAL ESTABLISHMENTS AND INVESTMENT AND RESEARCH POLICY

### 5.5.1 THE GROUP'S PRINCIPAL ESTABLISHMENTS ARE:

1) **Administrative offices** of Rémy Cointreau, which include most of the Group's functional services, based in rented premises in Paris at 21 boulevard Haussmann.

#### 2) Cognac (Rémy Martin)

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

- Merpins site (on the edge of Cognac)

A 15,000 m<sup>2</sup> complex used for ageing (storehouse, fermenting room, pre-finishing, laboratory and offices). A packaging complex of 20,800 m<sup>2</sup>.

- Cognac site

Office complex and ageing storehouse of approximately 18,500 m<sup>2</sup>.

#### 3) Angers (Liqueurs & Spirits)

- The units owned by the Group are on the St Barthélémy d'Anjou site with a surface area of 100,000 m<sup>2</sup>.

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

#### 4) Reims (Piper-Heidsieck and Charles Heidsieck)

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

- Allée du Vignoble site (Reims)

A complex comprising offices, reception areas, fermenting areas, workshops and cellars over a 12 hectare area. Virtually all production and ageing operations are now carried out at this site.

- Chemin Vert site (Reims)

A complex comprising a storage area for finished products as well as cellars and former chalk quarries.

Part of the Chemin Vert site (storage part of finished goods) was sold in March 2009.

#### 5) Barbados (Liqueurs and Spirits)

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

#### 6) Other establishments

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

## 5.5.2 INVESTMENT POLICY

### Capital expenditure

The Group considers that the level of investment required to maintain and develop the production and administrative units is between €25-€30 million per annum. During the financial year ended 31 March 2009, investments thus totalled €31.2 million, a 14% increase compared with the previous financial year.

These investments involved the following:

- Cognac division for €22.9 million, primarily dedicated to the construction of an additional cellar, with a view to increasing the eaux-de-vie ageing capacity;
- the Asia commercial division, with a €2.1 million investment in a new IT system.

## 5.5.3 RESEARCH POLICY

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

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

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

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

Rémy Cointreau is a pioneer in vine research. Due to our intention to expand our knowledge on the development of recent diseases, the Group sponsored a thesis on wood diseases, in conjunction with the CNRS (French Science Research Council), which has highlighted interesting facts on unknown pathologies which vine growers need to be aware of. The Group recommends research and experimentation on various vine diseases and on how to suppress them with a view to guaranteeing the future of the vineyards.

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

## 5.6 GROUP EXCEPTIONAL EVENTS AND LITIGATION OR RISKS

At 31 March 2009, Group companies were defendants in action taken by their usual suppliers as part of their business (agent, service provider or advertising agency) or a spirits producer as part of litigation on one brand. A litigation between CLS Rémy Cointreau and an advertising agency was concluded over the year by the payment by CLS Rémy Cointreau of €137,000 in net compensation. None of the ongoing litigation at the date of the present report carries an underlying risk that could be considered as significant for Rémy Cointreau, either in business terms or financially.

At the date of the present report, one major complaint against a Group company had not been assessed but will in any event be less than €1 million for all litigation, and is fully contested by the Group company concerned.

As a result, at the date of the present report, there is no significant event, litigation or arbitration likely to have or have had in the recent past a significant effect on the financial position of Rémy Cointreau, its business, profit or on the Group.

## 5.7 POST-BALANCE SHEET EVENTS

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

## 5.8 OUTLOOK

In an uncertain economic environment, Rémy Cointreau decided to maintain its value strategy, now based on a substantially restructured and controlled distribution network, and to continue its strategy of carefully selected price increases for its premium brands.

Rémy Cointreau remains confident in its ability to successfully withstand this period of unfavourable economic conditions, owing to the strength of its brands, the dynamics provided by its new commercial resources, and the quality of the financing at its disposal. The Group deems it prudent at this stage, however, not to provide profit guidance due to the lack of visibility imposed by the economic climate in its principal markets.

## 6. CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

### 6.1 INCOME STATEMENT

As at 31 March, in € millions.

	notes	2009	2008	2007
<b>Turnover</b>	15	714.1	817.8	785.9
Cost of sales		(302.3)	(375.7)	(368.6)
<b>Gross profit</b>		<b>411.8</b>	<b>442.1</b>	<b>417.3</b>
Distribution costs	16	(201.7)	(210.6)	(192.5)
Administrative expenses	16	(80.7)	(83.0)	(81.1)
Other income (expenses) from operations	16	7.6	11.1	10.1
<b>Current operating profit</b>	15	<b>137.0</b>	<b>159.6</b>	<b>153.8</b>
Other operating income (expenses)	18	14.9	(0.6)	(243.4)
<b>Operating profit (loss)</b>		<b>151.9</b>	<b>159.0</b>	<b>(89.6)</b>
Finance costs		(33.1)	(40.5)	(37.2)
Other financial income (expense)		1.8	(5.3)	(0.1)
<b>Net financial charges</b>	19	<b>(31.3)</b>	<b>(45.8)</b>	<b>(37.3)</b>
<b>Profit (loss) before tax</b>		<b>120.6</b>	<b>113.2</b>	<b>(126.9)</b>
Income tax	20	(37.5)	(28.9)	50.1
Share of profit of associates	5	3.0	9.5	10.2
<b>Profit (loss) from continuing operations</b>		<b>86.1</b>	<b>93.8</b>	<b>(66.6)</b>
Profit (loss) from discontinued operations	21	-	4.6	45.2
<b>Net profit (loss) for the year</b>		<b>86.1</b>	<b>98.4</b>	<b>(21.4)</b>
Of which: attributable to minority interests		-	-	1.6
Group share		86.1	98.4	(23.0)
<b>Earnings per share - Group share (€)</b>				
Basic		1.84	2.12	(0.50)
Diluted		1.83	2.10	(0.50)
<b>Earnings per share from continuing operations (€)</b>				
Basic		1.84	2.03	(1.46)
Diluted		1.83	2.00	(1.46)
<b>Number of shares used for the calculation</b>				
Basic	10.2	46,877,143	46,320,872	45,657,049
Diluted	10.2	47,113,389	46,792,120	45,657,049

## 6.2 BALANCE SHEET

As at 31 March, in € millions.

	notes	2009	2008	2007
Brands and other intangible assets	3	629.8	627.0	628.1
Property, plant and equipment	4	197.0	180.0	171.9
Investments in associates	5	62.1	120.3	127.2
Other investments	6	61.1	54.1	97.5
Deferred tax assets	20	22.4	14.0	13.0
<b>Non-current assets</b>		<b>972.4</b>	<b>995.4</b>	<b>1,037.7</b>
Inventories	7	961.2	861.6	841.7
Trade and other receivables	8	282.1	238.3	245.6
Income tax receivables		6.0	1.5	30.8
Derivative financial instruments	14	10.8	26.1	11.1
Cash and cash equivalents	9	89.4	37.3	20.6
Assets held for sale	2	0.2	2.5	17.4
<b>Current assets</b>		<b>1,349.7</b>	<b>1,167.3</b>	<b>1,167.2</b>
<b>Total assets</b>		<b>2,322.1</b>	<b>2,162.7</b>	<b>2,204.9</b>
Share capital		75.8	74.5	73.6
Share premium		685.5	664.5	650.2
Treasury shares		(2.3)	0.1	(0.9)
Consolidated reserves		127.9	100.4	162.3
Translation reserve		(0.5)	(24.6)	(8.1)
Net profit (loss) - Group share		86.1	98.4	(23.0)
<b>Equity - Group share</b>		<b>972.5</b>	<b>913.3</b>	<b>854.1</b>
Minority interests		(1.8)	(1.8)	(1.6)
<b>Total equity</b>	<b>10</b>	<b>970.7</b>	<b>911.5</b>	<b>852.5</b>
Long-term borrowings	11	592.4	322.1	403.5
Provision for staff benefits	22	18.7	20.3	22.2
Long-term provisions for liabilities and charges	12	12.4	7.5	256.2
Deferred tax liabilities	20	200.4	163.0	135.8
<b>Non-current liabilities</b>		<b>823.9</b>	<b>512.9</b>	<b>817.7</b>
Short-term borrowings and accrued interest	11	28.9	156.1	179.2
Trade and other payables	13	452.9	307.4	310.4
Income tax payables		32.9	6.9	11.7
Short-term provisions for liabilities and charges	12	5.9	267.8	33.3
Derivative financial instruments	14	6.9	0.1	0.1
<b>Current liabilities</b>		<b>527.5</b>	<b>738.3</b>	<b>534.7</b>
<b>Total equity and liabilities</b>		<b>2,322.1</b>	<b>2,162.7</b>	<b>2,204.9</b>



## 6.3 STATEMENT OF MOVEMENTS IN EQUITY

As at 31 March, in € millions.

	Share capital and premium	Treasury shares	Consolidated reserves	Translation reserve	Group share	Minority interests	Total equity
<b>Balance as at 31 March 2006</b>	<b>712.3</b>	<b>(0.7)</b>	<b>205.1</b>	<b>2.0</b>	<b>918.7</b>	<b>(3.2)</b>	<b>915.5</b>
Net profit for the year	-	-	(23.0)	-	(23.0)	1.6	(21.4)
Change in value of hedging instruments	-	-	4.9	-	4.9	-	4.9
Actuarial difference on pension liabilities	-	-	1.2	-	1.2	-	1.2
Associated tax effect	-	-	(2.2)	-	(2.2)	-	(2.2)
Translation differences	-	-	-	(10.1)	(10.1)	-	(10.1)
<b>Total income and (expenses) of the year</b>	<b>-</b>	<b>-</b>	<b>(19.1)</b>	<b>(10.1)</b>	<b>(29.2)</b>	<b>1.6</b>	<b>(27.6)</b>
Share-based payments	-	-	3.3	-	3.3	-	3.3
Capital increase	11.5	-	-	-	11.5	-	11.5
Transactions on treasury shares	-	(0.2)	-	-	(0.2)	-	(0.2)
Dividends	-	-	(50.0)	-	(50.0)	-	(50.0)
<b>Balance as at 31 March 2007</b>	<b>723.8</b>	<b>(0.9)</b>	<b>139.3</b>	<b>(8.1)</b>	<b>854.1</b>	<b>(1.6)</b>	<b>852.5</b>
Net profit for the year	-	-	98.4	-	98.4	-	98.4
Change in value of hedging instruments	-	-	15.1	-	15.1	-	15.1
Actuarial difference on pension liabilities	-	-	3.1	-	3.1	-	3.1
Associated tax effect	-	-	(6.2)	-	(6.2)	-	(6.2)
Translation differences	-	-	-	(16.5)	(16.5)	(0.2)	(16.7)
<b>Total income and (expenses) of the year</b>	<b>-</b>	<b>-</b>	<b>110.4</b>	<b>(16.5)</b>	<b>93.9</b>	<b>(0.2)</b>	<b>93.7</b>
Share-based payments	-	-	3.5	-	3.5	-	3.5
Capital increase	15.2	-	(0.2)	-	15.0	-	15.0
Transactions on treasury shares	-	1.0	-	-	1.0	-	1.0
Dividends	-	-	(55.2)	-	(55.2)	-	(55.2)
Change in consolidation scope	-	-	1.0	-	1.0	-	1.0
<b>Balance as at 31 March 2008</b>	<b>739.0</b>	<b>0.1</b>	<b>198.8</b>	<b>(24.6)</b>	<b>913.3</b>	<b>(1.8)</b>	<b>911.5</b>
Net profit for the year	-	-	86.1	-	86.1	(0.1)	86.0
Change in value of hedging instruments	-	-	(24.0)	-	(24.0)	-	(24.0)
Actuarial difference on pension liabilities	-	-	2.8	-	2.8	-	2.8
Change in value of AFS securities	-	-	(0.2)	-	(0.2)	-	(0.2)
Associated tax effect	-	-	7.4	-	7.4	-	7.4
Translation differences	-	-	-	24.1	24.1	0.1	24.2
<b>Total income and (expenses) of the year</b>	<b>-</b>	<b>-</b>	<b>72.1</b>	<b>24.1</b>	<b>96.2</b>	<b>-</b>	<b>96.2</b>
Share-based payments	-	-	3.6	-	3.6	-	3.6
Capital increase	22.3	-	-	-	22.3	-	22.3
Transactions on treasury shares	-	(2.4)	-	-	(2.4)	-	(2.4)
Dividends	-	-	(60.5)	-	(60.5)	-	(60.5)
<b>Balance as at 31 March 2009</b>	<b>761.3</b>	<b>(2.3)</b>	<b>214.0</b>	<b>(0.5)</b>	<b>972.5</b>	<b>(1.8)</b>	<b>970.7</b>

## 6.4 CASH FLOW STATEMENT

As at 31 March, in € millions.

	notes	2009	2008	2007
Current operating profit		137.0	159.6	153.8
Adjustment for depreciation, amortisation and impairment charges		14.8	13.6	13.2
Adjustment for share-based payments		3.6	3.5	3.3
Dividends received from associates	5	1.4	8.4	5.9
<b>EBITDA</b>		<b>156.8</b>	<b>185.1</b>	<b>176.2</b>
Change in inventories		(67.2)	(32.5)	(0.8)
Change in trade receivables		43.6	(10.3)	(4.9)
Change in trade payables		92.1	10.8	9.0
Change in other receivables and payables		(65.2)	5.8	10.6
Change in working capital requirement		3.3	(26.2)	13.9
<b>Net flow from operations</b>		<b>160.1</b>	<b>158.9</b>	<b>190.1</b>
Other operating income (expenses)		(232.5)	(9.4)	(6.9)
Net financial expenses		(17.6)	(37.5)	(43.6)
Net income tax		27.9	10.5	(43.2)
Other operating cash flows		(222.2)	(36.4)	(93.7)
<b>Net cash flow from operating activities - continuing operations</b>		<b>(62.1)</b>	<b>122.5</b>	<b>96.4</b>
Impact of discontinued operations		-	0.6	2.1
<b>Net cash flow from operating activities</b>		<b>(62.1)</b>	<b>123.1</b>	<b>98.5</b>
Purchases of non-current assets	3/4	(31.5)	(27.3)	(25.8)
Purchases of investment securities	5/6	(5.8)	-	(3.5)
Proceeds from sale of non-current assets		4.5	9.4	1.2
Proceeds from sale of investment securities	5/6	60.4	52.5	4.3
Net cash flow from other investments	6	1.6	(1.5)	(0.2)
<b>Net cash flow from investing activities - continuing operations</b>		<b>29.2</b>	<b>33.1</b>	<b>(24.0)</b>
Impact of discontinued operations		(0.7)	(3.1)	156.4
<b>Net cash flow from investing activities</b>		<b>28.5</b>	<b>30.0</b>	<b>132.4</b>
Capital increase	10	0.9	8.0	11.5
Treasury shares	10	(2.2)	1.0	(0.2)
Increase in borrowings		136.6	82.0	141.5
Repayment of borrowings		(2.3)	(186.6)	(346.9)
Dividends paid to shareholders of the parent company		(39.2)	(48.1)	(50.0)
Other cash flows from financing activities		-	-	-
<b>Net cash flow from financing activities - continuing operations</b>		<b>93.8</b>	<b>(143.7)</b>	<b>(244.1)</b>
Impact of discontinued operations		-	-	-
<b>Net cash flow from financing activities</b>		<b>93.8</b>	<b>(143.7)</b>	<b>(244.1)</b>
Translation differences on cash and cash equivalents		(8.1)	7.3	2.2
<b>Change in cash and cash equivalents</b>		<b>52.1</b>	<b>16.7</b>	<b>(11.0)</b>
Cash and cash equivalents at start of year	9	37.3	20.6	31.6
Cash and cash equivalents at end of year	9	89.4	37.3	20.6

## 6.5 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Page	
34	1. Accounting policies
41	2. Changes in consolidation scope
42	3. Brands and other intangible assets
43	4. Property, plant and equipment
44	5. Investments in associates
45	6. Other investments
46	7. Inventories
47	8. Trade and other receivables
47	9. Cash and cash equivalents
48	10. Equity
51	11. Borrowings
54	12. Provisions for liabilities and charges
54	13. Trade and other payables
55	14. Financial instruments and market risks
60	15. Segment reporting
64	16. Analysis of operating expenses by type
64	17. Number of employees
65	18. Other operating income and expenses
65	19. Net financial expenses
66	20. Income tax
67	21. Net profit from discontinued operations
68	22. Pensions and other post-employment benefits
69	23. Off-balance sheet commitments and contingent assets and liabilities
71	24. Related parties
71	25. Post-balance sheet events
72	26. List of consolidated companies

## 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 4 June 2009 pursuant to a recommendation from the audit committee following its meeting of 3 June 2009. They will be submitted for shareholder approval at the shareholders' general meeting of 28 July 2009.

## 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, 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 2009.

These standards can be consulted on the website of the European Commission at:  
[http://ec.europa.eu/internal\\_market/accounting/ias\\_fr.htm#adopted-commission](http://ec.europa.eu/internal_market/accounting/ias_fr.htm#adopted-commission)

### FIRST-TIME ADOPTION

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

IFRS 1 offers options with regard to the accounting treatment of various items. In this regard, 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: Rémy Cointreau Group does not apply IFRS 2 relating to share-based payments to stock option plans opened before 7 November 2002, the date prior to which application is optional.

IAS 32 and IAS 39 were first implemented with effect from 1 April 2005 without adjustment to the figures for the year ended 31 March 2005 pursuant to the option available under IFRS 1. The effect of this change in accounting policy was recorded within equity at 1 April 2005.

### CHANGES IN ACCOUNTING PRINCIPLES COMPARED TO PREVIOUS YEAR

Of the standards and interpretations whose application became mandatory for the year ended 31 March 2009, none had a significant impact on the consolidated financial statements.

In the financial statements for the year ended 31 March 2009, Rémy Cointreau did not anticipate the enforcement of any of the standards, interpretations or revisions which have or will become mandatory starting from 1 January 2009 or 2010. This is the case for IFRS 8 Segment reporting or IAS 23 revised (IAS 23R) *Borrowing costs*. The implementation of IFRS 8 next year will bring some changes in the presentation of *segment reporting*. The impact of IAS 23R is assumed to be minor as Rémy Cointreau will opt for the exemption for the capitalisation of borrowing costs in inventories.

#### 1.1 USE OF ESTIMATES

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

##### Brands

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

##### Pension liabilities and other post-employment benefits

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

##### Stock options plans

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

##### Derivative financial instruments

Derivative financial instruments held by the Group in connection with its ordinary activities, mainly in the form of options, are valued using the methods prevailing in the financial markets. Note that the valuations are

based on market data as at the balance sheet date. These values may fluctuate rapidly due to constant changes in the financial markets.

### Provisions for liabilities

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

### Bank covenant

The availability of a significant part of the Group's financial resources is subject to the compliance with a Bank covenant referred to as "ratio A" (note 11.7 and 14.7) computed every 6 months. Financial statements are prepared based on the going concern principle. Therefore, Group's management has to make some assumptions on the ability of the Group to comply with this ratio in the future.

## 1.2 BASIS OF CONSOLIDATION

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

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

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

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

## 1.3 TRANSLATION OF THE FINANCIAL STATEMENTS OF FOREIGN SUBSIDIARIES

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

## 1.4 FOREIGN CURRENCY TRANSACTIONS

In accordance with IAS 21 *The effects of changes in foreign exchange rates*, transactions denominated in foreign currencies are recorded by each consolidated entity at the rate of exchange prevailing on the transaction date. At the balance sheet date, foreign

currency assets and liabilities are netted off and translated at the closing rate of exchange of the functional currency. The resulting differences are recognised in the income statement as an operating item or as a financial item depending on the nature of the underlying transactions.

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

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

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

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

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

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

## 1.5 GOODWILL

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

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

## 1.6 INTANGIBLE ASSETS

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

Expenditure incurred to create new brands or to develop existing brands and all expenses relating to the registration and legal protection of brands are

systematically recognised in the income statement in the period in which they are incurred.

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

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

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

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;
- software licences and direct costs of installations and/or upgrades: 3 to 7 years.

## 1.7 PROPERTY, PLANT AND EQUIPMENT

### a) Cost

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

Cost does not include any finance costs.

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

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

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

### b) Depreciation

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

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

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

- property, according to the nature of the individual components: 10 to 75 years;

- stills, barrels and vats: 35 to 50 years;
- plant, equipment and tooling: 3 to 15 years;
- computer equipment: 3 to 5 years;
- other property, plant and equipment: 5 to 10 years.

## 1.8 IMPAIRMENT OF NON-CURRENT ASSETS

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

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

For these tests, the assets are allocated to cash-generating units (CGUs). In the Group's case, the structure of these units is based on the brand portfolio. Each brand or group of brands constitutes a unit when the brand or brands generate cash inflows that are largely independent of those generated by other brands or groups of brands.

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

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

The principal method used to estimate value in use is based on the present value of future cash flows (excluding finance costs) generated by the use of the 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 fair value.

At 31 March 2009, the current value used for brands and related assets is based on the value in use. The following assumptions were used:

- pre-tax discount rates ranging from 9.2% to 9.4%;
- growth rate to infinity of between 1% and 2%.

For the discount rates used as at 31 March 2009, risk premium rates have been kept at the same level as last year considering that prevailing levels during the year, impacted by the economical and financial

crisis were not accurate to value such assets on a long-term perspective. The other parameters used in determining the discount rate were those prevailing in the market at year end.

## 1.9 INVENTORIES

Inventories are valued in accordance with IAS 2, *Inventories*.

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

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

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

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

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

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

## 1.10 FINANCIAL ASSETS AND LIABILITIES

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

### a) Trade receivables and payables

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

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

### b) Non-consolidated equity investments

These shares consist of available-for-sale investments as defined by IAS 39 and are therefore stated at realisable value as at the balance sheet date. As a rule, changes in value are recognised directly in equity until such gains or losses are actually realised. When the loss is considered to be permanent, an impairment provision is recognised in

the financial statements as a financial expense.

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

### c) Derivative financial instruments

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

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

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

### d) Loans and borrowings

For the financial years covered by this document, the Group's loans and borrowings mainly comprise:

- two non-convertible bond issues, one of which was redeemed in July 2007;
- amounts drawn down on credit lines negotiated with a banking syndicate;
- amounts drawn down on confirmed and unconfirmed credit lines.

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

## 1.11 CASH AND CASH EQUIVALENTS

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

Bank overdrafts are excluded from cash and cash equivalents and are included in short-term borrowings.

## 1.12 DEFERRED TAX

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

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

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

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

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

### 1.13 PROVISIONS FOR LIABILITIES AND CHARGES

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

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

### 1.14 PENSION AND OTHER POST-EMPLOYMENT BENEFITS

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

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

- charges relating to defined contribution plans are recognised as expenses when paid;
- commitments in respect of defined benefit plans are determined by actuaries using the Projected Unit Credit Method. These calculations are based on assumptions regarding life expectancy, staff turnover

and future salary increases. They also take into account the economic situation in each country. For the Group companies located in the Euro zone, the discount rate used is based on iBoxx index for bonds with a maturity close to that of the pension liabilities.

Commitments under defined benefit plans concern:

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

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

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

### 1.15 TURNOVER

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

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

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

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

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



## 1.16 DEFINITION OF CERTAIN INDICATORS

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

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

- the operating profit from operations that were discontinued during the period or are to be discontinued, when plans to this effect have been approved by the Board of Directors. The corresponding operating profit is reclassified in the line "Profit (loss) from discontinued operations" together with other items of income and expense relating to these activities;
- items that, given their nature, frequency and materiality, cannot be considered as part of the Group's ordinary activities and which affect inter-period comparisons. They include notably impairment losses in respect of brands and other non-current assets recognised as a result of impairment tests (see note 1.8), provisions for restructuring, and significant gains and losses on the sale of assets other than those relating to operations that already have been, or are to be, discontinued.

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

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

### c) Net debt

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

### d) Capital employed

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

Capital employed comprises:

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

In addition, comparative data is systematically

adjusted for items relating to activities sold during subsequent periods.

## 1.17 SEGMENT REPORTING

As required by IAS 1 and IAS 14, the Group provides an analysis by business and geographical segment of certain items in its financial statements.

### a) Business segments

The Group has chosen to use the business sector as its primary reporting segment. Each segment combines brands presenting similar profiles in terms of industrial process, profitability and risk. These segments are: Cognac, Liqueurs and Spirits, Champagne and Partner brands. This last segment covers those brands for which the Group is not involved in any production process but which are distributed by the Group's own networks.

Items that cannot be allocated directly to a brand or to a portfolio of brands are allocated on a pro rata basis, based in particular on the proportion of turnover generated each year by the brand or portfolio of brands.

Accordingly, in the event of reclassification in "Profit (loss) from discontinued operations", certain shared costs previously allocated to the operations concerned are reallocated to continuing operations.

### b) Geographic segments

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

The geographic segments used are: Europe, Americas and Asia and rest of world. The last segment comprises Asia, Australia, New Zealand and Africa.

## 1.18 TREASURY SHARES

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

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

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

## 1.19 STOCK OPTIONS AND FREE SHARE PLANS

In accordance with IFRS 2, *Share-based payments*, the plans since 7 November 2002 give rise to the recognition of a charge representing the estimated value of the benefit granted to the plans' beneficiaries.

Amounts are expensed as “Administrative expenses” and simultaneously credited to reserves.

The benefits are measured as follows:

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

## 1.20 EARNINGS PAR SHARE

Basic 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 number of shares corresponding to bonds that are certain to be converted.

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

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

## 1.21 DISCONTINUED OPERATIONS

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

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

- all income statement lines of this company or activity for comparative periods are reclassified in “Profit (loss) from discontinued operations”. A similar reclassification is performed in the cash flow statement in the line “Impact of discontinued operations” within “Net cash flow from operating activities”;
- all income statement lines of this company or activity for the current period are reclassified in the line “Profit (loss) from discontinued operations”. A similar reclassification is performed in the cash flow statement in the line “Impact of discontinued operations” within “Net cash flow from operating activities”;
- the profit or loss generated on the disposal

transaction, net of transaction costs and taxes, is also recognised in the line “Profit (loss) from discontinued operations”. In the cash flow statement, a distinction is made between the cash received as consideration for the sale net of transaction costs, classified in “Net cash flow from investing activities”, and any impact of the de-consolidation of the cash held by the entity sold, classified in “Net cash flow from financing activities”.

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

## 1.22 CONSOLIDATION OF CO-OPERATIVES

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

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

## 1.23 CONSOLIDATION OF THE MAXXIUM JOINT VENTURE

Until 30 March 2009, Rémy Cointreau Group held a 25% share in the Maxxium distribution joint venture to which it was bound by a strategic distribution agreement signed with three other partners: The Edrington Group, Beam Global Brands and Vin & Sprit.

The agreement signed with Maxxium contained specific rules regarding the appropriation of the profits of Maxxium between the partners such that the profits and dividends are not appropriated by reference to the partners’ respective interests in the capital (25% each).

At each period end, the theoretical net profit or loss allocated to each partner is calculated based on a contractual formula. This is compared with Maxxium’s actual net profit or loss on each partner’s product range. The positive or negative post-tax difference arising, which is known as the “excess or short contribution”, is added or deducted from each partner’s equal share of earnings that corresponds to the dividend to be distributed to each partner.

Due to the geographical spread of the sales of its brand portfolio in the joint venture, as from the year ended 31 March 2006, Rémy Cointreau has earned an “excess contribution”. An economic analysis of this “excess contribution” results in redistributing a portion of it to the brands. On equity consolidation of the joint venture, Rémy Cointreau includes this portion within current operating profit and tax. The remaining balance, along with the equal share of earnings in the joint venture, remains within “Share of profit of associates”.

## 2. CHANGES IN CONSOLIDATION SCOPE

### 2.1 DISPOSALS OF THE YEAR

Rémy Cointreau Group has exited the Maxxium distribution joint venture on 30 March 2009. The shares held by the Group (25% ownership) were redeemed by Maxxium for a value of €60.4 million as it had been agreed with Maxxium's partners on 2 September 2008. The carrying amount of the shares at opening date was €76.4 million. Hence, a capital loss of €16.0 million has been posted in "Other operating income (expense)" together with the positive adjustment of €37.0 million related to the compensation paid to Maxxium on the termination of the distribution agreement which had been provided in the financial statements of the year ended 31 March 2007 (note 18).

### 2.2 ACQUISITIONS OF THE YEAR

As part of its exit from Maxxium and of the set up of its new distribution network, Rémy Cointreau Group has acquired:

- 50% ownership in the French company Lixir, a distribution joint venture with William Grant & Sons on 7 October 2008. This entity is consolidated by equity method.
- full ownership of 4 distribution companies previously held by Maxxium in Belgium, Luxembourg, Czech Republic and Slovakia on 31 March 2009.
- 50% ownership in the German entity Diversa GmbH, a distribution joint venture with Underberg group on 31 March 2009. This entity is consolidated by equity method.

Most acquisitions took place at year end. Consequently, comparability of the income statement on previous years is not impacted.

The total purchase cost for the shares is €17.6 million of which €11.3 million had not been yet paid at balance sheet date and are due in the year ending 31 March 2010.

The Diversa transaction incurred a €6.8 million goodwill recorded in "Investments in associates" (note 5).

### 2.3 ASSETS HELD FOR SALE AND RELATED LIABILITIES

In accordance with IFRS 5, material assets whose sale is highly probable at the balance sheet date are reclassified in "Assets held for sale". Liabilities directly associated with these items are also reclassified in "Liabilities directly related to assets held for sale". The assets cease to be depreciated or amortised as from the date of reclassification. Reclassified assets are reduced to their estimated realisable value if this is less than the carrying amount.

At 31 March 2009, there were no significant assets under this heading.

€ millions	2009	2008	2007
Inventories			
Brand Clés des Ducs	-	-	3.5
Reims property assets	-	1.8	12.6
Machecouls industrial site	0.2	0.2	1.3
Other	-	0.5	-
<b>Total assets</b>	<b>0.2</b>	<b>2.5</b>	<b>17.4</b>

### 3. BRANDS AND OTHER INTANGIBLE ASSETS

(€ millions)	Brands	Distribution rights	Other	Total
<b>Cost at 31 March 2007</b>	<b>623.2</b>	<b>10.0</b>	<b>23.0</b>	<b>656.2</b>
Additions	-	-	2.7	2.7
Disposals, items scrapped	(0.1)	-	(2.9)	(3.0)
Change in consolidation scope	(0.1)	-	-	(0.1)
Other movements	-	-	0.7	0.7
Translation differences	(1.4)	(0.9)	(0.2)	(2.5)
<b>Cost at 31 March 2008</b>	<b>621.6</b>	<b>9.1</b>	<b>23.3</b>	<b>654.0</b>
Additions	-	-	3.4	3.4
Disposals, items scrapped	-	(0.7)	(2.5)	(3.2)
Change in consolidation scope	-	-	0.2	0.2
Other movements	-	-	0.3	0.3
Translation differences	1.4	0.9	0.3	2.6
<b>Cost at 31 March 2009</b>	<b>623.0</b>	<b>9.3</b>	<b>25.0</b>	<b>657.3</b>
<b>Cumulated amortisation at 31 March 2007</b>	<b>3.4</b>	<b>7.6</b>	<b>17.1</b>	<b>28.1</b>
Charge for the year	-	0.1	2.4	2.5
Disposals, items scrapped	-	-	(3.0)	(3.0)
Translation differences	-	(0.6)	-	(0.6)
<b>Cumulated amortisation at 31 March 2008</b>	<b>3.4</b>	<b>7.1</b>	<b>16.5</b>	<b>27.0</b>
Charge for the year	-	-	2.5	2.5
Disposals, items scrapped	-	(0.2)	(2.5)	(2.7)
Translation differences	-	0.5	0.2	0.7
<b>Cumulated amortisation at 31 March 2009</b>	<b>3.4</b>	<b>7.4</b>	<b>16.7</b>	<b>27.5</b>
<b>Net carrying amount at 31 March 2007</b>	<b>619.8</b>	<b>2.4</b>	<b>5.9</b>	<b>628.1</b>
<b>Net carrying amount at 31 March 2008</b>	<b>618.2</b>	<b>2.0</b>	<b>6.8</b>	<b>627.0</b>
<b>Net carrying amount at 31 March 2009</b>	<b>619.6</b>	<b>1.9</b>	<b>8.3</b>	<b>629.8</b>

“Other” includes mainly software licenses and leasehold rights.

For the year ended 31 March 2009, the change in consolidation scope is related to the acquisition of the distribution companies formerly held by Maxxium in Belgium, Luxembourg, Czech Republic and Slovakia (note 2).

Brands and other intangible assets with indefinite useful life have been subject to an annual impairment test as described in note 1.8. Considering the business plans on which such test are based and the financial parameters taken into account, a decrease of 0.5 points in the discount rates or in the growth rate to infinity would not incur any impairment of any of the brands and other intangible assets held by Rémy Cointreau Group.

## 4. PROPERTY, PLANT AND EQUIPMENT

(€ millions)	Land	Buildings	Other	In progress	Total
<b>Cost at 31 March 2007</b>	<b>37.0</b>	<b>91.1</b>	<b>162.1</b>	<b>6.5</b>	<b>296.7</b>
Additions	-	0.5	10.1	13.9	24.5
Disposals, items scrapped	(0.8)	(1.7)	(12.9)	-	(15.4)
Reclassified as assets held for sale	-	-	(4.1)	-	(4.1)
Change in consolidation scope	0.3	(0.4)	0.2	-	0.1
Other movements	-	1.9	10.2	(10.1)	2.0
Translation differences	(0.1)	(1.1)	(2.0)	-	(3.2)
<b>Cost at 31 March 2008</b>	<b>36.4</b>	<b>90.3</b>	<b>163.6</b>	<b>10.3</b>	<b>300.6</b>
Additions	-	1.3	3.0	23.8	28.1
Disposals, items scrapped	(0.3)	(0.2)	(3.2)	(0.1)	(3.8)
Change in consolidation scope	-	-	0.2	-	0.2
Other movements	1.8	12.8	16.3	(31.4)	(0.5)
Translation differences	0.1	1.2	2.4	-	3.7
<b>Cost at 31 March 2009</b>	<b>38.0</b>	<b>105.4</b>	<b>182.3</b>	<b>2.6</b>	<b>328.3</b>
<b>Cumulated depreciation at 31 March 2007</b>	<b>1.4</b>	<b>33.4</b>	<b>90.0</b>	<b>-</b>	<b>124.8</b>
Charge for the year	0.1	2.3	8.6	-	11.0
Disposals, items scrapped	(0.3)	(0.8)	(11.2)	-	(12.3)
Reclassified as assets held for sale	-	-	(3.1)	-	(3.1)
Change in consolidation scope	0.2	(0.2)	0.2	-	0.2
Other movements	-	0.1	1.3	-	1.4
Translation differences	-	(0.2)	(1.2)	-	(1.4)
<b>Cumulated depreciation at 31 March 2008</b>	<b>1.4</b>	<b>34.6</b>	<b>84.6</b>	<b>-</b>	<b>120.6</b>
Charge for the year	0.1	2.6	9.6	-	12.3
Disposals, items scrapped	-	(0.2)	(2.9)	-	(3.1)
Other movements	-	-	(0.1)	-	(0.1)
Translation differences	-	0.2	1.4	-	1.6
<b>Cumulated depreciation at 31 March 2009</b>	<b>1.5</b>	<b>37.2</b>	<b>92.6</b>	<b>-</b>	<b>131.3</b>
<b>Net carrying amount at 31 March 2007</b>	<b>35.6</b>	<b>57.7</b>	<b>72.1</b>	<b>6.5</b>	<b>171.9</b>
<b>Net carrying amount at 31 March 2008</b>	<b>35.0</b>	<b>55.7</b>	<b>79.0</b>	<b>10.3</b>	<b>180.0</b>
<b>Net carrying amount at 31 March 2009</b>	<b>36.5</b>	<b>68.2</b>	<b>89.7</b>	<b>2.6</b>	<b>197.0</b>

For the year ended 31 March 2009, additions amounting to €28.1 million mainly related to industrial capital expenditure on the Group's various production facilities in Cognac, Angers, Reims and Barbados.

The change in consolidation scope is related to the acquisition of the distribution companies formerly held by Maxxium in Belgium, Luxembourg, Czech Republic and Slovakia (note 2).

These non-current assets are unencumbered.

## 5. INVESTMENTS IN ASSOCIATES

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

(€ millions)	Maxxium	Dynasty	Lixir	Diversa	Total
<b>At 31 March 2007</b>	<b>80.9</b>	<b>46.3</b>	<b>-</b>	<b>-</b>	<b>127.2</b>
Dividends paid <sup>(1)</sup>	(6.9)	(1.5)	-	-	(8.4)
Net profit for the year	6.1	3.4	-	-	9.5
Translation differences	(3.7)	(4.3)	-	-	(8.0)
<b>At 31 March 2008</b>	<b>76.4</b>	<b>43.9</b>	<b>-</b>	<b>-</b>	<b>120.3</b>
Dividends paid	-	(1.4)	-	-	(1.4)
Net profit for the year	-	2.3	0.7	-	3.0
Change in consolidation scope	(80.4)	-	0.6	7.2	(72.6)
Translation differences	4.0	8.8	-	-	12.8
<b>At 31 March 2009</b>	<b>-</b>	<b>53.6</b>	<b>1.3</b>	<b>7.2</b>	<b>62.1</b>

(1) For Maxxium, dividend paid from the share premium.

## 5.1 MAXXIUM

### 5.1.1 GENERAL DESCRIPTION

Maxxium Worldwide BV, a distribution joint venture, was founded on 1 August 1999 based on a strategic distribution agreement between Rémy Cointreau SA, The Edrington Group and Beam Global Brands. Swedish-based Vin & Sprit, which owns the Vodka Absolut brand, joined Maxxium in May 2001. Since then, Rémy Cointreau has held a 25% equity stake in Maxxium.

The joint venture consists of some 40 distribution companies and has its head office in Holland. It ensured the distribution of the portfolio of Rémy Cointreau brands worldwide with the notable exceptions of the United States, the Caribbean and some Eastern European countries.

In July 2005, Fortune Brands, a shareholder of Beam Global Brands, purchased a range of brands from Pernod Ricard that it had held since acquiring Allied Domecq. An amendment was made to the distribution agreement in order to include the distribution of some of these brands within the joint venture.

In the autumn of 2006, the Swedish government announced its intention to privatise Vin & Sprit.

On 23 November 2006, Rémy Cointreau notified its decision to terminate the Global Distribution Agreement with Maxxium on 30 March 2009. The consequences of this decision are explained in note 5.1.2.

On 31 March 2008, the Pernod Ricard group announced the acquisition of Vin & Sprit.

Maxxium's partners are both suppliers and shareholders of Maxxium. Turnover achieved by Rémy Cointreau from Maxxium's distribution companies or customers managed by them accounted for 48.3% of total turnover for the year ended 31 March 2009 (2008: 50.0%; 2007: 46.1%).

Rules for allocating Maxxium's profit between partners are described in note 1.23.

The financial impact of ongoing transactions between Maxxium and Rémy Cointreau is set out in note 24 on related parties.

### 5.1.2 EXIT FROM MAXXIUM

On 23 November 2006, in the name of and on behalf of the various companies of the Rémy Cointreau Group that were party to the Umbrella Agreement (Global Distribution Agreement) signed with Maxxium Worldwide BV on 31 May 2001, Rémy Cointreau SA notified the decision to terminate this exclusive distribution agreement on 30 March 2009.

As a result of the termination, the participation of Rémy Cointreau in Maxxium could be terminated at any time at the initiative of Rémy Cointreau Group or, with effect from 31 March 2009, at the initiative of the other three partners.

In accordance with the terms of the Umbrella Agreement, Rémy Cointreau Group must pay to Maxxium, by 30 March 2009 at the latest, a compensation representing three times 15% of the amount of sales of Rémy Cointreau Group products

invoiced by the Maxxium distribution network during the year ended 31 March 2008.

A €240.9 million provision was raised in the financial statements for the year ended 31 March 2007. At 31 March 2008, the provision stood at €250.4 million after allowing for a discounting effect.

On 2 September 2008, Rémy Cointreau Group signed an agreement setting the conditions for its exit from Maxxium. The Compensation for the termination of the distribution agreement was set at €224.0 million, settled on 26 March 2009 and the purchase price for the shares at €60.4 million, collected on 27 March 2009. The accounting effects of this agreement, being the reversal of a provision in an amount of €37.0 million and the recognition of an impairment loss of €16.0 million, are reported under "Other operating income (expense)" (note 18).

During the present accounting period, the discounting charge related to the compensation was €10.6 million, posted in "Other financial income (expense)" (note 19).

## 5.2 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 Rémy Cointreau dates from the founding of the joint venture with the municipality of Tianjin (Republic of China) in 1980.

At 31 March 2009, Rémy Cointreau held 336.5 million Dynasty shares representing a 27.03% equity stake. The share price on the Hong Kong stock exchange on that date stood at HKD1.30 (2008: HKD1.69; 2007: HKD3.32).

There are no commercial transactions between Rémy Cointreau Group and Dynasty. The relationship is therefore primarily financial.

Dynasty's financial year end is 31 December. Financial information for the Dynasty Group is available on the following internet site: [www.dynasty-wines.com](http://www.dynasty-wines.com).

For the purpose of consolidation, the figures are adjusted to reflect the fact that Rémy Cointreau has a financial year end of 31 March.

## 5.3 LIXIR

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

At 31 March 2009, Lixir's turnover was €192.1 million of which €55.9 million related to the brands owned by the Rémy Cointreau Group.

## 5.4 DIVERSA

On 31 March 2009, Rémy Cointreau Group acquired a 50% share in Diversa GmbH to form a distribution joint venture on the German market with the Underberg Group. This company started operating on 1 April 2009.

## 6. OTHER INVESTMENTS

(€ millions)	2009	2008	2007
Non-consolidated equity investments	4.8	5.4	5.3
CEDC shares	-	-	46.0
Prepayments for post-employment benefit schemes	0.4	0.3	0.5
Seller's loan	52.8	43.6	41.7
Loan to non-consolidated equity investments	1.0	1.1	1.0
Liquidity account (excluding Rémy Cointreau shares)	1.1	2.7	2.2
Other	1.0	1.0	0.8
<b>Total</b>	<b>61.1</b>	<b>54.1</b>	<b>97.5</b>

### 6.1 NON-CONSOLIDATED EQUITY INVESTMENTS

(€ millions)	% interest	2009	% interest	2008	% interest	2007
Dettling & Marmot (Switzerland)	25.0%	1.0	25.0%	1.0	25.0%	1.0
Ducs de Gascogne SA (France)	30.1%	1.1	30.1%	1.1	30.1%	1.1
Tianjin Dvpt Holding Ltd (RPC)	0.2%	0.3	0.2%	0.6	0.2%	0.6
Balchoa-Vinhos de Portugal (Portugal)	0.8%	0.5	-	-	-	-
Caves Allianca SA (Portugal)	-	-	5.4%	0.8	5.4%	0.8
REVICO (France)	5.0%	0.4	5.0%	0.4	5.0%	0.3
TRANSMED (France)	9.6%	0.0	9.6%	0.0	9.6%	0.0
Destilarias de Vilafranca SA (liquidation in process)	100.0%	1.5	100.0%	1.5	100.0%	1.5
<b>Total</b>		<b>4.8</b>		<b>5.4</b>		<b>5.3</b>

### 6.2 CEDC SHARES

As part of the sale of the Polish business to CEDC on 17 August 2005, Rémy Cointreau had initially received 1,691,419 CEDC shares, which subsequently became 2,537,129 shares following the share split in June 2006. These shares were revalued at the closing share price at each period end, with the difference being recognised in "Other financial income (expense)".

At 31 March 2007, 2,103,383 shares were still held. They were sold between 1 April 2007 and 25 May 2007. The profit(loss) of these operations was recognised in "Other financial income (expense)" (note 19.2).

### 6.3 SELLER'S LOAN

In connection with the sale of the Lucas Bols division on 11 April 2006, Rémy Cointreau granted a seller's loan of €50 million for a maximum term of seven years (expiring 11 April 2013) and bearing interest at 3.5%. The loan interest is capitalised.

This loan was initially recorded net of a €10 million early repayment option at the acquirer's initiative. Such option had to be exercised before 11 April 2009.

On 6 February 2009, Lucas Bols BV, beneficiary of the loan, confirmed that it would not exercise the early repayment option. Consequently and as stated by the

contract if loan is repaid before 11 April 2010, the repayment option at the acquirer's initiative is brought down to €5 million and the interest charge is retro-actively computed with a 4.5% interest rate per annum. Should repayment not take place at that date but before 11 April 2011, early repayment option is brought down to €2.5 million and interest rate is increased to 5.5%. For the subsequent period until maturity, early repayment option is nil and interest charge is computed for each annual period based on EURIBOR 3 months plus a spread of 3.04%.

At 31 March 2009, the carrying amount of the loan is the present value of the flows which Rémy Cointreau would get for a repayment before 11 April 2010 as per the contract.

### 6.4 LIQUIDITY ACCOUNT

During the year ended 31 March 2006, Rémy Cointreau signed a liquidity agreement with a financial intermediary (note 1.18). This type of agreement does not qualify as "Cash and cash equivalents". Furthermore, the balance on the account corresponding to the value of the Rémy Cointreau shares held in conjunction with the agreement is reclassified as treasury shares as a deduction from consolidated equity (note 10.1.2).

## 7. INVENTORIES

### 7.1 BREAKDOWN BY CATEGORY

(€ millions)	2009	2008	2007
Goods for resale and finished goods	117.4	89.1	89.8
Raw materials	97.0	81.9	71.4
Ageing wines and "eaux-de-vie"	745.0	690.8	677.0
Other	4.3	4.3	6.9
<b>At cost</b>	<b>963.7</b>	<b>866.1</b>	<b>845.1</b>
Provision for impairment	(2.5)	(4.5)	(3.4)
<b>Carrying amount</b>	<b>961.2</b>	<b>861.6</b>	<b>841.7</b>

### 7.2 ANALYSIS OF THE CHANGE

(€ millions)	Cost	Impairment	Carrying amount
<b>At 31 March 2007</b>	<b>845.1</b>	<b>(3.4)</b>	<b>841.7</b>
Change	32.5	(1.2)	31.3
Change in consolidation scope	0.5	(0.1)	0.4
Translation differences	(12.0)	0.2	(11.8)
<b>At 31 March 2008</b>	<b>866.1</b>	<b>(4.5)</b>	<b>861.6</b>
Change	73.5	2.5	76.0
Change in consolidation scope	6.7	(0.2)	6.5
Translation differences	17.4	(0.4)	17.1
<b>At 31 March 2009</b>	<b>963.7</b>	<b>(2.5)</b>	<b>961.2</b>

For the year ended 31 March 2009, the change in consolidation scope is related to the acquisition of the four distribution companies formerly held by Maxxium (note 2).

## 8. TRADE AND OTHER RECEIVABLES

(€ millions)	2009	2008	2007
Trade receivables	154.9	169.4	175.3
Receivables related to taxes and social charges (excl. income tax)	70.5	20.9	18.7
Sundry prepaid expenses	8.4	10.4	8.7
Advances paid	9.5	10.1	12.5
Receivables related to asset disposals	7.7	5.4	2.7
Other receivables	31.1	22.1	27.7
<b>Total</b>	<b>282.1</b>	<b>238.3</b>	<b>245.6</b>
of which, provision for doubtful debts	(4.7)	(5.3)	(4.1)

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.

"Receivables related to taxes and social charges (excl. income tax)" includes a VAT receivable of €42.8 million related to the Maxxium compensation payment. A matching payable is included in "Other payables" as described in note 13.

At 31 March 2009, the breakdown of Trade receivables by maturity is as follows:

(€ millions)	Total	Current		Overdue	
		Less than 3 month	More than 3 month	Less than 3 month	More than 3 month
Trade receivables gross	159.6	122.9	2.4	27.8	6.5
Provision for doubtful debts	(4.7)	(0.1)	-	(0.3)	(4.3)
<b>Carrying amount</b>	<b>154.9</b>	<b>122.8</b>	<b>2.4</b>	<b>27.5</b>	<b>2.2</b>



## 9. CASH AND CASH EQUIVALENTS

(€ millions)	2009	2008	2007
Short-term deposits	66.1	0.1	0.1
Associates' current accounts	1.9	1.2	1.1
Cash at bank	21.4	36.0	19.4
<b>Total</b>	<b>89.4</b>	<b>37.3</b>	<b>20.6</b>

During March 2009, in the context of the settlement to be made to Maxxium in tense market conditions, Rémy Cointreau Group decided to drawdown on its financial resources in excess of its immediate financing needs thus generating a short-term excess cash position of €66.0 million invested in short-term deposits.

## 10. EQUITY

### 10.1 SHARE CAPITAL AND PREMIUM, TREASURY SHARES

	Number of shares	Treasury shares	Total	Share capital	Share premium	Treasury shares
<b>At 31 March 2007</b>	<b>45,999,802</b>	<b>(25,000)</b>	<b>45,974,802</b>	<b>73.6</b>	<b>650.2</b>	<b>(0.9)</b>
Exercise of stock options	328,252	-	328,252	0.5	7.5	-
Dividend paid in shares	142,739	-	142,739	0.2	6.8	-
2005 free share plan	88,000	-	88,000	0.2	-	-
Liquidity account	-	25,000	25,000	-	-	1.3
Other treasury shares	-	(4,705)	(4,705)	-	-	(0.1)
Net capital gain on treasury shares	-	-	-	-	-	(0.2)
<b>At 31 March 2008</b>	<b>46,558,793</b>	<b>(4,705)</b>	<b>46,554,088</b>	<b>74.5</b>	<b>664.5</b>	<b>0.1</b>
Exercise of stock options	47,908	-	47,908	0.1	0.8	-
Dividend paid in shares	673,843	-	673,843	1.1	20.2	-
2006 free share plan	89,500	-	89,500	0.1	-	-
Liquidity account	-	(86,000)	(86,000)	-	-	(1.8)
Other treasury shares	-	(12,500)	(12,500)	-	-	(0.3)
Reclassified to Consolidated reserves	-	-	-	-	-	(0.3)
<b>At 31 March 2009</b>	<b>47,370,044</b>	<b>(103,205)</b>	<b>47,266,839</b>	<b>75.8</b>	<b>685.5</b>	<b>(2.3)</b>

#### 10.1.1 SHARE CAPITAL AND PREMIUM

At 31 March 2009, the share capital consisted of 47,370,044 shares with a nominal value of €1.60.

During the year ended 31 Mars 2009, 47,908 shares were issued in connection with the stock options granted to certain employees.

On 8 October 2008, Rémy Cointreau issued 673,843 shares following the option for partial dividend payment in shares instead of cash.

On 20 November 2008, 89,500 shares were issued (from retained earnings) on expiry of the vesting period of the Free share plan 2006 which was fully granted.

#### 10.1.2 TREASURY SHARES

At 31 March 2009, 86,000 Rémy Cointreau shares were held in the liquidity account set up in November 2005 (note 1.18). The post tax profit earned on the shares by the manager of the liquidity account during the period was €0.1 million recognised in equity.

At 31 March 2008, Rémy Cointreau held 4,705 of its own shares to be allocated to the exercise of stock options under Plan No.12. During the subsequent period, Rémy Cointreau exercised its buyback option on 33,000 shares under the sale and buyback agreement entered into on 24 March 2005 for the purpose of covering stock option Plans Nos.12 and 13. 12,500 shares were allocated to options exercised under Plan No.12 and 8,000 to options exercised under Plan No.13. At 31 March 2009, Rémy Cointreau thus held the remaining 17,205 shares for allocation to options exercised the following year.

At 31 March 2009, 213,503 shares were outstanding under the sale and buyback agreement mentioned above (194,000 shares at €27.67 each and 19,503 shares at €28.07 each). Rémy Cointreau also holds a call option on 224,497 shares (at €28.07 each). These instruments are intended to cover stock option Plans No.12 and 13).

## 10.2 NUMBER OF SHARES USED FOR THE CALCULATION OF EARNINGS PER SHARE

The principles for calculating earnings per share are set out in note 1.20.

	2009	2008	2007
Average number of shares (basic):			
Average number of shares	46,980,348	46,325,577	45,682,049
Treasury shares	(103,205)	(4,705)	(25,000)
<b>Total used for calculating basic earnings per share</b>	<b>46,877,143</b>	<b>46,320,872</b>	<b>45,657,049</b>
Average number of shares (diluted):			
Average number of shares (basic)	46,877,143	46,320,872	45,657,049
Dilution effect of stock options <sup>(1) (2)</sup>	236,246	471,248	-
<b>Total used for calculating diluted earnings per share</b>	<b>47,113,389</b>	<b>46,792,120</b>	<b>45,657,049</b>

(1) The Rémy Cointreau share price used as a reference when calculating the shares that could be issued in the future as a result of the exercise of options was €31.05 for 2009, €49.06 for 2008 and €43.89 for 2007.  
(2) For March 2007, the dilution effect from the exercise of options is not taken into account due to the net loss recorded for the year ended 31 March 2007.

## 10.3 STOCK OPTION AND FREE SHARE PLANS

### 10.3.1 STOCK OPTION PLANS

These plans were granted under the authorisations given by the Extraordinary General Meetings held on 26 August 1998 (Plans 7, 8 and 9), 24 August 2000 (Plans 10 and 11), 21 September 2001 (Plans 11 and 12) and 7 September 2004 (Plan 13).

Exercise start date	Plan N°	Term in years	Type <sup>(1)</sup>	Options granted	Exercise price in €	Lapsed options at 03/31/08	Options exercised during the year	Options exercised during the year	Average exercise price	Outstanding options at 03/31/09
28 April 1999	7	10	S	289,300	12.20	4,700	259,325	22,013	19.68	3,262
7 December 1999	8	10	S	499,100	16.36	3,400	452,717	11,635	25.32	31,348
30 May 2000	9	10	S	131,280	18.85	-	113,740	-	-	17,540
1 March 2003	10	8	S	1,016,600	27.10	34,000	749,810	9,000	30.02	223,790
8 March 2006	11	6	S	659,500	25.00	8,500	456,867	5,260	30.96	188,873
16 September 2007	12	6	P	287,000	27.67	27,000	70 295	12,500	38.50	177,205
24 December 2008	13	6	P	262,000	28.07	35,000	-	8,000	29.77	219,000
<b>Total</b>				<b>3,144,780</b>	<b>-</b>	<b>112,600</b>	<b>2,102,754</b>	<b>68,408</b>	<b>27,48</b>	<b>861,018</b>

(1) S = Subscription, P = Purchase.

For all plans, one option corresponds to one share granted.

### 10.3.2 FREE SHARE PLANS

Grant date <sup>(1)</sup>	Plan N°	Vesting period	Minimum retention period	Initial number of shares granted	Share price on the grant date	Lapsed options	Shares granted at the end of the vesting period	Number of shares outstanding at 03/31/09
12 October 2006	2006	2 years	2 years	97,000	40.41	7,500	89,500	-
20 November 2007	2007	2 years	2 years	91,100	50.47	2,000	n/a	89,100
20 November 2008	2008	2 years	2 years	89,900	24.89	-	n/a	89,900
<b>Total</b>				<b>278,000</b>		<b>9,500</b>	<b>89,500</b>	<b>179,000</b>

(1) The grant date is the date of the Board meeting which decided on granting each plan.

For these three plans, the Board of Directors determined that the following acquisition terms would apply:

- 60% of the shares are granted on the condition that the beneficiary is still employed by the Group at the end of the vesting period;
- 40% of the shares are granted on the condition that the beneficiary is still employed by the Group at the end of the vesting period and that Group has achieved the performance criteria as measured at the end of the financial year preceding the end of the vesting period. Performance indicators are the current operating profit margin and return on capital employed measured at constant exchange rates and scope.

The 2006 and 2007 Plans were granted under the authorisation given by the Combined General Meeting of 28 July 2005. For the 2008 plans, the authorisation was given by the Combine General Meeting of 16 September 2008.

The shares granted at the end of the vesting period for the 2006 plan resulted in the creation of 89,500 new shares as a deduction against retained earnings. The plan was fully granted (with the exception of 7,500 having lapsed due to the departure of the beneficiaries), as the performance criteria, based on the performance of the financial year ended 31 March 2009 were met.

### 10.3.3 CALCULATION OF THE CHARGE FOR THE YEAR

In accordance with IFRS 2, a charge representing the estimated value of the benefit granted to the beneficiaries of share-based payments is recognised in operating profit (note 1.19). Only plans granted after 7 November 2002 are taken into account.

For each plan, the unit value of the option or the free share is determined. The charge is calculated by multiplying these unit values by the estimated number of options or free shares that will be allocated; The amount is amortised on a straight-line basis over the rights vesting period from the date decided by the Board for each plan (4 years for plans 12 and 13 and 2 years for the Free share plans).

The assumptions used for the estimation of the benefit value and the resulting values are as follows for the plans included in the calculation of the charge for the year ended 31 March 2009.

	Plan 13	Plan 2006 <sup>(2)</sup>	Plan 2007 <sup>(2)</sup>	Plan 2008 <sup>(2)</sup>
Volatility <sup>(1)</sup>	28%	-	-	-
Dividend payout	3.6%	-	-	-
Risk free rate	3.6%	-	-	-
Staff turnover ratio	3.4%	7.7%	5.0%	8.0%
Value per option	€8.00	€37.91	€37.20	€20.51
<b>Valeur unitaire de l'option</b>	<b>€8,00</b>	<b>€37,91</b>	<b>€37,20</b>	<b>€20,51</b>

(1) based on history - (2) For Free share plans 2006, 2007, 2008 valuations include an assumption on the probability of meeting the performance criteria.

For the year ended 31 March 2009, the related expense is €3.6 million (2008: €3.5 million; 2007: €3.3 million).

### 10.4 DIVIDENDS

On 8 October 2008, Rémy Cointreau SA distributed a total dividend of €1.30 per share for the year ended 31 March 2008, i.e. €60.5 million in total, payable, at each shareholder's option, as follows:

- wholly in cash, i.e. €1.30 per share; or
- in shares in respect of 50% of the dividend, i.e. €0.65 per share, with the balance of the dividend, i.e. €0.65 per share, to be paid in cash.

Thus, the part paid in cash totalled €39.2 million while the equivalent of €21.3 million was paid in shares, corresponding to the issue of 673,843 shares at €31.61 each.

The dividend that will be proposed to the General Meeting of 28 July 2008 for the year ended 31 March 2009 is €1.30 per share, amounting to a total of €61.6 million before taking into account treasury shares. It will also be proposed that shareholders are given the option to elect for 50% of the dividend, i.e. €0.65 per share, to be paid in shares.

### 10.5 MINORITY INTERESTS

(€ millions)	2009	2008	2007
Minority interests in Mount Gay Distilleries	0.9	0.7	0.8
Other entities linked to Takirra Invest Corp	(2.7)	(2.5)	(2.4)
<b>Total</b>	<b>(1.8)</b>	<b>(1.8)</b>	<b>(1.6)</b>

### 10.6 CAPITAL MANAGEMENT AND FINANCIAL STRUCTURE

Capital management forms an integral part of the optimisation of the Group's financial structure. In this regard, Rémy Cointreau takes into account the intrinsic features of its business and the strategic objectives it has set for the Group. These require a specific level of capital employed, mainly in eaux-de-vie and wine inventories undergoing the ageing process, which provide a unique guarantee for its brands' future and their potential to create shareholder value.

For several years now, the Group has resolutely pursued a debt-reduction policy in order to maximise 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 "ratio A" (Average net borrowings/EBITDA) (notes 11.7 and 14.7) with which the Group has to comply in order to access a significant part of its financial resources.

During the year ended 31 March 2009, continuing activities have generated operating cash flow (net of investments) of €132.9 million, an increase of 29% on the previous year. Net borrowings have increased due to the consequences of the exit from Maxxium but the net debt to equity ratio at 0.55 remained close to the previous year (0.49 in 2008 and 0.66 in 2007). The ratio A was 2.99, substantially below the limit of 3.50 set out by the syndicated credit contract.

## 11. BORROWINGS

### 11.1 NET BORROWINGS

(€ millions)	2009			2008			2007		
	Long term	Short term	Total	Long term	Short term	Total	Long term	Short term	Total
Gross borrowings	592.4	28.9	621.3	322.1	156.1	478.2	403.5	179.2	582.7
Cash and cash equivalents	-	(89.4)	(89.4)	-	(37.3)	(37.3)	-	(20.6)	(20.6)
<b>Net borrowings</b>	<b>592.4</b>	<b>(60.5)</b>	<b>531.9</b>	<b>322.1</b>	<b>118.8</b>	<b>440.9</b>	<b>403.5</b>	<b>158.6</b>	<b>562.1</b>

### 11.2 BREAKDOWN BY TYPE

(€ millions)	2009			2008			2007		
	Long term	Short term	Total	Long term	Short term	Total	Long term	Short term	Total
Bonds	191.0	-	191.0	191.0	1.9	192.9	372.9	2.6	375.5
Drawdown on syndicated credit	370.0	-	370.0	130.0	-	130.0	30.0	-	30.0
Drawdown on other confirmed credit lines	30.0	-	30.0	-	-	-	-	-	-
Drawdown on unconfirmed credit lines	-	-	-	-	88.9	88.9	-	103.3	103.3
Other borrowings and overdrafts	-	0.6	0.6	-	0.4	0.4	-	1.8	1.8
Issue costs for syndicated credit	(0.1)	(0.4)	(0.5)	(0.4)	(0.4)	(0.8)	(0.8)	(0.3)	(1.1)
Accrued interest	-	8.3	8.3	-	2.9	2.9	-	5.5	5.5
<b>Total Rémy Cointreau SA</b>	<b>590.9</b>	<b>8.5</b>	<b>599.4</b>	<b>320.6</b>	<b>93.7</b>	<b>414.3</b>	<b>402.1</b>	<b>112.9</b>	<b>515.0</b>
Finance leases	0.1	-	0.1	0.1	0.1	0.2	-	0.1	0.1
Other borrowings and overdrafts	1.4	12.5	13.9	1.4	9.3	10.7	1.4	16.2	17.6
Accrued interest	-	-	-	-	-	-	-	0.1	0.1
Borrowings special purpose entities	-	7.9	7.9	-	53.0	53.0	-	49.9	49.9
<b>Total subsidiaries</b>	<b>1.5</b>	<b>20.4</b>	<b>21.9</b>	<b>1.5</b>	<b>62.4</b>	<b>63.9</b>	<b>1.4</b>	<b>66.3</b>	<b>67.7</b>
<b>Gross borrowings</b>	<b>592.4</b>	<b>28.9</b>	<b>621.3</b>	<b>322.1</b>	<b>156.1</b>	<b>478.2</b>	<b>403.5</b>	<b>179.2</b>	<b>582.7</b>

### 11.3 BREAKDOWN BY MATURITY

(€ millions)	
Before 30 June 2009	28.9
7 June 2010	25.2
30 June 2010	1.4
9 July 2010	30.0
15 January 2012	191.0
7 June 2012	344.8
<b>Total</b>	<b>621.3</b>

At 31 March 2009, undrawn amounts under the confirmed credit lines of Rémy Cointreau are €220 million (2008: €370 million ; 2007: €470 million). Including the special purpose entities, amounts are €249.5 million (2008: €383.0 million ; 2007: €474.9 million).

At 31 March 2009, the total amount of confirmed financial resources is €849.8 million (2008: €760.7 million ; 2007: €936.1 million), with the following maturities:

(€ millions)	Bond	Syndicated credit	Other confirmed lines	Special purpose entities	Total
30 June 2009	-	-	-	32.0	32.0
31 December 2009	-	-	30.0	-	30.0
31 March 2010	-	-	40.0	-	40.0
30 April 2010	-	-	20.0	-	20.0
7 June 2010	-	34.0	-	-	34.0
9 July 2010	-	-	30.0	-	30.0
7 June 2012	-	466.0	-	-	466.0
15 January 2012	192.4	-	-	-	192.4
30 December 2012	-	-	-	5.4	5.4
<b>Total</b>	<b>192.4</b>	<b>500.0</b>	<b>120.0</b>	<b>37.4</b>	<b>849.8</b>
<b>Used at 31 March 2009</b>	<b>192.4</b>	<b>370.0</b>	<b>30.0</b>	<b>7.9</b>	<b>600.3</b>

Liquidity risk is detailed in note 14.

#### 11.4 BREAKDOWN BY INTEREST TYPE

(€ millions)	2009			2008			2007		
	Long term	Short term	Total	Long term	Short term	Total	Long term	Short term	Total
Fixed interest rate	191.0	-	191.0	191.0	1.9	192.9	372.9	2.6	375.5
Variable interest rate	401.4	20.6	422.0	131.1	151.3	282.4	30.6	171.0	201.6
Accrued interest	-	8.3	8.3	-	2.9	2.9	-	5.6	5.6
<b>Gross borrowings</b>	<b>592.4</b>	<b>28.9</b>	<b>621.3</b>	<b>322.1</b>	<b>156.1</b>	<b>478.2</b>	<b>403.5</b>	<b>179.2</b>	<b>582.7</b>

(€ millions)	2009			2008			2007		
	Long term	Short term	Total	Long term	Short term	Total	Long term	Short term	Total
Drawdown on syndicated credit	370.0	-	370.0	130.0	-	130.0	30.0	-	30.0
Drawdown on other confirmed credit lines	30.0	-	30.0	-	-	-	-	-	-
Drawdown on unconfirmed credit lines	-	-	-	-	88.9	88.9	-	103.3	103.3
Other borrowings	1.4	20.6	22.0	1.1	62.4	63.5	0.6	67.7	68.3
<b>Total variable-rate borrowings</b>	<b>401.4</b>	<b>20.6</b>	<b>422.0</b>	<b>131.1</b>	<b>151.3</b>	<b>282.4</b>	<b>30.6</b>	<b>171.0</b>	<b>201.6</b>

Drawdowns on syndicated credit and other confirmed and unconfirmed credit lines are hedged. Details of the interest rate hedging instruments held in the portfolio at the balance sheet are provided in note 14.

#### 11.5 BREAKDOWN BY CURRENCY

(€ millions)	2009			2008			2007		
	Long term	Short term	Total	Long term	Short term	Total	Long term	Short term	Total
Euro	592.4	21.9	614.3	322.1	150.2	472.3	403.5	166.9	570.4
US Dollar	-	4.8	4.8	-	5.9	5.9	-	7.7	7.7
Chinese Yuan	-	2.2	2.2	-	-	-	-	-	-
Hong Kong Dollar	-	-	-	-	-	-	-	4.6	4.6
<b>Total</b>	<b>592.4</b>	<b>28.9</b>	<b>621.3</b>	<b>322.1</b>	<b>156.1</b>	<b>478.2</b>	<b>403.5</b>	<b>179.2</b>	<b>582.7</b>

## 11.6 BONDS

(€ millions)	2009			2008			2007		
	Long term	Short term	Total	Long term	Short term	Total	Long term	Short term	Total
Bond €175 M (par value)	-	-	-	-	-	-	175.0	-	175.0
Bond €200 M (par value)	192.4	-	192.4	192.4	-	192.4	200.0	-	200.0
Centaure bond (par value)	-	-	-	-	2.3	2.3	2.3	4.0	6.3
Present value adjustments	(1.4)	-	(1.4)	(1.4)	(0.4)	(1.8)	(4.4)	(1.4)	(5.8)
<b>Total</b>	<b>191.0</b>	<b>-</b>	<b>191.0</b>	<b>191.0</b>	<b>1.9</b>	<b>192.9</b>	<b>372.9</b>	<b>2.6</b>	<b>375.5</b>

At 31 March 2009, the only outstanding bond is the €200.0 million bond issue dated from 15 January 2005 bearing interest at 5.2% (200,000 bonds with a par value of €1,000 each). Subsequent to the early redemption of 7,632 bonds in June 2007, the outstanding amount is €192.4 million at the balance sheet date.

This 7-year bond is redeemable at par on maturity and bears interest at 5.2% payable every six months.

This bond is not secured.

The issue carries a number of clauses for early redemption at the issuer's options as follows:

- before 15 January 2008, in the event of a capital increase, whether for the general public or privately placed, redemption at 105.2% on a proportional basis of up to 35% of the total par value of the bonds issued;
- at any time before 15 January 2009, redemption at par plus a premium equal to the higher of the following two amounts:
  - 1% of the principal amount redeemed;
  - an amount equal to the difference between: (A) the present value on the redemption date at 102.6% plus interest calculated over the period from the redemption date to 15 January 2009, and (B) the principal amount of the bond. The discount rate used is the Bund interest rate on the redemption date plus 50 basis points;
- from 15 January 2009, under any circumstances, redemption of all or part of the bonds at 102.6% up to 15 January 2010 exclusive, at 101.3% from 15 January 2010 to 15 January 2011 exclusive and at par from 15 January 2011;
- the bond issue contract also entitles every bearer to request redemption of the bonds held at 101% in the event of:
  - the sale or transfer of all or a substantial part of Rémy Cointreau's assets;
  - approval by the shareholders of a liquidation or voluntary winding up plan for the issuer, or
  - ORPAR and RECOPART together holding less than one third of the voting rights in the issuer and another person or group obtaining more than one third of the voting rights in the issuer or ORPAR and RECOPART being unable to appoint the majority of the Board of Directors for two consecutive years;
- at any time at par, but in full, in the event of a material change in the tax regime applicable to payments made by the issuer on the bonds subsequent to the issue date.

In the event of the sale of assets and in the absence of the sale proceeds being used for authorised operations, Rémy Cointreau must, within 365 days starting from the date of receipt of the sale proceeds, offer early redemption of the issue up to the amount of the sale proceeds. Furthermore, the agreement contains certain conventions that may limit the maximum dividend payout in the event of a loss.

## 11.7 SYNDICATED CREDIT

At 31 March 2009, Rémy Cointreau had access to a €500 million syndicated loan entered into on 7 June 2005. The agreement provides for a revolving credit facility of €500 million, of which €466 million expires on 7 June 2012 and €34 million on 7 June 2010.

Amounts drawn down bear interest at EURIBOR plus a margin fixed at the outset at 0.675% per annum that may vary as shown in the following table based on the average debt/EBITDA ratio (ratio A):

Ratio A	Applicable margin
A > 4.25	0.875%
3.75 < A < 4.25	0.675%
3.25 < A < 3.75	0.525%
2.75 < A < 3.25	0.425%
A < 2.75	0.325%

The commitment fee on the undrawn portion of the borrowing is 37.5% of the margin applicable if A > 3.75 and 35% if A < 3.75.

This facility is not subject to any security.

Under this agreement, Rémy Cointreau undertakes to comply with the following financial ratios calculated at 30 September and 31 March each year:

Period	Ratio A
From the outset to 30 September 2006	Ratio A < 4.50
1 October 2006 to 30 September 2007	Ratio A < 4.00
1 October 2007 to 30 September 2008	Ratio A < 3.75
1 October 2007 to maturity	Ratio A < 3.50

Definitions of the indicators used in the calculation of ratio A are provided in note 1.16. The amounts used for these various indicators in the calculation for each period are adjusted in accordance with the terms of the agreement.

At 31 March 2008, ratio A stood at 2.99 (2008: 2.54 ; 2007: 3.28).

## 11.8 OTHER CONFIRMED LINES

During the year ended 31 March 2009, the Group negotiated additional confirmed credit lines in addition to the syndicated bank loan amounting to €120 million in total. The characteristics of these credit lines are summarised in the table below:

Amount € millions	Maturity	Benchmark	Margin	Engagement commission
30.0	31 December 2009	EURIBOR	0.350%	0.300%
40.0	31 March 2010	EONIA	0.350%	0.200%
20.0	30 April 2010	EURIBOR	0.400%	0.600%
30.0	9 July 2010	EURIBOR	0.250%	0.250%

## 12. PROVISIONS FOR LIABILITIES AND CHARGES

### 12.1 ANALYSIS OF CHANGE

(€ millions)	Maxxium compensation	Restructuring	Early retirement plan	Other	Total
<b>At 31 March 2007</b>	<b>240.9</b>	<b>16.9</b>	<b>1.9</b>	<b>29.8</b>	<b>289.5</b>
Increase	-	1.7	0.2	0.9	2.8
Discounting	9.2	0.4	-	-	9.6
Decrease	-	(8.1)	(0.7)	(12.7)	(21.5)
Unused	-	-	(0.4)	(4.2)	(4.6)
Reclassifications	0.3	-	-	(0.6)	(0.3)
Translation differences	-	-	-	(0.2)	(0.2)
<b>At 31 March 2008</b>	<b>250.4</b>	<b>10.9</b>	<b>1.0</b>	<b>13.0</b>	<b>275.3</b>
Increase	-	-	-	8.4	8.4
Discounting	10.6	0.1	-	-	10.7
Decrease	(224.0)	(5.6)	(0.6)	(2.4)	(232.6)
Unused	(37.0)	(2.7)	-	(3.3)	(43.0)
Reclassifications	-	-	-	(0.6)	(0.6)
Translation differences	-	-	-	0.1	0.1
<b>At 31 March 2009</b>	<b>-</b>	<b>2.7</b>	<b>0.4</b>	<b>15.2</b>	<b>18.3</b>

The terms and conditions of the Maxxium compensation are set out in note 5.1.2.

“Restructuring” covers costs for the restructuring, closure and transfer of sites in France and the Netherlands and “Other” comprises provisions raised in respect of trade and tax disputes.

### 12.2 MATURITY

The provisions are intended to cover probable items of expenditure payable as follows:

(€ millions)	2009	2008	2007
More than one year or unknown	12.4	7.5	256.2
Less than one year	5.9	267.8	33.3
<b>Total</b>	<b>18.3</b>	<b>275.3</b>	<b>289.5</b>

## 13. TRADE AND OTHER PAYABLES

(€ millions)	2009	2008	2007
Trade payables - eaux-de-vie	160.6	85.8	77.3
Other trade payables	143.4	110.9	109.1
Advances to customers	1.2	1.0	0.2
Payables related to tax and social charges (excl. income tax)	80.7	35.1	42.4
Excise duties	2.4	0.5	0.2
Advertising expenses payable	23.0	32.5	32.8
Miscellaneous deferred income	1.5	0.5	0.5
Other liabilities	40.1	41.1	47.9
<b>Total</b>	<b>452.9</b>	<b>307.4</b>	<b>310.4</b>

Payables related to tax and social charges (excl. income tax) include a VAT liability of €42.8 million related to Maxxium compensation payment for the exit from Maxxium. Following a procedure filled with the Dutch tax authorities, the €42.8 million VAT asset was fully repaid in May 2009.

## 14. FINANCIAL INSTRUMENTS AND MARKET RISKS

### 14.1 BREAKDOWN OF FINANCIAL INSTRUMENTS BY CATEGORY

The following tables show the financial instruments recorded on the balance sheet analysed by the measurement categories defined in IAS 39.

At 31 March 2009	Notes	Carrying amount	Fair value	Assets and liabilities at amortised cost	Fair value through income statement <sup>(1)</sup>	Available for sales	Hedging instruments
<b>(€ millions)</b>							
Other financial assets	6	61.1	61.1	55.2	1.1	4.8	-
Trade and other receivables	8	282.1	282.1	282.1	-	-	-
Derivative financial instruments	14	10.8	10.8	-	4.0	-	6.8
Cash and cash equivalents	9	89.4	89.4	-	89.4	-	-
<b>Assets</b>		<b>443.4</b>	<b>443.4</b>	<b>337.3</b>	<b>94.5</b>	<b>4.8</b>	<b>6.8</b>
Long-term borrowings	11	592.4	592.4	592.4	-	-	-
Short-term borrowings and accrued interest	11	28.9	28.9	28.9	-	-	-
Trade and other payables	13	452.9	452.9	452.9	-	-	-
Derivative financial instruments	14	6.9	6.9	-	3.4	-	3.5
<b>Liabilities</b>		<b>1,081.1</b>	<b>1,081.1</b>	<b>1,074.2</b>	<b>3.4</b>	<b>0.0</b>	<b>3.5</b>

(1) Derivative financial instruments in this column pertain to the Trading sub-category.

At 31 March 2008	Notes	Carrying amount	Fair value	Assets and liabilities at amortised cost	Fair value through income statement	Available for sales	Hedging instruments
<b>(€ millions)</b>							
Other financial assets	6	54.1	54.1	46.0	2.7	5.4	-
Trade and other receivables	8	238.3	238.3	238.3	-	-	-
Derivative financial instruments	14	26.1	26.1	-	-	-	26.1
Cash and cash equivalents	9	37.3	37.3	-	37.3	-	-
<b>Assets</b>		<b>355.8</b>	<b>355.8</b>	<b>284.3</b>	<b>40.0</b>	<b>5.4</b>	<b>26.1</b>
Long-term borrowings	11	322.1	322.1	322.1	-	-	-
Short-term borrowings and accrued interests	11	156.1	156.1	156.1	-	-	-
Trade and other payables	13	307.4	307.4	307.4	-	-	-
Derivative financial instruments	14	0.1	0.1	-	-	-	0.1
<b>Liabilities</b>		<b>785.7</b>	<b>785.7</b>	<b>785.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>



At 31 March 2007	Notes	Carrying amount	Fair value	Assets and liabilities at amortised cost	Fair value through income statement	Available for sales	Hedging instruments
<b>(€ millions)</b>							
Other financial assets	6	97.5	97.5	44.0	48.2	5.3	-
Trade and other receivables	8	245.6	245.6	245.6	-	-	-
Derivative financial instruments	14	11.1	11.1	-	-	-	11.1
Cash and cash equivalents	9	20.6	20.6	-	20.6	-	-
<b>Assets</b>		<b>374.8</b>	<b>374.8</b>	<b>289.6</b>	<b>68.8</b>	<b>5.3</b>	<b>11.1</b>
Long-term borrowings	11	403.5	403.5	403.5	-	-	-
Short-term borrowings and accrued interest	11	179.2	179.2	179.2	-	-	-
Trade and other payables	13	310.4	310.4	310.4	-	-	-
Derivative financial instruments	14	0.1	0.1	-	-	-	0.1
<b>Liabilities</b>		<b>893.2</b>	<b>893.2</b>	<b>893.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>

## 14.2 MARKET RISK MANAGEMENT POLICY

The Group uses financial instruments to manage its interest rate and currency risk exposure. The policy for managing market risks complies with the prudential rules approved by the Board of Directors. Specifically, the sale of options is limited to tunnel strategies and the resale of previously purchased instruments that are subject to approval on an individual basis.

All hedging transactions are entered into with top-tier international banks.

With regard to currency risk, the Group endeavours to hedge its budgeted net commercial exposure over a rolling period of approximately 15 to 18 months. This is achieved by entering into firm or optional currency hedging agreements in accordance with the guidelines set by the Board of Directors.

The Group does not hedge the currency risk arising from the translation into euros of the financial statements of companies outside the Euro zone.

The Group's hedging policy allows only for the hedging of short-term currency risk. It is not intended to protect the Group against the economic effects of long-term money market trends on the Group's turnover and margins.

## 14.3 BREAKDOWN OF DERIVATIVE FINANCIAL INSTRUMENTS

<b>(€ millions)</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
<b>Assets</b>			
Interest rate derivatives	3.4	1.7	3.4
Exchange rate derivatives	7.4	24.4	7.7
<b>Total</b>	<b>10.8</b>	<b>26.1</b>	<b>11.1</b>
<b>Liabilities</b>			
Interest rate derivatives	5.6	-	-
Exchange rate derivatives	1.3	0.1	0.1
<b>Total</b>	<b>6.9</b>	<b>0.1</b>	<b>0.1</b>

## 14.4 INTEREST RATE DERIVATIVES

The Group manages the risk of an increase in interest rates on its variable rate financial resources (note 11.4), which are generally based on EURIBOR (1 month or 3 month), using options (caps). During the year ended 31 March 2009, Rémy Cointreau also entered into interest rate swap contracts in the context of decreasing interest rates on the market.

Rémy Cointreau also enters into floor contracts to back its fixed rate borrowings. However, such contracts do not qualify as hedging instruments according to IAS39. They pertain to the "Trading" category.

At 31 March 2009, derivative financial instruments on recent rates were as follows:

#### 14.4.1 BREAKDOWN BY TYPE

(€ millions)	2009	2008	2007
<b>Assets</b>			
Purchases of cap	0.2	1.6	3.4
Purchase of floor	3.2	0.1	-
<b>Total</b>	<b>3.4</b>	<b>1.7</b>	<b>3.4</b>
<b>Liabilities</b>			
Sales of floor	3.2	0.1	-
Interest rate swaps	2.4	-	-
<b>Total</b>	<b>5.6</b>	<b>0.1</b>	<b>-</b>

#### 14.4.2 BREAKDOWN BY MATURITY

(€ millions)	Nominal amount	Initial value	Market value	Of which CFH <sup>(1)</sup>	Of which Trading <sup>(1)</sup>
<b>Purchases of cap</b>					
Maturing before March 2010	200.0	0.5	-	-	-
Maturing before March 2011	375.0	1.1	0.2	0.2	-
	<b>575.0</b>	<b>1.6</b>	<b>0.2</b>	<b>0.2</b>	<b>-</b>
<b>Purchases of floor</b>					
Maturing before March 2010	100.0	0.2	1.9	-	1.9
Maturing before March 2011	50.0	0.1	1.3	-	1.3
	<b>150.0</b>	<b>0.3</b>	<b>3.2</b>	<b>-</b>	<b>3.2</b>
<b>Total assets</b>		<b>1.9</b>	<b>3.4</b>	<b>0.2</b>	<b>3.2</b>
<b>Sales of floor</b>					
Maturing before March 2010	100.0	1.0	1.9	-	1.9
Maturing before March 2011	50.0	1.1	1.3	-	1.3
	<b>150.0</b>	<b>2.1</b>	<b>3.2</b>	<b>-</b>	<b>3.2</b>
<b>Interest rate swaps</b>					
Maturing before March 2010	200.0	-	1.6	1.6	-
Maturing before March 2011	75.0	-	0.8	0.8	-
Maturing before March 2015	25.0	-	-	-	-
	<b>300.0</b>	<b>-</b>	<b>2.4</b>	<b>2.4</b>	<b>-</b>
<b>Total liabilities</b>		<b>2.1</b>	<b>5.6</b>	<b>2.4</b>	<b>3.2</b>

(1) Cash Flow Hedge: hedging future cash flows; Trading: held for trading purposes.

For the year ended 31 March 2009, a pre-tax expense of €2.8 million was recognised directly in equity related to the valuation of the interest rate derivatives of which €0.4 million were recycled to income statement following the expiry or change to non-hedging status of the instruments. The balance of €2.4 million is the change in effective value of instruments qualifying as Cash Flow Hedge (CFH).

## SENSITIVITY TO INTEREST RATE RISK

Given the financing in place and existing hedges at 31 March 2009, a 50 bp increase or decrease in interest rates would have the following impact, the impact on net profit arising mainly from the unhedged debt.

(€ millions)	Euribor 1 month <sup>(1)</sup>	
	+50 bp 1.621%	-50 bp 0.621%
Net profit	(0.5)	0.3
Equity excluding Net income	1.6	(0.7)
Change in value of derivatives	2.4	(1.3)
Variable rate net borrowings	332.6	332.6
of which hedged	225.0	225.0
of which not hedged	107.6	107.6

(1) Benchmark value is Euribor 1 month as at 31 March 2009 i.e. 1.121%

## 14.5 EXCHANGE RATE DERIVATIVES

The Group uses options or forward contracts to hedge its cash flows from commercial transactions. Commercial transactions for the year for which payment has not been received as of the balance sheet date are hedged by short-term currency swaps.

Furthermore, Rémy Cointreau SA, which centralises the Group's financing needs, and its subsidiary Financière Rémy Cointreau make intra-Group loans and borrowings denominated in the counterparty's currency. The Group uses currency swaps to perfectly match these loans and borrowings. The maturity of such transactions ranges from one month to one year.

The following table summarises all currency hedging instruments in the portfolio at the balance sheet date. All these instruments mature within 12 months.

(€ millions)	Nominal amount	Initial value	Market value	of which CFH <sup>(1)</sup>	of which Trading <sup>(1)</sup>
<b>Put options and tunnel options</b>					
Seller USD (vs EUR)	263.0	2.9	3.0	2.4	0.6
Other currencies (vs EUR)	42.3	0.7	1.6	1.6	-
	305.3	3.6	4.6	4.0	0.6
<b>Forward sales</b>					
Seller USD (vs EUR)	22.5	-	1.4	1.4	-
Other currencies (vs EUR)	0.5	-	0.1	0.1	-
	23.0	-	1.5	1.5	-
<b>Total</b>	<b>328.3</b>	<b>3.6</b>	<b>6.1</b>	<b>5.5</b>	<b>0.6</b>

(€ millions)	Nominal amount	Market value	of which FVH <sup>(1)</sup>
<b>Purchase (sale) of currency swaps (financing activities)</b>			
USD/EUR	(69.5)	0.9	0.9
Other currencies	4.0	-	-
	(65.4)	0.9	0.9

(1) FVH: Fair Value Hedge, CFH: Cash Flow Hedge: hedging future cash flows; Trading: held for trading purposes.

For the year ended 31 March 2009, a pre-tax expense of €21.2 million was recognised directly in equity related to the valuation of the exchange rate derivatives of which €22.6 million were recycled to profit (loss) statement following the expiry or change to non-hedging status of the instruments. The balance, an income of €1.4 million, is the change in effective value of instruments qualifying as Cash Flow Hedge (CFH).

## SENSITIVITY TO FOREIGN EXCHANGE RISK

Given the hedges in place at 31 March 2009, a 10% increase or decrease in the €/USD exchange rate would have the following impact: the impact on profit arising mainly from the ineffective part of hedging of future flows:

	Sensitivity	Dollar US
	+10%	-10%
	<b>EUR/USD rate <sup>(1)</sup></b>	
<b>(€ millions)</b>	<b>1.46</b>	<b>1.20</b>
Net income	1.9	(2.5)
Equity excluding Net income	4.1	(1.8)
Change in value of derivatives	8.9	(6.2)
Nominal amount at closing date <sup>(2)</sup> :		
• derivatives USD/EUR	260.3	316.7
• receivables USD/EUR	52.0	63.3

(1) Benchmark is the €/USD parity as at 31 March 2009 being 1.33.

(2) translated in € million at each simulation rate.

## 14.6 OTHER DERIVATIVE INSTRUMENTS

Other derivative instruments held in the portfolio at 31 March 2009 comprised call options on 224,497 Rémy Cointreau shares that, in accordance with IAS 39, are not recorded on the balance sheet.

## 14.7 LIQUIDITY RISK

The following table shows the contractual maturity profile of disbursements relating to financial liabilities recognised as at 31 March 2009.

(€ millions)	Before 03/31/10	Before 03/31/11	Before 03/31/12	Before Subsequent 03/31/13	Total
Long-term borrowings	-	56.6	192.4	344.8	593.8
Short-term borrowings and accrued interest	29.3	-	-	-	29.3
Trade and other payables	452.3	0.6	-	-	452.9
Derivative financial instruments	2.0	0.6	-	0.5	1.0
<b>Liabilities recognised at 31 March 2009</b>	<b>483.6</b>	<b>57.8</b>	<b>192.4</b>	<b>345.3</b>	<b>1 080.1</b>
Future interest on borrowings	16.2	15.7	13.3	0.9	46.1
<b>Total disbursements</b>	<b>499.8</b>	<b>73.5</b>	<b>205.7</b>	<b>346.2</b>	<b>1 126.2</b>

According to IFRS7, the liabilities are stated at their carrying amount at balance sheet date excluding discounting effects. The amounts drawn down on credit lines at balance sheet date are assumed to be carried forward until the maturity of each of the corresponding facilities. The corresponding interest expense is computed based on the parameters prevailing at the balance sheet date. For the derivative financial instruments, amounts stated in this analysis are the net cash outflow, excluding discounting effects, which should be paid out by the company based on the contracts with the market parameters prevailing at the balance sheet date.

The liquidity risk is mainly driven by the availability and maturity of the financial resources. As at 31 March 2009, total gross borrowings were €623.1 million in nominal value when total confirmed resources amounted to €849.8 million (note 11.3). Of this amount, €102.0 million mature during the year ending 31 March 2010 and €84.0 during the subsequent year.

Of the €849,8 million of confirmed resources as at 31 March 2009, the availability of €620.0 million is subject to the compliance with the ratio A (note 11.7) which should be under 3.50 at the end of every six-month period until the final maturity of the facilities. For Rémy Cointreau Group's management, compliance with ratio A is a top priority and they are confident in the ability of the Group to meet this requirement for the six-month periods to come.

## 15. SEGMENT REPORTING

Segment information is stated based on the principles specified in note 1.17.

### 15.1 OPERATIONS

Brands are broken down into four activities comprising the principal products and brands as follows:

Cognac	Rémy Martin
Liqueurs and spirits	Cointreau, Passoa, Metaxa, S <sup>r</sup> Rémy, Mount Gay
Champagne	Piper-Heidsieck, Charles Heidsieck
Partner brands	Non-Group brands and, by extension, those not produced by the Group, which are marketed through the Group's own distribution network. At 31 March 2009, it includes mainly Edrington Group scotch whiskies in the US.

#### 15.1.1 BREAKDOWN OF TURNOVER AND CURRENT OPERATING PROFIT

There are no intra-segment sales.

(€ millions)			Turnover	Current operating profit		
	2009	2008	2007	2009	2008	2007
Cognac	311.9	362.3	347.6	75.1	93.5	87.2
Liqueurs and spirits	196.0	211.7	209.3	53.2	53.2	55.3
Champagne	125.9	142.4	126.0	10.8	12.4	10.1
Group brands	633.8	716.4	682.9	139.1	159.1	152.6
Partner brands	80.3	101.4	103.0	(2.1)	0.5	1.2
<b>Total</b>	<b>714.1</b>	<b>817.8</b>	<b>785.9</b>	<b>137.0</b>	<b>159.6</b>	<b>153.8</b>

#### 15.1.2 BREAKDOWN OF THE BALANCE SHEET

At 31 March 2009 (€ millions)	Cognac	Liqueurs and spirits	Champagne	Partner brands	Not allocated <sup>(1)</sup>	Total
Non-current assets	333.1	283.2	199.6	10.5	146.0	972.4
Current assets	717.4	75.0	286.3	59.3	111.3	1,249.3
Derivative financial instruments	-	-	-	-	10.8	10.8
Assets held for sale	-	-	-	-	0.2	0.2
Cash and cash equivalents	-	-	-	-	89.4	89.4
<b>Total assets</b>	<b>1,050.5</b>	<b>358.2</b>	<b>485.9</b>	<b>69.8</b>	<b>357.7</b>	<b>2,322.1</b>
Equity	-	-	-	-	970.7	970.7
Borrowings and accrued interest	-	-	-	-	621.3	621.3
Provision for liabilities and charges	11.7	5.1	5.7	0.3	14.2	37.0
Deferred and current tax liabilities	-	-	-	-	233.3	233.3
Trade and other payables	244.2	39.3	74.7	17.5	77.2	452.9
Derivative financial instruments	-	-	-	-	6.9	6.9
<b>Total equity and liabilities</b>	<b>255.9</b>	<b>44.4</b>	<b>80.4</b>	<b>17.8</b>	<b>1,923.6</b>	<b>2,322.1</b>
Brands and other intangible assets excluded from the base for the calculation of return on capital employed (ROCE)	236.3	246.6	128.8	9.8	-	621.5
<b>Base for the calculation of ROCE</b>	<b>558.3</b>	<b>67.2</b>	<b>276.7</b>	<b>42.2</b>	<b>-</b>	<b>944.4</b>

(1) Assets and liabilities pertaining to the 4 entities purchased from Maxxiim (note 2.2) were not allocated as at 31 March 2009. Related non-current assets are €0.4 million, current assets €21.5 million and trade and other payables €9.7 million.

At 31 March 2008 (€ millions)	Cognac	Liqueurs and spirits	Champagne	Partner brands	Not allocated	Total
Non-current assets	316.3	279.6	200.4	10.7	188.4	995.4
Current assets	659.1	74.2	271.4	69.0	27.7	1,101.4
Derivative financial instruments	-	-	-	-	26.1	26.1
Assets held for sale	-	-	-	-	2.5	2.5
Cash and cash equivalents	-	-	-	-	37.3	37.3
<b>Total assets</b>	<b>975.4</b>	<b>353.8</b>	<b>471.8</b>	<b>79.7</b>	<b>282.0</b>	<b>2,162.7</b>
Equity	-	-	-	-	911.5	911.5
Borrowings and accrued interest	-	-	-	-	478.2	478.2
Provision for liabilities and charges	17.2	7.2	7.2	0.5	263.5	295.6
Deferred and current tax liabilities	-	-	-	-	169.9	169.9
Trade and other payables	164.1	45.3	70.4	18.3	9.3	307.4
Derivative financial instruments	-	-	-	-	0.1	0.1
<b>Total equity and liabilities</b>	<b>181.3</b>	<b>52.5</b>	<b>77.6</b>	<b>18.8</b>	<b>1,832.5</b>	<b>2,162.7</b>
Brands and other intangible assets excluded from the base for the calculation of return on capital employed (ROCE)	236.3	245.2	128.8	9.9	-	620.2
<b>Base for the calculation of ROCE</b>	<b>557.8</b>	<b>56.1</b>	<b>265.4</b>	<b>51.0</b>	<b>-</b>	<b>930.3</b>
At 31 March 2007 (€ millions)	Cognac	Liqueurs and spirits	Champagne	Partner brands	Not allocated	Total
Non-current assets	306.1	287.7	195.2	11.0	237.7	1,037.7
Current assets	634.3	99.1	265.5	67.5	51.7	1,118.1
Derivative financial instruments	-	-	-	-	11.1	11.1
Assets held for sale	-	-	-	-	17.4	17.4
Cash and cash equivalents	-	-	-	-	20.6	20.6
<b>Total assets</b>	<b>940.4</b>	<b>386.8</b>	<b>460.7</b>	<b>78.5</b>	<b>338.5</b>	<b>2,204.9</b>
Equity	-	-	-	-	852.5	852.5
Borrowings and accrued interests	-	-	-	-	582.7	582.7
Provision for liabilities and charges	18.8	11.8	13.2	1.1	266.8	311.7
Deferred and current tax liabilities	-	-	-	-	147.5	147.5
Trade and other payables	131.9	61.0	82.3	18.6	16.6	310.4
Derivative financial instruments	-	-	-	-	0.1	0.1
<b>Total equity and liabilities</b>	<b>150.7</b>	<b>72.8</b>	<b>95.5</b>	<b>19.7</b>	<b>1,866.2</b>	<b>2,204.9</b>
Brands and other intangible assets excluded from the base for the calculation of return on capital employed (ROCE)	236.3	246.7	128.8	10.4	-	622.2
<b>Base for the calculation of ROCE</b>	<b>553.4</b>	<b>67.3</b>	<b>236.4</b>	<b>48.4</b>	<b>-</b>	<b>905.5</b>

### 15.1.3 RETURN ON CAPITAL EMPLOYED (ROCE)

Return on capital employed is calculated based on the following indicators:

- current operating profit by division (note 15.1.1);
- breakdown of the balance sheet by activity excluding certain intangible assets (note 15.1.2).

Current operating profit and capital employed are determined by division based on management accounts. Profits and capital employed for the distribution business and holding company are allocated pro rata to actual turnover and inventories.

Return on capital employed is a key indicator for the management of the group. In particular, it is used as one of the main indicators for measuring the performance of each division.

At 31 March 2009 (€ millions)	Capital employed	Current operating profit	%
Cognac	558.3	75.1	13.5%
Liqueurs and spirits	67.2	53.2	79.2%
Champagne	276.7	10.8	3.9%
Partner brands	42.2	(2.1)	(5.0%)
<b>Total</b>	<b>944.4</b>	<b>137.0</b>	<b>14.5%</b>

At 31 March 2008 (€ millions)	Capital employed	Current operating profit	%
Cognac	557.8	93.5	16.8%
Liqueurs and spirits	56.1	53.2	94.8%
Champagne	265.4	12.4	4.7%
Partner brands	51.0	0.5	1.0%
<b>Total</b>	<b>930.3</b>	<b>159.6</b>	<b>17.2%</b>

At 31 March 2007 (€ millions)	Capital employed	Current operating profit	%
Cognac	553.4	87.2	15.8%
Liqueurs and spirits	67.3	55.3	82.2%
Champagne	236.4	10.1	4.3%
Partner brands	48.4	1.2	2.5%
<b>Total</b>	<b>905.5</b>	<b>153.8</b>	<b>17.0%</b>

#### 15.1.4 CAPITAL EXPENDITURE AND DEPRECIATION AND AMORTISATION EXPENSES

(€ millions)	Capital expenditure and acquisition of intangible assets			Depreciation and amortisation expenses		
	2009	2008	2007	2009	2008	2007
Cognac	22.4	14.0	14.8	7.3	6.6	5.9
Liqueurs and spirits	5.6	4.8	5.8	4.1	4.2	4.3
Champagne	3.2	8.2	4.7	3.2	2.5	2.8
Partner brands	0.3	0.3	0.5	0.2	0.3	0.2
<b>Total</b>	<b>31.5</b>	<b>27.3</b>	<b>25.8</b>	<b>14.8</b>	<b>13.6</b>	<b>13.2</b>

## 15.2 GEOGRAPHIC REGIONS

### 15.2.1 TURNOVER

(€ millions)	2009	2008	Turnover 2007
Europe	275.1	303.3	274.4
Americas	283.0	350.6	370.4
Asia and rest of the world	156.0	163.9	141.1
<b>Total</b>	<b>714.1</b>	<b>817.8</b>	<b>785.9</b>

## 15.2.2 BALANCE SHEET

At 31 March 2009 (€ millions)	Europe	Americas	Asia and rest of the world	Not allocated	Total
Non-current assets	882.7	28.7	61.0	-	972.4
Current assets	1,058.1	125.0	66.2	-	1,249.3
Derivative financial instruments	-	-	-	10.8	10.8
Assets held for sale	0.2	-	-	-	0.2
Cash and cash equivalents	-	-	-	89.4	89.4
<b>Total assets</b>	<b>1,941.0</b>	<b>153.7</b>	<b>127.2</b>	<b>100.2</b>	<b>2,322.1</b>
Equity	-	-	-	970.7	970.7
Borrowings and accrued interest	-	-	-	621.3	621.3
Provision for liabilities and charges	37.0	-	-	-	37.0
Deferred and current tax liabilities	232.8	-	0.5	-	233.3
Trade and other payables	394.7	25.7	32.5	-	452.9
Derivative financial instruments	-	-	-	6.9	6.9
<b>Total equity and liabilities</b>	<b>664.5</b>	<b>25.7</b>	<b>33.0</b>	<b>1,598.9</b>	<b>2,322.1</b>
<b>At 31 March 2008 (€ millions)</b>	<b>Europe</b>	<b>Americas</b>	<b>Asia and rest of the world</b>	<b>Not allocated</b>	<b>Total</b>
Non-current assets	927.1	22.3	46.0	-	995.4
Current assets	938.9	135.0	27.5	-	1,101.4
Derivative financial instruments	-	-	-	26.1	26.1
Assets held for sale	2.5	-	-	-	2.5
Cash and cash equivalents	-	-	-	37.3	37.3
<b>Total assets</b>	<b>1,868.5</b>	<b>157.3</b>	<b>73.5</b>	<b>63.4</b>	<b>2,162.7</b>
Equity	-	-	-	911.5	911.5
Borrowings and accrued interest	-	-	-	478.2	478.2
Provision for liabilities and charges	293.3	2.1	0.2	-	295.6
Deferred and current tax liabilities	167.7	0.5	1.7	-	169.9
Trade and other payables	271.0	28.1	8.3	-	307.4
Derivative financial instruments	-	-	-	0.1	0.1
<b>Total equity and liabilities</b>	<b>732.0</b>	<b>30.7</b>	<b>10.2</b>	<b>1,389.8</b>	<b>2,162.7</b>
<b>At 31 March 2007 (€ millions)</b>	<b>Europe</b>	<b>Americas</b>	<b>Asia and rest of the world</b>	<b>Not allocated</b>	<b>Total</b>
Non-current assets	965.5	25.2	47.0	-	1,037.7
Current assets	939.4	145.9	32.8	-	1,118.1
Derivative financial instruments	-	-	-	11.1	11.1
Assets held for sale	17.4	-	-	-	17.4
Cash and cash equivalents	-	-	-	20.6	20.6
<b>Total assets</b>	<b>1,922.3</b>	<b>171.1</b>	<b>79.8</b>	<b>31.7</b>	<b>2,204.9</b>
Equity	-	-	-	852.5	852.5
Borrowings and accrued interest	-	-	-	582.7	582.7
Provision for liabilities and charges	309.4	2.1	0.2	-	311.7
Deferred and current tax liabilities	146.3	1.0	0.2	-	147.5
Trade and other payables	270.3	33.6	6.5	-	310.4
Derivative financial instruments	-	-	-	0.1	0.1
<b>Total equity and liabilities</b>	<b>726.0</b>	<b>36.7</b>	<b>6.9</b>	<b>1,435.3</b>	<b>2,204.9</b>



### 15.2.3 INVESTMENTS

(€ millions)	Capital expenditure and acquisition of intangible assets		
	2009	2008	2007
Europe	27.4	25.4	23.1
Americas	2.2	1.4	2.5
Asia and rest of the world	1.9	0.5	0.2
<b>Total</b>	<b>31.5</b>	<b>27.3</b>	<b>25.8</b>

## 16. ANALYSIS OF OPERATING EXPENSES BY TYPE

(€ millions)	2009	2008	2007
Personnel costs	(107.8)	(104.8)	(105.7)
Advertising and promotion expenses	(131.9)	(140.2)	(129.6)
Depreciation, amortisation and impairment of non-current assets	(14.8)	(13.6)	(13.2)
Other costs	(92.2)	(93.9)	(85.5)
Costs allocated to inventories and production cost	64.3	58.9	60.4
<b>Total</b>	<b>(282.4)</b>	<b>(293.6)</b>	<b>(273.6)</b>
Of which:			
Distribution costs	(201.7)	(210.6)	(192.5)
Administrative expenses	(80.7)	(83.0)	(81.1)
<b>Total</b>	<b>(282.4)</b>	<b>(293.6)</b>	<b>(273.6)</b>

Distribution costs comprise marketing and advertising expenses, commission income or expense, brand royalties, ordinary writedowns of inventories and trade receivables and the overheads of the Group distribution companies.

Administrative expenses comprise all the overheads of the holding companies and production companies.

Other income and expense correspond to the profit generated by activities that are peripheral to the sale of cognac, liqueurs, spirits, champagnes and partner brands.

Personnel costs consist of the following:

(€ millions)	2009	2008	2007
Salaries and social charges	(99.8)	(96.5)	(98.7)
Pension and other similar benefits	(3.1)	(3.0)	(2.4)
Employee profit sharing	(1.3)	(1.8)	(1.3)
Share-based payments	(3.6)	(3.5)	(3.3)
<b>Total</b>	<b>(107.8)</b>	<b>(104.8)</b>	<b>(105.7)</b>

## 17. NUMBER OF EMPLOYEES

The number of employees is stated in terms of full time equivalent at the balance sheet date and covers all fully-consolidated companies.

Full Time Equivalent	2009	2008	2007
France	825	840	860
Europe (excluding France)	150	41	38
Americas	330	327	304
Asia and rest of the world	207	38	17
<b>Total</b>	<b>1,512</b>	<b>1,246</b>	<b>1,219</b>

The number of employees in Europe (excluding France) includes the 105 full time equivalent of the four companies purchased from Maxxium (note 2). The increase in staff on Asia and rest of the world is related to the set up of the new network following the exit from Maxxium.

## 18. OTHER OPERATING INCOME AND EXPENSES

(€ millions)	2009	2008	2007
Maxxium compensation and related charges (note 5)	33.6	(0.4)	(241.6)
Impairment of Maxxium shares (note 5)	(16.0)	-	-
Maxxium translation reserve (note 5)	(4.0)	-	-
Restructuring plans, closures or transfer of sites	0.6	(0.9)	1.8
Tax adjustments (excluding income taxes)	0.2	0.7	(3.6)
Other	0.5	-	-
<b>Total</b>	<b>14.9</b>	<b>(0.6)</b>	<b>(243.4)</b>

The procedures for determining the amounts in respect of Maxxium compensation are set out in note 5.1.2.

During the year ended 31 March 2007, various French entities of the Group were advised by the tax authorities of additional assessments relating to the calculation of business and property taxes since 2002.

## 19. NET FINANCIAL EXPENSES

### 19.1 FINANCE COSTS BY NATURE

(€ millions)	2009	2008	2007
Bonds	(10.5)	(14.3)	(23.4)
Syndicated credit, confirmed and unconfirmed lines	(16.7)	(13.0)	(8.4)
Interest on short term deposits	1.8	-	-
Finance costs of special purpose entities	(8.9)	(6.4)	(5.8)
Early redemption premium and accelerated amortisation of issue costs on the 6.5% bond (note 11.3)	-	(8.0)	-
“Waiver” on the 5.2% bond (note 11.3)	-	(2.5)	-
Other finance costs	0.1	(0.2)	-
Impact of interest rate derivatives	1.1	3.9	0.4
<b>Total</b>	<b>(33.1)</b>	<b>(40.5)</b>	<b>(37.2)</b>

Borrowings are described in note 11.

Given that net borrowings averaged €477.8 million for the year ended 31 March 2009, the average interest rate is 6.93% (2008: €541.2 million and 5.54% excluding the impact of the waiver and of the early redemption of the €175 million bond (note 11.3) ; 2007: €619.9 million and 5.99%).

The impact of interest rate derivatives (14.4), is as follows:

(€ millions)	2009	2008	2007
Interest received on caps and floors	1.5	3.9	1.5
Interest (paid) on interest rate swaps	(0.1)	-	-
Interest received (paid) on FRA	-	-	0.1
Ineffective portion of interest rate hedges	(0.3)	-	(1.2)
<b>Impact of interest rate derivatives</b>	<b>1.1</b>	<b>3.9</b>	<b>0.4</b>

At 31 March 2009, the ineffective portion of interest rate hedges includes a charge of €1.0 million for expired instruments, a charge of €0.5 million for instruments reclassified to non-hedging and an income of €1.2 million for the instruments falling in the Cash Flow Hedge category.

### 19.2 OTHER FINANCIAL INCOME (EXPENSES)

(€ millions)	2009	2008	2007
Income (loss) related to CEDC shares	-	4.2	(4.2)
Discounting charge on provisions	(10.7)	(9.6)	(0.5)
Seller's loan - interest accrued and revaluation (note 6.3)	9.2	1.8	1.7
Currency (losses) and gains	4.7	(1.6)	1.5
Other	(1.4)	(0.1)	1.4
<b>Total</b>	<b>1.8</b>	<b>(5.3)</b>	<b>(0.1)</b>

“Discounting charge on provisions” relates mainly to the provision for the Maxxium compensation (2009: €10.6 million ; 2008: €9.2 million) (note 12).

Items related to the seller's loan as at 31 March 2009 increased by €7.4 million against the previous year including a revaluation impact of the loan for €5.7 million and a catch up effect on accrued interest for €1.6 million.

Currency losses and gains from operations are recognised in gross profit in accordance with the procedures described in note 1.4. Currency (losses) and gains comprise the following:

(€ millions)	2009	2008	2007
Ineffective portion of currency hedges	1.2	(3.6)	(2.3)
Other	3.5	2.0	3.8
<b>Total</b>	<b>4.7</b>	<b>(1.6)</b>	<b>1.5</b>

The ineffective portion of currency hedges related entirely to the instruments falling in the Cash Flow Hedge category at the balance sheet date. Impacts related to the instruments expired during the period are recognised in gross profit as they relate to operating flows.

## 20. INCOME TAX

### 20.1 NET INCOME TAX CHARGE

(€ millions)	2009	2008	2007
Current tax (expense) income	(0.3)	(1.5)	(7.2)
Deferred tax (expense) income	(37.2)	(27.4)	57.3
<b>Total</b>	<b>(37.5)</b>	<b>(28.9)</b>	<b>50.1</b>
Effective tax rate	(31.1%)	(25.5%)	n/s

### 20.2 TAX REGIME

Rémy Cointreau has opted for the group tax regime for certain subsidiaries in which it holds a direct or indirect equity interest of at least 95%. This regime entitles the Group to offset, within certain limits, the tax charges of companies with taxable income against losses incurred by other subsidiaries. The resulting tax saving is recognised in the year of offset.

### 20.3 ANALYSIS OF DEFERRED TAXES

(€ millions)	2009	2008	2007
<b>Breakdown by type</b>			
Pension provisions	5.2	5.8	6.4
Regulated provisions	(10.9)	(9.3)	(7.9)
Other provisions	0.8	6.2	6.1
Brands	(169.8)	(167.6)	(165.4)
Non-current assets	(13.8)	(14.6)	(16.2)
Margins on inter-company inventories	12.7	9.4	9.9
Losses carried forward	2.2	36.9	63.8
Other timing differences	(4.4)	(15.8)	(19.5)
<b>Net liability</b>	<b>(178.0)</b>	<b>(149.0)</b>	<b>(122.8)</b>
<b>Breakdown by tax group</b>			
France	(141.8)	(100.6)	(79.8)
USA	3.5	1.5	1.0
Netherlands	(57.6)	(55.8)	(55.4)
Other	17.9	5.9	11.4
<b>Net liability</b>	<b>(178.0)</b>	<b>(149.0)</b>	<b>(122.8)</b>
Deferred tax asset	22.4	14.0	13.0
Deferred tax liability	(200.4)	(163.0)	(135.8)
<b>Net liability</b>	<b>(178.0)</b>	<b>(149.0)</b>	<b>(122.8)</b>

### 20.4 TAX LOSSES AND CAPITAL LOSSES CARRIED FORWARD

At 31 March 2009, the tax losses carried forward totalled €16.1 million (2008: €114.1 million). The potential tax saving arising from the use of these losses is €3.4 million (2008: €38.1 million). A deferred tax asset of €2.2 million has been recognised related to the tax losses carried forward.

## 20.5 TAX PROOF

For the year ended 31 March 2009, the income tax charge amounted to €37.5 million. The difference between the actual tax charge and the theoretical tax charge based on the French statutory rate of 34.4% is analysed as follows:

(€ millions)	2009	2008	2007
Theoretical tax charge	(41.5)	(39.0)	43.7
Actual tax charge	(37.5)	(28.9)	50.1
Difference	4.0	10.1	6.4
Permanent differences between consolidated profit and taxable profit	(11.5)	(2.1)	(4.6)
Use of tax losses or timing differences not previously recognised	0.6	0.9	1.5
Difference in tax rates applicable to foreign subsidiaries	11.8	6.8	5.0
Adjustment to the tax charge of prior years	3.1	4.5	4.5
<b>Total</b>	<b>4.0</b>	<b>10.1</b>	<b>6.4</b>

## 21. NET PROFIT FROM DISCONTINUED OPERATIONS

(€ millions)	2009	2008	2007
<b>Italian liqueurs and Dutch liqueurs and spirits</b>			
Profit (loss) on sale (before tax)	-	2.7	9.3
Tax effect	-	1.8	24.3
<b>Cognac de Luze</b>			
Net profit for the year (before tax)	-	-	0.2
Income tax charge for the year	-	-	(0.1)
Profit (loss) on sale (before tax)	-	-	6.1
Tax effect	-	-	(0.4)
<b>Bols Hungary</b>			
Profit (loss) on sale (before tax)	-	-	8.7
Tax effect	-	0.1	(1.6)
<b>Armagnac</b>			
Profit (loss) on sale (before tax)	-	(0.2)	-
Impairment charge	-	-	(1.9)
Tax effect	-	0.2	0.6
<b>Total</b>	<b>-</b>	<b>4.6</b>	<b>45.2</b>

The transactions relating to activities sold during the year are described in note 2.

## 22. PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS

### 22.1 DEFINED BENEFIT PENSION PLANS

(€ millions)	2009	2008	2007
<b>Present value of obligations at start of year</b>	(26.4)	(27.8)	(28.1)
Service cost	(1.4)	(1.2)	(1.2)
Interest cost	(1.5)	(1.1)	(0.9)
Curtailements or settlements	-	-	1.1
Benefits paid	1.4	0.5	0.6
Actuarial gains	2.3	3.1	0.9
Past services costs	-	(0.3)	(1.0)
Closure of pension scheme	-	-	1.0
Change in consolidation scope <sup>(2)</sup>	(2.3)	-	-
Other (including transfers)	(0.1)	-	(0.2)
Translation differences	(0.4)	0.4	-
<b>Present value of obligations at end of year <sup>(1)</sup></b>	<b>(28.4)</b>	<b>(26.4)</b>	<b>(27.8)</b>
<b>Carrying amount of Plan asset at start of year</b>	<b>5.7</b>	<b>5.2</b>	<b>4.5</b>
Expected return	0.4	0.3	0.3
Contributions received	0.5	0.5	0.5
Changes in schemes	-	-	-
Curtailements of schemes	-	-	-
Benefits paid	(0.4)	-	(0.4)
Actuarial gains (losses)	0.8	-	0.3
Change in consolidation scope <sup>(2)</sup>	1.8	-	-
Other (including transfers)	-	0.1	-
Translation differences	0.5	(0.4)	-
<b>Carrying amount of Plan asset at end of year</b>	<b>9.3</b>	<b>5.7</b>	<b>5.2</b>
<b>Funded status</b>	<b>(19.1)</b>	<b>(20.7)</b>	<b>(22.6)</b>
Unrecognised past service costs	0.5	0.8	0.9
Unrecognised actuarial (gain) loss	0.3	-	-
<b>Net obligation</b>	<b>(18.3)</b>	<b>(19.9)</b>	<b>(21.7)</b>
<b>Liability</b>	<b>(18.7)</b>	<b>(20.3)</b>	<b>(22.2)</b>
<b>Asset</b>	<b>0.4</b>	<b>0.3</b>	<b>0.5</b>

(1) On the total actuarial debt of € 28.4 million, €18.4 million is not funded and €10.0 million is partially funded.

(2) Relates to Maxxium Belgium (renamed RC Belgium) acquired at 31 March 2009.

### 22.2 CHARGE FOR THE YEAR

(€ millions)	2009	2008	2007
Service cost	(1.4)	(1.3)	(1.2)
Interest cost	(1.5)	(1.1)	(0.9)
Expected return on plan assets	0.4	0.3	0.3
Amortisation of other items not recognised	(0.3)	(0.3)	(0.2)
Impact of curtailments	-	-	2.4
<b>Total income (expense)</b>	<b>(2.8)</b>	<b>(2.4)</b>	<b>0.4</b>
Benefits paid	1.0	0.2	0.2
<b>Net income (expense)</b>	<b>(1.8)</b>	<b>(2.2)</b>	<b>0.6</b>
<b>Assumptions</b>			
Average discount rate	5.75%	5.75%	4.60%
Average salary increase	2.80%	2.80%	2.80%
Expected working life	8 to	8 to	8 to
	14 years	14 years	14 years
Expected return rate on plan assets	4.50%	4.50%	4.50%
Increase in medical costs	5.00%	5.20%	5.50%

## 22.3 ACTUARIAL GAIN AND (LOSSES)

(€ millions)	2009	2008	2007
At start of year	(16.2)	(19.3)	(20.5)
Movement for the year	2.8	3.1	1.2
of which experience adjustments	1.9	0.2	0.3
At end of year	(13.4)	(16.2)	(19.3)

## 22.4 BREAKDOWN OF PRESENT VALUE OBLIGATION BY NATURE

(€ millions)	2009	2008	2007
Retirement indemnities	(6.8)	(6.5)	(6.6)
Supplementary defined benefit pension plans	(18.1)	(15.4)	(15.5)
Long service awards	(0.6)	(0.6)	(0.6)
Post-employment healthcare benefits	(2.9)	(3.9)	(5.1)
Total	(28.4)	(26.4)	(27.8)

## 22.5 DEDICATED ASSETS

At 31 March 2009, the assets underlying the liability were held by insurance firms that invest them together with their general assets.

## 23. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

Commitments in respect of retirement and similar benefits and certain eaux-de-vie purchase commitments are no longer treated as off-balance sheet commitments but are fully reflected in the financial statements following the introduction of IFRS accounting policies

### 23.1 PURCHASE AND LEASING COMMITMENTS

(€ millions)	2009	2008	2007
Purchase commitments - non-current assets	0.2	5.7	5.0
Leasing commitments - offices	12.1	12.0	16.3
Leasing commitments - equipment	1.7	1.9	1.4
Purchase commitments - eaux-de-vie	63.1	121.3	-
Purchase commitments - wine (champagne)	22.5	15.4	15.9

The office leasing commitments relate to a six year lease entered into on 1 December 2004 in respect of the Group's Paris head office and a ten year lease entered into on 1 April 2005 in respect of the head office of the subsidiary Rémy Cointreau USA in New York.

The eaux-de-vie purchase commitments 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 of the champagne division concern purchases of wine reserved with the champagne growers.

The maturity analysis of commitments at 31 March 2009 is as follows:

(€ millions)	Total	2010	After 2010
Purchase commitments - non-current assets	0.2	0.2	-
Leasing commitments - offices	12.1	3.9	8.3
Leasing commitments - equipment	1.7	0.9	0.8
Purchase commitments - eaux-de-vie	63.1	63.1	-
Purchase commitments - wine (champagne)	22.5	-	22.5

## 23.2 DEPOSITS AND OTHER SIMILAR GUARANTEES

(€ millions)	2009	2008	2007
Tax deposits	-	-	9.7
Customs deposits	7.3	7.3	-
Guarantees granted to suppliers	6.3	-	-
Agricultural warrants on AFC inventories	7.9	53.0	48.5
Maxxium financing guarantee (25%)	-	40.4	37.2
Miscellaneous guarantees on credit lines	12.3	12.3	12.0

The tax deposits are bank deposits given to the tax authorities as security for disputed tax assessments following the lodging of requests for deferred payment.

The maturity analysis of commitments at 31 March 2009 is as follows:

(€ millions)	Total	2010	After 2010
Customs deposits	7.3	7.3	-
Guarantees granted to suppliers	6.3	-	6.3
Agricultural warrants on AFC inventories	7.9	6.8	1.1
Miscellaneous guarantees on credit lines	12.3	12.3	-

## 23.3 CONTINGENT LIABILITIES RELATED TO DISPOSAL TRANSACTIONS

In connection with disposal transactions, guarantees in respect of liabilities are generally granted to the buyers for defined periods and amounts stipulated in the agreements. Liabilities for tax, excise duties and social security payments that may arise following audits covering periods prior to the sale are generally included until such liabilities lapse under the statute of limitations.

The guarantees granted outstanding at 31 March 2009 are as follows:

Transaction	Date	Description of outstanding guarantees	Term	Maximum amount
Botapol Holding BV (parent company of Sp.z.o.o)	17 August 2005	Tax liabilities Total all guarantees	17 October 2010	24.9
Lucas Bols	11 April 2006	Tax liabilities Total all guarantees Franchise	11 October 2012	100 2.6
Bols Hungary	12 July 2006	Tax liabilities Total all guarantees	12 July 2012	2.4

## 23.4 OTHER CONTINGENT LIABILITIES

At 31 March 2009, Rémy Cointreau was involved in various legal proceedings. After reviewing each case in relation to each subsidiary concerned, and after seeking legal advice, the provisions deemed to be necessary have, where applicable, been established to cover the estimated risks.

Rémy Cointreau declares that it has not omitted any material off-balance sheet items in the presentation of its consolidated financial statements.

## 24. RELATED PARTIES

### 24.1 TRANSACTIONS WITH ASSOCIATED COMPANIES

At 31 March 2009, Rémy Cointreau Group's main associated companies were Dynasty Fine Wines Group Ltd, Lixir and Diversa GmbH (note 5).

The Maxxium Worldwide BV joint venture ceased to be a related party with effect from 30 March 2009 (note 2).

The Group does not conduct any commercial business with Dynasty.

### 24.2 TRANSACTIONS WITH ORPAR

Orpar, the main shareholder of Rémy Cointreau, provides assistance to Rémy Cointreau in terms of company management and grants current account advances.

(€ millions)	2009	2008	2007
Service fee paid to Orpar	2.6	2.6	2.6
Current account (assets)	0.6	0.4	0.9
Payable to Orpar	0.1	-	-

### 24.3 TRANSACTIONS WITH COMPANIES WITH A COMMON SHAREHOLDER OR DIRECTOR

Andromède, shareholder of Orpar, is also a shareholder of Oeneo group, which is listed on Euronext Paris and is a market leader in the cooperage and corking business. As such, various Oeneo Group subsidiaries are suppliers of Rémy Cointreau Group.

(€ millions)	2009	2008	2007
Purchase of non-current assets	5.4	5.7	4.4
Other purchases	0.1	1.2	0.3
Payable (receivable)	1.1	0.3	(1.6)
Purchase commitments	-	5.0	2.8

### 24.4 MANAGEMENT BODIES

Since 7 September 2004, the Group's management bodies have comprised the members of the Board of Directors and the Executive Committee (6 members at 31 March 2009 and at 31 March 2008; 5 members at 31 March 2007).

Short-term benefits comprise fixed and variable remuneration and directors' fees.

(€ millions)	2009	2008	2007
Short-term benefits	5.0	4.7	4.1
Post-employment benefits	0.7	0.5	0.5
Share-based payments	2.1	2.0	1.5
Severance payments	-	-	0.2
<b>Total</b>	<b>7.8</b>	<b>7.2</b>	<b>6.3</b>

In addition, the Board of Directors, in its meeting of 4 June 2008, 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 the Chief Executive Officer (CEO) departure is instigated by his employer. This compensation is subject to compliance with performance conditions measured by the rate of achievement, over the past three years, of the CEO's individual annual objectives used as basis for the variable share of his remuneration. If this rate is less than 50%, no compensation shall be paid. If the rate is between 50% and 75%, the compensation is proportional to the value of this rate. Compensation shall be paid in full if the rate exceeds 75%.

## 25. POST-BALANCE SHEET EVENTS

There are no events that are likely to have a material impact on the financial statements for the year ended 31 March 2009.



## 26. LIST OF CONSOLIDATED COMPANIES

At 31 March 2009, the consolidation included 52 companies (50 at 31 March 2008). 49 companies were fully consolidated and 3 were accounted for using the equity method. All companies have a 31 March year end, except for Dynasty Fine Wines Group Ltd, which has a 31 December year end.

Company	Activity	March 2009	% interest March 2008
<b>EUROPE</b>			
<b>France<sup>(1)</sup></b>			
Rémy Cointreau SA	Holding / Finance	100.00	100.00
Rémy Cointreau Sces	Holding / Finance	100.00	100.00
Tequisco	Holding / Finance	100.00	100.00
CLS Rémy Cointreau SA	Production/Distribution	100.00	100.00
SNE des Domaines Rémy Martin	Production	100.00	100.00
E. Rémy Martin & Cie	Production	100.00	100.00
Cointreau	Production	100.00	100.00
Izarra	Production	100.00	100.00
Champ.P&C Heidsieck SA	Production	99.98	99.98
Champ. F.Bonnet P&F	Production	100.00	100.00
Piper Heidsieck C.C.	Production	100.00	100.00
G.V. de l'Aube	Production	100.00	100.00
G.V. de la Marne SA	Production	99.95	99.95
Fournier & Cie - Safec	Production	100.00	100.00
Société Forestière Agricole et Viticole de Commétreuil	Production	100.00	100.00
Alliance Fine Champagne	Special purpose entity	100.00	100.00
<b>Netherlands</b>			
Penelop BV	Holding / Finance	100.00	100.00
RC Nederland Holding BV	Holding / Finance	100.00	100.00
DELB BV	Holding / Finance	100.00	100.00
Ponche Kuba BV	Holding / Finance	100.00	100.00
RC Nederland BV	Holding / Finance	100.00	100.00
Metaxa BV	Holding / Finance	100.00	100.00
Lodka Sport BV	Other	50.00	50.00
't Lootsje II BV	Holding / Finance	100.00	100.00
Unipol BV	Other	50.00	50.00
De Bron 1575 BV	Holding / Finance	100.00	100.00
<b>Other countries</b>			
Hermann Joerss Gmbh (Germany)	Distribution	100.00	100.00
Cointreau Holding (Germany)	Holding / Finance	100.00	100.00
S&EA Metaxa ABE (Greece)	Production	100.00	100.00
<b>Financière Rémy Cointreau SA (Belgium)</b>	<b>Holding / Finance</b>	<b>100.00</b>	<b>100.00</b>

Company	Activity	March 2009	% interest March 2008
<b>AMERICAS</b>			
<b>USA</b>			
Rémy Cointreau USA Inc	Distribution	100.00	100.00
Rémy Cointreau Amérique Inc	Holding / Finance	100.00	100.00
<b>Barbados</b>			
Mount Gay Distilleries Ltd	Production	94.98	94.98
Mount Gay Holding Ltd	Holding / Finance	100.00	100.00
<b>ASIA/PACIFIC</b>			
<b>China/Hong Kong</b>			
Dynasty Fine Wines Group Ltd <sup>(3)</sup>	Production	27.03	27.03
Shanghai Rentouma Trading Cpy Ltd	Distribution	100.00	100.00
Rémy Concord	Holding / Finance	100.00	100.00
Rémy Pacifique Ltd	Holding / Finance	100.00	100.00
<b>Other countries</b>			
BPE Pty Ltd (Australia)	Other	100.00	100.00
Rangit Ltd (Mauritius)	Holding / Finance	100.00	100.00
<b>CHANGE IN CONSOLIDATION SCOPE</b>			
<b>Acquisitions of the year</b>			
Lixir <sup>(3)</sup> (France)	Distribution	50.00	-
Diversa GmbH <sup>(3)</sup> (Germany)	Distribution	50.00	-
Remy Cointreau Slovakia	Distribution	100.00	-
Remy Cointreau Czech Republic	Distribution	100.00	-
Remy Cointreau Belgium	Distribution	100.00	-
Remy Cointreau Luxembourg	Distribution	100.00	-
<b>Companies set up during the year</b>			
Remy Cointreau Travel Retail Americas Inc (US)	Distribution	100.00	-
E. Remy Rentouma Trading Ltd (China)	Distribution	100.00	-
Caves de France (Hong Kong)	Holding / Finance	100.00	-
Rémy Cointreau Taiwan Pte Ltd	Distribution	100.00	-
Rémy Cointreau Japan KK	Distribution	100.00	-
Rémy Cointreau International Pte Ltd (Singapore)	Distribution	100.00	-
<b>Disposal of the year</b>			
Maxxium Worldwide BV <sup>(3)</sup>	Distribution	-	25.00
Bols Latin America NV	Holding / Finance	-	100.00
<b>Other changes (merger or liquidation)</b>			
Seguin & Cie <sup>(4)</sup>	Production	-	100.00
Lelie BV <sup>(5)</sup>	Holding / Finance	-	100.00
Bols Sports & Travel Sp.z.o.o <sup>(5)</sup>	Other	-	100.00

(1) Company is part of the French tax group.

(2) Special purpose entity.

(3) Accounted for by the equity method.

(4) Merged into E. Rémy Martin & cie.

(5) Liquidated.

## 6.6. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meetings, we present our report for the year ended 31 March 2009 on:

- the audit of the consolidated financial statements of Rémy Cointreau, as presented;
- the justification of our assessments; and
- the specific verifications required by law.

The consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

### I. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with the professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance on whether the financial statements are free of material misstatement. An audit includes examining, on a test basis or other means of selection, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the presentation of the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the assets, liabilities, financial position and results of the consolidated group of companies in accordance with IFRS as adopted by the EU.

### II. JUSTIFICATION OF ASSESSMENTS

In accordance with the requirements of article L. 823-9 of the Commercial Code relating to the justification of our assessments, we bring the following matters to your attention:

#### **Brands' impairment tests**

Brands are valued according to the method described in note 1.8 of the notes to the consolidated financial statements. We have assessed the validity of the valuation method applied, which is based on estimates, and examined the information and assumptions used in making these valuations by your Company. We carried out the assessment of the reasonableness of these estimates.

#### **Use of estimates**

Note 1.1 to the financial statements discloses the need for your Company to make estimates and develop assumptions as part of the preparation of its consolidated financial statements. We examined the information and assumptions used by your Company on which these estimates are based, reviewed the calculation made by your Company, compared the estimates made during previous periods with actual realisations, and assessed the approval process of these estimates by the management of your Company. We carried out an assessment of the reasonableness of these estimates.

The assessments were thus made in the context of the performance of our audit of the consolidated financial statements taken as a whole and therefore contributed to the formation of our unqualified audit opinion expressed in the first part of this report.

### III. SPECIFIC VERIFICATION

We have also verified 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 Neuilly-sur-Seine, 19 June 2009

The Statutory Auditors

**Ernst & Young et Autres**

Marie-Laure Delarue

**Auditeurs & Conseils Associés SA  
Nexia international**

Olivier Juramie



# THE REMY COINTREAU COMPANY

Page	
76	1. GENERAL INFORMATION ON THE COMPANY AND ITS SHARE CAPITAL - STOCK MARKET
76	1.1 General information on the Company
77	1.2 General information on the share capital
84	1.3 Analysis of shareholders and voting rights
85	1.4 Stock market performance
87	2. CORPORATE GOVERNANCE
87	2.1 Board of Directors and Management
92	2.2 Statutory Auditors - Appointments and fees
93	3. REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS
93	3.1 Corporate governance code
93	3.2 Composition and conditions of preparation and organisation of the duties of the Board of Directors
97	3.3 Internal control and risk management procedures
101	3.4 Limitations on the powers of the Chief Executive Officer
102	3.5 Procedures in respect of participation by shareholders in general meetings
102	3.6 Principles and rules for the determination of remuneration and benefits granted to senior executives
103	3.7 Report of the Statutory Auditors on the Report of the Chairman of the Board of Directors on internal control
104	4. REPORT OF THE BOARD OF DIRECTORS TO THE GENERAL MEETING
104	4.1 Financial report - Rémy Cointreau SA
104	4.2 Share buyback programme
106	4.3 Composition and holders of the share capital at 31 March 2009
107	4.4 Items likely to be significant in the event of a public takeover offer
108	4.5 Special report of the Board of Directors on options and free shares granted
109	4.6 Executives and Directors' remuneration
111	4.7 Other
112	5. RÉMY COINTREAU SA FINANCIAL STATEMENTS
112	5.1 Balance Sheet
113	5.2 Income Statement
114	5.3 Cash flow statement
115	5.4 Five-year financial summary
116	5.5 Notes to the financial statements
126	5.6 List of subsidiaries and equity investments at 31 March 2009
128	5.7 Statutory Auditors' report on the parent company financial statements

# 1. GENERAL INFORMATION ON THE COMPANY AND ITS SHARE CAPITAL - STOCK MARKET

## 1.1 GENERAL INFORMATION ON THE COMPANY

### CORPORATE NAME, REGISTERED OFFICE AND MAIN ADMINISTRATIVE OFFICE

Corporate name: Rémy Cointreau SA.

Registered office: Ancienne rue de la Champagne, rue Joseph Pataa, 16100 Cognac, France.

Main administrative office: 21 boulevard Haussmann, 75009 Paris, France.

### LEGAL FORM AND GOVERNANCE

Société Anonyme (French limited liability company) with a Board of Directors governed by French law and in particular by the provisions of the Commercial Code Book II applicable to commercial companies and by its bylaws.

### APPLICABLE LEGISLATION

Rémy Cointreau SA. (hereinafter “Rémy Cointreau” or “the Company”) is a company subject to French law.

### DATE ESTABLISHED - DURATION

The Company was established on 3 March 1975 and will terminate on 30 September 2073.

### OBJECTS

Rémy Cointreau's objects pursuant to Article 2 of its bylaws are as follows:

- the creation, acquisition and operation of any commercial, industrial or other business;
- the direct or indirect participation of the Company, in any form whatsoever, in any company, association, enterprise or grouping of any form whose object is a commercial, industrial, agricultural, property, design, research or development activity, or the acquisition, management or operation of all goods or rights;
- the paid provision of qualified services in technical, commercial, administrative or financial fields, on behalf of any individual or company engaged in commercial, financial or industrial activities in France or other countries; and
- in general, any commercial, financial, industrial, property or real estate which are directly or indirectly related, in whole or in part, to the aforementioned objects or to any similar or related object.

### REGISTER OF COMPANIES AND REGISTRATION NUMBER

Rémy Cointreau is registered at the Registre du Commerce et des Sociétés de Cognac under number 302 178 892. APE Code 741 J.

### INSPECTION OF THE LEGAL DOCUMENTS OF THE COMPANY

Legal documents may be inspected at the registered office whose address is provided above.

### FINANCIAL YEAR

Every financial period commences on 1 April and ends on 31 March of the following year. The duration of the accounting period is one year.

### ALLOCATION OF PROFITS

Out of the Company's profits in each financial year, after setting aside a provision to establish the legal reserve, which must be at least equal to the minimum required, the General Meeting may, profit permitting, on the proposal of the Board of Directors, allocate the profit to one or more reserve funds for which it regulates the allocation or use, to carry forward or distribute as dividends among the shareholders.

After reviewing the reserves at its disposal, the General Meeting may decide to distribute amounts drawn from these reserves. In this event, the decision should expressly specify which reserve accounts have been drawn down.

### DIVIDENDS (DISTRIBUTION POLICY OVER THE LAST FIVE YEARS)

Dividends distributed during the last five years are disclosed in the notes to the parent company financial statements.

### GENERAL MEETINGS

Shareholders' meetings are called and held under the conditions stipulated by law. These meetings are held either at the registered office or at another venue specified in the notice of the meeting.

### RIGHT OF ADMISSION TO MEETINGS

Pursuant to Article R 225-85 of the Commercial Code, the only people allowed to participate in a meeting, to vote by post or to be represented, are shareholders who have previously justified their status by an accounting record of securities in their name or in the name of an intermediary recorded for their account, on the third working day preceding the meeting by midnight, Paris time, either in nominative accounts held by the Company by its service provider Société Générale, Service Assemblées Générales, 32 rue du Champ de Tir à Nantes 44000, France, or in the bearer securities accounts held by an authorised intermediary, who holds the accounts for securities. The inscription or accounting record of bearer securities held by an authorised intermediary must be noted by a certificate of shareholding delivered by the latter, attached to the standard form to vote by post, or a proxy, or on a request for an admission card in the name of the shareholder, or on behalf of the shareholder represented by the recorded intermediary. A certificate is also delivered to the shareholder wishing to participate in person in the meeting and who has not received the admission card on the third working day preceding the meeting by midnight, Paris time.

Admission cards for the meeting will be sent to every shareholder who requests one by Société Générale, Service Assemblées Générales, 32 rue du Champ de Tir, Nantes 44000, France, or in one of the authorised banking establishments, by producing, if they are bearer securities, a certificate of shareholding under the conditions referred to above.

As decided by the Board of Directors, shareholders may participate in the meeting via video-conferencing or data transmission, including the internet, pursuant to the conditions set by regulations at the time of its use. This decision is included in the notice of meeting published in the Bulletin des Annonces Légales Obligatoires.

## **RIGHT TO VOTE**

Pursuant to the resolution approved at the General Meeting of 16 December 1991, share voting rights are in proportion to the share of capital that they represent. At equivalent nominal value, each share entitles the holder to one vote.

However, a share entitles the holder to two votes, in relation to the share capital that it represents, in the following cases:

- any shareholder who has held fully paid shares in nominative form in the same name for at least four years;
- for each nominative share attributed to the shareholder, in the event of a capital increase by way of capitalisation of reserves, profits or premiums, on the basis of existing shares for which such shareholder already enjoys double voting rights.

This double voting right ceases for all shares converted to bearer shares or whose ownership is transferred. However, the four-year timeframe set is not affected for acquired rights by any transfer by succession, liquidation of joint estate of spouses, or inter-vivo gifts, for the benefit of an inheriting spouse or parent.

## **DECLARATION OF CROSSING THRESHOLDS**

In accordance with the bylaws and independent legal requirements, any shareholder (individual or company), acting either alone or in concert, who acquires in any manner, as set out in Article L. 233-7 and subsequent of the Commercial Code, a fraction equal to one per cent (1%) of the share capital or voting rights, or any multiple of this percentage, must notify the Company of the total number of shares held within eight trading days of crossing one of these thresholds.

This also applies each time that the fraction of share capital or voting rights held becomes less than one of the thresholds stated above.

In the event of non compliance with this provision, and upon the request of shareholders holding at least 1% of the share capital, the shares exceeding the fraction which should have been declared will be deprived of voting rights at all meetings held until the expiration of the timeframe provided for by the law and regulations in force following the date of regularising the notification.

## **IDENTIFICATION OF SHAREHOLDERS**

The Company is legally entitled to request, in accordance with the legal terms and conditions, the

identity of those shareholders holding shares, which immediately or subsequently give rise to voting rights.

In order to identify the holders of securities, the Company is entitled to request at any time, at its own expense, from the share registrars, the name, if it is a company, the corporate name, nationality, year of birth or establishment, and address of holders of securities that have the right immediately or in the future to vote at the Company's meetings, as well as the number of securities held by each of them and, where applicable, the restrictions that may apply to those securities and more generally to make use of Article L.228-2 of the Commercial Code concerning identification of holders of securities that confer the right immediately or in the future to vote at the Company's meetings.

## **1.2 GENERAL INFORMATION ON THE SHARE CAPITAL**

### **CHANGES TO THE SHARE CAPITAL AND SHAREHOLDERS' RIGHTS**

The share capital can be changed in accordance with legal requirements. It may be increased by a decision taken at an Extraordinary General Meeting. However, where a capital increase is carried out by incorporation of reserves, profits or share premium, the relevant Extraordinary General Meeting will set the quorum and majority required in an Ordinary General Meeting.

Capital increases are decided or authorised by an Extraordinary General Meeting which sets the terms for an issue of new shares and grants all powers to the Board of Directors to carry this out in a period that may not exceed 26 months.

The Extraordinary General Meeting may decide to reduce the share capital, particularly by way of repurchase of shares or reduction in their nominal value, or again, by reduction in the number of shares in accordance with legal requirements.

The share capital may also be written down in accordance with the law.

### **SHARE CAPITAL**

At 31 March 2009, the share capital was €75,792,070.40 divided into 47,370,044 shares of €1.60 each, all of one class, fully paid and carrying 76,713,360 voting rights.

Form of shares: fully paid shares are in nominative or bearer form, at the shareholder's choice.

### **AUTHORISATION TO TRADE IN THE COMPANY'S SHARES**

(a) Pursuant to the share repurchase programme, authorised by the General Meeting of 7 September 2004, the Company sold 602,430 shares with a repurchase agreement on 24 March 2005. In order to maintain comprehensive coverage of its share repurchase plans and to partially manage the dilution resulting from the exercise of one of these share subscription plans, a resolute clause was included in the last sale. This transaction was supplemented by the purchase by the Company of 224,497 call options from Barclays Bank PLC on 24 March 2005. The whole transaction enabled Rémy Cointreau to meet

the exercise of a maximum of 826,927 share subscription or purchase options. As part of this, the Company, on 14 February 2006, exercised the resolutive clause included in the share sale contract and repurchased 280,927 shares at a price of €27.10. These shares were cancelled by the Board of Directors in accordance with the authorisation given by the General Meeting of 28 July 2005.

On 17 and 26 September 2007, 20 December 2007 and 30 May 2008, the Company exercised the resolutive clause included in the above mentioned contract for the sale of shares and repurchased 90,000 shares at a price of €27.67 each in order to serve exercised share purchase options. At 31 March 2009, the remaining balance of shares held in that respect was 7,205 shares.

As part of the same contract, the Company repurchased 18,000 shares on 22 December 2008 and 12 February 2009 at a price of €28.07, the balance of shares held in this respect at 31 March 2009 was 10,000 shares.

In addition, the Company concluded a liquidity contract with a financial organisation. As part of this mandate, the service provider's sole objective was to encourage liquidity in the Company's shares and a steady quotation on the French Stock Market. At 31 March 2009, the Company held 86,000 shares in respect of the liquidity contract.

The Combined General Meeting of Rémy Cointreau of 16 September 2008, in its thirteenth resolution, authorised the Board of Directors, for a period ending at the conclusion of the General Meeting called to consider the financial statements for the year ended 31 March 2009 and, at the latest, within a period of 18 months from 16 September 2008, to purchase, or sell shares in the Company, up to 10% of the current share capital, which is 4,180,174 shares, net of treasury shares, the sale of shares with a repurchase option and the purchase of call options. The maximum amount that the Company may pay on the basis of this number of shares is €250,810,440.

The share repurchase programme is designed to achieve the following, in order of decreasing priority:

- to stimulate the secondary market or provide liquidity for Rémy Cointreau shares by an investment services provider via a liquidity contract that conforms to the AFEI charter recognised by the Autorité des Marchés Financiers;
- to cancel shares, as part of a share capital decrease, subject to approval of the fifteenth resolution by the General Meeting;
- to cover the obligations related to debt securities giving access to capital;
- to grant the shares in accordance with the terms and conditions provided by law, notably as part of a profit sharing plan, to service options to purchase shares, as part of a business savings plan or to be used to grant free shares to employees and executives in accordance with Articles L. 225-197 and subsequent of the Commercial Code;
- to purchase shares and retain them for subsequent use in exchange or payment in possible acquisitions, while meeting market practices permitted by the

Autorité des Marchés Financiers and within the limits provided by law;

- implement all market practices permitted by the Autorité des Marchés Financiers and, more generally, to carry out all transactions in accordance with the regulations in force.

The purchase of these shares, as well as their sale or transfer, may be carried out at any time in accordance with the law and regulations, including during the period of a public takeover bid targeting the Company's shares or during the period of a public offer initiated by the Company, subject to periods of abstention, provided by Article 631-6 of AMF general regulations or other legal or regulatory provisions, and by any means, on the market or over the counter, including block transactions, sale with repurchase options and the use of derivative financial instruments traded on a regulated market or principal to principal, and this subject to the conditions authorised by the competent market authorisation and at times that the Board of Directors or the person who is acting on the delegation of the Board of Directors decides, particularly options excluding sales options, as long as they do not significantly increase the volatility of the share price. Share capital acquired or transferred in blocks of shares may account for the entire authorised share repurchase programme. The payment may be made in any way.

As part of these objectives, the repurchased shares may be cancelled in accordance with the fifteenth resolution of the same Meeting up to 10% of the share capital per period of 24 months.

The maximum purchase price is €60.

The renewal of this authorisation will be proposed at the next Annual General Meeting.

## AUTHORISED CAPITAL

### AUTHORISATION TO GRANT OPTIONS TO SUBSCRIBE FOR OR PURCHASE SHARES

The authorisation was given by way of the seventeenth resolution of the Combined General Meeting of Rémy Cointreau on 31 July 2007 to the Board of Directors, for a period of 38 months from 31 July 2007, to grant, on one or more occasions, to employees of the Company or companies covered by Article L. 225-180 of the Commercial Code, or certain of them, as well as the executives of the Company or companies covered by Article L. 225-180 of the Commercial Code, within the limits set by Article L. 225-182 of the Commercial Code, options to subscribe for new shares in the Company, to be issued by way of an increase in capital, or options to purchase shares in the Company arising from a repurchase pursuant to Article L. 225-208 or L. 225-209 and subsequent of the Commercial Code. The total amount of options granted under the current authorisation may not give a right to a number of shares representing more than 3% of the share capital of the Company.

The subscription price or the share price shall be set by the Board of Directors the day the option is granted within the limits prescribed by law. Share subscription or purchase options may not be granted during periods forbidden by law.



In any event, the issue price for options to subscribe must not, on the day the option is granted, be lower than 80% of the average share price of the 20 trading days preceding the issue date. In the event of the grant of options to purchase, the purchase price of the shares may not be either less than 80% of the average share price of the 20 trading days preceding the date of grant of the purchase options or less than 80% of the average purchase price of the shares held by the Company pursuant to Articles L. 225-208 and/or L. 225-209 of the Commercial Code.

This price may only be revised in accordance with circumstances provided by law at the time of financial transactions or share transactions. The Board of Directors will then, in accordance with regulations, make an adjustment to the number and price of the shares included in the options granted to take into account the effect of these transactions. The options must be exercised within a period of ten years from the date they are granted.

#### **AUTHORISATION FOR THE ALLOCATION OF FREE SHARES TO EMPLOYEES OR EXECUTIVES**

The Combined General Meeting of 16 September 2008, authorised the Board of Directors, in its eighteenth resolution and for a period of 38 months from 16 September 2008, pursuant to the conditions of Articles L. 225-197-1 and subsequent of the Commercial Code, to proceed, on one or more occasions, for the benefit of the employees of the Company or related companies within the meaning of Article L. 225-197-2 of the Commercial Code, or to certain categories of them, as well as for the benefit of executives defined by law, with the allocation of free shares that exist or are to be issued in the Company, subject to the period of abstention provided by law.

The Board of Directors will determine the identity of the beneficiaries of the allocation as well as the conditions and, where appropriate, the criteria of allocation of shares. The total number of shares thus issued free may not be such that the total number of shares allocated free in respect of the current resolution represents a number of shares in excess of 2% of the number of shares comprising the share capital on the day of the allocation of free shares by the Board of Directors.

The allocation of shares to their beneficiaries will become final at the end of a minimum period of acquisition of two years and the minimum period of retention of shares by the beneficiaries is set at two years.

The Board of Directors will proceed, where appropriate, during the period of acquisition with adjustments to the number of shares arising from transactions in the capital of the Company in order to preserve the rights of the beneficiaries.

#### **DELEGATION TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL BY INCORPORATION OF RESERVES, PROFITS OR PREMIUMS**

The Combined General Meeting of 26 September 2008, in its sixteenth resolution, authorised the Board of Directors, in accordance with the provisions of Articles L. 225-129, L. 225-129-2 and L. 225-130 of

the Commercial Code, with the facility to sub-delegate under the conditions provided by law, for a duration of 26 months from 16 September 2008, to increase the share capital, on one or more occasions, at the times and in accordance with the methods that it shall determine, by incorporation into capital of reserves, profits, or premiums, whose conversion to capital is permitted by law or the Company's bylaws, followed by the creation and bonus issue of shares or the increase in the nominal value of existing shares, or a combination of these two methods.

In the event of the distribution of free shares, fractional rights are not negotiable and the corresponding shares will be sold, the amounts resulting from the sale being allocated to the holders of rights within legal and regulatory requirements.

The amount of the capital increase that may be carried out under this authorisation may not exceed the nominal amount of €30,000,000, set against the maximum limits established by the fifteenth and sixteenth resolutions of the Ordinary General Meeting of 31 July 2007. The renewal of this delegation will be proposed at the next annual General Meeting.

#### **DELEGATION TO THE BOARD OF DIRECTORS TO ISSUE VARIOUS MARKETABLE SECURITIES GIVING ACCESS TO SHARE CAPITAL OR GIVING RIGHT TO THE ALLOCATION OF DEBT SECURITIES, WITH OR WITHOUT SHAREHOLDERS' PRE-EMPTION RIGHTS**

The Combined General Meeting of 31 July 2007, in its fifteenth resolution, in accordance with the provisions of L. 225-129 and subsequent and L. 225-135, L. 225-3, L. 228-91 and L. 228.92 and subsequent of the Commercial Code, granted, with the facility to sub-delegate under the conditions provided by the law and regulations, the powers required to proceed, on one or more occasions, in France and/or abroad and/or on the international market, with a maintained pre-emption right for shareholders, in euros, foreign currencies or any monetary unit established by reference to a number of currencies, to issue shares in the Company as well as marketable securities of whatever nature, giving access to capital or giving the right to an allocation of debt securities by conversion, exchange, repayment, presentation of a warrant, a combination of these, or in any other way, to the granting immediately and/or subsequently, at any time or a set date, and this, within the limit of a total nominal ceiling of a capital increase of €30,000,000, in common with the sixteenth and seventeenth resolutions, and a total nominal ceiling of debt securities in common with all the debt securities whose issue is delegated to the Board of Directors by virtue of the same Extraordinary General Meeting, of €750,000,000.

Issues of preference shares and marketable securities giving access immediately or in time to preference shares are expressly excluded.

The Board of Directors may decide to substitute treasury shares for shares to be issued under this resolution.

The issues decided by virtue of this delegation must be carried out within a time period of 26 months from 31 July 2007.

The same Meeting, in its sixteenth resolution, delegated to the Board of Directors the powers to issue various marketable securities as mentioned above, with cancellation of pre-emption rights.

The Board of Directors may decide to substitute treasury shares for shares to be issued under this resolution.

The same General Meeting, in its nineteenth resolution, authorised the Board of Directors, within the framework of delegations provided by the fifteenth and sixteenth resolutions, to increase the number of shares to be issued within the provisions of Article L.225-135-1 of the Commercial Code and Article R.225-118 of the Commercial Code, 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 sixteenth resolution, when the Board of Directors notes excess demand.

The renewal of this delegation will be proposed at the next Annual General Meeting.

**DELEGATION TO THE BOARD OF DIRECTORS TO ISSUE SHARES REPRESENTING THE SHARE CAPITAL OF THE COMPANY AS A RESULT OF THE ISSUE, BY CONTROLLED COMPANIES, OF MARKETABLE SECURITIES GIVING, IN TIME, ACCESS TO THE COMPANY'S SHARE CAPITAL OR THE ALLOCATION OF DEBT SECURITIES**

The same Combined General Meeting of 31 July 2007, in its sixteenth resolution, in view of the issue of shares and marketable securities giving access to the capital of the Company which shall give right to marketable securities that may be issued by companies where Rémy Cointreau holds directly or indirectly more than half the share capital, subject to the approval of the Board of Directors of Rémy Cointreau, delegates to the Board of Directors the necessary powers to proceed with the issue of capital securities in Rémy Cointreau to which these marketable securities give the right, and this up to a total nominal ceiling of a capital increase of €30,000,000, in common with the fifteenth and sixteenth resolutions.

In this context, Rémy Cointreau shareholders do not have a pre-emption right to these marketable securities issued by these companies.

The issues decided by virtue of this delegation must be carried out within a time period of 26 months from 31 July 2007.

The renewal of this delegation will be proposed at the next Annual General Meeting.

**AUTHORISATION FOR THE BOARD OF DIRECTORS TO PROCEED WITH THE ISSUE OF SHARES, SECURITIES OR VARIOUS MARKETABLE SECURITIES AND FREELY SETTING THE ISSUE PRICE**

The Combined General Meeting of 31 July 2007, in its twentieth resolution, authorised the Board of Directors to issue all shares and marketable securities giving access to the share capital within a limit of 10% of the share capital and within the ceiling set by the sixteenth resolution, and setting the issue price in the event of a call for capital without the pre-emption right to subscribe, at an issue price different from that used in respect of issues authorised by virtue of the

sixteenth resolution, which may not be less, at the discretion of the Board of Directors, of either (a) the weighted average price based on the volume of shares traded in the 20 trading days preceding the setting of the issue price or (b) the weighted average price based on the volume traded on the trading day preceding the setting of the issue price, in both these cases possibly reduced by a maximum discount of 5% and subject to the amount to be received for each share being at least equal to the nominal value. Issues of preference shares and marketable securities giving access immediately or in time to preference shares are expressly excluded.

The current authorisation is valid for a period of 26 months with effect from 31 July 2007.

The renewal of this authorisation will be proposed at the next Annual General Meeting.

**AUTHORISATION FOR THE BOARD OF DIRECTORS TO PROCEED WITH THE ISSUE OF SHARES, SECURITIES OR VARIOUS MARKETABLE SECURITIES GIVING ACCESS TO THE SHARE CAPITAL WITHIN A LIMIT OF 10% OF THE SHARE CAPITAL, WITH A VIEW TO REMUNERATING TRANSFERS IN KIND**

The Combined General Meeting of 16 September 2008, in its seventeenth resolution, authorised the Board of Directors, with a facility to sub-delegate to any person approved by law and where Article L. 225-148 of the Commercial Code does not apply, to proceed with all issues of shares or marketable securities giving access to capital (with the exception of preference shares), up to 10% of the share capital at the time of issue, set against the ceiling of 10% on the maximum limits established by the fifteenth and sixteenth resolutions of the Combined General Meeting of 31 July 2007.

The renewal of this delegation will be proposed at the next Extraordinary General Meeting.

**AUTHORISATION FOR THE BOARD OF DIRECTORS TO INCREASE THE NUMBER OF SECURITIES TO BE ISSUED IN THE EVENT OF EXCESS DEMAND**

The Combined General Meeting of 31 July 2007, in its nineteenth resolution, authorised the Board of Directors, within the framework of delegations provided by the fifteenth and sixteenth resolutions of the same meeting, to increase the number of shares to be issued within the provisions of Article L. 225-135-1 and R.225-118 of the Commercial Code, within 30 days following the subscription, up to 15% of each issue and at the same price as adopted for the initial issue and within the global limit provided by the fifteenth resolution, when the Board of Directors notes excess demand.

The present authorisation is valid for a period of 26 months from 31 July 2007.

The renewal of this authorisation will be proposed at the next Annual General Meeting.

**SUMMARY TABLE OF DELEGATIONS CURRENTLY VALID GIVEN TO THE BOARD OF DIRECTORS FOR SHARE CAPITAL INCREASE TRANSACTIONS**

Description of the delegation	Date of General Meeting	Amount of authorisation	Duration of the validity of the authorisation	Use of the delegation during the year
Allocation of options to subscribe to shares	31 July 2007	limited to 3% of the share capital	38 months	Nil
Issue of marketable securities giving access to capital with maintained pre-emption rights to subscribe	31 July 2007	€30,000,000 (overall nominal amount for these authorisations)	26 months	Nil
Issue of marketable securities giving access to capital with cancelled pre-emption rights to subscribe	31 July 2007		26 months	Nil
Issue of shares, securities or marketable securities and freely setting the issue price	31 July 2007	limited to 10% of the share capital	26 months	Nil
Increase in the number of shares to be issued in the event of excess demand	31 July 2007	limited to 15% of each issue within a limit of €30,000,000	26 months	Nil
Allocation of free shares	16 September 2008	limited to 2% of the share capital	38 months	Granting of 89,900 shares
Increase of share capital by incorporation of reserves, profits or premiums	16 September 2008	€30,000,000	26 months	€143,200 resulting from the granting of 89,500 free shares
Increase in share capital for transfer in kind	16 September 2008	limited to 10% of the share capital	26 months	Nil

**SECURITIES NOT REPRESENTATIVE OF THE CAPITAL**

On 5 January 2005, the Company issued seven year senior loan notes of €200 million, of which €7.632 million was redeemed on 14 June 2007.

The features of these two 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 2009.

**OTHER SECURITIES GIVING ACCESS TO CAPITAL**

Nil.

**OTHER CONVERTIBLE LOAN NOTES**

Nil.

**AUTHORISATION TO ISSUE SECURITIES GIVING ACCESS TO CAPITAL**

The Combined General Meeting of 26 August 1998 authorised the Board of Directors to grant, on one or more occasions during a period of five years, to employees or management of the Company and the companies or GIE covered by Article 208-4 of the law on commercial companies (Article L. 225-180 of the Commercial Code), options carrying the right to subscribe for new shares in the Company that may represent up to 3% of the share capital of Rémy Cointreau.

The Board of Directors' meetings of 28 April and 7 December 1999 and 30 May 2000, granted all the corresponding options. The number of options outstanding at 31 March 2008 was 52,150.

The Combined General Meeting of 24 August 2000 authorised the Board of Directors to grant, in accordance with the same conditions as previously discussed, options giving the right to subscribe to new shares in the Company, up to a maximum of 3% of the share capital of Rémy Cointreau. The Management Board meetings of 1 March 2001 and 8 March 2002 allocated in full the corresponding options. The number of options outstanding at 31 March 2009 was 223,790.

The Combined General Meeting of 21 September 2001 authorised the Management Board to grant, within the same terms and conditions as previously, options giving right to subscribe to new shares or to purchase shares in the Company up to a maximum of 3% of the share capital of Rémy Cointreau. The Management Board meetings of 8 March 2002 and 16 September 2003 allocated 634,500 options including 287,000 options to purchase shares in the Company. At 31 March 2009, the number of available options to subscribe to shares was 188,873.

The table of outstanding option plans is included in the Special Report in respect of options to subscribe for or to purchase shares.

## MOVEMENTS IN SHARE CAPITAL OVER THE LAST TEN YEARS

Dates	Description	Number of shares issued	Share premium (francs)	Share premium (euros)	Share capital (francs)	Share capital (euros)	Number of shares
31/03/00	Capital increase by exercise of share subscription options	58,064 shares of 10 FF each	Issue premium: 4 803 202,52	-	381,822,300	-	38,182,230
30/05/00	Capital increase following the conversion of share capital into euros by transfer from available reserves	-	-	-	61,091,568		38,182,230
30/06/00	Capital increase by exercise of share subscription options	198,332	2,518,696.16		61,408,899.20		38,380,562
13/10/00	Capital increase by exercise of share subscription options and by the payment of dividend in shares	78,659 867,048	1,082,396,96 26,540,339.28		61,534,753,60 62,922,030.40		38,459,221 39,326,269
19/12/00	Capital increase transfer in kind	5,000,000	162,000,000.00		70,922,030.40		44,326,269
31/03/01	Capital increase by exercise of share subscription options	51,331	738,739.46		71,004,160.00		44,377,600
	Capital increase following the conversion of OCEANE securities	21	879.90		71,004,193.60		44,377,621
31/03/02	Capital increase by exercise of share subscription options	82,105	1,154,348.38		71,135,561.60		44,459,726
31/03/03	Capital increase by exercise of share subscription options	120,215	1,624,950.23		71,327,905.60		44,579,941
31/03/04	Capital increase by exercise of share subscription options	199,908	2,759,676.45		71,647,758.40		44,779,849
31/03/05	Capital increase by exercise of share subscription options	272,812	4,254,831.72		72,084,257.60		45,052,661

Dates	Description	Number of shares issued	Share premium (francs)	Share premium (euros)	Share capital (francs)	Share capital (euros)	Number of shares
03/31/06	Capital increase by exercise of share subscription options	702,116		15,317,755.73	73,207,643.20		45,754,777
03/31/06	Capital increase following the conversion of OCEANE securities	30,032		598,640.58	73,255,694.40		45,784,809
	Cancellation of shares within the framework of a repurchase agreement	2,262		94,777.80	73,259,313.60		45,787,071
		280,927		7,163,638.50	72,809,830.40		45,506,144
03/31/07	Capital increase by exercise of share subscription options	493,658		10,699,185.77	73,599,683.20		45,999,802
09/13/07	Capital increase by exercise of share subscription options	117,246		2,700,654.65	73,787,276.80		46,117,048
	and by the payment of dividend in shares	142,739		6,822,924.20			46,259,787
11/20/07	Capital increase by deduction from reserves following the allocation of free shares	88,000			74,156,459.20		46,347,787
03/31/08	Capital increase by exercise of share subscription options	211,006		4,755,625.60	74,494,068.80		46,558,793
10/08/08	Capital increase following the payment of dividend in shares	673,843		20,222,028.43	75,572,217.60		46,259,787
11/20/08	Capital increase by exercise of share subscription options and capital increase by deduction from reserves following the allocation of free shares	7,290		133,227.60			
		89,500			75,727,081.60		47,329,426
03/31/09	Capital increase by exercise of share subscription options	40,618		624,426.80	75,792,070.40		47,370,044

No significant movement occurred in the capital following the increase by contribution in kind on 19 December 2000, with the exception of Arnhold and S. Bleichroeder, LLC that held 15.28% of the share capital and 13.00% of the voting rights and Fidelity Investments International that held 4.89% of the share capital and 3.00% of the voting rights at 31 March, 2009.

## 1.3 ANALYSIS OF SHAREHOLDERS AND VOTING RIGHTS

### VOTING RIGHTS, NUMBER OF SHAREHOLDERS, DETAILS OF SHAREHOLDERS HOLDING 1% OR GREATER AND THE NATURE OF THEIR HOLDING, SHAREHOLDERS' PACTS, SHARES HELD BY EMPLOYEES AND TREASURY SHARES

Shareholders	Position at 03/31/2009			Position at 03/31/2008			Position at 03/31/2007		
	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights
Orpar	20,337,312	42.93	52.36	19,927,541	42.80	54.37	19,831,197	43.11	54.68
Récopart	6,750,766	14.25	16.97	6,614,747	14.21	17.39	6,582,767	14.31	17.48
Arnhold and S.Bleichroeder, LLC <sup>(1)</sup>	7,238,001	15.28	13.00	5,143,660	11.05	7.03	5,443,582	11.83	7.50
Fidelity Investments International*	2,314,188	4.89	3.02	2,204,314	4.73	3.01	-	-	-
Rémy Cointreau (treasury shares)	103,205	0.22	-	4,705	0.01	-	25,000	0.05	-
Public	10,626,572	22.44	14.65	12,663,826	27.20	18.20	14,117,256	30.70	20.34
<b>Total</b>	<b>47,370,044</b>	<b>100.00</b>	<b>100.00</b>	<b>46,558,793</b>	<b>100.00</b>	<b>100.00</b>	<b>45,999,802</b>	<b>100.00</b>	<b>100.00</b>

(1) Number of shares declared by Arnhold and Bleichroeder, LLC on 23 March 2009 and number of shares held in February 2009 by Fidelity Investments International. In a statement dated 3 April 2009, Arnhold and Bleichroeder, LLC declared that they held, at 1 April 2009, 7,247,831 shares corresponding to 15.30% of the share capital and 13.02% of the voting rights.

There are shares with double voting rights. The number of shares with double voting rights at 31 March 2009 was 28,487,139. The principal shareholders, Orpar and Récopart, hold such rights as indicated in the above table.

The employee savings plan represents 0.88% of the share capital of Rémy Cointreau. It is the only form of collective shareholding by Rémy Cointreau employees.

The Company is aware of the existence of the following concert relationship and shareholders' agreement between Orpar and the shareholders of Récopart:

- in accordance with Article 13.1 of Récopart's bylaws, shareholders holding category B shares, of which 99.99% are held by Orpar, are entitled to submit to the Supervisory Board candidates for two positions on the Management Board. As a result, two executive officers from Orpar, namely Mr. François Hériard Dubreuil and Mr. Marc Hériard Dubreuil, were appointed as Chairman and Member of the Management Board of Récopart, respectively. The object of this condition is to guarantee consultation on the exercise of voting rights between Récopart and Orpar, so that they implement a common policy in relation to Rémy Cointreau;
- in accordance with the terms and conditions of a shareholders' agreement dated 27 June 2001, Orpar and the other individual shareholders of Récopart, a company that holds an equity investment in Rémy Cointreau, all benefit from a joint exit right in the event either of them plans to transfer title to shares held in Récopart to a third party purchaser. In such an event, other shareholders of Récopart would have

a joint exit right to transfer some or all of their Récopart shares to the third party purchaser, pursuant to the same terms and conditions.

In the event Orpar transfers Rémy Cointreau shares with a view or with the effect of transferring control of Rémy Cointreau to a third party, the shareholders of Récopart commit to doing their utmost to transfer their Rémy Cointreau shares to the third party that initiated the public offering. In the event such a third party has no obligation to initiate a public offering, the above-mentioned joint exit right, available to the individual shareholders of Récopart, shall apply and the price of the Récopart shares shall thus be established between Récopart's shareholders and Orpar, based on the price offered to Orpar by the third party purchaser for the purchase of its Rémy Cointreau shares.

In addition, according to the terms and conditions of the same shareholders' agreement, Orpar benefits from a purchase option on the Rémy Cointreau shares held by Récopart, in the event Orpar was to transfer, or had signified its intention of transferring control over Rémy Cointreau and the individual shareholders of Récopart have not exercised their joint exit right. The price per Rémy Cointreau share at which Orpar would exercise the option would be equal to the price at which control over Rémy Cointreau is transferred.

The shareholders' agreement is applicable for ten years from 27 June 2001. After expiring, the agreement shall be automatically renewed for one or several successive periods of five years, providing it has not been terminated at least three months before the end of the current period by one of the parties to the agreement.

## Board Members' shares and voting rights ownership at 31 March 2009

Directors	Shares	%	Shares with double voting rights	Voting rights	%
Mrs. Dominique Hériard Dubreuil	2,516	0.00	2,466	4,982	0.01
Mr. François Hériard Dubreuil	101	0.00	100	201	0.00
Mr. Marc Hériard Dubreuil	100	0.00	100	200	0.00
Sir Brian Ivory	100	0.00	100	200	0.00
Mr. Jean Burelle	102	0.00	0	102	0.00
Mr. Jacques-Etienne de T'Serclaes	500	0.00	0	500	0.00
Mr. Gabriel Hawawini	100	0.00	0	100	0.00
Mr. Tim Jones	100	0.00	0	100	0.00
Mr. Patrick Thomas	100	0.00	0	100	0.00
<b>Total</b>	<b>3,719</b>	<b>0.00</b>	<b>2,766</b>	<b>6,485</b>	<b>0.01</b>

It is noted that Orpar, a director, held, on the same date 20,337,312 shares, being 42.93% of the share capital and 40,168,509 voting rights, being 52.36% of the voting rights.

The Company holds 17,205 treasury shares acquired as part of the sales contract with a repurchase agreement signed on 24 March 2005 with a view to serving share purchase options exercised. The features of the share repurchase programme authorised by the General Meeting of 16 September 2008 are described in the Management Report.

The options (share subscription options) and the maximum potential dilution are referred to in the notes to the consolidated financial statements.

### CHANGES IN SHARE CAPITAL OWNERSHIP DURING THE LAST THREE YEARS

During the course of the 2006/07 financial year, the share capital increased by €789,852.80 to €73,599,683.20, as a result of the exercise of 493,658 options. At closing, Orpar held more than one third of the share capital and more than half the voting rights. Récopart held more than 10% of the share capital and more than 15% of the voting rights.

Arnhold and S. Bleichroeder LLC held more than 10% of the share capital and more than 5% of the voting rights.

During the course of 2007/08, the share capital increased by €894,385.60 to €74,494,068.80, as a result of the exercise of 328,252 share subscription options, the exercise of the 20% share dividend payment option resulting in the issue of 142,739 shares and the distribution of 88,000 free shares. At closing, Orpar held more than one third of the share capital and more than half the voting rights. Récopart held more than 10% of the share capital and more than 15% of the voting rights. Arnhold and S. Bleichroeder LLC held more than 10% of the share capital and more than 5% of the voting rights. Fidelity Investments International held more than 4% of the share capital and more than 3% of the voting rights.

During the course of 2008/09, the share capital increased by €1,635,611.20 to €75,792,070.40, as a result of the exercise of 47,908 share subscription options, the exercise of the 50% share dividend payment option resulting in the issue of 673,843 shares and the distribution of 89,500 free shares. At closing, Orpar held more than one third of the share capital and more than half the voting rights. Récopart held more than 10% of the share capital and more than 15% of the voting rights. Arnhold and S. Bleichroeder LLC held more than 15% of the share capital and more than 10% of the voting rights. Fidelity Investments International held more than 4% of the share capital and more than 3% of the voting rights.

### PERSONS THAT CONTROL THE COMPANY AND DETAILS OF THEIR SHAREHOLDINGS

At 31 March 2009, Orpar was 78.11% owned by Andromède, which is controlled by the Hériard Dubreuil family.

At 31 March 2009, Orpar held 20,337,312 shares in Rémy Cointreau, being 42.93% of its share capital, giving it 40,168,509 of the voting rights, or 52.36% of the voting rights.

The Company conforms to the corporate governance in force and takes into account the recommendations of the Viénot and Bouton reports. The Board of Directors comprises, notably, a significant proportion of independent directors and has its own internal regulations. The Company adopted the corporate governance code published by AFEP and MEDEF in December 2008, without change or adaptation.

## 1.4 RÉMY COINTREAU SHARE PRICE PERFORMANCE

Rémy Cointreau shares are listed on the Euronext Paris (ISIN code: FR0000130395) and are eligible for SRD (Euronext Paris' deferred settlement service). Rémy Cointreau is a component of the French CACMID 100 and SBF 120 indices and the EuroStoxx 100 index.

At 31 March 2009, Rémy Cointreau's market capitalisation totalled €844,830,254 million.

### RÉMY COINTREAU SHARE PRICE PERFORMANCE OVER THE LAST 18 MONTHS

	Trading volume	Average price (€)	High price	Low price	Trading value (€ millions)
<b>2007</b>					
December	1,401,388	48.40	49.80	47.20	67.67
<b>2008</b>					
January	4,283,523	42.23	49.24	32.86	173.45
February	3,807,716	40.47	43.92	37.39	153.25
March	2,307,939	40.88	43.34	38.00	94.15
April	3,151,156	41.87	44.78	38.30	130.08
May	2,041,338	40.25	42.50	37.31	82.15
June	2,513,096	37.40	40.41	33.75	93.47
July	2,999,315	32.61	34.90	29.63	97.27
August	1,926,309	35.09	37.49	30.78	67.00
September	2,890,917	35.11	38.63	30.51	98.23
October	4,004,475	28.72	33.59	25.18	113.03
November	3,389,931	27.85	33.45	24.09	95.10
December	2,282,025	29.41	31.00	26.10	67.23
<b>2009</b>					
January	2,388,088	27.00	32.74	19.80	61.08
February	1,437,873	19.65	21.37	17.85	28.32
March	1,467,999	17.66	18.89	15.80	25.36
April	1,715,804	20.88	25.08	17.99	35.99
May	1,018,027	26.12	27.56	24.64	26.58



## 2. CORPORATE GOVERNANCE

### 2.1 BOARD OF DIRECTORS AND MANAGEMENT

Principal offices held at present or in the course of the past five years by members of the Board of Directors and Management.

#### CORPORATE GOVERNANCE OF THE COMPANY

Since 7 September 2004, the Company has been governed by a Board of Directors. The Board of Directors elected on the same day to split the functions of Chairman of the Board and Chief Executive Officer. The Company conforms to the corporate governance in force and takes into account the recommendations of the Viénot and Bouton reports. The Company adopted the Corporate Governance Code published by AFEP and MEDEF in December 2008, without change or adaptation.

#### COMPOSITION OF THE BOARD OF DIRECTORS

##### CHAIRMAN

##### **Mrs. Dominique Hériard Dubreuil**

French national, 62 years old.  
Date first appointed: 7 September 2004.  
Date appointment expires: AGM to consider the financial statements for the year 2011.  
Professional address: Rémy Cointreau, 21, boulevard Haussmann, 75009 Paris, France

Mrs Dominique Hériard Dubreuil is a Public Relations graduate of IRPCS and has been a director of the Company since December 1991. She was notably Chairman of the Board of Directors of Rémy Cointreau from 1998 to 2000 and subsequently Chairman of the Management Board from 2000 to 2004. She is a member of the MEDEF Executive Committee. Mrs Dominique Hériard Dubreuil is a Knight Officer of the Legion of Honour and of the National Order of Merit.

##### PRINCIPAL APPOINTMENT OUTSIDE THE COMPANY:

Managing Director of Andromède SAS.

##### OTHER APPOINTMENTS:

Director of Orpar SA.  
Chairman of the Board of Directors of Vinexpo Overseas SAS.  
Member of the Supervisory Board of Vinexpo SAS.  
Director of Baccarat SA.  
Director of Stora Enso Oyj.

##### APPOINTMENTS WITHIN THE RÉMY COINTREAU GROUP:

Chairman of E. Rémy Martin & C° SAS.  
Director of Unipol BV.  
Supervisory Director of Rémy Cointreau Nederland Holding NV.  
Director of Rémy Concord Ltd.  
Director of Rémy Pacifique Ltd.  
Chairman of Rémy Cointreau Amérique Inc.

##### PREVIOUS FUNCTIONS AND TERMS OF OFFICE

##### (HELD DURING THE LAST FIVE YEARS AND NOW TERMINATED):

Chairman of the Management Board of Rémy Cointreau SA.

Director and Deputy Managing Director of Andromède SA.

Director of CLS Rémy Cointreau SA.  
Chairman of the Board of Directors of GIE Rémy Cointreau Services.

Chairman of Rémy Cointreau Services SAS.  
Chairman and CEO of Vinexpo Americas SA.  
Director of Botapol Holding BV.  
Director of Rémy Finance BV.  
Director of CEDC.

##### DIRECTORS

##### **Mr. François Hériard Dubreuil**

French national, 61 years old.  
Date first appointed: 7 September 2004.  
Date appointment expires: AGM to consider the financial statements for the year 2009.  
Professional address: Orpar, 123, avenue des Champs Elysées, 75008 Paris, France

Mr. François Hériard Dubreuil holds a Masters Degree in Science from the University of Paris and an MBA from INSEAD. He has been a director of the Company since 1991. He was notably Chairman of Rémy Martin from 1984 to 1990 and Chief Executive Officer of Rémy Cointreau from 1990 to 2000, then Chairman of the Supervisory Board from 2000 to 2004. Mr. François Hériard Dubreuil is a member of the INSEAD French Council and a director of the INSEAD Foundation.

##### PRINCIPAL APPOINTMENT OUTSIDE THE COMPANY:

Chairman and CEO of Orpar SA.

##### OTHER APPOINTMENTS:

Managing Director of Andromède SAS.  
Chairman of the Management Board of Récopart SA.  
Vice-Chairman and Deputy Managing Director of Oeneo SA.  
Chairman of Financière de Nonac SAS.  
Chairman of Grande Champagne Patrimoine SAS.  
Vice-Chairman of Dynasty Fine Wines Group Ltd.  
Director of Shanghai Shenma Winery Co Ltd.

##### PREVIOUS FUNCTIONS AND TERMS OF OFFICE

##### (HELD DURING THE LAST FIVE YEARS AND NOW TERMINATED):

Chairman of the Supervisory Board of Rémy Cointreau SA.  
Director and Deputy Managing Director of Andromède SA.

##### **Mr. Marc Hériard Dubreuil**

French national, 57 years old.  
Date first appointed: 7 September 2004.  
Date appointment expires: AGM to consider the financial statements for the year 2010.  
Professional address: Orpar, 123, avenue des Champs Elysées, 75008 Paris, France

Mr. Marc Hériard Dubreuil is a graduate of ESSEC and has been a director of the Company since December 1991, after beginning his professional career with General Foods and Leroy Somer. He has notably been Chairman of Rémy Martin and Rémy & Associés, then Chief Executive Officer of Rémy Cointreau from 1990 to 2000.

##### PRINCIPAL APPOINTMENT OUTSIDE THE COMPANY:

Chairman and CEO of Oeneo SA.

**OTHER APPOINTMENTS:**

Managing Director of Andromède SAS.  
Vice-Chairman, Deputy Managing Director  
and Director of Orpar SA.  
Member of the Managing Board of Récopart SA.  
Member of the Supervisory Board of AUXI-A.  
Chairman of LVLF SAS.  
Manager of Trinity Concord International Ltd.  
Director of TC Holding Limited.

**PREVIOUS FUNCTIONS AND TERMS OF OFFICE  
(HELD DURING THE LAST FIVE YEARS AND NOW TERMINATED):**

Vice-Chairman of the Supervisory Board  
of Rémy Cointreau SA.  
Director and Deputy Managing Director  
of Andromède SA.  
Manager of SARL Marchadier Investissement.

**Sir Brian Ivory**

British citizen, 60 years old.  
Date first appointed: 7 September 2004.  
Date appointment expires: AGM to consider the  
financial statements for the year 2011.  
Professional address: 12 Ann Street, Edinburgh EH4  
1PJ, Scotland

Sir Brian Ivory is a chartered accountant and holds a  
Master of Arts Degree from the University of  
Cambridge. He has been a director of a number of  
listed companies in the United Kingdom since 1978,  
including currently the Scottish American Investment  
Company plc and Retec Digital plc. Sir Brian Ivory  
has been a director of Orpar, Rémy Cointreau SA  
parent company, since January 2003. He has been a  
director of the Company since November 1991.

**PRINCIPAL APPOINTMENT OUTSIDE THE COMPANY:**

Chairman of the Scottish American Investment  
Company plc.

**OTHER APPOINTMENTS:**

Director of Orpar.  
Chairman of National Galleries of Scotland.  
Chairman of Retec Digital plc.  
Director of Insight Investment Management Ltd.  
Director of Marathon Asset Management Ltd.

**PREVIOUS FUNCTIONS AND TERMS OF OFFICE  
(HELD DURING THE LAST FIVE YEARS AND NOW TERMINATED):**

Director of HBOS plc.  
Director of Bank of Scotland.  
Director of Halifax plc.  
Director of Synesis Life Ltd .

**Mr. Jean Burelle**

French national, 70 years old.  
Date first appointed: 3 June 2005.  
Date appointment expires: AGM to consider the  
financial statements for the year 2010.  
Professional address: Burelle SA, 1, rue François 1<sup>er</sup>,  
75008 Paris, France

Mr. Jean Burelle is a graduate of the Federal Institute  
of Technology in Zurich and holds an MBA from  
Harvard. He was notably Chairman and Chief  
Executive Officer of Compagnie Plastic Omnium

from 1987 to 2001 and a director of the French-German  
and French-American Chambers of Commerce for  
several years. He has been Chairman and Chief  
Executive Officer of Burelle SA since 2001. He was  
appointed Chairman of MEDEF International in  
November 2005. Mr. Jean Burelle is a Knight of the  
Legion of Honour and a Knight Officer of the  
National Order of Merit. He has been a Director of  
the Company since June 2005.

**PRINCIPAL APPOINTMENT OUTSIDE THE COMPANY:**

Chairman and CEO of Burelle SA.

**OTHER APPOINTMENTS:**

Deputy Managing Director and Director of Sogec 2.  
Honorary Chairman and Director of Compagnie  
Plastic Omnium.  
Director of Essilor International and Chairman of the  
Directors' Committee.  
Chairman of MEDEF International.  
Member of the Supervisory Board of Soparexo (SCA).  
Member of the Supervisory Board of Banque  
Jean-Philippe Hottinger & Cie (SCA).  
Chairman of Harvard Business School Club de France.  
Permanent representative of Burelle Participation  
within the Board of Directors of Sycovest 1.  
Member of the Supervisory Board of EM Lyon  
(AESCRA).

**PREVIOUS FUNCTIONS AND TERMS OF OFFICE  
(HELD DURING THE LAST FIVE YEARS AND NOW TERMINATED):**

Member of the Supervisory Board of Lapeyre.  
Chairman of Sycovest 1.

**Mr. Jacques-Etienne de T'Serclaes**

French national, 62 years old.  
Date first appointed: 27 July 2006.  
Date appointment expires: AGM to consider the  
financial statements for the year 2009.  
Professional address: 14, rue des Sablons, 75116 Paris, France

Mr. Jacques-Etienne de T'Serclaes, chartered accountant,  
graduated from ESSCA and Harvard Business School  
(OPM). He is a former member of Compagnie des  
Commissaires aux Comptes. As Senior Partner with  
PricewaterhouseCoopers (1990-2005), he headed up  
the Global Retail and Consumer practice worldwide,  
and was Chairman of the Supervisory Board of PwC  
Audit France. Previously he spent seven years within  
the Euromarché group (acquired by Carrefour) where  
he was Managing Director.

He is currently the Founding Chairman of the "l'Agence  
du Don en Nature" (EuroGiki) charity, Operating  
Partner for Advent International Global Private Equity.  
He is also an Independent Director and Chairman of the  
Audit Committee of Altran Technologies and a  
Director of the Gifts in Kind International (USA)  
charity, Banimmo (Belgium) and Altran India.

**PRINCIPAL APPOINTMENT OUTSIDE THE COMPANY:**

Operating Partner : Advent International Global  
Private Equity.

**OTHER APPOINTMENTS:**

Director of Gifts in Kind International (USA).

Director of Altran Technologie S.A and Altran India.  
Director of Banimm (Belgium).

**PREVIOUS FUNCTIONS AND TERMS OF OFFICE  
(HELD DURING THE LAST FIVE YEARS AND NOW TERMINATED):**

Chairman of the Supervisory Board of  
PricewaterhouseCoopers Audit.

Director of Euro-India Centre.

**Mr. Gabriel Hawawini**

French national, 61 years old.  
Date first appointed: 27 July 2006.  
Date appointment expires: AGM to consider the  
financial statements for the year 2009.  
Professional address: INSEAD, boulevard de Constance,  
77305 Fontainebleau, France

Mr. Gabriel Hawawini, holds a degree in Chemical  
Engineering from the University of Toulouse and a  
doctorate in Economics and Finance from New York  
University. He has been a professor at INSEAD since  
1982, and holds the Henry Grunfeld Chaired  
Professor of Investment Banking. He was the Dean at  
INSEAD between 2000 and 2006. Mr. Hawawini has  
lectured in New York universities, particularly  
Columbia. He is the author of 13 books and over  
75 articles. Mr. Gabriel Hawawini is a Knight Officer  
of the Legion of Honour.

**PRINCIPAL APPOINTMENT OUTSIDE THE COMPANY:**

Director of Vivendi Universal.

**OTHER APPOINTMENTS:**

Chairman of the European Foundation for Management  
Development Accreditation Commission.

**PREVIOUS FUNCTIONS AND TERMS OF OFFICE  
(HELD DURING THE LAST FIVE YEARS AND NOW TERMINATED):**

Director of Mastrad.  
Director of Cerestar.  
Director of The Indian School of Business.  
Director of Accenture (Energy Advisory Board).  
Director of European Foundation for Management  
Development.

**Mr. Tim Jones**

British national, 64 years old.  
Date first appointed: 31 July 2007.  
Date appointment expires: AGM to consider the  
financial statements for the year 2010.  
Professional address: 8 Kirkwick Avenue, Harpenden  
ASL 2QL, United Kingdom.

Mr. Tim Jones is a Doctor of Philosophy (PhD) and  
holds an MBA. He was a manager in the oil industry  
for a number of years and subsequently Chief Executive  
Officer of Lloyd's Register for seven years. He has  
been a Director of Orpar, the parent company of  
Rémy Cointreau, since January 2003.

**PRINCIPAL APPOINTMENT OUTSIDE THE COMPANY:**

Director of Double Dragon Underwriting Ltd and  
InnovOx Ltd.

**OTHER APPOINTMENTS:**

Member of the Royal Society of Chemistry.

**PREVIOUS FUNCTIONS AND TERMS OF OFFICE**

**(HELD DURING THE LAST FIVE YEARS AND NOW TERMINATED):**

Deputy Chairman of Education and Learning in Wales.

**Mr. Patrick Thomas**

French national, 62 years old  
Date first appointed: 16 September 2008  
Date appointment expires: AGM to consider the  
financial statements for the year 2011  
Professional address: 24, rue du Faubourg Saint  
Honoré, 75008 Paris, France

Mr. Patrick Thomas is a graduate of the Paris Ecole  
Supérieure de Commerce. He spent 16 years with the  
Pernod Ricard Group, which he left in 1989 as CEO  
of Pernod Ricard UK. He was subsequently CEO of  
Hermès International from 1989 to 1997, Chairman  
of 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, Herlee, Hermes Korea,  
Hermès Korea Travel Retail, Hermès (Retail) Malaysia,  
Hermès Voyageur and Holding Textile Hermès.  
Chairman of the Board of Directors of Hermès of  
Hawaii, Hermès Immobilier Genève, Hermès of Paris  
and Hermtex.

Member of the Supervisory Board of Hermès Prague  
Director of Boissy Mexico, Hermès (China), Hermès  
Asia Pacific, Hermès Australia, Hermès Benelux,  
Hermès Canada, Hermès de Paris (Mexico), Hermès  
GB Ltd, Hermès Grèce, Hermès Iberica, Hermès  
India Retail & Distributors, Hermès Italie, Hermès  
Japon, Hermès Korea, Hermès Korea Travel Retail,  
Hermès Monte-Carlo, Hermès Singapore Retail,  
Hermès South East Asia, John Lobb, John Lobb  
(Hong-Kong) Limited, John Lobb Japan, La Montre  
Hermès, Saint-Honoré (Bangkok), Saint-Honoré (Chile).

**PREVIOUS FUNCTIONS AND TERMS OF OFFICE**

**(HELD DURING THE LAST FIVE YEARS AND NOW TERMINATED):**

Member of the Supervisory Board of Neuflyze OBC  
Bank.  
Chief Executive Officer of Hermès International.  
Chairman of Hermès Holding US.  
Chairman and CEO of William Grant and Sons.

**ORPAR**

Société anonyme (Public Limited Company) with a  
share capital of €68,022,176.

Date first appointed: 27 July 2006.

Date appointment expires: AGM to consider the  
financial statements for the year 2009.

Registered office: Ancienne rue de la Champagne,  
Rue Joseph Pataa, 16100 Cognac, France  
Permanent representative: Mrs. Marie Barbaret,  
43 years old.  
Professional address: Andromède, 123, avenue des  
Champs Elysées, 75008 Paris, France

#### FUNCTION IN THE COMPANY REPRESENTED:

Mrs. Marie Barbaret is a graduate of ESSEC and holds an MSc from the London School of Economics. After working in audit with Arthur Andersen, Marie Barbaret was a management controller for Hachette Livre and an investment manager with Caisse des Dépôts et Consignations (Part'Com), in charge of capital development projects. She was also responsible for Nathan (CLE)'s development in India for three years.

#### OTHER APPOINTMENTS:

Managing Director of Grande Champagne Patrimoine SAS.

Strategy and Development Manager of Andromède.

#### PREVIOUS FUNCTIONS AND TERMS OF OFFICE (HELD DURING THE LAST FIVE YEARS AND NOW TERMINATED):

None.

#### Number of independent Board Directors:

Five, then four during the 2008/09 financial year.

#### AT 31 MARCH 2009:

Mr. Jean Burelle, Mr. Gabriel Hawawini, Mr. Patrick Thomas, Mr. Jacques Etienne de T'Serclaes.

The Board of Directors is regularly informed of the independence of each of its members.

Number of members elected by employees: the Company does not have any employee members.

Number of shares that must be held by each member: 100.

#### HONORARY CHAIRMAN

##### Mr. Pierre Cointreau

The Board of Directors on 27 July 2006 appointed Mr. Pierre Cointreau as Honorary Chairman of the Company.

French national, 88 years old.

Professional address: Cointreau SA, BP 79, Carrefour Molière, 49181 St Barthélémy d'Anjou, France

Mr. Pierre Cointreau has been an industrialist and an entrepreneur since 1950. He is a former socio-economic adviser, a former member of the Economic and Social Council of the Pays de Loire region and the Honorary Chairman of the Chamber of Commerce of Angers and of the Anjou Trade Show. Mr. Pierre Cointreau is the Honorary Mayor of the town of Montreuil sur Loire. He is the Chairman of the Supervisory Board of Récopart, which holds 14.21% of Rémy Cointreau SA, and was a director of the Company from December 1991 to July 2006. Mr. Pierre Cointreau is a Knight Officer of the Legion of Honour and of the National Order of Merit.

#### PRINCIPAL APPOINTMENT OUTSIDE THE COMPANY:

Chairman of the Supervisory Board of Récopart SA.

#### OTHER APPOINTMENTS:

Chairman of Cointreau SASU.  
Chairman of Izarra SASU.

#### PREVIOUS FUNCTIONS AND TERMS OF OFFICE (HELD DURING THE LAST FIVE YEARS AND NOW TERMINATED):

Member of the Supervisory Board of Rémy Cointreau from December 2000 to September 2004.

Director of Rémy Cointreau from September 2004 to July 2006.

Chairman of the Board of Directors of Cointreau SA.

Chairman of the Board of Directors of Izarra SA.

Director of CLS Rémy Cointreau.

Director of GIE Rémy Cointreau Services.

#### CENSOR

##### Mr. Jürgen Reimnitz

German national, 78 years old.

Date appointed by the Board of Directors: 27 July 2006.

Date appointment expires: 27 July 2009.

Professional address: Commerzbank AG, Kaiserplatz,  
D 60261 Frankfurt Am Maine, Germany.

Mr. Jürgen Reimnitz is a graduate of the Commerzbank Administration College. He has held various positions within Commerzbank in Spain, France, the US and Germany. He was a member of the Management Board of Commerzbank from 1973 to 1995 and was subsequently a member of its Advisory Committee until 2002. He held various positions as a member of the Central Capital Market Committee of the Bundesbank from 1976 to 1994. Mr. Reimnitz was a director of the Company from 16 December 1991 to 26 July 2006.

#### PRINCIPAL APPOINTMENT OUTSIDE THE COMPANY:

Chairman of the Supervisory Board of Air Liquide Deutschland GmbH (Düsseldorf).

#### OTHER APPOINTMENTS:

Chairman of the Finance Committee of the International Chamber of Commerce (ICC), Paris.

Vice-Chairman of ICC Germany, Cologne.

Director of Bongrain SA.

Member of the Advisory Committee of Fitch

International (London, New York).

Member of the UN Investment Committee, New York.

#### PREVIOUS FUNCTIONS AND TERMS OF OFFICE (HELD DURING THE LAST FIVE YEARS AND NOW TERMINATED):

Member of the Supervisory Board of Rémy Cointreau from December 2000 to September 2004.

Director of Rémy Cointreau from September 2004 to July 2006.

Chairman of the Board of Directors of Merrill Lynch Investment Managers KAG (Frankfurt).

Chairman of the Board of Directors of Mercury World Bond Funds (Luxembourg).

Chairman of Merrill Lynch International Investment Funds (Luxembourg).

Member of the Supervisory Board of Bongrain SA.

## **CHIEF EXECUTIVE OFFICER AND EXECUTIVE COMMITTEE**

On 7 September 2004, the Board of Directors elected to split the positions of Chairman of the Board and Chief Executive Officer in accordance with Article L. 225-51-1 of the Commercial Code. Mr. Jean-Marie Laborde was appointed as Chief Executive Officer on 7 September 2004 and reappointed for a period of three years on July 2007.

Mr. Jean-Marie Laborde, 61 years old, a French national, holds a Masters' Degree in Economics from the University of Bordeaux and an MBA from the Institut Supérieur des Affaires (HEC/ISA). Mr. Jean-Marie Laborde was notably Chairman and Chief Executive Officer of Ricard from 1984 to 1996 and Chairman and Chief Executive Officer of Moët et Chandon from 1996 to 2003. He subsequently became General Manager of the wine division of Worms & Cie. At the same time, he was Chairman and Chief Executive Officer of Burgundy winemaker Antonin Rodet. He joined the Rémy Cointreau Group in September 2004. Mr. Jean-Marie Laborde is a member of a number of professional organisations. He is a Knight of the Legion of Honour, a Knight of the National Order of Merit and a Knight Officer of the Order of Arts and Humanities.

### **PRINCIPAL APPOINTMENT OUTSIDE THE COMPANY:**

Director of Maxxium Worldwide BV until 30 March 2009.

### **OTHER APPOINTMENTS:**

Chairman of Rémy Cointreau Services SAS.  
Chairman of Mount Gay Distilleries Ltd.  
Director of Rémy Cointreau Amérique.  
Director of Cointreau Corporation.  
Supervisory Director of Rémy Cointreau Nederland Holding BV.  
Legal representative of E. Rémy Martin & C° SAS,  
Director of Financière Rémy Cointreau SA/NV.  
Legal representative of Rémy Cointreau SA, Chairman of RC ONE SAS.  
Legal representative of Rémy Cointreau SA, Chairman of Seguin & Cie SAS.  
Director of Finadvance.

### **PREVIOUS FUNCTIONS AND TERMS OF OFFICE (HELD DURING THE LAST FIVE YEARS AND NOW TERMINATED):**

Chief Executive Officer of the Worms & Cie wine and properties division.  
Chairman of Antonin Rodet.  
Chairman and CEO of Moët & Chandon.

The Chief Executive Officer is assisted by an Executive Committee comprising the following members:

- Mr. Jean-François Boueil, Group Human Resources Manager;
- Mr. Hervé Dumesny, Group Finance Director;
- Mr. Damien Lafaurie, Market Operations Manager;
- Mr. Christian Liabastre, Strategy and Brand Development Manager;
- Mr. Patrick Marchand, Group Operations Manager.

## **THE GROUP'S DIRECTORS HAVE HAD NO CONVICTIONS FOR FRAUD, NO DIRECTOR HAS BEEN PARTY TO BANKRUPTCY, NO ASSETS OF THE COMPANY HAVE BEEN IMPOUNDED OR LIQUIDATED AND NO DIRECTOR RECEIVED ANY OFFICIAL INCRIMINATION OR PUBLIC PENALTY NOR STATUTORY BAR TO ACT OR TO INTERVENE IN THE CONDUCT OF THE COMPANY'S BUSINESS.**

To the best of Rémy Cointreau's knowledge:

- there were no convictions for fraud over the last five years against any members of the Board of Directors or the Chief Executive Officer;
- neither the Chief Executive Officer nor any members of the Board of Directors have been party, over the past five years, to a bankruptcy, nor were assets impounded or liquidated while being a member of an administrative, management or supervisory body or as Chief Executive Officer; and
- no official incrimination and/or public penalty were incurred against any members of the Board of Directors or the Chief Executive Officer by statutory and regulatory authorities, including designated professional bodies. Thus, neither the Chief Executive Officer nor any members of the Board of Directors were subject to any statutory bar to act or to intervene in the management or the conduct of the business of an issuing company over the past five years.

### **NATURE OF ANY FAMILY RELATIONSHIP**

Messrs. François and Marc Hériard Dubreuil are Mrs Dominique Hériard Dubreuil's brothers.

### **SHAREHOLDING IN THE COMPANY:**

Orpar, a director, holds 42.93% of the share capital and 52.36% of the voting rights of the Company.

### **ABSENCE OF ANY POTENTIAL CONFLICTS OF INTEREST**

To the best of Rémy Cointreau's knowledge, there are no potential conflicts of interest between the duties toward the issuer and the private interests and/or other duties of any members of the Board of Directors or the Chief Executive Officer.

### **SERVICE CONTRACTS BINDING MEMBERS OF THE ADMINISTRATIVE AND GOVERNING BODIES**

Neither the Chief Executive Officer nor any individual members of the Board of Directors are bound to Rémy Cointreau or to any of its subsidiaries by a service contract providing for the granting of benefits at the end of such contracts. There is an agreement for business management and assistance concluded with Orpar, the principal shareholder and a director of Rémy Cointreau, whose remuneration conditions are disclosed in the Special Report of the Statutory Auditors.

### **OPERATION OF THE CORPORATE BODIES AND EXECUTIVE MANAGEMENT**

The Chief Executive Officer reports to the Board of Directors.

The Board of Directors currently comprises ten members. Board members are appointed for three years. A third, or as close as possible to a third of Board members is renewed annually, so that the whole Board has been renewed at the end of a three year period.

Any member exceeding 85 years of age at the start of a financial year is deemed to have resigned from office effective at the end of the next Annual General Meeting to consider the financial statements of the financial year then ended. However, his/her term of office may be renewed from one year to the next, as long as the number of Board members aged more than 85 years of age does not exceed one third of the number of serving members.

Between 1 April 2008 and 31 March 2009, the Board of Directors met seven times. The average attendance rate was 90.29%.

The members of the Board of Directors are informed, at the time they take up their appointment, of the legal and regulatory provisions in force in respect of directors trading in the Company's shares.

#### COMMITTEES ESTABLISHED WITHIN THE BOARD OF DIRECTORS

The four committees established within the Board of Directors are mentioned in the report of the Chairman of the Board of Directors to the General Meeting.

## 2.2 STATUTORY AUDITORS - APPOINTMENTS AND FEES

### CURRENT APPOINTMENTS

#### Principal Statutory Auditors

Practice	Ernst & Young et Autres 41 rue Ibry 92576 Neuilly sur Seine	Auditeurs & Conseils Associés 33 rue Daru 75008 Paris
Represented by	Marie-Laure Delarue	Olivier Juramie
Date first appointed	09/22/88	09/26/90
Date appointment renewed	07/27/06	09/16/08
Date appointment expires	AGM to consider the financial statements for the year 2012	AGM to consider the financial statements for the year 2014

#### Alternate Statutory Auditors

Practice	AUDITEX Tour Ernst & Young Faubourg de l'Arche 92037 La Défense	Olivier Lelong
Date appointed	07/27/06	09/16/08
Date appointment expires	AGM to consider the financial statements for the year 2012	AGM to consider the financial statements for the year 2014

### FEES PAID TO THE STATUTORY AUDITORS

Fees paid to the Statutory Auditors and members of their network for 2008 amounted to €932 thousand, analysed as follows:

	Ernst & Young et Autres				Auditeurs & Conseils Associés			
	2009	Amount 2008	2009	% 2008	2009	Amount 2008	2009	% 2008
<b>Audit</b>								
Statutory audit, review of individual and consolidated financial statements	803	780	100%	99%	125	106	97%	96%
<i>Rémy Cointreau SA</i>	220	216			85	92		
<i>Fully consolidated subsidiaries</i>	583	564			40	14		
Ancillary assignments	-	5	0%	1%	4	4	3%	4%
<i>Rémy Cointreau SA</i>	-	-			4	4		
<i>Fully consolidated subsidiaries</i>	-	5			-	-		
<b>Sub-total</b>	<b>803</b>	<b>785</b>	<b>100%</b>	<b>100%</b>	<b>129</b>	<b>110</b>	<b>100%</b>	<b>100%</b>
Other services	-	-	0%	0%	-	-	0%	0%
Sub-total	-	-	0%	0%	-	-	0%	0%
<b>Total</b>	<b>803</b>	<b>785</b>	<b>100%</b>	<b>100%</b>	<b>129</b>	<b>110</b>	<b>100%</b>	<b>100%</b>

## 3. REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

Dear Shareholders,

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

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

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

### 3.1 CORPORATE GOVERNANCE CODE

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

This Code is available for consultation at Rémy Cointreau's head office in Paris and on [www.medef.fr](http://www.medef.fr).

### 3.2 CONDITIONS OF PREPARATION AND ORGANISATION OF THE DUTIES OF THE BOARD OF DIRECTORS

#### INTERNAL REGULATIONS

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

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

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

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

#### COMPOSITION OF THE BOARD

It should be noted that Rémy Cointreau's Board of Directors currently comprises ten members and that at least 30% of them should be, if possible, independent members. There were five independent members during

the 2007/08 financial year. A list of all Board Members, as well as their other appointments can be found in this "Corporate Governance" chapter.

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

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

#### TRANSPARENCY RULES

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

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

Each director must hold a minimum of 100 shares.

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

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

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

## FREQUENCY OF MEETINGS

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

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

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

### 4 JUNE 2008

- Approval of the Company's financial statements for the 2007/08 financial year; report by the "Audit and Finance" Committee;
- Proposed allocation of net profit and setting of the dividend; cash or share-based dividend payment option;
- Examination and approval of Group consolidated financial statements at 31 March 2008; comparative examination with budget commitments; and
- Report of the "Nomination and Remuneration" Committee; decision on the obligation to retain the free shares granted on 20 November 2007 to the Chief Executive Officer, pursuant to the provisions of Article L. 225-197-1, II, paragraph 4, of the Commercial Code; authorisation of an agreement covered by Article L. 225-38 of the Commercial Code; compliance with the provisions of Article L. 225-42-1 of the Commercial Code on deferred compensation commitments undertaken on behalf of the Chief Executive Officer; proposed approval by the General Meeting of the deferred compensation commitments for the benefit of Mr. Jean-Marie Laborde and terms and conditions of allocation.

Attendance rate: 90%.

### 20 JUNE 2008

- Minutes of the Board of Directors' meeting of Maxxium Worldwide BV of 19 June 2008 on the approval of the 2007/08 financial statements; and
- Continuing examination and potential approval of Group consolidated financial statements at 31 March 2008.

Attendance rate: 82%.

### 29 JULY 2008

- Continuing examination and approval of Group

consolidated financial statements at 31 March 2008;

- Final terms and conditions of payment of the 2007/08 dividend; and
- Notice of the Annual General Meeting and Extraordinary General Meeting; setting of the agendas, approval of the Board of Directors' reports, draft resolutions and powers.

Attendance rate: 90%.

### 16 SEPTEMBER 2008

- Information on the transaction agreement entered into on 2 September 2008 with Maxxium shareholders; and
- Setting of the price of shares issued as a result of the share payment option of the dividend.

Attendance rate: 100%.

### 20 NOVEMBER 2008

- Examination and approval of the interim consolidated financial statements at 30 September 2008; comparative examination with budget commitments; report of the "Audit and Finance" committee;
- Share capital:
  - disclosure to the Board of the number and value of shares issued as a result of the 50% share payment option of the 2007/08 dividend; modification of the share capital and bylaws in accordance with the powers delegated to the Chairman of the Board by the Board of Directors on 16 September 2008;
  - noting of the number and value of shares issued between 1 April 2008 and 31 October 2008 following the exercise of share subscription options; noting of the number and value of shares issued following the free share allocation of 12 October 2006 and share capital increase by capitalisation of reserves; modification of the share capital and bylaws accordingly;
- Adoption of the "Corporate Governance Code", pursuant to the Law of 3 July 2008, and examination of the consequences of this adoption for the Chief Executive Officer; report of the "Nomination and Remuneration" Committee.

Attendance rate: 80%.

### 19 JANUARY 2009

- Progress report on Group operations at 31 December 2008; review of "Latest Estimate" at 31 March 2009;
- Update of the Medium-Term plan; review of the Group's strategic options; and
- Forward sale of US Dollars by the Group.

Attendance rate: 90%

### 26 MARCH 2009

- Board of Directors information on the termination of agreements with Maxxium Worldwide;
- Acquisition at 31 March 2009 of the Maxxium Belgium SA/NV, Maxxium Luxembourg SA, Maxxium Czech Republic s.r.o. and Maxxium Slovakia s.r.o. distribution companies;
- Authorisation of the agreements covered by Article L. 225-38 of the Commercial Code as part of the



new global distribution network and company acquisitions: distribution contracts, cash management agreements, service provision agreements and assistance agreements;

- “Nomination and Remuneration” Committee report of 25 March 2009; decision on the obligation to retain the free shares granted on 20 November 2008 to the Chief Executive Officer; and
- Examination of the 2009/10 pre-budget.

Attendance rate: 100%.

#### **NOTIFICATION OF MEETINGS TO BOARD MEMBERS**

The schedule of Board meetings for the following year was agreed among the directors at the meeting of the Board of Directors in July. The members of the Board will then be called to each meeting by letter, approximately 15 days in advance. They may also be informed by telegram, fax, electronic mail or even orally.

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

#### **DIRECTORS' FEES**

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

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

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

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

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

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

#### **BOARD OF DIRECTORS' INFORMATION**

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

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

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

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

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

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

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

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

#### **LOCATION OF MEETINGS**

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

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

Participation by videoconferencing is forbidden in

respect of approval of the parent company statements and consolidated financial statements, as well as Company and Group management reports.

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

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

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

The Board of Directors' meeting of 5 December 2005 integrated in its internal rules the amendments to Article L. 225-37 of the Commercial Code made by Law No. 2005-842 of 26 July 2005. The Extraordinary General Meeting of 27 July 2006, in its seventeenth resolution, modified in the same way Article 17.5 of the previous bylaws (Article of 16.5 of the new).

During the financial year, the Board meetings of 20 June and 29 July 2008, 19 January and 26 March 2009 used videoconferencing facilities. Three directors attended the first meeting as a result of this means of participating, as well as one at the following three meetings.

#### **COMMITTEES ESTABLISHED WITHIN THE BOARD OF DIRECTORS**

Four committees were created within the Board of Directors.

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

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

Within the framework of their functions, these committees may interview Group executives and statutory auditors after having informed the Chairman of the Board. The Board may grant committees one or several functions, on the request of these committees. Committee members' remuneration would then be established by the Board. Committees report their findings to the Board.

Committees do not interact directly with Executive Committee members, but one of the members of the Executive Committee attends committee meetings relevant to his/her function. He/she then prepares and

communicates all documentation necessary for the committee to perform its duties. The Audit & Finance Committee may request interviews with the Statutory Auditors without the attendance of an executive management member.

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

#### **"AUDIT & FINANCE" COMMITTEE**

Chairman: Mr. Patrick Duverger until 16 September 2008, then Mr. Jacques-Etienne de T'Serclaes from that date.

Members: Mr. Marc Hériard Dubreuil.

Mr. Xavier Izarn until 20 November 2008, then Mrs. Marie Barbaret from that date.

Mr. Jacques-Etienne de T'Serclaes, member until 16 September 2008, then Chairman of the Committee from that date.

Present: Mr. Jürgen Reimnitz, Censor.

Number of independent members: two until 16 September 2008, then one from that date.

This committee met on four occasions, on 3 June and 12 November 2008 and 7 January and 25 March 2009. The attendance rate was 100%. Some of its work was carried out in the presence of the Statutory Auditors, the Group Financial Controller, Group Treasurer and Group Tax Manager, when the following was discussed:

- review of the annual financial statements at 31 March 2008 and forecasts at 31 March 2009;
- review of half year financial statements at 30 September 2008;
- internal control and internal audit;
- exchange rate and interest rate risk management policy;
- brand valuation;
- financial and tax policy;
- impact of the Maxxium exit and post-Maxxium distribution;
- new cash management system; and
- risk management, IT considerations.

#### **"DEVELOPMENT AND MARKETING STRATEGY" COMMITTEE**

Chairman: Mrs. Dominique Hériard Dubreuil.

Members: Mr. Xavier Bernat until 16 September 2008 Mr. Gabriel Hawawini, Sir Brian Ivory, Mr. Tim Jones Mr. Patrick Thoma&cs from 16 September 2008.

Number of independent members: two.

This committee met on 4 June and 16 September 2008. The attendance rate was 80% and 100%, respectively. Its work primarily involved the Group's distribution strategy and the geographical analysis of the Group's post-Maxxium distribution.

#### **"ETHICS, ENVIRONMENT AND SUSTAINABLE DEVELOPMENT" COMMITTEE**

Chairman: Mr. Gabriel Hawawini

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

Number of independent members: two

#### **"NOMINATION AND REMUNERATION" COMMITTEE**

Chairman: Sir Brian Ivory

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

Number of independent members: one

This committee met on 3 June and 19 November 2008 and 19 January and 25 March 2009. The attendance rate was 100% and 66% for the first two meetings and 100% for the last two. It discussed the following:

- review of the Group's free share allocation policy;
- 2008/09 salary policy;
- implementation of legal provisions regarding executives; and
- profit-sharing plan.

Each committee reports its findings to the Board of Directors.

#### **APPROVAL OF REGULATED AGREEMENTS BY THE BOARD OF DIRECTORS**

During the year just ended, the Board of Directors approved a series of agreements between Group companies: distribution contracts, treasury contracts, service provision contracts and assistance agreements as part of the creation of a new global distribution network, incorporation of subsidiaries, acquisition of companies that belong to the Maxxium Group and a new annual setting of yearly remuneration of service providers, which is now based on the effective ratio of use by each beneficiary of each area of assistance.

#### **MINUTES OF THE MEETINGS**

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

### **3.3 INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES**

At the request of the Chairman of the Board of Directors and the Chief Executive Officer, the Finance Department collated the results of the work conducted in respect of internal control procedures - carried out during the financial year as well as in previous years - to support the preparation of a report. Once prepared, the final version of the report was submitted to the Audit and Finance Committee.

#### **INTERNAL CONTROL: DEFINITION, OBJECTIVES AND SCOPE**

The Group defines internal control as a procedure that aims to improve the control of its operations, operational efficiency of its transactions and the use of its resources.

It aims to ensure in particular:

- the application of instructions and the directions set out by the Executive Management;
- the correct operation of the Company's internal procedures, notably those concerning the safeguarding of its assets;

- conformity with existing laws and regulations; and
- the reliability of accounting and financial information.

Defined by the Executive Management and controlled by the Board of Directors, the system is implemented by managers and all personnel. The system that has been established can only provide reasonable assurance and not an absolute guarantee as to the achievement of Group objectives.

This process applies to the Company, whose responsibility it is to ensure that similar and suitable systems are implemented by its consolidated subsidiaries.

#### **INTERNAL CONTROL COMPONENTS**

##### **GROUP ORGANISATION**

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

Rémy Cointreau is organised into three operating sectors: Cognac, Champagne and Liqueurs and Spirits, and a distribution network which is undergoing extensive change. From 1 April 2009, its exit from Maxxium will enable the Group to exert better control over distribution, by directly controlling more than 80% of its sales, compared with less than 30% previously and, above all, fully develop its premium strategy.

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

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

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

Ethical values, codes of conduct and operational procedures have been defined by each of the Group's

operational departments, enabling each employee to understand the various stages in the operation of the organisation's procedures.

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

#### **IT AND COMMUNICATION SYSTEMS**

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

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

#### **RISK MANAGEMENT**

In order to ensure the achievement of its objectives and the continuous development of its operations, Rémy Cointreau has established a process to identify and analyse the principal risks. A major achievement of this process, initiated in 2007/08 and completed in 2008/09, was a geographic analysis of risks at Group level.

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

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

#### **CONTROL PROCEDURES**

Every Group business or operation has its own reference documentation. This comprises charters, codes, standards, procedures and rules of best practice. These set out the manner in which a procedure, action or a check must be carried out and are an integral part of internal control. They are based on the following principal areas of expertise:

#### **Purchasing**

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

#### **Safety and quality**

All production standards and rules issued by operations management are held in a unique database. Their application is regularly reviewed as part of the ISO 9000/2000 and ISO 14001 certifications, as well as HACCP accreditations, thus guaranteeing consumers a high level of quality and safety as well as respect for the production site environment. This is completed with a Quality/Safety/Environment charter defining the Group's three priorities, which are product excellence, employee and consumer safety and protection of the environment.

#### **IT systems**

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

#### **Central management of funding and treasury**

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

Due to the forthcoming change in the distribution model, the Group has strengthened its control by putting a team in place to manage trade receivables.

#### **Consolidation of financial statements and reporting**

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

In addition, the Chief Executive Officers and Chief Financial Officers of the subsidiaries must send a representation letter to the Group Chief Executive Officer and Chief Financial Officer, in which they

assume responsibility for the fairness of the financial statements and for implementing an internal control process to detect and prevent fraud and errors.

#### **Permanent monitoring of internal control**

Internal control is implemented by operational departments which report to the Executive Committee.

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

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

During the financial year, Internal Audit implemented its programme based on the following two main themes: risk management and internal control and the change in the model of the distribution network.

In the first stage of the plan, Internal Audit made every effort to improve the segregation of duties based on two development areas. The former consists of formalising this process by putting at the Group companies' disposal - on the intranet portal dedicated to internal control and risk management - a policy of implementing segregation of duties and standard tables covering the main processes, such as purchasing, selling, inventories, non-current assets, payroll and expenses. The latter involved encouraging and supporting functional teams to work on strengthening task segregation and the management of access rights, following the recent implementation of the new ERP system. At the same time, Internal Audit also ensured that the finance-related internal control self-assessment questionnaires were properly applied by the Group's main entities.

In the second stage of its plan, Internal Audit, assisted by a well-known audit practice, carried out 13 assignments that covered approximately 75% of the turnover achieved by the Maxxium distribution network. Five of them were acquisition audit assignments. The other eight primarily focused on reviewing inventories and provisions in preparation for the exit from the network.

The results of all this work were disclosed to the Statutory Auditors.

#### **INTERNAL CONTROL PLAYERS**

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

##### **EXECUTIVE COMMITTEE**

Its task is to set the direction for the internal control procedures it wishes to establish and to provide the resources necessary to implement them.

##### **BOARD OF DIRECTORS**

The Board of Directors - through the intermediary of the "Audit and Finance" Committee - requests that the Executive Committee report the main features of the

internal control procedures implemented to the Board. The "Audit and Finance" Committee pays particularly attention to the establishment and application of procedures and good practices that guarantee the reliability, reporting and treatment of accounting and financial information. It also ensures that the annual audit programme covers the major risks identified by the Group, as detailed in this document, whether they are of an operational or financial nature.

##### **INTERNAL AUDIT**

Internal Audit operates across the Group as well as in the shared distribution network and, where appropriate, in third parties in the event of subcontracting, both in distribution and production. Internal Audit within the financial management department reports to the Executive Committee, the management of the unit concerned and, where appropriate, to the management of the shared distribution network. Each year, the internal audit department presents a summary of the completion of the audit programme and the main findings of its assignments to the Audit & Finance Committee. Their assignments are planned following approval by the Executive Committee and the Audit & Finance Committee. They are prepared as a function of specific risks, related to a specific operation, on the basis of several criteria. Apart from these audit assignments, the internal auditors' role is to promote internal control procedures for the Group's operating and financial activities.

##### **FINANCIAL MANAGEMENT**

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

##### **OPERATIONAL MANAGEMENT**

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

##### **MARKET MANAGEMENT**

As part of the reorganisation of the distribution network, Market Management recently implemented a set of rules called "Commercial Process", in order to precisely define the various stages of commercial reporting and the role of everyone in this process, as well as the nature, form and reporting dates of required data. This procedure is applicable from the start of the following financial year.

##### **LEGAL MANAGEMENT**

Legal management, other than its function as

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

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

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

#### **SCOPE AND OBJECTIVES**

The internal control procedures in relation to preparing and processing financial and accounting information apply to the parent company and all the subsidiaries included in the consolidated financial statements. For their financial and accounting processes, internal control is designed to ensure:

- respect for laws and regulations and the correct application of instructions and directions set by Group management in the process of preparing accounting and financial information;
- the reliability of information used in the preparation of financial and accounting information as well as published information; and
- the preservation of assets.

### **ACCOUNTING AND FINANCIAL ORGANISATION GUIDANCE PROCEDURE**

#### **ORGANISATION**

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

#### **FINANCIAL AND ACCOUNTING PROCEDURES**

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

At every closing, the instructions cover key dates in the calendar as well as matters that require specific attention to enable the various group companies to be well

prepared, so that the required information is communicated within the timeframe and the appropriate checks are carried out in advance of the preparation process of the financial and accounting information.

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

#### **IT SYSTEMS ORGANISATION AND SAFETY**

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

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

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

### **STATUTORY AUDITORS**

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

### **PROCESSES CONTRIBUTING TO THE PREPARATION OF ACCOUNTING AND FINANCIAL INFORMATION**

#### **ACCOUNT SUPPLY OPERATING PROCESSES**

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

## CLOSING PROCESS AND PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

## FINANCIAL COMMUNICATION PROCEDURE

The persons responsible for financial communication draw up a schedule summing up all the Group's obligations in terms of accounting and financial communication. This timetable specifies the nature of each piece of information as well as the person in charge of its writing or preparation. Once the information is available, a proof-reading procedure assesses its reliability and accuracy, whether it is of an accounting nature or not (workforce size and volumes). Compliance with the laws and regulations in force both on the nature of the information and on the required deadlines, and the principle of providing the same information to all shareholders, is ensured by the Legal Department.

## 3.4 LIMITATIONS ON THE POWERS OF THE CHIEF EXECUTIVE OFFICER

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

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

In a purely internal measure, which cannot be imposed on third parties, the Chief Executive Officer

shall seek the approval of the Board before committing the Company to transactions that go beyond the framework of normal management decisions, particularly in respect of:

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

In addition, the Board of Directors on 4 June 2008 authorised for one year the Chief Executive Officer to grant sureties, pledges and guarantees up to an overall maximum amount of €50,000,000. Any commitment exceeding this overall limit requires specific approval from the Board.

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

These authorisations were renewed for one year by the Board of Directors' meeting on 4 June 2009.

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

## 3.5 PROCEDURES IN RESPECT OF PARTICIPATION BY SHAREHOLDERS IN GENERAL MEETINGS

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

A reminder of the main provisions is included in Chapter 2 of this reference document.

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

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

The Committee formulates its recommendations based on all items relating to the overall remuneration of executives: basic remuneration, variable annual remuneration, potential granting of shares based on performance and provisions relating to the pension scheme.

The “Nomination and Remuneration” Committee takes into account the remuneration market of companies comparable with Rémy Cointreau, as highlighted by comparative studies carried out by external experts.

It ensures that each item of overall remuneration meets a clear objective that is totally in line with the Company’s strategy and interests.

The object of basic remuneration is to show how much the Company values the position and the performance of the incumbent. As for other remuneration items, it is set by taking into account the market to guarantee both its competitiveness and attractiveness.

Variable annual remuneration - bonus - is linked to objectives specified at the start of the period and validated by the Board of Directors. These objectives

are partly quantitative and partly qualitative, and are based on the specific challenges of the current financial year. In respect of the Chief Executive Officer, the target bonus is valued at 100% of his gross annual remuneration. In the event quantitative objectives are exceeded, the bonus cannot exceed 120% of gross annual remuneration.

In 2008/09, the quantitative objectives were as follows: operating profit, net profit and ROCE (return on capital employed).

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

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

The objectives of the defined benefit supplementary pension plan are to retain the loyalty of the executives concerned and to encourage long-term performance. This system is founded on the payment of an annuity, the value of which, expressed as a percentage of remuneration, is based on the executives’ seniority. Payment of the annuity is subject to the conditions of employment at the time of retirement and of an overall replacement income not exceeding 50% of the previous remuneration.

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



### 3.7 REPORT OF THE STATUTORY AUDITORS ON THE REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS ON INTERNAL CONTROL

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

To the Shareholders,

In our capacity as statutory auditors of Rémy Cointreau, and in accordance with article L. 225-235 of the Commercial Code, we report to you on the report prepared by the Chairman of your Company in accordance with Article L. 225-37 of the Commercial Code for the year ended 31 March 2009.

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

It is our duty:

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

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

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

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

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

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

#### Other information

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

Paris and Neuilly-sur-Seine, 19 June 2009

The Statutory Auditors

Auditeurs & Conseils Associés  
Nexia international

Olivier Juramie

Ernst & Young et Autres

Marie-Laure Delarue

## 4. REPORT OF THE BOARD OF DIRECTORS TO THE ANNUAL GENERAL MEETING

### 4.1 FINANCIAL REPORT RÉMY COINTREAU SA

#### COMMENTS ON THE INCOME STATEMENT

Over the financial year ended 31 March 2009, the Company reported a **profit on ordinary activities before tax** of €27.6 million, down €69.5 million compared with the previous financial year, due to the decline in dividends received from its subsidiaries.

**Services invoiced** to subsidiaries amounted to €15.8 million, compared with €15.6 million the previous year.

**Operating expenses** totalled €22.2 million, a decrease of €5.2 million, of which €3.2 million corresponded to the accelerated amortisation of borrowing costs, recognised the previous year, following the early redemption of bond issues.

**Dividends received** from subsidiaries in the year were €60.4 million, compared with €139.1 million in the previous financial year.

Net interest expense decreased by €5.3 million to €27.4 million, compared with €32.7 million last year. Over the financial year ended 31 March 2008, Rémy Cointreau had recognised a €5.1 million charge, corresponding to the compensation for the early redemption of the €175 million bond issue.

The €41.2 million income tax received corresponds to the reversal of the tax saving permanently acquired following the tax grouping scheme restatements (€5.5 million) and the refund of the receivable corresponding to the Group's tax loss carry back (€35.7 million).

Taking into account these factors, **net profit for the year** was €70.2 million.

#### COMMENTS ON THE BALANCE SHEET

Non-current assets increased by €125.7 million, due to long-term investments (share capital increase by the Rémy Cointreau Services subsidiary).

Equity increased by €31.8 million, of which €70.2 million corresponds to the net profit for the year, less €39.2 million in dividends, part of which was paid in cash (out of a total dividend of €60.5 million).

Gross financial debt totalled €601.3 million, an increase of €84.0 million. At 31 March 2009, €370 million of the €500 million syndicated loan had been drawn down. Rémy Cointreau also had confirmed credit facilities of €120 million, of which €30 million was used at end March 2009. Ratio A, on which the availability and margin applicable to the syndicated loan is based, was 2.99, a level which is markedly lower than the 3.50 limit set by the contract.

## 4.2 SHARE BUYBACK PROGRAMME

### INFORMATION ON TRANSACTIONS CARRIED OUT AS PART OF THE SHARE BUYBACK PROGRAMME IN OPERATION DURING THE PERIOD 1 APRIL 2008 TO 31 MARCH 2009

In application of the provisions of Article L. 225-211 of the Commercial Code, the object of this section is to inform the General Meeting of the share purchases that have been made between 1 April 2008 and 31 March 2009 within the share buyback programme authorised by the General Meetings of 31 July 2007 and 16 September 2008.

Between 1 April 2008 and 31 March 2009, the Company acquired 356,018 shares and sold 237,018 shares. It also transferred 20,500 shares over the same period to serve share purchase options.

These transactions were carried out:

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

The Company, acting through an investment services provider, acquired 323,018 of its own shares during the year at an average weighted price of €31.31 per share.

The Company, acting through an investment services provider, sold 237,018 of its own shares during the year at an average weighted price of €35.18 per share.

2) As part of a contract for sale with a repurchase agreement signed on 24 March 2005 between the Company and Barclays Capital, the Company repurchased 33,000 shares on 30 May and 22 December 2008 and 12 February 2009. 20,500 shares were used to serve share purchase options.

The table below summarises the final position of transactions carried out in the period 1 April 2008 to 31 March 2009:

Percentage of treasury shares held directly or indirectly		0.00%
Number of securities held at the start of the programme		4,705
		<b>Average price</b>
Number of securities purchased since the start of the programme:		
- as part of the liquidity contract:	323,018	€31.31
- as part of the exercise of the resolutive clause	33,000	
Number of securities sold since the start of the programme as part of a liquidity contract:	237,018	€35.18
Number of securities transferred since the start of the programme:	20,500	
Number of securities cancelled since the start of the programme:	0	
Number of securities held at 31 March 2009:		
- as part of the liquidity contract	86,000	
- as part of the exercise of the resolutive clause	17,205	
Book value of portfolio:	€2,309,083	
Market value of portfolio:	€2,079,243	

#### TRANSACTIONS CARRIED OUT BY THE COMPANY DURING THE YEAR

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

Date of transaction	Purchase/Sale	Number of shares	Transaction price	Total (€)	Underlying derivative transactions
05/30//08	Resolutive clause	15,000	27.67	415,050	Exercise of the resolutive clause included in the contract for the share sale concluded on 03/24/2005 See declaration posted online on 06/04/2008
12/22/08	Resolutive clause	8,000	28.07	224,560	See declaration posted online on 12/23/2008
02/12/09	Resolutive clause	10,000	28.07	280,700	See declaration posted online on 02/19/2008

#### Outstanding derivative products

Date of transaction	Purchase/Sale	Purchase/future options	Maturity	Exercise price (€)	Premium	Organised markets/principal to principal	Comments
03/24/05	Resolutive clause		09/15/13	27.67			194,000 securities remaining
03/24/05	Clause résolutoire		12/23/14	28.07			19,503 securities remaining
03/24/05	Purchase	Purchase options	12/23/14	28.07	10.25	Principal to principal	224,497 securities

- As part of the sales contract with a repurchase agreement concluded on 24 March 2005, the Company has the right to repurchase 213,503 securities and purchase options for 224,497 securities to finally cover 438,000 options. At 31 March 2009, the Company held 17,205 shares to serve the exercise of share purchase options.
- As part of a liquidity contract, the Company held 86,000 shares at 31 March 2009 and 2,500 shares at 31 May 2009.
- No treasury shares are held indirectly by the Company.

#### ANALYSIS OF TREASURY SHARES HELD, BY OBJECTIVE

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

#### DESCRIPTION OF THE PRINCIPAL FEATURES OF THE BUYBACK PROGRAMME SUBMITTED FOR APPROVAL BY THE GENERAL MEETING OF 28 JULY 2009 AS PART OF THE TENTH RESOLUTION

- Securities concerned: shares issued by Rémy Cointreau SA.
- Maximum to be purchased by the Company: 10% of shares comprising the share capital.
- Maximum number of shares that may be acquired by the Company: 4,195,799 shares may be purchased, taking into account treasury shares, the sale of shares with a repurchase agreement and the purchase of options to purchase shares.
- Maximum unit price: €60.
- Objectives:
  - to provide liquidity or stimulate the secondary market of the Rémy Cointreau share via an

investment services provider, as part of a liquidity contract that conforms to the Ethics Charter recognised by the Autorité des Marchés Financiers;

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

- Duration of the programme: until the General Meeting called to consider the financial statements for the year ended 31 March 2010 and no later than 18 months from 28 July 2009.

#### TRANSACTIONS RESULTING FROM THE EXECUTION OF THE SHARE BUYBACK PROGRAMME AUTHORISED BY THE COMBINED GENERAL MEETING OF 16 SEPTEMBER 2008

Percentage of treasury shares held directly or indirectly	0.00%	
Number of securities held at the start of the programme	7,205/0.015%	
		<b>Average price</b>
Number of securities purchased since the start of the programme:		
- as part of the liquidity contract:	214,401	€25.96
- as part of the exercise of the resolute clause	18,000	-
Number of securities sold since the start of the programme as part of a liquidity contract:	211,901	€26.14
Number of securities transferred since the start of the programme:	8,000	€28.07
Number of securities cancelled since the start of the programme:	0	-
Number of securities held at 30 April 2009:		
- as part of the liquidity contract:	2 500	-
- as part of the exercise of the resolute clause	17 205	-
Book value of portfolio:	€522,463	-
Market value of portfolio:	€545,763	

#### 4.3 COMPOSITION AND HOLDERS OF THE SHARE CAPITAL AT 31 MARCH 2009

At 31 March 2009, after the Board of Directors had noted the various changes that had occurred during the year to the share capital and disclosed in Chapter 2.1 of the current report, the share capital amounted to €75,792,070.40, divided into 47,370,044 shares with a nominal value of €1.60 each.

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

- Orpar held over one third of the share capital and over half the voting rights in your Company at 31 March 2009,
- Récopart held on the same day, over 10% of the share capital and over 15% of the voting rights in your Company, and
- Arnhold and S. Bleichroeder, LLC, held on the same day, over 15% of the share capital and over 10% of the voting rights in your Company.

The employee savings plan represents 0.88% of the share capital of Rémy Cointreau. It is the only form of collective shareholding by Rémy Cointreau employees.

Les fonds d'épargne du personnel représentent 0,88 % du capital de Rémy Cointreau. Il s'agit du seul mode de détention collective du capital pour le personnel de Rémy Cointreau.

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

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

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

percentage, provided by Article 8.2 of the bylaws; there are no byelaw restrictions to share transfers;

- the rules for the appointment and dismissal of members of the Board of Directors are the legal and bylaw rules;
- revisions to the Company's bylaws are carried out in accordance with the law and regulations;
- the various delegations and authorisations granted by the Annual General Meeting to the Board of Directors, notably concerning the issue and repurchase of shares, are disclosed in Chapter 1.2 of the current Annual Report. It should be noted that, in this respect, the authorisations and the delegations of authority and powers granted to the Board of Directors can only be implemented pursuant to Article L. 233-32 of the Commercial Code and in the event that the securities of the Company are targeted by a public offer in the circumstances made applicable by Article L. 233-33 of the Commercial Code; and
- shareholding and distribution agreements entered into with Maxxium Worldwide B.V., which could have ceased if control in the Company changed, as defined in those agreements, were terminated on 30 March 2009.

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

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

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

In accordance with the provisions of Article L.225-184 of the Commercial Code, we inform you that no options to subscribe or purchase Rémy Cointreau shares were granted during the 2008/09 financial year.

#### SHARE SUBSCRIPTION OR PURCHASE PLANS IN EFFECT AT 31 MARCH 2009

	Plan n°7	Plan n°8	Plan n°9	Plan n°10	Plan n°11	Plan n°12	Plan n°13
Date of Extraordinary General Meeting	08/26/98	08/26/98	08/26/98	08/24/00	08/24/00	09/21/01	09/07/04 et 09/21/01
Date of Management Board or Board of Directors' meeting	04/28/99	12/07/99	05/30/00	03/01/01	03/08/02	09/06/03	12/08/04
Total number of options allocated	289,300	499,100	131,280	1,016,600	659,500	287,000	262,000
- of which number of options that can be subscribed to by executives	119,576	127,900	61,960	200,000	275,000	180,000	40,000
- Number of executive beneficiaries	10	10	9	5	5	5	1
Total number of beneficiaries	66	85	28	150	43	25	30
Date options can be exercised	04/28/99	12/07/99	05/30/00	03/01/03	03/08/06	09/16/07	12/24/08
Date options expire	04/27/09	12/06/09	05/29/10	02/28/11	03/07/12	09/15/13	12/23/14
Subscription or share price	12.20	16.36	18.85	27.10	25.00	27.67	28.07
Favourable discount	2.250	3.060	3.530	5.080	0.000	0.000	0.000
Number of options lapsed	4,700	3,400	-	34,000	8,500	27,000	35,000
Number of options subscribed at 31 March 2009	281,338	464,352	113,740	758,810	462,127	82,795	8,000
Remaining balance	3,262	31,348	17,540	223,790	188,873	177,205	219,000

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

Company granting the options	Plan date	Total number of options	Exercise price	Average exercise price
Rémy Cointreau	12/07/1999	5,110	16.36	21.26

It should be noted that Rémy Cointreau SA did not employ any personnel in the 2008/09 financial year.

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

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

Company granting the shares	Date of allocation	Number of share	Date of final allocation	Date shares may be traded
Rémy Cointreau	11/20/2008	53,000	11/20/2010	11/20/2012

**SHARES VESTED DURING THE YEAR TO THE TEN HIGHEST PAID GROUP EMPLOYEES THAT ARE NOT DIRECTORS, WHERE THE NUMBER OF SHARES IS THE GREATEST**

<b>Company granting the shares</b>	<b>Date of allocation</b>	<b>Number of share</b>	<b>Date of final allocation</b>	<b>Date shares may be traded</b>
Rémy Cointreau	10/12/2006	57,500	11/20/2008	11/20/2010

The main features of free share allocations are detailed in the chapter on general information on the share capital. Shares and voting rights held by members of the Board of Directors are disclosed in the chapter on general information on the share capital.

**4.6 MANAGEMENT AND EXECUTIVES' REMUNERATION**

**PRINCIPLES AND RULES GOVERNING MANAGEMENT REMUNERATION**

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

The Committee formulates its recommendations based on all items relating to the overall remuneration of senior executives: basic remuneration, variable annual remuneration, potential granting of shares based on performance and provisions relating to the pension scheme.

The "Nomination and Remuneration" Committee takes into account the remuneration market of companies comparable with Rémy Cointreau, as highlighted by comparative studies carried out by external experts.

It ensures that each item of overall remuneration meets a clear objective that is totally in line with the Company's strategy and interests.

The object of basic remuneration is to show how much the Company values the position and the performance of the incumbent. As for other remuneration items, it is set by taking into account the market to guarantee both its competitiveness and attractiveness.

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

In addition, the Board of Directors, in its meeting of 4 June 2008, 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 the Chief Executive Officer (CEO) departure is instigated by his employer. This compensation is subject to compliance with performance conditions measured by the rate of

achievement, over the past three years, of the CEO's individual annual objectives used as basis for the variable share of his remuneration. If this rate is less than 50%, no compensation shall be paid. If the rate is between 50% and 75%, the compensation is proportional to the value of this rate. Compensation shall be paid in full if the rate exceeds 75%.

In 2008/09, the quantitative objectives were as follows: operating profit, net profit and ROCE (return on capital employed).

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

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

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

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

**EXECUTIVE DIRECTORS' REMUNERATION**

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

**TABLE 1****Summary table of remuneration paid and options and shares granted to each executive director**

Jean-Marie Laborde, Chief Executive Officer	2007/08 FY	2008/09 FY
Remuneration due in respect of the period (specified in Table 2)	878,378	1,239,407
Value of options granted during the financial year (specified in Table 4)	0	0
Value of performance-based shares granted during the financial year (specified in Table 6)	693,409	378,930
<b>Total</b>	<b>1,521,787</b>	<b>1,618,337</b>

**TABLE 2****Summary table of remuneration paid to each executive director**

Jean-Marie Laborde, Chief Executive Officer	Value in respect of the 2007/08 FY		Value in respect of the 2008/09 FY	
	Payable	Paid	Payable	Paid
- Fixed remuneration	542,322	542,322	583,452	583,452
- Variable remuneration	280,000	403,681	650,000	654,077
- Exceptional remuneration	0	0	0	0
- Directors' fees	0	0	0	0
- Benefits in kind - car	6,056	6,056	5,955	5,955
<b>Total</b>	<b>878,378</b>	<b>952,059</b>	<b>1,239,407</b>	<b>1,243,484</b>

**TABLE 3****Directors' Fees**

Board members	Directors' fees paid in year N-1	Directors' fees paid in year N
Dominique Hériard Dubreuil	24,500	24,500
François Hériard Dubreuil	24,500	24,500
Marc Hériard Dubreuil	24,500	24,500
Pierre Cointreau	8,000	-
Patrick Duverger	30,000	30,000
Brian Ivory	30,000	30,000
Jurgen Reimnitz	8,000	-
Guy Le Bail	8,000	-
Xavier Bernat	24,500	24,500
Hakan Mogren	24,000	8,000
Jean Burelle	24,500	24,500
Jacques Etienne de T'Serclaes	16,500	24,500
Gabriel Hawawini	16,500	24,500
Tim Jones	-	16,500
Orpar	16,500	24,500
<b>Total</b>	<b>280,000</b>	<b>280,500</b>

In respect of the 2008/09 financial year, companies controlling Rémy Cointreau paid the following remuneration to:

Dominique Hériard Dubreuil: €206,485, François Hériard Dubreuil: €205,824, Marc Hériard Dubreuil: €205,824. Directors did not benefit from benefits in kind from companies controlled by Rémy Cointreau.

In respect of terms of office held in controlling companies, these three directors received directors' fees of €12,500 each. In respect of terms of office held in controlled companies, Dominique Hériard Dubreuil received directors' fees of €20,000.

In 2007/08, companies controlling Rémy Cointreau paid the following remuneration to: Dominique Hériard Dubreuil: €205,521, François Hériard Dubreuil: €206,101, Marc Hériard Dubreuil: €206,101. The excess discount from the exercise of Rémy Cointreau share options represented a €253,303 payment to Dominique Hériard Dubreuil. Directors did not benefit from benefits in kind from companies controlled by Rémy Cointreau.

In respect of terms of office held in controlling companies, these three directors received directors' fees of €12,500 each. In respect of terms of office held in controlled companies, Dominique Hériard Dubreuil received directors' fees of €25,000.



TABLE 4

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

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

TABLE 5

## Options exercised by executive directors during the financial year

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

TABLE 6

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

Performance-based shares granted during the 2007/08 financial year by Rémy Cointreau	Plan date	Number of shares granted during the financial year	Value of shares based on method used in consolidated financial statements	Final allocation date	Date shares may be traded
Jean Marie Laborde	11/20/2008	17,000	378,930	11/20/2010	11/20/2012

TABLE 7

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

Performance-based shares that became available to executive directors	Plan date	Number of shares that became available during the financial year	Acquisition conditions	Allocation date
Jean-Marie Laborde	01/12/06	20,000	The main acquisition terms and conditions are specified in the chapter on general information on the share capital	11/20/08

## 4.7 OTHER

## INFORMATION ON TRANSACTIONS WITH MEMBERS OF GOVERNANCE BODIES

See the Statutory Auditors' Special Report for the financial year ended 31 March 2009 for regulated agreements concluded during previous financial years, whose execution was continued during the financial year.

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

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

None.

## 5. RÉMY COINTREAU SA FINANCIAL STATEMENTS

### 5.1 BALANCE SHEET

AS AT 31 MARCH, IN MILLIONS OF EUROS

<b>ASSETS</b>	<b>notes</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Intangible fixed assets		32.4	32.4	32.4
Tangible fixed assets		-	-	-
Equity investments		1,766.4	1,640.9	1,394.1
Receivables relating to equity investments		-	-	2.9
Other long-term investments		-	-	-
Loans		-	-	-
Other financial assets		3.1	2.9	3.4
<b>Total fixed assets</b>	<b>2.1/2.2</b>	<b>1,801.9</b>	<b>1,676.2</b>	<b>1,432.8</b>
Other receivables	2.3	30.7	20.1	609.7
Marketable securities		-	-	-
Cash		0.2	1.5	-
<b>Total current assets</b>		<b>30.9</b>	<b>21.6</b>	<b>609.7</b>
Prepaid expenses		0.1	-	1.4
Deferred charges	2.4	1.7	2.5	6.4
Unrealised translation losses		-	-	-
<b>Total assets</b>		<b>1,834.6</b>	<b>1,700.3</b>	<b>2,050.3</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>notes</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Share capital		75.8	74.5	73.6
Share issue, merger and transfer premium		685.5	664.5	650.2
Legal reserve		7.4	7.4	7.3
Regulated reserves		-	-	-
Other reserves		-	-	-
Retained earnings		204.1	157.9	37.7
Net profit for the year		70.2	106.9	175.6
Regulated provisions		-	-	-
<b>Shareholders' equity</b>	<b>2.5</b>	<b>1,043.0</b>	<b>1,011.2</b>	<b>944.4</b>
Convertible bonds		-	-	-
Provisions for liabilities and charges	2.9	2.2	4.6	5.7
Other bonds	2.6	194.5	196.9	386.6
Other borrowings	2.7	0.6	100.8	417.2
Borrowings and amounts due to financial institutions	2.7	406.2	219.6	134.4
<b>Borrowings</b>		<b>601.3</b>	<b>517.3</b>	<b>938.2</b>
Trade payables		0.1	0.1	0.1
Tax and social security liabilities		0.5	-	0.1
Amounts due to fixed asset suppliers		-	-	-
Other operating liabilities		187.5	167.1	161.8
<b>Operating liabilities</b>		<b>188.1</b>	<b>167.2</b>	<b>162.0</b>
Deferred income		-	-	-
Unrealised translation gains		-	-	-
<b>Total liabilities and equity</b>		<b>1,834.6</b>	<b>1,700.3</b>	<b>2,050.3</b>

## 5.2 INCOME STATEMENT

AS AT 31 MARCH, IN MILLIONS OF EUROS

	notes	2009	2008	2007
Services provided	3.1	15.8	15.6	16.1
Depreciation, amortisation and provisions written back, charges transferred		-	0.2	1.7
Other income		-	0.1	0.2
<b>Total operating income</b>		<b>15.8</b>	<b>15.9</b>	<b>18.0</b>
Purchases and external costs		21.0	23.0	21.0
Taxes and duties		0.1	0.1	0.1
Wages and salaries		-	-	-
Social security charges		-	-	-
Charges for depreciation and amortisation of fixed assets		0.8	4.0	1.8
Charges to provisions for liabilities and charges		-	-	-
Other expenses		0.3	0.3	0.3
<b>Total operating expenses</b>		<b>22.2</b>	<b>27.4</b>	<b>23.2</b>
<b>Operating profit (loss)</b>		<b>(6.4)</b>	<b>(11.5)</b>	<b>(5.2)</b>
Financial income from equity investments		60.4	139.1	95.1
Income from investment securities and equity investments		0.7	2.5	0.2
Other interest income		3.0	5.1	9.9
Provisions written back and charges transferred		0.4	0.1	1.6
Exchange gains		-	0.1	-
Net gains on disposals of marketable securities		0.2	0.2	0.2
<b>Total financial income</b>		<b>64.7</b>	<b>147.1</b>	<b>107.0</b>
Charges for writedowns and provisions		0.3	-	1.9
Interest and similar expenses		30.4	37.8	33.7
Exchange losses		-	0.4	0.6
Net losses on disposals of marketable securities		-	0.3	-
<b>Total financial expenses</b>		<b>30.7</b>	<b>38.5</b>	<b>36.2</b>
<b>Net financial income</b>	<b>3.2</b>	<b>34.0</b>	<b>108.6</b>	<b>70.8</b>
<b>Profit on ordinary activities before tax</b>		<b>27.6</b>	<b>97.1</b>	<b>65.6</b>
Exceptional income on revenue transactions		0.5	0.3	-
Exceptional income on capital transactions		-	16.0	593.8
Exceptional provisions written back and charges transferred		2.0	0.7	127.7
<b>Total exceptional income</b>		<b>2.5</b>	<b>17.0</b>	<b>721.5</b>
Exceptional expense on revenue transactions		1.1	0.7	8.1
Exceptional expense on capital transactions		-	19.2	601.0
Exceptional depreciation, amortisation and provisions		-	-	2.2
<b>Total exceptional expenses</b>		<b>1.1</b>	<b>19.9</b>	<b>611.3</b>
<b>Net exceptional income (expense)</b>	<b>3.3</b>	<b>1.4</b>	<b>(2.9)</b>	<b>110.2</b>
Income tax	3.4	(41.2)	(12.7)	0.2
<b>Net profit</b>		<b>70.2</b>	<b>106.9</b>	<b>175.6</b>

## 5.3 CASH FLOW STATEMENT

AS AT 31 MARCH, IN MILLIONS OF EUROS

	2009	2008	2007
Net profit	70.2	106.9	175.6
<b>Depreciation, amortisation and provisions</b>	<b>1.1</b>	<b>4.0</b>	<b>6.0</b>
Operating	-	-	-
Financial	0.3	-	1.9
Exceptional	-	-	2.3
Deferred charges	0.8	4.0	1.8
<b>Depreciation, amortisation and provisions written back</b>	<b>(2.4)</b>	<b>(1.1)</b>	<b>(130.6)</b>
Operating	-	(0.2)	(1.4)
Financial	(0.3)	(0.1)	(1.5)
Exceptional	(2.1)	(0.8)	(127.7)
<b>(Gains) losses on disposals</b>	<b>-</b>	<b>3.1</b>	<b>7.3</b>
Sale proceeds	-	(16.0)	(593.7)
Net book value of assets sold	-	19.1	601.0
<b>= Operating cash flow</b>	<b>68.9</b>	<b>112.9</b>	<b>58.3</b>
<b>A - Ressources</b>			
Operating cash flow	68.9	112.9	58.3
Disposals of intangible fixed assets	-	-	-
Disposals of tangible fixed assets	-	-	-
Disposals or reductions in financial assets	9.5	16.0	593.7
Reduction in receivables relating to equity investments	1.7	4.0	4.1
Capital increase and share premium	0.8	8.0	11.5
Long- and medium-term borrowings	240.0	100.0	133.3
<b>Total</b>	<b>320,9</b>	<b>240,9</b>	<b>800,9</b>
<b>B - Uses</b>			
Dividends	39.2	48.2	50.0
Acquisitions of fixed assets:	135.0	266.0	567.1
- Intangible fixed assets	-	-	-
- Tangible fixed assets	-	-	-
- Financial assets	135.0	266.0	567.1
Increase in receivables relating to equity investments	2.2	0.6	0.5
Repayment of borrowings	2.3	186.6	334.9
Deferred charges	-	-	-
Bond redemption premiums	-	-	-
Reduction in shareholders' equity	-	-	3.2
<b>Total</b>	<b>178.7</b>	<b>501.4</b>	<b>955.7</b>
<b>A - B = Change in working capital</b>	<b>142.2</b>	<b>(260.5)</b>	<b>(154.8)</b>
<b>Analysis of change in working capital</b>			
Increase/decrease in trade payables	-	-	-
Increase/decrease in advance payments on orders	-	-	-
Increase/decrease in other current assets/liabilities, including bank overdrafts	142.2	(260.5)	(154.8)
<b>Total</b>	<b>142.2</b>	<b>(260.5)</b>	<b>(154.8)</b>

## 5.4 FIVE-YEAR FINANCIAL SUMMARY

AS AT 31 MARCH, IN MILLIONS OF EUROS

	2005	2006	2007	2008	2009
<b>1. Share capital at year end</b>					
Share capital	72.1	72.8	73.6	74.5	75.8
Number of shares in issue	45,052,661	45,506,144	45,999,802	46,558,793	47,370,044
Maximum number of shares to be created through the conversion of bonds	6,863,723	6,831,429	-	-	-
<b>2. Operations and results for the year</b>					
Services provided	15.2	15.7	16.1	15.6	15.8
Profit before tax, depreciation, amortisation and provisions	54.1	51.5	51.1	97.2	27.8
income tax	-	-	0.2	12.7	41.2
Profit after tax depreciation, amortisation and provisions	(23.4)	59.9	175.6	106.9	70.2
Dividends	45.6	50.1	55.2	60.5	61.6
<b>3. Earnings per share (€)</b>					
Profit after tax, but before depreciation, amortisation and provisions	1.2	1.1	1.1	2.0	0.6
Net profit (loss)	(0.5)	1.3	3.8	2.3	1.5
Net dividend per share	1.0	1.1	1.2	1.3	1.3
<b>4. Employees</b>					
Number of employees	-	-	-	-	-
Total payroll	-	-	-	-	-
Staff benefits (social security and other benefits)	-	-	-	-	-
Profit sharing (included in total payroll)	-	-	-	-	-

(1) Subject to approval at the AGM. - A dividend of €1.30 per share will be proposed, with the option of a 50% payment in Company shares.

## 5.5 NOTES TO THE FINANCIAL STATEMENTS

Page

117	1	ACCOUNTING PRINCIPLES AND VALUATION METHODS
117	2	NOTES TO THE BALANCE SHEET
117	2.1	Fixed assets
117	2.2	Amortisation, depreciation and provisions
118	2.3	Maturity analysis of receivables
118	2.4	Maturity analysis of deferred charges
118	2.5	Shareholders' equity
119	2.6	Other bonds
120	2.7	Other borrowings
121	2.8	Maturity analysis of debt
121	2.9	Provisions
121	2.10	Deferred income
121	2.11	Accrued expenses
122	3	NOTES TO THE INCOME STATEMENT
122	3.1	Analysis of services provided
122	3.2	Financial income from equity investments
122	3.3	Exceptional income and expense
122	3.4	Income tax
122	3.5	Tax group
123	4	OTHER INFORMATION
123	4.1	Related party transactions
123	4.2	Off-balance sheet commitments
124	4.3	Sale of treasury shares
124	4.4	Coverage of stock option plans
124	5	POST-BALANCE SHEET EVENTS
126	6	LIST OF SUBSIDIARIES AND EQUITY INVESTMENTS AT 31 MARCH 2009

# 1. ACCOUNTING PRINCIPLES AND VALUATION METHODS

The financial statements have been prepared in accordance with the provisions of the French Commercial Code and French Accounting Regulatory Commission (CRC) standard 99-03 of 29 April 1999 relating to the revised French chart of accounts.

The main accounting principles and valuation methods used are as follows:

- a. Investments are recorded at acquisition cost or transfer value less, where applicable, any provisions required to bring them to their fair value. Fair value is determined using a number of criteria, including notably net assets, unrealised capital gains and future earnings potential.
- b. Receivables and liabilities are recorded at nominal value. Any such items that are denominated in foreign currency are translated at the closing rate for the year. Where applicable, a provision for doubtful debts is recorded on receivables to cover the risk of any non-collection.
- c. The difference arising from the valuation of foreign currency denominated receivables and liabilities, using the closing rate, is taken to the balance sheet as an unrealised foreign currency translation gain or loss.
- d. Interest rate hedging instruments are recorded in off-balance sheet commitments.

## 2. NOTES TO THE BALANCE SHEET

### 2.1 FIXED ASSETS

(€ millions)	Cost brought forward	Increase	Decrease	Cost carried forward
Intangible fixed assets	32.4	-	-	32.4
Equity investments	1,643.0	135.0	9.5	1,768.5
Others	2.9	2.2	1.7	3.4
<b>Total</b>	<b>1,678.3</b>	<b>137.2</b>	<b>11.2</b>	<b>1,804.3</b>

The business goodwill recorded as an asset on the balance sheet arises from the merger with RC Pavis and has no legal protection.

“Equity investments include investments in companies that are fully consolidated in Rémy Cointreau’s consolidated financial statements for €1,764.3 million. The increase is due to the subscription to the share capital increase of the Rémy Cointreau Services SAS subsidiary. The decrease was due to the reduction in the share capital of Tequisco.

“Others” include a balance of €2.9 million held as part of a liquidity contract entered into with a financial institution. The organiser’s sole objective is to promote the liquidity of the Company’s shares and the regularity of their listings on the market. At the year end, 86,000 Company shares were held in connection with this agreement, for a gross value of €1.8 million (net: €1.5 million). The cash balance on this account at the year end was placed in a money market instrument with a value of €1.1 million.

Lastly, in connection with its obligation to cover the stock options granted to certain employees, during the year the Company bought back some of its own shares that it had sold under the March 2005 sales and repurchase agreement. At the end of the year, the value of the 17,205 of such shares held by the Company was €0.5 million.

### 2.2 AMORTISATION, DEPRECIATION AND PROVISIONS

(€ millions)	Opening balance	Increase	Decrease	Closing balance
Equity investments	2.1	-	-	2.1
Others	-	0.3	-	0.3
<b>Total</b>	<b>2.1</b>	<b>0.3</b>	<b>-</b>	<b>2.4</b>

## 2.3 MATURITY ANALYSIS OF RECEIVABLES

(€ millions)	Gross	Less than 1 year	More than 1 year
Fixed assets			
Receivables relating to equity investments	-	-	-
Other financial assets	3.4	3.4	-
Current assets			
Other receivables	30.7	30.7	-
Prepaid expenses	-	-	-
<b>Total</b>	<b>34.1</b>	<b>34.1</b>	<b>-</b>

“Other receivables” primarily include the current account balance with Rémy Cointreau Group’s financing company.

## 2.4 MATURITY ANALYSIS OF DEFERRED CHARGES

(€ millions)	Gross	Less than 1 year	More than 1 year
Borrowing issue costs	1.7	0.8	0.9
<b>Total</b>	<b>1.7</b>	<b>0.8</b>	<b>0.9</b>

The costs are amortised over the term of the borrowings.

## 2.5 SHAREHOLDERS' EQUITY

### 2.5.1 BREAKDOWN OF SHARE CAPITAL

Share capital comprises 47,370,044 fully paid-up shares with a nominal value of €1.60 per share.

During the year, 811,251 new shares were issued in respect of the following operations:

- dividend payments entitling shareholders to subscribe to 673,843 new shares;
- exercises of subscription options entitling holders to 47,908 new shares; and
- allocation of free shares via the issue of 89,500 Company shares as a deduction from reserves

### 2.5.2 CHANGE IN SHAREHOLDERS' EQUITY

	Number of shares	Share capital	Share issue and merger premiums	Legal reserve	Retained earnings	Net profit	Total
<b>At 31 March 2007</b>	<b>45,999,802</b>	<b>73.6</b>	<b>650.2</b>	<b>7.3</b>	<b>37.7</b>	<b>175.6</b>	<b>944.4</b>
Earnings appropriation	-	-	-	0.1	175.5	(175.6)	-
Net profit	-	-	-	-	-	106.9	106.9
Exercise of options	328,252	0.5	7.5	-	-	-	8.0
Dividends (part payment in shares)	142,739	0.2	6.8	-	(55.2)	-	(48.2)
Allocation of 2005 free share plan	88,000	0.2	-	-	(0.2)	-	-
<b>At 31 March 2008</b>	<b>46,558,793</b>	<b>74.5</b>	<b>664.5</b>	<b>7.4</b>	<b>157.9</b>	<b>106.9</b>	<b>1,011.2</b>
Earnings appropriation	-	-	-	-	106.9	(106.9)	-
Net profit	-	-	-	-	-	70.2	70.2
Exercise of options	47,908	0.1	0.8	-	-	-	0.9
Dividends (part payment in shares)	673,843	1.1	20.2	-	(60.5)	-	(39.2)
Allocation of 2006 free share plan	89,500	0.1	-	-	(0.1)	-	-
<b>At 31 March 2009</b>	<b>47,370,044</b>	<b>75.8</b>	<b>685.5</b>	<b>7.4</b>	<b>204.1</b>	<b>70.2</b>	<b>1,043.0</b>

### 2.5.3 STOCK OPTIONS AND SIMILAR SCHEMES

Detailed information relating to these plans is provided in the Management Report.



## STOCK OPTION PLANS

These plans were granted under the authorisations given by the shareholders' Extraordinary General Meetings held on 26 August 1998 (Plans 7, 8 and 9), 24 August 2000 (Plans 10 and 11), 21 September 2001 (Plans 11 and 12) and 7 September 2004 (Plan 13).

Exercise start date	Plan n°	Term	Type <sup>(1)</sup>	Options granted	Exercise price in euros	Lapsed options	Options exercised at 31 March 2008	Options exercised during the year	Average exercise price	Outstanding options at 31 March 2009
28 April 1999	7	10 years	S	289,300	12.2	4,700	259,325	22,013	19.68	3,262
7 December 1999	8	10 years	S	499,100	16.36	3,400	452,717	11,635	25.32	31,348
30 May 2000	9	10 years	S	131,280	18.85	-	113,740	-	-	17,540
1 March 2003	10	8 years	S	1,016,600	27.1	34,000	749,810	9,000	30.02	223,790
8 March 2006	11	6 years	S	659,500	25.00	8,500	456,867	5,260	30.96	188,873
16 September 2007	12	6 years	P	287,000	27.67	27,000	70,295	12,500	38.50	177,205
24 December 2008	13	6 years	P	262,000	28.07	35,000	-	8,000	29.77	219,000
<b>Total</b>				<b>3,144,780</b>		<b>112,600</b>	<b>2,102,754</b>	<b>68,408</b>	<b>27.48</b>	<b>861,018</b>

(1) S = Subscription, P = Purchase

Plan Nos.12 and 13 are hedged (see Note 4.4).

## FREE SHARE ISSUES

Grant date <sup>(1)</sup>	Plan n°	Vesting period	Minimum retention period	Original number of options granted	Share price on the grant date	Options caduques	Options attribuées à l'issue de la période d'acquisition	Options en vie au 31 mars 2009
12 October 2006	2006	2 years	2 years	97,000	40.41	7,500	89,500	-
20 November 2007	2007	2 years	2 years	91,100	50.47	2,000	n/a	89,100
20 November 2008	2008	2 years	2 years	89,900	24.89	-	n/a	89,900
<b>Total</b>				<b>278,000</b>		<b>9,500</b>	<b>89,500</b>	<b>179,000</b>

(1) The grant date is the date on which the Board of Directors elected to grant these plans.

For these three plans, the Board of Directors determined that the following acquisition terms would apply:

- 60% of the shares are granted on the condition that the beneficiary is still employed by the Group at the end of the vesting period;
- 40% of the shares are granted on the condition that the beneficiary is still employed by the Group at the end of the vesting period and that Group has achieved the performance criteria as measured at the end of the financial year preceding the end of the vesting period. These criteria concern the current operating profit to turnover and capital employed ratio, measured on a like-for-like basis.

The 2006 and 2007 plans were granted under the authorisation given by the Combined General Meeting of 28 July 2005. In respect of the 2008 plan, the authorisation was granted by the Combined General Meeting 16 September 2008.

The shares granted at the end of the vesting period for the 2006 plan resulted in the creation of 89,500 new shares as a deduction against reserves. This plan was granted in full (with the exception of 7,500 shares that lapsed due to the departure of beneficiaries), since the performance criteria, based on the results of the financial year ending at 31 March 2008, had been met.

## 2.6 OTHER BONDS

(€ millions)	2009	2008	2007
€175 million bond issue	-	-	175.0
€200 million bond issue	192.4	192.4	200.0
Centaure bonds	-	2.3	6.3
<b>Total nominal value</b>	<b>192.4</b>	<b>194.7</b>	<b>381.3</b>
Accrued interest	2.1	2.2	5.3
<b>Total</b>	<b>194.5</b>	<b>196.9</b>	<b>386.6</b>

At 31 March 2009, Rémy Cointreau's financial debt only included the bonds issued on 15 January 2005, bearing interest at 5.2% the par value of which was initially €200 million (200,000 bonds of a par value of €1,000 each), was reduced to €192.4 million in June 2007 following the early redemption of 7,632 bonds.

This 7-year bond is redeemable at par on maturity and bears interest at 5.2%, payable every six months.

This bond is not secured.

The issue carries a number of clauses for early redemption at the issuer's option as follows:

- before 15 January 2008, in the event of a capital increase, whether for the general public or privately placed, redemption at 105.2% on a proportional basis of up to 35% of the total par value of the bonds issued,
- at any time before 15 January 2009, redemption at par plus a premium equal to the higher of the following two amounts:
  - 1% of the principal amount redeemed,
  - an amount equal to the difference between: (A) the present value on the redemption date at 102.6% plus interest calculated over the period from the redemption date to 15 January 2009, and (B) the principal amount of the bond. The discount rate used is the Bund interest rate on the redemption date plus 50 basis points;
- from 15 January 2009, under any circumstances, redemption of all or part of the bonds at 102.6% up to 15 January 2010 exclusive, at 101.3% from 15 January 2010 to 15 January 2011 exclusive, and at par from 15 January 2011;
- the bond issue contract also entitles every bearer to request redemption of the bonds held at 101% in the event of:
  - the sale or transfer of all or a substantial part of Rémy Cointreau's assets,
  - approval by the shareholders of a liquidation or voluntary winding up plan for the issuer, or
  - ORPAR and RECOPART together holding less than one third of the voting rights in the issuer and another person or group obtaining more than one third of the voting rights in the issuer, or ORPAR and RECOPART being unable to appoint the majority of the Board of Directors for two consecutive years,
- at any time at par, but in full, in the event of a material change in the tax regime applicable to payments made by the issuer on the bonds subsequent to the issue date.

In the event of the sale of assets and in the absence of the sale proceeds being used for authorised operations, Rémy Cointreau must, within 365 days starting from the date of receipt of the sale proceeds, offer early redemption of the issue up to the amount of the sale proceeds. Furthermore, the agreement contains certain conventions that may limit the maximum dividend payout in the event of a loss.

## 2.7 OTHER BORROWINGS

Other borrowings primarily include transactions with subsidiaries of the Rémy Cointreau Group.

Borrowings and liabilities with financial institutions may be analysed as follows:

(€ millions)	2009	2008	2007
Drawdowns on syndicated bank line	370.0	130.0	30.0
Drawdowns other confirmed credit lines	30.0	-	-
Drawdowns on unconfirmed credit lines	-	88.9	103.3
Overdrafts	-	-	0.9
<b>Total nominal value</b>	<b>400.0</b>	<b>218.9</b>	<b>134.2</b>
Accrued interest	6.2	0.7	0.2
<b>Total</b>	<b>406.2</b>	<b>219.6</b>	<b>134.4</b>

### BANK SYNDICATE

At 31 March 2009, Rémy Cointreau had access to a €500 million syndicated loan entered into on 7 June 2005. The agreement provides for a revolving credit facility of €500 million, of which €466 million expires on 7 June 2012 and €34 million on 7 June 2010.

Amounts drawn down bear interest at EURIBOR plus a margin fixed at the outset at 0.675% per annum that may vary as shown in the following table based on the average debt/EBITDA ratio (ratio A).

Ratio A	Applicable margin
A > 4.25	0.875%
3.75 < A < 4.25	0.675%
3.25 < A < 3.75	0.525%
2.75 < A < 3.25	0.425%
A < 2.75	0.325%

The commitment fee on the undrawn portion of the borrowing is 37.5% of the margin applicable if A > 3.75 and 35% if A < 3.75.

This facility is not subject to any security.

Under this agreement, Rémy Cointreau undertakes to comply with the following financial ratios calculated at 30 September and 31 March each year:

Period	Ratio A
From date of signing to 30/09/2006	Ratio A < 4.50
From 01/10/2006 to 30/09/2007	Ratio A < 4.00
From 01/10/2007 to 30/09/2008	Ratio A < 3.75
From 01/10/2008 to maturity	Ratio A < 3.50

At 31 March 2009, Ratio A stood at 2.54 (2008: 2.54; 2007: 3.28).

## OTHER CONFIRMED LINES

During the financial year ending 31 March 2009, the Group negotiated confirmed credit lines, in addition to the syndicated loan, for a total amount of €120 million. These lines have the following features:

Value (€ millions)	Term	Index	Margin	Commitment fee
30.0	31 December 2009	EURIBOR	0.350%	0.300%
40.0	31 March 2010	EONIA	0.350%	0.200%
20.0	30 April 2010	EURIBOR	0.400%	0.600%
30.0	9 July 2010	EURIBOR	0.250%	0.250%

## 2.8 MATURITY ANALYSIS OF DEBT

(€ millions)	Gross	Less than 1 year	1 to 5 years	More than 5 years
Other bonds	194.5	2.1	192.4	-
Borrowings and amounts due to financial institutions	406.2	6.2	400.0	-
Other borrowings	0.6	0.6	-	-
Trade payables	0.1	0.1	-	-
Tax and social security liabilities	0.5	0.5	-	-
Other	187.5	187.5	-	-
<b>Total</b>	<b>789.4</b>	<b>197.0</b>	<b>592.4</b>	<b>-</b>

## 2.9 PROVISIONS

(€ millions)	Regulated provisions	Provisions for liabilities and charges	Provisions for depreciation	Total
Opening balance	-	4.6	2.1	6.7
Charges	-	-	0.3	0.3
Write-backs	-	(2.4)	-	(2.4)
<b>Closing balance</b>	<b>-</b>	<b>2.2</b>	<b>2.4</b>	<b>4.6</b>

	Charges	Write-backs
- operating	-	-
- financial	0.3	0.4
- exceptional	-	2.0
- income tax	-	-
<b>Total</b>	<b>0.3</b>	<b>2.4</b>

Write-backs of provisions for liabilities and charges correspond mainly to provisions for restructuring and tax risks as a result of the settlement and reduction of related charges during the year.

## 2.10 DEFERRED INCOME

There was no deferred income at 31 March 2009.

## 2.11 ACCRUED EXPENSES

(€ millions)	2009
Other bonds	2.1
Borrowings and amounts due to financial institutions	6.1
Other borrowings	-
Trade payables	0.1
Tax and social security liabilities	-
Other	0.2
<b>Total</b>	<b>8.5</b>

## 3. NOTES TO THE INCOME STATEMENT

### 3.1 ANALYSIS OF SERVICES PROVIDED

Services provided totalled €15.8 million and essentially comprised services rendered to all Rémy Cointreau Group subsidiaries and sub-subsidiaries, including €15.0 million to French companies and €0.8 million to foreign companies.

### 3.2 FINANCIAL INCOME FROM EQUITY INVESTMENTS

Financial income from equity investments came to €60.4 million and related to dividends received from subsidiaries.

### 3.3 EXCEPTIONAL INCOME AND EXPENSE

(€ millions)	2009
“Waiver” fee on syndicated loan	(1.1)
Tax relief and reversal of tax provision	2.5
<b>Total</b>	<b>1.4</b>

A €1.1 million waiver fee was paid to the banks of the syndicated loan, since certain final conditions of the Group’s exit from Maxxium BV were liable to contravene certain provisions of the contract.

### 3.4 INCOME TAX

#### A) Income tax analysis

en M€	Profit before tax	Income tax	Net profit
Profit on ordinary activities	27.6	-	27.6
Net exceptional income	1.4	41.2	42.6
Net profit	29.0	41.2	70.2

The above tax income corresponds to the tax saving generated under the group tax regime, as the parent company, for €5.5 million, and to the collection of the receivable corresponding to the balance of the Group’s carry back tax loss, for €35.7 million.

#### B) Change in tax losses

(€ millions)	Base	Tax rate	Tax amount
Loss for the year	(30.6)	-	-
Deferred amortisation and depreciation	-	-	-
Losses carried forward	(30.6)	-	-
Unutilised losses carried forward	(354.1)	-	-

The loss for the year arises mainly from the deduction for tax purpose of dividends received from subsidiaries and write-backs of provisions previously not deductible for tax purposes.

#### C) Increase and reduction in future tax liability

(€ millions)	Base	Tax rate	Tax amount
Reductions	-	-	-
Non-deductible provisions at 31 March 2009	0.3	34.4	0.1

### 3.5 TAX GROUP

Rémy Cointreau elected to form a tax grouping with effect from 1 April 1993 for Group companies as provided for in Article 223A of the French General Tax Code.

The tax allocation agreement stipulates that the tax charge is borne by the companies within the tax grouping as if no such grouping existed, after applying any tax losses brought forward.

The following companies are included in the tax grouping:

Rémy Martin, Izarra, Cointreau, Piper Heidsieck C.C., Champagnes P&C Heidsieck, Champagne F. Bonnet, Safec, Grands Vignobles de la Marne, Grands Vignobles de l’Aube, Rémy Cointreau Services SAS, Tequisco, CLS Rémy Cointreau, Société Nouvelle des Domaines Rémy Martin and SFAV de Commetreuil.

## 4. OTHER INFORMATION

### 4.1 RELATED PARTY TRANSACTIONS

(€ millions)

	Amounts concerning Related parties	Equity investments
<b>Receivables:</b>		
Other receivables	28.3	
<b>Liabilities:</b>		
Other liabilities	27.2	
<b>Financial income:</b>		
Income from equity investments	60.3	
Interest	0.8	
<b>Financial expense:</b>		
Interest	2.4	
Operating income	15.6	
Operating expenses	20.2	
Exceptional expenses	-	

### 4.2 OFF-BALANCE SHEET COMMITMENTS

#### A) Financial commitments (€ millions)

At the year-end, the Group's commitments include guarantees granted to Group subsidiaries in relation to various financing facilities, for a total of €18.5 million, as well as interest rate hedging contracts.

Rémy Cointreau manages the risk of an increase in the interest rates on its variable rate financial resources, which primarily bear interest at the EURIBOR rate (1 or 3 months). The Group uses optional instruments (caps). Over the financial year ending 31 March 2009, against a background of declining interest rates, Rémy Cointreau also entered into interest rate swaps. Rémy Cointreau also subscribes to floor contracts, which are allocated to its fixed rate debt.

At 31 March 2009, the Company's interest rate hedging portfolio comprised the following financial derivatives:

(€ millions)	Nominal value	Initial value	Net book value	Market value
<b>Purchases of caps</b>				
Maturing in 2010	200.0	0.5	0.5	-
Maturing in 2011	375.0	1.1	1.1	0.2
	<b>575.0</b>	<b>1.6</b>	<b>1.6</b>	<b>0.2</b>
<b>Purchases of floors</b>				
Maturing in 2010	100.0	0.2	0.1	1.9
Maturing in 2011	50.0	0.1	0.1	1.3
	<b>150.0</b>	<b>0.3</b>	<b>0.2</b>	<b>3.2</b>
<b>Sales of floors</b>				
Maturing in 2010	(100.0)	(1.0)	(0.7)	(1.9)
Maturing in 2011	(50.0)	(1.1)	(1.1)	(1.3)
	<b>(150.0)</b>	<b>(2.1)</b>	<b>(1.8)</b>	<b>(3.2)</b>
<b>Total</b>		<b>(0.2)</b>	<b>-</b>	<b>0.2</b>
<b>Interest rate swaps</b>				
Maturing in 2010	200.0	-		1.6
Maturing in 2011	75.0	-		0.8
Maturing in 2015	25.0	-		-
	<b>300.0</b>	<b>-</b>		<b>2.4</b>

The initial value corresponds to premiums paid or received on entering into contracts. They are amortised pro-rata over the term of the contract, from their effective start date. The net book value thus corresponds to the value after amortisation at year-end. The market value is based on external valuation of the instruments at year-end.

#### B) Contingent liabilities relating to asset disposals

In connection with sale transactions, guarantees in respect of future liabilities are generally granted to the buyers

for defined periods and amounts stipulated in the agreements. Liabilities for tax, excise duties and social security payments that may arise following audits covering periods prior to the sale are generally included until such liabilities lapse under the statute of limitations.

The guarantees granted that had not lapsed at 31 March 2009 are as follows:

<b>Sale transaction</b>	<b>Transaction date</b>	<b>Nature of outstanding guarantee</b>	<b>Maturity amount</b>	<b>Maximum</b>
Lucas Bols (joint guarantee with DELB BV)	11 April 2006	Tax liabilities General guarantees Franchise	11 October 2012	100.0 2.6

#### 4.3 SALE OF TREASURY SHARES

At 31 March 2009, 86,000 shares were held in the liquidity account, valued at €1.8 million. The income of €0.1 million earned on the shares by the manager of the liquidity account during the financial year was recorded in financial income.

#### 4.4 COVERAGE OF STOCK OPTION PLANS

In March 2005, Rémy Cointreau sold 602,430 of its own shares with a repurchase option to meet its commitments to cover stock options granted to certain members of staff (284,000 shares under Plan 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 measure was authorised by the French Financial Markets Authority (AMF) on 8 March 2005. Rémy Cointreau supplemented the coverage of stock option Plan No. 13 by acquiring 224,497 options on its own shares.

Following the repurchases made by the Company in previous financial years, 246,503 shares were outstanding under this contract as at 31 March 2008.

During the year, the Company bought back 15,000 shares to cover the stock options granted under Plan No. 12, of which 12,500 were exercised, and 18,000 shares for the purchase options of Plan No. 13, of which 8,000 were exercised. The Company held the remaining 17,205 shares in treasury at 31 March 2009.

Therefore, the selling with repurchase option contract now has a repurchasing capacity of 213,503 shares. No other movement affected the 224,497 share purchase options over the financial year.

## 5. POST-BALANCE SHEET EVENTS

There are no events that are likely to have a material impact on the financial statements for the year ended 31 March 2009.

## 6. LIST OF SUBSIDIARIES AND EQUITY INVESTMENTS AT 31 MARCH 2009

Company (in thousands of currency or euros)	Currency	Share capital (currency)	Other shareholders' equity (currency)	Share of capital held %	Net book value of capital held (euros)
<b>A) French companies</b>					
Rémy Martin & Cie	EUR	6,725	199,947	100%	381,708
Téquisco	EUR	500	208	100%	500
Cointreau	EUR	4,037	110,153	100%	89,103
Piper Heidsieck C.C.	EUR	32,115	47,998	100%	326,280
Ducs de Gascogne	EUR	1,002	2,065	30%	1,144
Rémy Cointreau Services	EUR	1,035,805	8,244	92%	966,700
Other French subsidiaries	EUR	-	-	-	2,129
<b>Total gross value</b>		-	-	-	<b>1,767,564</b>
<b>B) Foreign companies</b>					
Other foreign subsidiaries	EUR	-	-	-	988
<b>Total gross value</b>		-	-	-	<b>988</b>
<b>Total gross value (A+B)</b>		-	-	-	<b>1,768,552</b>
<b>Total net book value</b>		-	-	-	<b>1,766,421</b>



Provisions for impairment (euros)	Dividends received (euros)	Net turnover for last financial year (currency)	Net profit (currency)	Year-end date	Loans and advances granted (euros)
-	36,041	7,492	65,368	31/03/2009	-
-	3,666	-	153	31/03/2009	-
-	9,840	-	25,837	31/03/2009	-
-	-	-	5,876	31/03/2009	-
-	-	13,159	(6)	31/12/2008	-
-	10,809	-	5,715	31/03/2009	-
2,129	40	-	-	-	-
<b>2,129</b>	<b>60,396</b>	-	-	-	-
2	-	-	-	-	-
2	-	-	-	-	-
<b>2,131</b>	<b>60,396</b>	-	-	-	-
-	-	-	-	-	-

## 5.6 STATUTORY AUDITORS' REPORT ON PARENT COMPANY FINANCIAL STATEMENTS

### YEAR ENDED 31 MARCH 2009

To the Shareholders of Rémy Cointreau,

In performance of the assignment entrusted to us by your General Meetings, we hereby present our report for the year ended 31 March 2009, on:

- the audit of the financial statements of Rémy Cointreau as attached to this report;
- the justification of our assessments; and
- the specific verifications and information required by law.

The financial statements have been approved by your Board of Directors. Our role is to express an opinion on these financial statements on the basis of 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 on whether the financial statements are free of material misstatement. An audit includes examining, on a test basis or by other methods of selection, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the presentation of the overall financial statements.

We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company at 31 March 2009 and the results of its operations for the year ended, in accordance with the accounting rules and principles applicable in France.

### 2. JUSTIFICATION OF ASSESSMENTS

In accordance with the requirements of article L. 823-9 of the Commercial Code relating to the justification of our assessments, we draw the following items to your attention:

Note 1 of the notes to the financial statements details the accounting principles and method relating to the approach used by the Company for tracking 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. We have also assessed the approaches used to determine the provisions established

The assessments were made in the context of our audit of the financial statements, taken as a whole, and therefore contributed to the formation of the opinion expressed in the first part of this report.

### 3. SPECIFIC VERIFICATIONS AND INFORMATION

We also performed the specific verifications required by law.

We have no matters to report regarding:

- the fair presentation and the conformity with the financial statements of the information provided in the Board of Directors' Management Report and in the other documents addressed to the shareholders with respect to the financial position and the financial statements;
- the fair presentation of information given in the Board of Directors' Management Report in respect of remuneration and benefits granted to the relevant directors and any commitments made in their favour in connection with, or subsequent to, their appointment, termination or change in function.

In accordance with French Law, we have ensured that the required information concerning the names of the principal shareholders has been properly disclosed in the Board of Directors' Management Report.

Paris and Neuilly-sur-Seine, 19 June 2009

The Statutory Auditors

Ernst & Young et Autres

Marie-Laure Delarue

Auditeurs & Conseils Associés SA  
Nexia international

Olivier Juramie

# SPECIAL REPORT OF THE STATUTORY AUDITORS

To the Shareholders of Rémy Cointreau,

In our capacity as your Company's Statutory Auditors, we hereby present our report on regulated agreements.

## 1. AGREEMENTS AND COMMITMENTS AUTHORISED DURING THE YEAR

In accordance with Article L. 225-40 of the Commercial Code, we have been advised of agreements and commitments that were subject to prior approval by your Board of Directors.

We are not required to ascertain whether any other contractual agreements exist but to inform you, on the basis of the information provided to us, of the terms and conditions of the agreements we have been made aware of. It is not our role to comment as to whether they are beneficial or appropriate. It is your responsibility, under the terms of article R. 225-31 of the Commercial Code, to evaluate the benefits resulting from these agreements prior to their approval.

We have conducted our work in accordance with French professional standards. These standards require that we perform the necessary procedures to verify that the information provided to us is consistent with the documentation from which it has been extracted.

### 1.1. ASSISTANCE BETWEEN RÉMY COINTREAU SA AND RÉMY COINTREAU BELGIUM, RÉMY COINTREAU CZECH REPUBLIC, RÉMY COINTREAU INTERNATIONAL, SEA METAXA ABE, FINANCIÈRE RÉMY COINTREAU SA/NV, CLS RÉMY COINTREAU, CHAMPAGNES P&C HEIDSIECK AND RÉMY COINTREAU USA

On 26 March 2009, the Board of Directors authorised the conclusion of a number of assistance agreements between Rémy Cointreau SA and some of its subsidiaries. These agreements were concluded on 31 March 2009 for a period of three years with effect from 1 April 2009 and are renewable annually by tacit agreement.

In respect of these agreements, Rémy Cointreau SA provides these companies with assistance in the areas of development strategy, brand positioning and public relations as well as in the financial and commercial areas.

The remuneration for these services is calculated on the basis of costs incurred by Rémy Cointreau SA, increased by 5%. Invoices are issued by Rémy Cointreau SA during the year on the basis of a provisional percentage of forecast turnover of the beneficiaries of these services.

The companies that benefit from these services and the persons concerned by these agreements are as follows:

- Rémy Cointreau Belgium,
- Rémy Cointreau Czech Republic,
- Rémy Cointreau International,
- SEA Metaxa ABE, persons concerned: Mr Jean-Marie Laborde, Chief Executive Officer of Rémy Cointreau SA and member of the Board of Directors of SEA Metaxa ABE.
- Financière Rémy Cointreau SA/NV, persons concerned: Mr Jean-Marie Laborde Chief Executive Officer of Rémy Cointreau SA and representative of Rémy Cointreau Services, Director of Financière Rémy Cointreau SA/NV, Mme Dominique Hériard Dubreuil, Chairman of the Board of Directors of Rémy Cointreau SA and Chairman of E. Rémy Martin, Director of Financière Rémy Cointreau SA/NV.
- CLS Rémy Cointreau,
- Champagnes P&C Heidsieck,
- Rémy Cointreau USA.

### 1.2. CANCELLATION OF THE ASSISTANCE AGREEMENT WITH HERMANN JOERSS

On 26 April 2009, the Board of Directors authorised the cancellation of the assistance agreement concluded with Hermann Joerss on 30 March 2007, by which Rémy Cointreau provided services in the areas of strategic development, brand positioning and public relations as well as in the financial and commercial areas, in addition to other technical expertise.

The cancellation agreement concluded with Hermann Joerss ended the assistance agreement with effect from 1 April 2009.

### 1.3. ASSISTANCE AGREEMENT WITH FINANCIÈRE RÉMY COINTREAU SA/NV

Persons concerned: Mr Jean-Marie Laborde Chief Executive Officer of Rémy Cointreau SA and representing Rémy Cointreau Services, Director of Financière Rémy Cointreau SA/NV.

On 26 March 2009, the Board of Directors authorised the conclusion of a service agreement in respect of foreign exchange management with Financière Rémy Cointreau SA/NV and a number of other subsidiaries of the Rémy Cointreau Group.

Financière Rémy Cointreau SA/NV bears the foreign exchange risk of receivables and payables that are transferred to it and it reinvoices the subsidiaries the gains and losses arising from the transactions that relate to them, as well as remuneration corresponding to the expenses incurred by the management of risks, increased by 5%.

This agreement was signed on 31 March 2009 and took effect from 1 April 2009 for an indefinite period.

#### **1.4. COMMITMENT TO DEFERRED COMPENSATION TO JEAN-MARIE LABORDE**

Person concerned: Mr Jean-Marie Laborde.

On 4 June 2009, the Board of Directors authorised the conclusion of an addendum to the deferred compensation commitment for the benefit of Mr Jean-Marie Laborde, authorised by the Board of Directors on 4 June 2008.

The addendum brings this commitment into line with the recommendations of AFEP - MEDEF of October 2008 concerning the payment of compensation to a person who leaves due to a change in control or strategy.

Payment of this compensation, of a maximum of 18 months gross remuneration, is also subject to the achievement of individual annual objectives pursuant to Article L. 225-42-1 of the Commercial Code.

#### **1.5. COMMITMENT TO DEFINED PENSION PLANS**

Persons concerned: Mme Dominique Hériard Dubreuil, Chairman of the Board of Directors, Mr Jean-Marie Laborde, Chief Executive Officer, and Messrs François and Marc Hériard Dubreuil, Directors

The pension commitments concluded on 2 June 2001 for the benefit of Mme Dominique Hériard Dubreuil, Mr Jean-Marie Laborde and Messrs François and Marc Hériard Dubreuil were not approved prior to their signature, at a time when this was not required by law.

## **2. AGREEMENTS AND COMMITMENTS APPROVED IN PREVIOUS YEARS WHOSE EXECUTION CONTINUED DURING THE YEAR**

In addition, pursuant to the Commercial Code, we have been informed that the execution of the following agreements, approved in previous years, continued during the year.

### **2.1. TREASURY AGREEMENT WITH FINANCIÈRE RÉMY COINTREAU SA/NV**

On 27 March 2007, the Board of Directors authorised the conclusion of a treasury agreement between Financière Rémy Cointreau SA/NV, Rémy Cointreau SA and various other subsidiaries of the Rémy Cointreau Group. This agreement was signed on 23 April 2007 and took effect from 24 April 2007.

Financière Rémy Cointreau SA/NV, the central management company, was entrusted with managing the financial transactions of centralised companies. This consists notably of ensuring the co-ordination of all cash surpluses or shortages of the Group at an international level.

- Fixed term advances made to the central company are remunerated at EURIBOR rates applicable to a loan of comparable maturity.
- Fixed term loans granted by the central company are remunerated at EURIBOR rates applicable to a loan of comparable maturity increased by a margin corresponding to the margin on the syndicated credit granted to the Group by a banking syndicate, and where the margin may be renegotiated.
- Funds made available in the form of daily loans in euros by participating companies to the central company are remunerated at EONIA rates applicable to a loan of comparable maturity.
- Funds made available in the form of daily loans in euros by the central company to participating companies are remunerated at EONIA rates applicable to a loan of comparable maturity increased by a margin corresponding to the margin on the syndicated credit granted to the Group by a banking syndicate, and where the margin may be renegotiated.

Interest is recorded and capitalised monthly on the last day of the month.

At 31 March 2009, the funds made available by Rémy Cointreau SA to Financière Rémy Cointreau SA/NV amounted to €24,863,622.

The net interest received during 2008/09 by Rémy Cointreau SA in respect of advances and loans to Financière Rémy Cointreau SA/NV was €1,575,548.

### **2.2. SERVICE AGREEMENT WITH FINANCIÈRE RÉMY COINTREAU SA/NV**

On 27 March 2007, the Board of Directors authorised the conclusion of a service agreement in respect of foreign exchange management with Financière Rémy Cointreau SA/NV and a number of other subsidiaries of the Rémy Cointreau Group. This agreement was signed on 23 April 2007 and took effect from 24 April 2007.

Under this agreement, the companies of the Rémy Cointreau Group transferred to Financière Rémy Cointreau SA/NV the receivables and payables in foreign currencies that they held with subsidiaries or related companies of the Rémy Cointreau Group or the Dutch company Maxxium Worldwide B.V.

Financière Rémy Cointreau SA/NV assumes the foreign exchange risk and reinvoices the gains and losses that relate to them as well as remuneration corresponding to the expenses incurred by the management of risks, increased by 5%.

Rémy Cointreau SA transferred no receivables or payables to Financière Rémy Cointreau SA/NV during 2008/09 and no invoices were issued in respect of this agreement.

### **2.3. GUARANTEE FOR FINANCIÈRE RÉMY COINTREAU SA/NV**

On 27 March 2007, the Board of Directors authorised the conclusion of a deed of guarantee under which Rémy Cointreau SA assumed joint and several liability for the benefit of Financière Rémy Cointreau SA/NV for all sums due to it by Champagnes P&C Heidsieck, a subsidiary of Rémy Cointreau SA for an indefinite period.

### **2.4. ASSISTANCE AGREEMENT WITH FINANCIÈRE RÉMY COINTREAU SA/NV**

On 27 March 2007, the Board of Directors authorised the conclusion of an assistance agreement with Financière Rémy Cointreau SA/NV. This agreement was signed on 30 March 2007 for a period of three years with effect from 1 April 2007. It is renewable annually by tacit agreement.

Under this agreement, Rémy Cointreau SA provides Financière Rémy Cointreau SA/NV with assistance in the areas of development strategy, brand positioning and public relations as well as in the financial and commercial areas.

The services are remunerated by a fixed annual payment of €75,000 excluding tax which may be revised by common agreement between the parties at the end of each financial year.

Services invoiced by Rémy Cointreau SA to Financière Rémy Cointreau SA/NV in respect of this agreement in 2008/09 were €75,000.

### **2.5. BUSINESS MANAGEMENT AND ASSISTANCE AGREEMENT WITH ORPAR**

On 13 December 2000, the Board of Directors authorised the signing of an addendum to the management and assistance agreement of 7 December 1999 with ORPAR. This agreement provides for an annual fixed payment of €1,829,388 (exc. VAT), plus an amount equivalent to 1/1000 of consolidated turnover.

During 2008/09 the total charge (exc. VAT) borne by Rémy Cointreau SA amounted to €2,560,788.

### **2.6. TREASURY AGREEMENT WITH ORPAR**

The ORPAR and Rémy Cointreau SA companies concluded a treasury agreement on 14 December 2004, revised by way of an addendum on 4 July 2007, following authorisation by the Board of Directors on 5 June 2007.

This agreement provided for the remuneration of advances made by ORPAR to Rémy Cointreau SA to be determined on the basis of EURIBOR, increased by a margin set depending on the conditions of the syndicated credit applicable to Rémy Cointreau SA.

Advances granted by ORPAR to Rémy Cointreau SA in respect of this agreement amounted to €562,478 at 31 March 2009. The interest charge recorded by Rémy Cointreau SA in respect of advances granted by ORPAR during the year was €82,775.

### **2.7. MANAGEMENT AND COMMERCIAL ASSISTANCE AGREEMENT WITH THE FRENCH COMPANIES OWNING THE BRANDS**

Rémy Cointreau SA provides assistance in the areas of brand development, brand positioning and public relations, as well as in the financial and commercial areas, in addition to other technical expertise for CLS Rémy Cointreau and Champagnes P&C Heidsieck.

Remuneration for these services is calculated on the basis of costs incurred by Rémy Cointreau SA, increased by 5%. Invoices are issued by Rémy Cointreau SA in the course of the year on the basis of a provisional percentage of forecast turnover of the beneficiaries of these services.

These agreements, signed on 30 March 2007, took effect from 1 April 2007 for an initial period of three years and are renewable annually by tacit agreement.

The assistance agreement concluded with CLS Rémy Cointreau also includes the application of a commission of 0.25% of turnover exc. VAT, realised by CLS Rémy Cointreau in respect of the distribution of Mount Gay rum in bulk and Partner brands of the Rémy Cointreau Group.

The amounts resulting from the application of these agreements which were invoiced by Rémy Cointreau SA to subsidiaries during 2008/09 were the following:

	<u>Amounts (exc. VAT)</u>
CLS Rémy Cointreau	€11,662,293
Champagnes P&C Heidsieck	€3,196,597

## 2.8. AGREEMENT WITH HERMANN JOERSS AND RÉMY COINTREAU USA

On 27 March 2007, the Board of Directors authorised the conclusion of assistance agreements with Hermann Joerss GMBH and Rémy Cointreau USA in the areas of development strategy, brand positioning and public relations as well as in the financial and commercial areas, in addition to other technical expertise.

The annual remuneration of Rémy Cointreau SA is calculated by applying a rate of 0.25% to the turnover, exc. VAT and taxes, realised by the beneficiaries of services for the distribution of Rémy Cointreau Group products and its Partner brands.

These agreements concluded on 30 March 2007, were effective from 1 April 2007 for an initial period of three years and are renewable annually by tacit agreement.

The amounts resulting from the application of these agreements which were invoiced by Rémy Cointreau SA to subsidiaries during 2008/09 were the following:

	<u>Amounts (exc. VAT)</u>
Rémy Cointreau	€644,363
Hermann Joerss GMBH	€16,070

## 2.9. GUARANTEES GIVEN BY RÉMY COINTREAU SA IN FAVOUR OF GROUP COMPANIES TAKING PART IN ASSET DISPOSALS IN THE NETHERLANDS

As part of the disposal of intangible assets and property, plant and equipment relating to the Bols, Bokma and other local brands, Pisang Ambon, Galliano and Vaccari, Rémy Cointreau SA gave a general guarantee that its subsidiary, DELB BV, will fulfil its obligations under the lease-sale contract, and gave guarantees to support all settlement differences between Group companies taking part in the asset disposals under the guarantee payment commitment, from the moment the acquirer meets the payment obligations of the vendor loans.

These guarantees given by Rémy Cointreau SA will expire on 11 October 2012.

## 2.10. JOINT AND SEVERAL GUARANTEES GIVEN TO THE SUB-SUBSIDIARY RÉMY COINTREAU SHANGHAI (FORMERLY RENTOURMA INTERNATIONAL TRADING CO)

On 30 November 2006, the Board of Directors authorised the joint and several guarantees given to the sub-subsubsidiary Shanghai Rentourma International Trading CO for €15 million to guarantee a bank credit facility.

Neuilly-sur-Seine and Paris, 19 June 2009

The Statutory Auditors

Ernst & Young et Autres

Marie-Laure Delarue

Auditeurs & Conseils Associés SA  
Nexia international

Olivier Juramie

# RESOLUTIONS SUBMITTED TO THE COMBINED GENERAL MEETING OF 28 JULY 2009

Page

134	1.	COMMENTARY ON THE RESOLUTIONS
141	2.	DRAFT RESOLUTIONS
151	3.	STATUTORY AUDITORS' REPORTS

# RESOLUTIONS

## COMBINED GENERAL MEETING OF 28 JULY 2009

### 1. COMMENTARY ON THE RESOLUTIONS SUBMITTED TO THE COMBINED GENERAL MEETING OF 28 JULY 2009

#### APPROVAL OF PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

Your Board of Directors, after considering its Report and the Report of the Company's Statutory Auditors, proposes that you approve firstly the Parent Company financial statements for the year ended 31 March 2009, which disclose a profit of €70,226,993.44, and then the consolidated financial statements at the same date which disclose a profit of €86,118,000.

#### ALLOCATION OF 2008/09 PROFIT

Your Board proposes to allocate the distributable profit for the year ended 31 March 2009, as follows:

Profit of the Company at 31 March 2009	€70,226,993.44
Transfer to legal reserve	(€129,800.16)
Balance brought forward	€204,087,269.28
<b>Total amount distributable</b>	<b>€274,184,462.56</b>
Dividend of €1.30 per share	€61,581,057.20
Balance carried forward	€212,603,405.36
<b>Total</b>	<b>€274,184,462.56</b>

Pursuant to Article 117 (iv) -I-1 of the General Tax Code, individuals who are resident in France for tax purposes may opt for a fixed deduction in full settlement of income tax at the rate of 18%. This option is irrevocable for the payment concerned. Such an option results in the loss of the 40% reduction, the fixed annual deduction and the loss of the right to a tax credit provided by Article 200 (vii) of the General Tax Code for this dividend as well as for every other dividend subject to income tax in the same year.

In the event of the Company retaining some of its own shares at the time of payment, the amount of unpaid dividends in respect of these shares, will be added to "balance carried forward".

In accordance with the law, it is noted that the net dividends during the last three years and related tax credits and the dividend distributed eligible for the above reduction for shareholders residing in France, were as follows:

Years	05/06	06/07	07/08
Net dividend per share	€1.10	€1.20	€1.30
Eligible dividend distributed	€1.10	€1.20	€1.30

In application of the provisions of Articles L. 232-18 to L. 232-20 of the Commercial Code and Article 27 of the bylaws, we propose to grant all shareholders, for an amount equal to fifty per cent (50%) of the dividends

payable to them, an option for the payment of this dividend in cash or shares.

The issue price of the new shares, the subject of the present option, will be equal to 90% of the average quoted on the 20 trading days preceding the day of the decision to pay the dividend less the net dividend pursuant to Article L. 232-19 of the Commercial Code. The Board of Directors will have the facility to round the price thus determined to the immediately higher cent.

Every shareholder may elect for one or other mode of payment but this election applies to the total of the dividend for which the election is made, which is 50% of the dividends to which they are entitled. Shareholders wishing to elect for payment of the dividend in shares of 50% of the dividends to which they are entitled, must request this from their financial intermediary in the period 31 July 2009 to 14 September 2009 by 1700 hrs at the latest. At the end of this timeframe, the dividend can only be paid in cash.

For those shareholders who elect to receive a cash payment, the dividend will be payable from 1 October 2009 following the expiry of the election period. The fraction of the dividend for which the election of payment in shares was not granted, that is fifty per cent (50%) of the dividend distributed, will be paid in cash with effect from the same date.

If the dividend entitlement does not correspond to an exact number of shares, the shareholder may subscribe to the immediately lower number of shares, together with the balance in cash, or to the immediately higher number of shares, with an additional cash payment.

The new shares will be subject to the provisions of the law and the bylaws and will be effective from 1 April 2009, the start of the current financial year.

We propose to grant all powers to the Board of Directors in accordance with Article L. 232-20 of the Commercial Code to take all the necessary steps to implement the distribution of the dividend in shares, and notably to set the issue price of the shares issued in accordance with the terms provided, to note the number of shares issued and the increase realised in share capital, to revise, as a result, the bylaws of the Company, to take all the necessary steps to ensure the successful completion of the transaction and, in general, to do everything useful and necessary.

#### AGREEMENTS COVERED BY ARTICLE L. 225-38 OF THE COMMERCIAL CODE

The agreements authorised and concluded in prior years and in force during this year, as well as the agreements authorised during the year have been given to the Statutory Auditors to enable them to prepare their Special Report. We would ask you to approve their terms and conditions.

#### RENEWAL OF THE TERMS OF OFFICE OF FOUR DIRECTORS

The terms of office of Messrs François Hériard Dubreuil, Jacques-Etienne de T'Serclaes and Gabriel Hawawini



as well as the Orpar company, represented by Mrs Marie Barbaret, expire at the close of the Meeting and we request that you renew these for a period of three years. Information in respect of these Directors is available in the current Annual Report.

### ATTENDANCE FEES

We propose to set at €320,000 the fees paid to members of the Board of Directors in respect of 2009/10 which is in line with practices adopted by many French groups operating internationally and of a similar size to our Group.

### ALIGNING THE COMMITMENT FOR DEFERRED COMPENSATION PAYABLE TO THE CHIEF EXECUTIVE OFFICER WITH THE CODE OF CORPORATE GOVERNANCE OF LISTED COMPANIES

On 4 June 2008, the Board of Directors approved the commitment for deferred compensation payable to Mr Jean-Marie Laborde in the event of cessation of his functions as well as the performance conditions required by the Law of 21 August 2007. The features of this commitment and the performance conditions are described in the current reference document in the section on remuneration of Directors and senior executives.

This Board authorisation was followed by a specific resolution approved by the Annual General Meeting of 16 September 2008.

Since that date, the Company has adhered to the corporate governance code for listed companies published by MEDEF and AFEP that states that severance compensation may only be paid to senior management in the event of a forced departure due to a change in control or strategy.

To the extent that the resolution adopted by the General Meeting of 16 September 2008 only repeated the terminology of Article L. 225-42-1 of the Commercial Code, it is no longer fully in line with the conditions subsequently laid down by the MEDEF code on corporate governance.

The commitment to deferred compensation payable to Mr Jean-Marie Laborde must therefore be subject to a new and specific resolution put to your vote, following a further approval by the Board of Directors on 4 June 2009.

### RATIFICATION OF THE CONTINUATION OF THE COMMITMENT TO A DEFINED PENSION PLAN FOR THE BENEFIT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS, THE CHIEF EXECUTIVE OFFICER AND TWO DIRECTORS

Pursuant to Article L. 225-42-1 of the Commercial Code, that was derived from the Law of 21 August 2007, the commitments to defined benefits plans for the benefit of the Chairman, Chief Executive Officer or Deputy Chief Executives by a listed company or by any company controlled or controlled by it, are subject to the provisions of regulated agreements. The persons concerned as a result in respect of Rémy Cointreau SA, Mr Jean-Marie Laborde, Chief Executive Officer, and in respect of Andromède SAS

are Mrs Dominique Hériard Dubreuil and Messrs François and Marc Hériard Dubreuil. It should be noted that Mr Jean-Marie Laborde benefited from such a commitment with effect from 1 October 2005.

This pension commitment, concluded on 2 July 2001, was not subject to prior approval before signature, as there was no legal requirement at that time. It is now proposed that the General Meeting ratifies it pursuant to Articles L. 225-38 and L. 225-42 of the Commercial Code, following its approval by the Board of Directors on 4 June 2009.

The features of this defined benefit pension commitment are described in the current reference document in the section on remuneration of Directors and senior executives.

### PURCHASE AND SALE BY THE COMPANY OF ITS OWN SHARES

We propose that you authorise the Board of Directors, for a maximum of 18 months with effect from the day of the current Meeting, to purchase shares in the Company, up to 10% of the share capital on the day of the purchases which, by way of indication, on the basis of the current share capital, corresponds to a maximum of 4,195,799 shares, taking into account the treasury shares held by the Company at 31 March 2009, sales with repurchase options and the purchase of options to purchase shares.

Since Decree No. 2009-105 of 30 January 2009 notably in respect of share purchases where shares are purchased to provide liquidity, the number of shares taken into account for the calculation of 10% corresponds to the number of shares purchased net of the number of shares sold during the life of the authorisation.

The share buyback programme is designed to carry out the following transactions in descending order of importance:

- stimulate the secondary market or provide liquidity for the Rémy Cointreau share by an investment services provider via a liquidity contract that conforms to the AFEI charter recognised by the Autorité des Marchés Financiers. It should be noted that such a liquidity contract was given to Rothschild & Cie Banque with effect from 15 November 2005. This is renewable by tacit agreement;
- cancel shares as part of a reduction in share capital, subject to the adoption of the fifteenth resolution submitted to the current General Meeting;
- cover the obligations in respect of debt securities giving access to capital;
- grant the shares in accordance with the terms and conditions provided by law, notably as part of a profit-sharing plan, to service options to purchase shares, as part of a company savings plan or to be used to grant free shares to employees and executives of the Company and/or companies related to it, in accordance with Articles L. 225-197-1 and subsequent of the Commercial Code;
- purchase shares and retain them to be used subsequently in exchange or as payment for acquisitions, in accordance with market practices permitted by the Autorité des Marchés Financiers and within the law; and

- implement all market practices permitted by the Autorité des Marchés Financiers and, more generally, to carry out all transactions in accordance with the regulations in force.

The purchase of these shares, as well as their sale or transfer, may be carried out within the law and regulations at any time, including the period of a public offer initiated by the Company, subject to periods of abstention provided by Article 631-6 of the General Regulation of the Autorité des Marchés Financiers or other legal or regulatory requirements, by all means, on or off-market, including by a public offer or block transactions, sale with a repurchase agreement, and by recourse to all derivative financial instruments, notably option transactions, excluding the sale of options to sell and to the extent that the last means do not lead to a significant increase in the volatility of the share price. The maximum amount of capital that may be acquired or transferred in the form of blocks of shares may be the total of the authorised share purchase programme. Payment can be made in any form.

It is proposed that the maximum purchase price be set at €60 per share excluding acquisition costs. The maximum amount that the Company is liable to pay as a result is €251,747,940, excluding trading costs.

In its annual Management Report, the Board of Directors informs shareholders of transactions carried out pursuant to Article L. 225-211 of the Commercial Code.

It should be noted that during the 2004/05 financial year the Company sold 602,430 shares with a repurchase agreement. In order to maintain a perfect hedge for its share acquisition plans and to partly manage the dilution relating to the exercise of one of these subscription option plans, the latter sale carried a resolutive clause. This transaction was completed on 24 March 2005 by the Company's purchase of 224,497 options from Barclays Capital Securities Ltd. The overall effect of the transaction enabled Rémy Cointreau to meet the exercise of a maximum of 826,927 options to subscribe for or purchase shares.

In this respect, on 1 March 2006, Rémy Cointreau purchased 280,927 shares from Barclay's Capital Securities Ltd, to limit the dilutive effect arising from an option plan to subscribe for shares. Using the delegation of powers granted by the Extraordinary General Meeting of 28 July 2005, in its fifteenth resolution, on 28 April 2006, the Board of Directors decided to reduce the share capital by the cancellation of these 280,927 shares, pursuant to the terms of the above-mentioned sale and repurchase contract.

During 2007/08, Rémy Cointreau purchased 75,000 shares from Barclay's Capital Securities Ltd, at a price of €27.67, for a total of €2,075,250. This purchase is to service the 70,295 options to purchase shares arising from the plan of 16 September 2003, which totalled €1,945,062.65.

During 2008/09, Rémy Cointreau purchased 33,000 shares from Barclays Capital Securities Ltd, being 15,000 shares at a price of €27.67, and 18,000 shares at a price of €28.07, for a total of €920,310. This purchase is to service the 20,500 options to purchase shares arising from the plans of 16 September 2003 and 24 December 2004.

At 31 March 2009, the Company held 17,205 treasury shares, of which 7,205 are to service the exercise of options to purchase shares arising from the plan of 16 September 2003 and 10,000 to service the plan of 24 December 2004.

This authorisation cancels, for the amounts unused to date, the authorisation given by the Combined General Meeting in ordinary session, of 16 September 2008, in its thirteenth resolution.

#### **AUTHORISATION TO REDUCE THE SHARE CAPITAL BY CANCELLATION OF TREASURY SHARES HELD BY THE COMPANY**

The resolution proposed is in respect of the possibility that the Board of Directors cancels shares, in accordance with Article L. 225-209 of the Commercial Code, which are to be purchased by the Company under the authorisation to be given by the Meeting in the tenth resolution, or which had been acquired under previous authorisations for the Company to trade in its own shares.

It is designed to enable the Board of Directors to reduce the capital as a result of this cancellation. In accordance with the law, this cannot be applied to more than 10% of the capital in a period of 24 months.

This is an annual authorisation that is renews, as a result, the fifteenth resolution adopted by the General Meeting of 16 September 2008.

#### **AUTHORISATION FOR THE BOARD OF DIRECTORS TO DECIDE ON AN INCREASE IN SHARE CAPITAL BY ISSUING, WITH OR WITHOUT THE PRE-EMPTION RIGHT OF SHAREHOLDERS TO SUBSCRIBE FOR SHARES AND/OR MARKETABLE SECURITIES GIVING ACCESS TO CAPITAL AND/OR BY ISSUING MARKETABLE SECURITIES GIVING THE RIGHT TO RECEIVE DEBT SECURITIES**

The General Meeting of Rémy Cointreau on 31 July 2007, meeting in extraordinary session, granted the Board of Directors authorisation, with or without maintained pre-emption rights to subscribe, to enable your Company to have access to the financial markets by the issue of marketable securities giving access to capital or giving the right to the allocation of debt securities.

These authorisations expire on 30 September 2009, and you are now asked to renew them to enable the Group to continue to have access to the necessary financial resources within the shortest timeframe for its development, by using the instruments best adapted to market conditions.

Pursuant to Articles L. 225-129 and subsequent and L. 228-91 and subsequent of the Commercial Code, your General Meeting is called to again grant the Board of Directors, for a period of 26 months with effect from the said Meeting, a general delegation, the subject of the fifteenth and sixteenth resolutions, enabling it to decide on an increase in share capital and to proceed with the issue, with or without pre-emption rights to subscribe for shares in the Company, as well as marketable securities, of whatever nature, giving access immediately and/or in time to the capital of the Company or giving the right to the

allocation of debt securities, within a nominal ceiling of an increase in capital of €30,000,000.

The issue of preference shares and marketable securities giving access immediately or in time to preference shares are excluded from this authorisation.

**a) Issues with pre-emption rights to subscribe (sixteenth resolution)**

As part of a global authorisation, this resolution concerns issues with maintained pre-emption rights to subscribe for shares in the Company and to marketable securities giving access to the capital of Rémy Cointreau, or the issue of marketable securities giving the right to receive debt securities.

In the event of an issue of marketable securities giving access in time to capital, whether by conversion, exchange, repayment, presentation of a warrant, a combination of these means, or in any other manner, your decision excludes or carries, depending on the circumstances, the waiver by the shareholders, for the benefit of holders of these securities, of their pre-emption right to subscribe for shares or to subscribe to marketable securities giving access to capital to which these marketable securities give the right.

The delegation of the Meeting thus confers on the Board of Directors the option during a period of 26 months, to decide to issue, within the limit of a maximum nominal increase in capital of €30,000,000, shares in the Company, as well as all categories of marketable securities giving access to capital.

The total nominal amount of debt securities, which relates to debt securities giving access to capital or debt securities giving the right to receive debt securities that may be issued on the basis of the sixteenth resolution, may not exceed €750,000,000. This amount includes the debt securities that will be issued pursuant to the authorisation given to the Board of Directors by the current Meeting.

Pursuant to Article L. 225-210 of the Commercial Code, it is proposed that the General Meeting decides that the pre-emption right to subscribe attached to shares held by the Company will not be taken into account when determining the pre-emption right to subscribe attached to other shares.

On these bases, it is proposed that the Board of Directors, with the facility to sub-delegate according to the law, will have all the powers to implement the present authorisation, as well as to postpone where necessary, and notably to approve, depending on market opportunities, the subscription price (with or without an issue premium), conditions and features of the issues, set the amounts to be issued, determine the terms of the issue and the form of the marketable securities to be created, set the effective date, even retroactive, of securities to be issued and the conditions of their repurchase, proceed with all adjustments required in compliance with legal and regulatory provisions and, where necessary, to contractual requirements, take all steps to reserve the rights of holders of market securities giving access to capital, possibly suspend the exercise of rights attached to these marketable securities during a set period in compliance with legal and regulatory provisions and, in general, take all useful steps, carry out

the formalities required and conclude all agreements to successfully complete the issues under consideration, and request, where necessary, the quotation, noting the realisation, and make changes to the bylaws made necessary as a result of using the present authorisation, in compliance with the law and regulations in force.

You are also requested to allow the Board of Directors to establish for the benefit of shareholders a reducible right to subscribe and, in every case, if the subscriptions do not absorb the full amount of the issue, to decide, in the order it determines, and in accordance with the law, to limit the amount of the subscriptions received or, in full or part, freely release the unsubscribed securities, or to offer them in full or in part to the public. It is proposed you decide that the issue of warrants to subscribe for shares in the Company may be made by an offer to subscribe and also by free issue to existing shareholders. You are also asked to allow the Board of Directors to use treasury shares as a substitute for shares to be issued in respect of the present authorisation.

**b) Issues without pre-emption rights to subscribe (seventeenth resolution)**

Your Board of Directors may be led, in the interests of the Company and its shareholders, in order to seize opportunities offered by the financial markets in certain circumstances, to proceed with the issues without the shareholders being able to exercise their pre-emption right to subscribe.

This cancellation of the pre-emption rights to subscribe is justified by the need, in certain circumstances, to reduce the timeframe in order to facilitate placing the marketable securities issued, particularly on international markets. Your Board of Directors thus wishes to have the means, if necessary through private placement, to acquire, in a rapid and flexible manner, the financial resources required to develop your Company.

The Board of Directors also requests that you authorise it to decide on an increase in share capital and to issue, without the shareholders' pre-emption right to subscribe, shares in the Company, as well as all marketable securities, of whatever nature, giving access to the capital of the Company or giving the right to the allocation of debt securities provided by the sixteenth resolution, up to a general ceiling provided of €30,000,000, and which is common to both resolutions, for the same period of 26 months with effect from the current Meeting.

These increases in capital will be carried out by a public offer, or by a private placement offer covered by II of Article L. 411-2 of the Monetary and Financial Code, or by a combination of these two methods of achievement. The Decree of 22 January 2009 modified Article L. 225-136 of the Commercial Code in various aspects, but above all added to the public offer, the option of an issue of capital securities without a pre-emption right to subscribe, by an offer addressed exclusively to qualified investors, or a restricted circle of investors acting on their own accord. This issue of capital securities is limited to 20% of the share capital per year and within the limit of 10% of the capital and the Extraordinary General Meeting may authorise the

Board of Directors to set the issue price according to the methods it determines.

It should be noted that a qualified investor is a person or an entity with the skills and the resources necessary to understand the risks inherent in transactions in financial instruments. The list of these qualified investors is set by regulation. A restricted circle of investors comprises persons, other than qualified investors, whose number is less than 100.

The issue of preference shares and marketable securities giving access immediately or in time to preference shares are excluded from this authorisation.

This vote, as in the case of the sixteenth resolution, excludes or carries, depending on the circumstances, the waiver by the shareholders of their pre-emption right to subscribe for shares or to marketable securities giving access to capital to which these marketable securities give the right.

The total nominal amount of debt securities that may be issued on the basis of the seventeenth resolution may not exceed €750,000,000, and will be set against the nominal ceiling of debt securities which will be issued pursuant to the delegations to the Board of Directors authorised by the current Annual General Meeting.

As part of this authorisation, the issue price will be at least equal to the minimum amount provided by the law and regulations in force at the time of the use of the present authorisation, after correction of this amount, if applicable, to take into account the difference in the effective date.

For marketable securities giving access to shares the issue price will be set by reference to this same amount after correction, if applicable, to take into account the difference in the effective date.

Under the current regulations, the issue price of new shares as part of a public offer without a pre-emption right to subscribe by a company whose shares are admitted to trading on a regulated market, may not be less than the weighted average of the three most recent trading days preceding the setting of the price, possibly reduced by a maximum discount of 5%.

On these bases, the Meeting is invited to delegate to the Board of Directors, with the facility to sub-delegate according to the law, the right to decide, on one or more occasions, the issue of shares and/or marketable securities giving access to capital or the allocation of debt securities by a public offer or by an offer covered by II of Article L. 411-2 of the Monetary and Financial Code, and to approve the terms and conditions of each issue, as indicated in the current report on the sixteenth resolution. You are also asked to allow the Board of Directors to use treasury shares held as a substitute for shares to be issued in respect of the present authorisation.

The Board of Directors asks that you authorise it to establish, for the benefit of shareholders, according to circumstances and if they permit, a non-negotiable right to subscribe for a minimum period of three stock market trading days, where appropriate, reducible where it sets the conditions of exercise. Unsubscribed securities by virtue of this right will be the subject of a public placing.

You are also asked to delegate to the Board of Directors, the authority to issue, with the cancellation of pre-emption rights to subscribe for shares or marketable securities, giving access to capital in consideration for securities tendered to all public takeover offers initiated by the Company in respect of securities of every company whose shares are admitted to trading on a regulated market covered by Article L. 225-148 of the Commercial Code, including all marketable securities issued by Rémy Cointreau, shares and marketable securities representing a share of the capital of a company which gives the right to marketable securities issued by companies in which Rémy Cointreau owns, directly or indirectly, over half the share capital.

The same ceiling of a nominal increase in capital of €30,000,000 applies to these issues.

At the time of the Meeting, you will be able to consider the Special Report of the Statutory Auditors who will give their opinion on the issue of these authorisations.

In the event of the use by the Board of Directors of the sixteenth and/or seventeenth resolution, referred to above, and pursuant to the regulations in force, additional reports on the final conditions of the transaction will be made available to you, before being presented at a General Meeting.

Finally, you are asked to grant all powers to the Board of Directors to revise the bylaws made necessary as a result of using the present authorisations and to enable it to set the costs incurred by the capital increases realised against the premiums arising from these transactions.

#### **AUTHORISATION FOR THE BOARD OF DIRECTORS TO SET THE PRICE OF SECURITIES TO BE ISSUED AS PART OF THE SEVENTEENTH RESOLUTION, WITH THE EXCEPTION OF THE SHAREHOLDERS' PRE-EMPTION RIGHTS TO SUBSCRIBE, WITHIN THE LIMIT OF 10% OF THE SHARE CAPITAL PER YEAR**

Article L. 225-136 1° of the Commercial Code provides that in the event of an issue with cancellation of the pre-emption right to subscribe, the Extraordinary General Meeting may authorise the Board of Directors, within 10% of the share capital per year, to set the price according to the methods it determines.

This option was, until the introduction of Decree No. 2009-80 of 22 January 2009, in respect of a public call for capital, open only to the issues realised, with a waiver of the pre-emption rights of 31 July 2007, by a public call for capital. The Combined General Meeting, in its twentieth resolution, granted this authorisation to the Board of Directors.

The proposed resolution will renew this authorisation in the event of a public offer, by extending it, as currently authorised by Article L. 225-136 1 of the Commercial Code, to the offer covered by II of Article L. 411-2 of the Monetary and Financial Code and referred to above.

The proposed resolution has two rules confirming a minimum price, on the decision of the Board of Directors, by providing a maximum discount of 10%.

In such an event, the Board of Directors must prepare

an additional report, certified by the Statutory Auditors, describing the conditions of the transaction and providing the necessary information in order to understand the effect on the shareholders' position.

The issue of preference shares and marketable securities giving access immediately or in time to preference shares are excluded from this authorisation.

#### **AUTHORISATION FOR THE BOARD OF DIRECTORS TO INCREASE THE NUMBER OF SECURITIES TO BE ISSUED IN THE EVENT OF AN ISSUE WITH OR WITHOUT PRE-EMPTION RIGHTS TO SUBSCRIBE**

The proposed resolution is to authorise the Board of Directors, in the event of an issue with or without the pre-emption right of shareholders to subscribe, to increase the number of securities to be issued, notably in the event of excess demand.

This resolution may be used for every issue decided pursuant to the above-mentioned delegation in order to increase the number of securities to be issued, in accordance with the law and subject to compliance with the ceiling provided in the resolution, according to which the issue is decided.

Under current regulations, implementation of this delegation must take place, at the latest, within 30 days of the closure of the subscription to the initial issue, within the limit of 15% of the initial issue and at the same price as the initial issue.

#### **AUTHORISATION FOR THE BOARD OF DIRECTORS TO INCREASE THE CAPITAL OF THE COMPANY BY INCORPORATION OF RESERVES, PROFITS OR PREMIUMS**

It is proposed in the twentieth resolution, to renew the authorisation for the Board of Directors, for a period of 26 months, to increase the share capital, on one or more occasions, at the times and on the terms and conditions it determines, by incorporation into capital of reserves, profits or premiums followed by the creation and free allocation of shares, or an increase in the nominal value of existing shares, or a combination of both of these two methods.

The increase in capital likely to be carried out under the authorisation may not exceed a nominal amount of €30,000,000 and shall be set against the ceiling fixed by the terms of the sixteenth resolution to be adopted by the current Meeting.

The present authorisation renders null and void, for the unused part as of today, the authorisation given by the Combined General Meeting of 16 September 2008 in its sixteenth resolution.

#### **AUTHORISATION FOR THE BOARD OF DIRECTORS TO ISSUE SHARES OR MARKETABLE SECURITIES GIVING ACCESS TO CAPITAL WITHIN THE LIMIT OF 10% OF THE CAPITAL AS CONSIDERATION FOR TRANSFERS IN KIND**

Decree No. 2004-604 of 24 June 2004 revised Article L. 225-147 of the Commercial Code by enabling the

Extraordinary General Meeting to authorise the Board of Directors, for a maximum period of 26 months, to proceed with all issues of shares or marketable securities giving access to capital (with the exception of preference shares) up to 10% of its share capital at the time of the issue, with a view to remunerating transfers in kind to the Company and comprising capital securities or marketable securities giving access to capital. This delegation enables the Company to avoid a cash outflow for smaller scale acquisitions.

The present authorisation request replaces that granted by the Extraordinary General Meeting of 16 September 2008 in its seventeenth resolution.

It should be noted that the ceiling of 10% is set against the ceiling provided by the seventeenth resolution of the current Meeting.

You are requested to cancel as required, for the benefit of holders of securities, the subject of transfers in kind, the pre-emption right of shareholders to subscribe to the shares and marketable securities thus issued.

This delegation carries a waiver by the shareholders of their pre-emption right to subscribe for shares to which the marketable securities to be issued will carry that right.

#### **AUTHORISATION TO INCREASE THE SHARE CAPITAL BY THE ISSUE OF SHARES RESERVED FOR MEMBERS OF A COMPANY SAVINGS PLAN**

Since the Law of 19 February 2001 was introduced, in respect of employee savings, the Extraordinary General Meeting must, at the time of every decision to increase the capital, consider a proposed resolution designed to issue shares reserved for employees who are members of a company savings plan (CSP).

This requirement, which is of a general nature, is imposed on every company, whether they have a CSP or not and, since the introduction of the law on financial security of 1 August 2003, and on every decision to increase the capital in cash, including deferred. In addition, the Law of 9 December 2004 which ratified the Decree of 24 June 2004 on the reform of marketable securities, states that where an Extraordinary General Meeting delegates to the Board of Directors the authority to decide on an increase in capital it must also consider a proposed resolution to increase the capital in favour of the employees (Article L. 225-129-6 of the Commercial Code). Such an event avoids having to call an Extraordinary General Meeting to decide on such a resolution each time the Board of Directors decides to increase the capital.

The Company must as a result comply, even though it has no employees, and thus no CSP, and no group CSP exists. The increase in capital by the issue of shares reserved for members of a CSP must where appropriate take place within subsidiaries that have employees.

In addition, Article L. 225-129-6 of the Commercial Code, paragraph 2, also provides that a General Meeting considers such a proposal every three years when it appears from the Management Report that the shares held by company personnel and the companies related to it, pursuant to Article L. 225-180, represent less than 3% of the Company's capital.

In order to retain the full validity of the authorisation and delegations granted to the Board of Directors to issue various marketable securities giving access to capital, and the full validity of the authorisation given to the Board of Directors to issue shares as a result of the option of a payment in cash or in shares of the dividend of the 2008/09 year, as well as meet the requirements of the second paragraph of Article L. 225-129-6 of the Commercial Code, we are legally required to present this resolution with a general application while asking, as at the Combined General Meeting of 16 September 2008, you to reject it as it cannot apply to our Company.

### **AUTHORISATION FOR THE BOARD OF DIRECTORS IN THE EVENT OF A PUBLIC OFFER FOR THE SECURITIES OF THE COMPANY**

Since the introduction of Law No. 2006-387 of 31 March 2006 which transposed the European Directive on public offers, the principle in the event of a public offer is that laid down by Article L. 233-32 of the Commercial Code, which is the suspension of every delegation granted by a General Meeting before a period of a public offer where its implementation is likely to cause the offer to fail, with the exception of seeking other offers. This principle corresponds to the transposition into French law of the principle of a duty of neutrality by management during a period of a public offer laid down by Article 9 of the Community Directive on public offers.

The exception to this principle is provided by Article L. 233-33 of the Commercial Code, an Article expressly covered by the proposed resolution, where the delegation granted to the Board of Directors has been given in the 18 months preceding the day of filing a public offer.

Article L. 233-33 of the Commercial Code is applicable - that is to say that it sets aside the provisions of Article L. 233-32 - in the event of a public offer initiated by an entity having its registered office in a number of states of the European Community that have not made the duty of neutrality of management mandatory during the period of a public offer, as well

as for an entity whose registered office is outside the European Community in a country that does not apply equivalent measures of a duty of neutrality on management.

The Extraordinary General Meeting of 16 September 2008, in its twentieth resolution, granted the Board of Directors such an authorisation. This request thus constitutes a renewal of this authorisation.

### **REVISIONS, AS A RESULT OF LEGISLATIVE CHANGES, TO ARTICLE 12 AND 23.2, THIRD PARAGRAPH, OF THE BYLAWS**

We propose to make two revisions to the Company's bylaws, as a result of the introduction of the law entitled "modernisation of the economy" No. 2008-776 of 4 August 2008.

Thus, with effect from 1 January 2009, the timeframe for a director to become a shareholder in the Company is increased from three to six months. This is now stated in Article 12 of the bylaws where the revision is presently proposed. In fact, the Board of Directors does not wish to cancel the requirement in the bylaws to hold a minimum number of shares, as the Law of 4 August 2008 now permits.

The second change to the bylaws proposed to you in Article 23.2 concerns the transfer of the double voting right following the merger or demerger of a company that is a shareholder. There also, the Law of 4 August 2008 authorises, with effect from 1 January 2009, in Article L. 225-124 of the Commercial Code, the retention of the double voting right in the event of the transfer of shares by merger or demerger of a company that is a shareholder having double voting rights, unless otherwise stated in the bylaws. From that time onwards, the company benefiting from a merger or demerger may continue, even though they have become a new shareholder, to exercise the double voting right acquired in your Company by the company absorbed or demerged. It also retains the timeframe for holding in progress and is not interrupted by the transfer of shares following a merger or demerger.

You are invited to approve these resolutions, as proposed, by putting them to a vote.

**The Board of Directors**

## 2. DRAFT RESOLUTIONS SUBMITTED TO THE COMBINED GENERAL MEETING OF 28 JULY 2009

### GENERAL MEETING IN ORDINARY SESSION

#### FIRST RESOLUTION

*(Approval of parent company financial statements for the year 2008/09)*

The General Meeting,

with the required quorum and majority for ordinary general meetings,

having considered the Report of the Board of Directors on the year ended 31 March 2009 and the Statutory Auditors' Report,

approves the financial statements for the year ended 31 March 2009, comprising a balance sheet, income statement and notes, as presented, which disclose a profit of €70,226,993.44, as well as all the transactions reflected in these financial statements or summarised in these reports.

#### SECOND RESOLUTION

*(Approval of the consolidated financial statements for the year 2008/09)*

The General Meeting,

with the required quorum and majority for ordinary general meetings,

having considered the Report of the Board of Directors and the Statutory Auditors' Report on the consolidated financial statements,

approves the consolidated financial statements for the year ended 31 March 2009, comprising a balance sheet, income statement and notes, as presented, which disclose a profit of €86,118,000, as well as all the transactions reflected in these financial statements or summarised in these reports.

#### THIRD RESOLUTION

*(Allocation of net profit and setting the dividend)*

The General Meeting,

with the required quorum and majority for ordinary general meetings,

on the proposal of the Board of Directors, decides to allocate the distributable profit for the year ended 31 March 2009 as follows:

Net profit at 31 March 2009	€70,226,993.44
Allocation to the legal reserve	(€129,800.16)
Balance brought forward	€204,087,269.28
<b>Total amount distributable</b>	<b>€274,184,462.56</b>
Distribution of a dividend of €1.30 per share	€61,581,057.20
Balance carried forward	€212,603,405.36
<b>Total</b>	<b>€274,184,462.56</b>

For individuals resident in France for tax purposes, the dividend is subject to income tax at a progressive rate and is fully eligible for the proportional reduction of 40% provided by Article 158-3-2° of the General Tax Code, the fixed annual reduction provided by Article 158-3-5° of the General Tax Code and the tax credit provided by Article 200 (vii) of the General Tax Code.

Pursuant to the provisions of Article 117 (iv) -I-1 of the General Tax Code, individuals who are resident in France for tax purposes may opt for a fixed deduction in full settlement of income tax at the rate of 18%. This option is irrevocable for the payment concerned. Such an option results in the loss of the 40% reduction, the fixed annual deduction and the right to a tax credit for this dividend as well as other dividends subject to income tax in the same year.

In the event of the Company retaining some of its own shares at the time of payment, the amount of unpaid dividends, in respect of these shares, will be added to "balance carried forward".

In accordance with the law, it is noted that the net dividends during the last three years and related tax credits and the dividend distributed eligible for the above reduction for shareholders residing in France, were as follows:

<u>Year</u>	<u>2005/06</u>	<u>2006/07</u>	<u>2007/08</u>
Net dividend per share	€1.10	€1.20	€1.30
Eligible dividend distributed	€1.10	€1.20	€1.30

Using the provisions of Articles L. 232-18 to L. 232-20 of the Commercial Code and Article 27 of the bylaws, the General Meeting proposes to grant every shareholder, for 50% of the dividend to be paid under the current resolution, an option of the payment of this dividend in cash or in shares.

The issue price of the new shares that are the subject of the present option will be equal to 90% of the average price quoted on the 20 trading days preceding the day of the decision to pay the dividend less the net dividend, pursuant to Article L. 232-19 of the Commercial Code. The Board of Directors will have the facility to round the price thus determined to the nearest higher cent.

Every shareholder may elect for one or other mode of payment but this election applies to the total of the dividend for which the election is made, which is 50% of the dividends to which they are entitled. Shareholders wishing to elect for payment of the dividend in shares of 50% of the dividends to which they are entitled, must request this from their financial intermediary in the period 31 July 2009 to 14 September 2009 by 1700 hrs at the latest. At the end of this timeframe, the dividend can only be paid in cash.

For those shareholders who elect for a cash payment, the dividend will be payable from 1 October 2009 and following the expiry of the election period. The fraction of the dividend for which the election for payment in shares was not granted, that is fifty per cent (50%) of the dividend distributed, will be paid in cash with effect from the same date.

If the dividend entitlement does not correspond to an exact number of shares, the shareholder may subscribe to

the immediately lower number of shares together with the balance in cash, or to the immediately higher number of shares, subject to the payment of the balance in cash.

The new shares will be subject to the provisions of the law and the bylaws and will be effective from 1 April 2009, the start of the current financial year.

The General Meeting grants all powers to the Board of Directors, in accordance with Article L. 232-20 of the Commercial Code, to take all steps necessary to implement the distribution of the dividend in shares, and notably to set the issue price of the shares issued in accordance with the terms provided, to note the number of shares issued and the increase realised in share capital, to revise, as a result, the bylaws of the Company, to take all steps to ensure the successful completion of the transaction and, in general, to do everything useful and necessary.

Pursuant to the provisions of Article 223 (iv) of the General Tax Code, the General Meeting notes that no expenses or charges covered by Article 39-4 of the said code were incurred during the year ended 31 March 2009.

#### **FOURTH RESOLUTION**

*(Approval of agreements covered by Article L. 225-38 of the Commercial Code)*

The General Meeting,

with the required quorum and majority for ordinary general meetings,

having considered the Special Report of the Statutory Auditors on the agreements covered by Article L. 225-38 of the Commercial Code,

approves, in accordance with Article L. 225-40 of the Commercial Code, each of the agreements and transactions that took place or were continued during the year just ended that are mentioned.

#### **FIFTH RESOLUTION**

*(Discharge)*

The General Meeting,

with the required quorum and majority for ordinary general meetings,

as a result of the preceding resolutions,

grants for the year ended 31 March 2009, the Board of Directors a full and final discharge in respect of their management. It also notes the completion of the assignment of the Statutory Auditors.

#### **SIXTH RESOLUTION**

*(Renewal of the term of office as a Director of Mr. François Hériard Dubreuil)*

The General Meeting,

with the required quorum and majority for ordinary general meetings,

on the proposal of the Board of Directors,

proposes to renew the term of office of Mr. François Hériard Dubreuil, for a period of three years, which is until the close of the Annual General Meeting called to consider the financial statements for the year ended 31 March 2012.

Mr. François Hériard Dubreuil has made it known that he accepts this term of office and that he holds no office and is not subject to any measure likely to prevent his exercise.

#### **SEVENTH RESOLUTION**

*(Renewal of the term of office as a director of Mr. Jacques-Etienne de T'Serclaes)*

The General Meeting,

with the required quorum and majority for ordinary general meetings,

on the proposal of the Board of Directors,

proposes to renew the term of office of Mr. Jacques-Etienne de T'Serclaes, for a period of three years, which is until the close of the Annual General Meeting called to consider the financial statements for the year ended 31 March 2012.

Mr. Jacques-Etienne de T'Serclaes has made it known that he accepts this term of office and that he holds no office and is not subject to any measure likely to prevent his exercise.

#### **EIGHTH RESOLUTION**

*(Renewal of the term of office as a Director of Mr. Gabriel Hawawini)*

The General Meeting,

with the required quorum and majority for ordinary general meetings,

on the proposal of the Board of Directors,

proposes to renew the term of office of Mr. Gabriel Hawawini, for a period of three years, which is until the close of the Annual General Meeting called to consider the financial statements for the year ended 31 March 2012.

Mr. Gabriel Hawawini has made it known that he accepts this term of office and that he holds no office and is not subject to any measure likely to prevent his exercise.

#### **NINTH RESOLUTION**

*(Renewal of the term of office as a Director of the Orpar company)*

The General Meeting,

with the required quorum and majority for ordinary general meetings,

on the proposal of the Board of Directors,

proposes to renew the term of office of the Orpar company, for a period of three years, which is until the close of the Annual General Meeting called to consider the financial statements for the year ended 31 March 2012.

The Orpar company has made it known that it accepts this term of office and that it holds no office and is not subject to any measure likely to prevent its exercise, and that it appoints Mrs. Marie Barbaret as permanent representative.



## TENTH RESOLUTION

*(Setting attendance fees)*

The General Meeting,

with the required quorum and majority for ordinary general meetings,

in accordance with Article 18 of the bylaws, sets at €320,000 the overall annual amount of attendance fees for members of the Board of Directors in respect of 2009/10.

## ELEVENTH RESOLUTION

*(Approval of an addendum to the commitment covered by Article L. 225-42-1 of the Commercial Code revising the conditions of payment of deferred compensation to Mr. Jean-Marie Laborde)*

The General Meeting,

with the required quorum and majority for ordinary general meetings,

having considered the Report of the Board of Directors and the Special Report of the Statutory Auditors on the addendum to the commitment covered by Article L. 225-42-1 of the Commercial Code,

approves the signing, following approval by the Board of Directors on 4 June 2009, of an addendum to the commitment approved by the General Meeting of 16 September 2008, which redefines the conditions of payment of compensation that may be paid to Mr. Jean-Marie Laborde in the event of termination of his term of office, in order to bring the commitments made to him in line with the provisions of the Code of Governance produced by the AFEP and MEDEF.

## TWELFTH RESOLUTION

*(Ratification of the continuation of the defined benefit plans covered by the last paragraph of Article L. 225-42-1 of the Commercial Code, for the benefit of Mrs. Dominique Hériard Dubreuil, Messrs. François and Marc Hériard Dubreuil and Mr. Jean-Marie Laborde, as a regulated agreement pursuant to Articles L. 225-38 and L. 225-42 of the Commercial Code)*

The General Meeting, with the required quorum and majority for ordinary general meetings,

having considered the Report of the Board of Directors and the Special Report of the Statutory Auditors pursuant to the provisions of Article L. 225-42 of the Commercial Code,

approves the conclusions of the Special Report following the continuation of pension commitments and expressly approves, as a regulated agreement and pursuant to Articles L. 225-38 and L. 225-42 of the Commercial Code, the commitments to a defined benefit plan concluded on 21 July 2001 and the continuation of these commitments since that date, of which Mr. Jean-Marie Laborde, Chief Executive Officer, benefits in respect of Rémy Cointreau S.A., and Mrs. Dominique Hériard Dubreuil and Messrs. François and Marc Hériard Dubreuil benefit in respect of Andromède SAS.

## THIRTEENTH RESOLUTION

*(Authorisation for the Board of Directors to acquire and sell shares in the Company in accordance with Articles L. 225-209 and subsequent of the Commercial Code)*

The General Meeting,

with the required quorum and majority for ordinary general meetings,

having considered the Report of the Board of Directors and the items referred to in the reference document covering all the information that must appear in the description of the programme,

authorises the Board of Directors, with the facility to sub-delegate in accordance with the law and regulations, pursuant to Article L. 225-209 and subsequent of the Commercial Code, to purchase on one or more occasions, at its sole discretion, shares in the Company within the limits stated hereafter.

The purchases of these shares, as well as their sale or transfer, may be carried out within the law and regulations at any time, including the period of a public offer for the securities of the Company or in a period of a public offer initiated by the Company, subject to periods of abstention provided by Article L. 631-6 of the General Regulations of the Autorité des Marchés Financiers or other legal or regulatory requirements, by all means, on or off-market, on regulated or unregulated markets, on multilateral trading systems, from systematic internalisers or principal to principal, including by a public offer or block transactions, sale with repurchase agreement, and by recourse to all derivative financial instruments traded on regulated or unregulated markets, multilateral trading systems, from systematic internalisers or principal to principal, and within the conditions authorised by the competent market authorities and at the times that the Board of Directors or the person acting on the delegation of the Board of Directors considers appropriate, notably option transactions, excluding the sale of options to sell and to the extent that the latter means do not lead to a significant increase in the volatility of the share price. The maximum amount of capital that may be acquired or transferred in the form of blocks of shares may be the total of the authorised share purchase programme. Payment can be made in any form.

The maximum purchase price is set at €60 (excluding trading costs) subject to adjustments related to potential transactions in the capital of the Company, and/or on the nominal value of the shares.

In the event of an increase in capital by incorporation of reserves, the allocation of free shares, the division or consolidation of shares, the price indicated above shall be adjusted by a coefficient of the ratio of the number comprising the capital before the transaction and the number after the transaction.

The purchases may not bring the number of shares held by the Company after such purchases to over 10% of the shares comprising the share capital, on the day of the decision by the Board of Directors, which by way of illustration, on the basis of the current share capital, corresponds to a maximum of 4,195,799 shares calculated net of treasury shares held by the Company at 31 March 2009, shares sold with a

repurchase agreement, and the purchase of options to purchase shares.

It is noted that when shares are purchased to ensure liquidity for the Rémy Cointreau share subject to the conditions defined below, the limit of 10% corresponds to the number of shares purchased net of the number of shares sold during the life of the present authorisation.

The maximum amount that the Company is liable to pay on the basis of this number of shares is €251,747,940, excluding trading costs.

This programme is designed to facilitate the following transactions in declining order of importance:

- to stimulate the secondary market or provide liquidity for the Rémy Cointreau share by an investment services provider via a liquidity contract that conforms to the AFEI charter recognised by the Autorité des Marchés Financiers;
- to cancel shares as part of a reduction in share capital, subject to the adoption of the fifteenth resolution submitted to the current General Meeting;
- to cover the obligations in respect of debt securities giving access to capital;
- to grant the shares in accordance with the terms and conditions provided by law, notably as part of a profit-sharing plan, to service options to purchase shares, as part of a company savings plan or to be used to grant free shares to employees and executives of the Company and/or companies related to it in accordance with Articles L. 225-197-1 and subsequent of the Commercial Code;
- to purchase shares and retain them to be used subsequently in exchange or as payment for acquisitions, in accordance with market practices permitted by the Autorité des Marchés Financiers and within the law; and
- to implement all market practices permitted by the Autorité des Marchés Financiers and, more generally, carry out all transactions in compliance with the regulations in force.

This authorisation will expire at the close of the General Meeting called to consider the financial statements for the year ended 31 March 2010, and at the latest, within 18 months with effect from today.

This authorisation cancels, for the amounts not used, the authorisation given by the Combined General Meeting, in ordinary session, of 16 September 2008 in its thirteenth resolution.

The Meeting grants all powers to the Board of Directors, with the facility to delegate, in accordance with the law and regulations, to approve all stock market trading instructions, to sign all legal deeds of disposal or transfer, conclude all agreements and all option contracts, effect all declarations and formalities with all organisations and, in general, do everything necessary to execute the decisions that have been made by it within the present authorisation. The General Meeting grants all powers to the Board of Directors to proceed with the adjustment to the unit price and maximum number of shares to be acquired as a function of the change in the number of shares or

their nominal value arising from the possible financial transactions of the Company.

The General Meeting notes that the Board of Directors will inform the General Meeting every year of the transactions realised under the present authorisation, pursuant to Article L. 225-211 of the Commercial Code.

#### **FOURTEENTH RESOLUTION**

*(Powers to complete formalities)*

The Annual General Meeting gives all powers to the bearer of a copy or a certified extract from the current minutes to carry out all legal formalities of filing and advertising.

#### **GENERAL MEETING IN EXTRAORDINARY SESSION**

#### **FIFTEENTH RESOLUTION**

*(Authorisation for the Board of Directors to reduce the share capital by cancellation of treasury shares held by the Company)*

The General Meeting, with the required quorum and majority required for an Extraordinary General Meeting,

having considered the Report of the Board of Directors and the Statutory Auditors' Report,

authorises the Board of Directors, with the facility to sub-delegate in accordance with the law and regulations, pursuant to Article L. 225-209 of the Commercial Code, to reduce the share capital by cancellation, on one or more occasions, in the proportions and at the times it decides, all or part of the shares in the Company acquired or that it may hold by virtue of the authorisation for the Company to purchase its own shares, the object of the thirteenth resolution of the current Meeting, or that had been acquired by virtue of previous authorisations for the Company to purchase and sell its own shares.

The Meeting grants all powers to the Board of Directors to carry out at its own discretion, this or these reductions in capital, to approve the amount up to 10% of the share capital per period of 24 months, it being noted that this limit applies to the amount of the share capital of the Company that will be, where appropriate, adjusted to take into account transactions after the current Meeting affecting the share capital, to set the terms, to set the difference against the nominal value of shares cancelled and their book value to every reserve and premium available, to make the related changes to the bylaws, to proceed with all publications and formalities required, to delegate all powers necessary to implement its decisions, all in accordance with the law in force at the time of use of the present authorisation. This authorisation will expire at the close of the General Meeting called to consider the financial statements for the year ended 31 March 2010 and, at the latest, within 18 months from today.

This authorisation cancels and replaces the fifteenth resolution adopted by the Combined General Meeting of 16 September 2008.

## SIXTEENTH RESOLUTION

*(Authorisation for the Board of Directors to decide to increase the share capital by the issue with a maintained pre-emption right of shareholders to subscribe, of shares and/or marketable securities giving the right to the capital of the Company and/or the issue of marketable securities giving the right to the allocation of debt securities)*

The General Meeting, with the required quorum and majority required for an Extraordinary General Meeting,

having considered the Report of the Board of Directors and the Statutory Auditors' Report, in compliance with Articles L. 225-129 and subsequent of the Commercial Code, notably Article 125-129-2, and Articles L. 228-91 and subsequent of the Commercial Code:

- ends, with immediate effect, for the unused fraction, the authorisation given by the Combined General Meeting of 31 July 2007 in its fifteenth resolution;
- delegates to the Board of Directors, for a period of 26 months from the current Meeting, with the facility to sub-delegate in accordance with the law and regulations, the necessary powers to decide on a capital increase and to proceed, on one or more occasions, in the proportions and the times it decides, in France and/or abroad and/or on the international market, with maintained pre-emption rights of shareholders to subscribe, in euros, foreign currencies or in whatever monetary unit established by reference to a number of currencies, the issue of shares in the Company, as well as all marketable securities giving access to the capital of the Company, including warrants to subscribe and warrants to acquire issued independently, or to decide, under the same conditions, on the issue of marketable securities giving the right to the allocation of debt securities.

The issues of preference shares and marketable securities giving access immediately or in time to preference shares are expressly excluded.

Subscription may be in cash, or offset against liabilities that are certain, liquid and payable by the Company, or issued free.

The total amount of capital increases that are immediate or in time, resulting from all the issues carried out by virtue of the present delegation is set at €30,000,000, it being noted (i) that this ceiling is set against the nominal amount of all capital increases arising or likely to result in time, of issues decided by virtue of the seventeenth, eighteenth, nineteenth, twentieth, twenty-first and twenty-second resolutions of the current Meeting, as well as the eighteenth resolution of the Combined General Meeting of 16 September 2008, and (ii) that this ceiling is set not taking into account adjustments likely to be made pursuant to applicable laws and regulations and, where necessary, to preserve the rights of holders of marketable securities or other rights giving access to capital.

The total nominal amount of all debt securities giving access to capital or giving a right to the allocation of debt securities likely to be issued as part of the present delegation may not exceed €750,000,000 or its

equivalent on the day the issue is decided, not taking into account adjustments likely to be implemented pursuant to the law, it being noted that this amount will be set against the amount of debt securities giving access to capital or giving the right to the allocation of debt securities that will be issued in application of the delegation to the Board of Directors authorised by the current General Meeting. The Board of Directors may notably determine the issue price, a fixed or variable interest rate for the debt securities and a date for payment, as well as the price and repayment terms of these debt securities with or without a premium, in the form of securities, subordinated or not, a fixed life or not, in euros or foreign currency, or all monetary units established by reference to a number of currencies and the conditions of their repayments as a function of market conditions.

Shareholders may exercise, within the law, their pre-emption right to subscribe for shares and marketable securities giving access to capital irreducibly and in proportion to the shares they possess.

The Board of Directors may establish for the benefit of shareholders a right to subscribe for shares and marketable securities giving access to capital reducibly that shall be exercised in proportion to their rights and within the limits of their request.

The General Meeting decides that the pre-emption right to subscribe attached to shares held by the Company are not taken into account in determining the pre-emption rights attached to other shares, pursuant to Article L. 225-210 of the Commercial Code.

The present decision carries, for the benefit of holders of marketable securities giving access to the capital of the Company issued by virtue of the current resolution, the express waiver by shareholders of their pre-emption right to subscribe for shares or marketable securities giving access to capital to which these marketable securities give the right.

The Board of Directors may notably decide that the balance of the capital increase that could not be irreducibly subscribed and where appropriate reducibly subscribed, will be released freely at its request, totally or in part, or offered to the public totally or in part or that the capital increase will be limited to the subscriptions received if the legal conditions are met, it being noted that the Board of Directors may use, in the order it judges best, the facilities stated above or only some of them.

The General Meeting decides that the issue of warrants to subscribe for shares may be made by an offer to subscribe, and also by being issued free to existing shareholders.

The Board of Directors may decide to use treasury shares held as a substitute for shares to be issued under the current resolution.

The Board of Directors, with the facility to sub-delegate according to the law, has all the powers to implement the present authorisation, as well as to postpone, where necessary, and notably to approve, depending on market opportunities, the subscription price (with or without an issue premium), conditions and features of the issues, set the amounts to be issued, determine the terms of the issue and the form of the

marketable securities to be created, set the effective date, even retroactive, of securities to be issued and the conditions of their repurchase, proceed with all adjustments required in compliance with legal and regulatory provisions and, where necessary, to contractual requirements, take all steps to reserve the rights of holders of market securities giving access to capital, possibly suspend the exercise of rights attached to these marketable securities during a set period, in compliance with legal and regulatory provisions and, in general, take all useful steps, carry out all formalities required and conclude all agreements to successfully complete the issues considered, and request, where necessary, the quotation, noting the realisation, and make changes to the bylaws made necessary as a result of using the present authorisation, in compliance with the law and regulations in force.

## SEVENTEENTH RESOLUTION

*(Authorisation for the Board of Directors to decide the increase in share capital by the issue, with cancellation of the pre-emption right of shareholders to subscribe, of shares in the Company and/or marketable securities giving access to capital of the Company and/or the issue of marketable securities giving right to allocation of debt securities)*

The General Meeting, with the required quorum and majority required for an Extraordinary General Meeting,

having considered the Report of the Board of Directors and the Special Report of the Statutory Auditors, and pursuant to Articles L. 225-129 and subsequent of the Commercial Code, notably Articles L. 225-129-2, L. 225-135, L. 225-136 and L. 228-91 and subsequent of the Commercial Code,

- ends, with immediate effect, the unused fraction of the authorisation given by the Combined General Meeting of 31 July 2009 in its sixteenth resolution;
- delegates to the Board of Directors, for a period of 26 months from the date of the current Meeting, with the facility to sub-delegate according to the law and regulations, the authority to decide on an increase in share capital, on one or more occasions, in the proportions and at the times it decides, by an offer to the public and/or by an offer covered by II of Article L. 411-2 of the Monetary and Financial Code, in France and/or the international market, in euros or in any monetary unit established by reference to a number of currencies by the issue of shares in the Company, as well as all marketable securities giving access to the capital of the Company and to decide, under the same conditions, the issue of marketable securities giving the right to the allocation of debt securities.

The issue of preference shares and marketable securities giving access immediately or in time to preference shares are expressly excluded.

Subscription may be in cash, or be offset against liabilities that are certain, liquid and payable by the Company.

The nominal amount of increases in capital immediately or in time likely to be realised by virtue of the current resolution may not exceed €30,000,000, it being noted that this amount is set against the total nominal ceiling provided by the sixteenth resolution of the current

Meeting not taking into account adjustments likely to be carried out pursuant to the applicable legislation and regulations and where necessary, contractual terms requiring other adjustments, to preserve the rights of holders of marketable securities or other rights giving access to the capital.

It is also noted that the nominal amount of increases in capital, immediately or in time, resulting from the issues that will be realised by an offer covered by II of Article L. 411-2 of the Monetary and Financial Code, will not exceed the amount of the ceiling provided by law.

The nominal amount of debt securities giving access to capital or giving the right to an allocation of debt securities likely to be issued by virtue of the present authorisation may not exceed €750,000,000 or its equivalent on the date the issue is decided, and is set against the ceiling relative to debt securities giving access to capital or giving the right to an allocation of debt securities provided by the sixteenth resolution of the current Meeting, not taking into account adjustments likely to be made in compliance with the law.

The Board of Directors may notably determine the issue price, a fixed or variable interest rate for the debt securities and a date for payment, as well as the price and repayment terms of the principal of these debt securities, with or without a premium, in the form of subordinated securities or not, with a fixed life or not, in euros or foreign currencies, or all monetary units established by reference to a number of currencies and the conditions of their repayment as a function of market conditions.

The General Meeting decides as a result to cancel the pre-emption right of shareholders to subscribe for shares and marketable securities to be issued by virtue of the present delegation alone, up to the amount defined above.

In addition, this decision carries, for the benefit of holders of marketable securities giving access to the capital of the Company issued by virtue of the current resolution, the express waiver by shareholders of their pre-emption right to subscribe for shares or marketable securities giving access to capital to which these marketable securities give the right.

The Board of Directors may possibly decide to grant shareholders a priority period over all or part of the issue, for the duration and in accordance with the terms and conditions that it would set pursuant to legal and regulatory provisions. This priority period will not give rise to the issue of negotiable rights.

The Board of Directors, with the facility to sub-delegate according to the law, has all the powers to implement the present authorisation - as well as, where appropriate, to postpone it, notably to approve as a function of market opportunities, the subscription price, conditions and features of the issues, set the amounts to be issued, determine the methods of issue and the form of the marketable securities, set the effective date, even retroactively, of marketable securities to be issued and the conditions of their purchase, carry out all the adjustments required pursuant to legal and regulatory provisions and, where applicable, contractual provisions, take all steps to reserve the rights of holders of marketable securities giving access to capital, potentially suspend the exercise of rights attached to these marketable securities, for a

period set pursuant to legal and regulatory provisions, and generally take all useful steps, carry out the necessary formalities and conclude all agreements to successfully implement the planned issues, request, where applicable, the listing, noting its realisation, and make all the revisions to the bylaws made necessary as a result of using the present delegation, carrying out all of the above pursuant to applicable laws and regulations, it being specified that the amount received or to be received by the Company for each share issued as part of the present authorisation will be at least equal to the minimum value set by the law and regulations in force at the time of the use of the present authorisation, after correction, if it happens, of this amount to take into account the difference in the effective date.

The Board of Directors may decide to use treasury shares held as a substitute for shares to be issued under the current resolution.

The Board of Directors may, if the subscriptions do not absorb the entire issue of marketable securities, limit the amount of the issue to the amount of subscriptions received subject to this being, at least, three quarters of the increase decided.

The General Meeting authorises the Board of Directors, in compliance with Article L. 225-148 of the Commercial Code, to use the present delegation to proceed with the issue of shares or marketable securities giving access to capital as consideration for securities tendered in all public takeover offers initiated by the Company for the securities of any company whose shares are admitted to trading on one of the regulated markets covered by Article L. 225-148, including all marketable securities issued by Rémy Cointreau, and decides, as required, to cancel for the benefit of holders of these securities, the shareholders' pre-emption right to subscribe to these shares and marketable securities. The present delegation may also be used to proceed with the issue of shares or marketable securities giving access to capital, as consideration for securities tendered in a transaction having the same effect as a public takeover offer initiated by the Company for the securities of any company where shares are admitted to trading on a regulated market subject to foreign law.

The ceiling for the nominal amount of capital increases arising from issues where the securities representing a portion of the share capital are allocated as consideration for a public takeover offer, in compliance with Article L. 225-148 of the Commercial Code, is set at €30,000,000, it being noted that this ceiling is set against the maximum global ceiling fixed by the current resolution and it is set without taking into account adjustments likely to be made in compliance with the law.

The General Meeting confers on the Board of Directors, with the facility to sub-delegate according to the law as well as by the Report of the Board of Directors, all powers necessary to carry out the public takeover offers described above and the issues of shares and/or marketable securities, as consideration for securities tendered, on the conditions provided by the current resolution, it being understood that the Board of Directors will notably set the exchange ratios as well as the balance payable in cash, where appropriate, without the method of determining the price set by the current resolution being applicable.

The General Meeting also authorises the Board of Directors to use the present delegation to issue shares and marketable securities giving access to the capital of the Company to which these marketable securities give the right and which may be issued by companies where Rémy Cointreau holds directly or indirectly over half the share capital, subject to the approval of the Board of Directors of Rémy Cointreau.

As part of this, the General Meeting notes that the shareholders of Rémy Cointreau do not have pre-emption rights to subscribe to these marketable securities issued by these companies and that the current decision carries, for the benefit of holders of marketable securities likely to be issued, the express waiver by shareholders of Rémy Cointreau to their pre-emption right to subscribe for shares or marketable securities giving access to capital to which these marketable securities give the right.

The ceiling of the nominal amount of capital increases arising from issues carried out where the securities representing a share of the share capital allocated as a result of the issue of marketable securities by the companies where Rémy Cointreau holds directly or indirectly more than half the share capital, is set at €30,000,000, it being noted that this ceiling is set against the global maximum ceiling fixed by the current resolution and is set taking into account adjustments likely to be made in accordance with the law and where appropriate, contractual requirements.

The Board of Directors will set, with the facility to sub-delegate according to the law as well as by the Report of the Board of Directors, in agreement with the Board of Directors or Chairman of the company(ies) seeking to proceed with the issue, the amounts to be issued, determine the form of the marketable securities to be created and all the methods of issue and in general, enter into all agreements, take all steps and complete all formalities useful to carrying out the issues envisaged, it being understood that the Board of Directors will set the exchange ratios as well as the balance payable in cash, where appropriate.

## **EIGHTEENTH RESOLUTION**

*(Authorisation for the Board of Directors to set the issue price of securities to be issued as part of the seventeenth resolution, with cancellation of the pre-emption right of shareholders to subscribe, within the limit of 10% of the share capital per year)*

The General Meeting, with the required quorum and majority required for an Extraordinary General Meeting,

having considered the Report of the Board of Directors and the Special Report of the Statutory Auditors, pursuant to the provisions of Article L. 225-136 1° of the Commercial Code;

- ends, with immediate effect, for the unused fraction, the authorisation given by the Combined General Meeting of 31 July 2007 in its twentieth resolution;
- authorises, for a period of 24 months, with effect from today, as part of the seventeenth resolution to the current Meeting and within the limit of 10% of the capital per year and within the ceiling referred to in the seventeenth resolution to the present General

Meeting against which it is offset, the Board of Directors, with the facility to sub-delegate according to the law and regulations, to set the issue price of all shares and marketable securities, giving access to capital at an issue price different from that used in respect of the issues authorised by virtue of the seventeenth resolution alone, which may not be less, on the decision of the Board of Directors, than (a) the average price weighted by the volume of share trading in the 20 days preceding the setting of the price or (b), the average price weighted by the volume of share trading on the day before the setting of the issue price in both cases, possibly reduced by a maximum discount of 10% and subject to the limit that the amount to be received for each share is at least equal to its nominal value. In this event, the Board of Directors must prepare an additional report certified by the Statutory Auditors, describing the final conditions of the transactions and providing the necessary information to understand the effect on the shareholders' position.

The issue of preference shares and marketable securities giving access to preference shares, immediately or in time are expressly forbidden.

### **NINETEENTH RESOLUTION**

*(Authorisation for the Board of Directors to increase the number of securities to be issued in the event of an issue, with or without a pre-emption right, for shareholders to subscribe)*

The General Meeting, with the required quorum and majority required for an Extraordinary General Meeting,

having considered the Report of the Board of Directors and the Special Report of the Statutory Auditors, pursuant to the provisions of Article L. 225-135-1 of the Commercial Code,

authorises the Board of Directors, with the facility to sub-delegate in accordance with the law and regulations, to increase the number of securities to be issued for each of the issues, with or without a pre-emption right to subscribe, decided by virtue of the sixteenth, seventeenth and eighteenth resolutions to the current Combined General Meeting, within 30 days after the closure of the subscription and within the limit of 15% of each issue and at the same price as used for the initial issue and subject to the ceiling provided by the resolutions in application of which the issue is decided.

The authorisation given to the Board of Directors by the current resolution is valid for 26 months, with effect from today.

The current resolution cancels the unused part of the authorisation given by the Combined General Meeting of 31 July 2007 in its nineteenth resolution.

### **TWENTIETH RESOLUTION**

*(Authorisation for the Board of Directors to increase the capital of the Company by incorporation of reserves, profits or premiums)*

The Extraordinary General Meeting, with the required quorum and majority for ordinary general meetings,

having considered the Report of the Board of Directors,

delegates to the Board of Directors, pursuant to Articles L. 225-129, L. 225-129-2 and L. 225-130 of the Commercial Code, with the facility to sub-delegate according to the law, the authority to increase the share capital, on one or more occasions, at the times and on the terms it determines, by incorporation of its reserves, profits or premiums whose conversion to capital is permitted by law and under the bylaws, followed by the creation and free allocation of shares and the increase in the nominal value of existing shares or a combination of both.

The new shares will be subject to the provisions of the bylaws, similar to existing shares, and will enjoy the same rights, with effect from the date of completion of the increase in capital. Their right to dividends for the first time will be in respect of the distribution of profits decided in respect of the current year on the date of completion of the increase in capital.

The General Meeting decides that the amount of the increase in capital likely to be realised as part of the current resolution may not exceed the nominal value of €30,000,000 and is set against the ceiling set by the terms of the sixteenth resolution of the current General Meeting.

This ceiling is set subject to, if it occurs, the consequences on capital of the adjustments made in accordance with the law.

The General Meeting grants to the Board of Directors, and without this list being exhaustive, with the facility to sub-delegate according to the law, in the event of usage of the present delegation, all the powers to:

- determine the terms and conditions of the authorised transactions and notably set the amount and nature of the increases and premiums to be incorporated into capital, set the number of new shares to be issued or the amount of the nominal value of existing shares comprising the share capital to be increased, agree the date, even retrospective, from which the new shares will take effect or that from which the increased nominal value will take effect;
- decide, in the event of the issue of free shares, that the fractional entitlements cannot be traded and that the corresponding shares will be sold; the amounts received from the sale will be allocated to holders of the rights at the latest 30 days after the date of record in their account of the entire number of shares allocated;
- proceed with all adjustments required by the law and regulations;
- note the completion of every increase in capital and proceed with the relative revisions to the bylaws; and
- take all useful steps and conclude all agreements to ensure the completion of the transaction(s) envisaged and, in general, do everything necessary, complete all deeds and formalities to facilitate the increase(s) in capital that may be carried out by virtue of the present delegation.

The General Meeting notes that in the event the Board of Directors uses the present delegation, it will

report to the Annual General Meeting, pursuant to Article L. 225-100 of the Commercial Code, on the authorisations granted by virtue of the present delegation.

The present authorisation, which replaces that granted by the sixteenth resolution of the Combined General Meeting of 16 September 2008, and deprives it of effect for the unused part as of today, is valid for a period of 26 months from the current Meeting.

## TWENTY-FIRST RESOLUTION

*(Authorisation for the Board of Directors to proceed with the issue of shares or marketable securities giving access to capital within the limit of 10% of the capital as consideration for transfers in kind)*

The General Meeting, with the required quorum and majority required for an Extraordinary General Meeting and pursuant to the provisions of Article L. 225-147 of the Commercial Code,

having considered the Report of the Board of Directors and the Statutory Auditors' Report,

delegates to the Board of Directors, with the facility to sub-delegate to any person authorised by law and where the provisions of Article L. 225-148 of the Commercial Code do not apply, for a period of 26 months from the current General Meeting, the necessary powers to proceed with all issues of shares or all marketable securities giving access to capital (with the exception of preference shares), within the limit of 10% of the share capital at the time of the issue, as consideration for transfers in kind to the Company and comprising capital securities or marketable securities giving access to capital and decides, as required, to cancel for the benefit of holders of capital securities or marketable securities, the subject of transfers in kind, the pre-emption right of shareholders to subscribe for shares or marketable securities thus issued.

The current decision carries, for the benefit of holders of these securities, a waiver by shareholders of their pre-emption right to subscribe for shares in the Company to which the marketable securities to be issued on the basis of the present authorisation may give the right.

The ceiling of 10% provided above is set against the ceiling fixed by the terms of the seventeenth resolution of the current General Meeting.

The General Meeting delegates all powers to the Board of Directors, with the facility to sub-delegate according to the law and regulations, to implement the present delegation, notably to:

- approve the Report of the Auditors on the transfer;
- agree the terms and conditions of authorised transactions and notably to evaluate the transfers as well as the grant, where appropriate, of specific benefits;
- set the number of securities to be issued as consideration for transfers as well as the effective date of securities to be issued;
- proceed, where appropriate, with all allocation(s) to the share premium, and notably that relating to the costs incurred by carrying out these issues;

- note the completion of the increase in capital and revise the bylaws as a result; and
- in general, take all useful steps and conclude all agreements, proceed with all formalities required for the admission to trading of the shares issued and carry out all the necessary advertising formalities.

The present authorisation replaces that granted by the seventeenth resolution of the Combined General Meeting of 16 September 2008 and deprives it of effect for the unused part as of today.

## TWENTY-SECOND RESOLUTION

*(Authorisation for the Board of Directors to increase the share capital by the issue of shares reserved for members of a company savings plan)*

The General Meeting, with the required quorum and majority required for an Extraordinary General Meeting, having considered the Report of the Board of Directors and the Special Report of the Statutory Auditors,

authorises the Board of Directors, with the facility to sub-delegate according to the law and regulations, within the provision of Articles L. 225-129-6 paragraphs 1 and 2, and L. 225-138-1 and, in addition Articles L. 3332-1 and L. 3332-18 and subsequent of the Labour Code to proceed with an increase in the share capital, on one or more occasions, at its own discretion, in the proportions and at the times it considers appropriate, by the issue of shares (other than preference shares) reserved for members of a company savings plan and decides to cancel the pre-emption right to subscribe for these shares whose issue is authorised by the current resolution for the benefit of the beneficiaries;

decides that the beneficiaries of capital increases, presently authorised, will be members of a company savings plan or companies related to it in the sense of Article L. 225-180 of the Commercial Code who also meet the possible conditions set by the Board of Directors;

sets at 26 months with effect from today the period of validity of the present delegation;

proposes to set at €1,400,000 the maximum global nominal amount of the capital increase that may be thus carried out by the issue of shares, it being noted that this ceiling is offset against the ceiling of capital increase provided by the seventeenth resolution;

decides that the price of the shares subscribed to by the beneficiaries referred to above, in application of the present delegation, will be set in accordance with the law and regulations and that it may not thus be greater, in respect of securities already quoted on a regulated market, than the average price quoted on the 20 stock market days preceding the day of the decision setting the date of opening the subscription, or lower than over 20% of this average, or 30% where the lock-up period provided by the plan in compliance with Articles L. 3332-25 and L. 3332-26 of the Labour Code is equal to or greater than ten years;

decides that the Board of Directors may also provide in application of the present authorisation the free allocation to employees of shares or other marketable securities giving access to the capital of the Company under the conditions of Article L. 3332-21 of the Labour Code;

decides that the conditions for subscription and release of the shares may be either in cash or be offset under conditions set by the Board of Directors;

authorises the Board of Directors to issue, by virtue of the present authorisation, any security giving access to the share capital of the Company that becomes authorised by the law or regulations in force;

decides that the Board of Directors will have all powers to carry out the present delegation, with the facility to sub-delegate according to the law and regulations, within the limits and subject to the conditions stated above, to:

- set the list of beneficiaries and the conditions to be met by the beneficiary's new shares arising from capital increases, the subject of the current resolution;
- set the conditions for the issue(s);
- decide the amount to be issued, the issue price, the dates and terms of every issue;
- set the timeframe for subscribers to release their securities;
- set the date, even retroactive, from which the new shares are effective;
- note or have noted the completion of the capital increase to the extent of the amount of shares that will effectively be subscribed;
- on its own initiative, set the costs of the share capital increases against the premiums relating to these increases and to transfer from this the amounts necessary to increase the legal reserve to one tenth of the new capital following every increase; and
- in general, take all steps needed to carry out the capital increases, proceed with formalities related to that and to make the revisions to the bylaws in respect of these capital increases.

### TWENTY-THIRD RESOLUTION

*(Authorisation for the Board of Directors in the event of a public offer to purchase the securities of the Company)*

The General Meeting, with the required quorum and majority required for an Extraordinary General Meeting, having considered the Report of the Board of Directors, authorises the Board of Directors, with the facility to sub-delegate according to the law and regulations in force, in the event the securities of the Company are targeted by a public offer in circumstances rendered applicable by Article L. 233-33 of the Commercial Code, and in compliance with the legislative and regulatory provisions in force on the date of such use, to implement the authorisations and delegations of authority and powers that were granted by the current General Meeting and by the General Meeting of 16 September 2008 and sets at 18 months from the day of the current Meeting the period of validity of the authorisation conferred by the current resolution.

### TWENTY-FOURTH RESOLUTION

*(Authorisation for the Board of Directors to allocating the costs incurred by capital increases carried out against the premiums arising from these transactions)*

The General Meeting, with the required quorum and majority required for an Extraordinary General Meeting, authorises the Board of Directors to allocate the costs, duties and fees incurred by the capital increase, realised

by virtue of the authorisation given by the preceding resolutions, against the premiums arising from these transactions and to transfer from these premiums, the amounts required to bring the legal reserve to one tenth of the new capital, following every transaction.

### TWENTY-FIFTH RESOLUTION

*(Revision, as a result of legislative change to Article 12 of the bylaws of the Company in respect of shares held by Directors)*

The General Meeting, with the required quorum and majority required for an Extraordinary General Meeting, having considered the Report of the Board of Directors, decides to revise Article 12 of the bylaws in respect of the number of shares, in order to take into account the new provisions of Article L. 225-25 of the Commercial Code, as revised by Law No. 2008-776 of 4 August 2008, as follows:

“Every member of the Board of Directors must hold at least 100 shares in the Company.

If, on the day of appointment, a member of the Board of Directors does not hold the number of shares required of him/her during his/her term of office, he/she is considered as having resigned if the situation is not rectified within a period of six months.”

### TWENTY-SIXTH RESOLUTION

*(Revision, as a result of legislative change, to Article 23.2, paragraph three, of the bylaws of the Company in respect of double voting rights at General Meetings)*

The General Meeting, with the required quorum and majority required for an Extraordinary General Meeting, having considered the Report of the Board of Directors, decides to revise the third paragraph of Article 23.2 of the bylaws in respect of double voting rights to take into account the new provisions of Article L. 225-124 of the Commercial Code, as revised by Law No. 2008-776 of 4 August 2008, as follows:

“This double voting right ceases to have effect for all shares converted to bearer status of which the ownership is transferred. However, the timeframe of four years set to retain the right acquired is not interrupted by a transfer following succession, or the liquidation of common ownership of property between spouses, or inter-vivo gifts, for the benefit of an inheriting spouse or parent. This is also the case in the event of a transfer following a merger or demerger of a company that is a shareholder.”

The other terms of Article 23.2 are unchanged.

### TWENTY-SEVENTH RESOLUTION

*(Powers to carry out formalities)*

The Extraordinary General Meeting gives all powers to the bearer of a copy or a certified extract from the current minutes to carry out all the legal formalities of filing and advertising.



### 3. SPECIAL REPORT OF THE STATUTORY AUDITORS

#### COMBINED GENERAL MEETING OF 28 JULY 2009

To the Shareholders of Rémy Cointreau,

In our capacity as Statutory Auditors of Rémy Cointreau S.A. we present our report on the following transactions, on which you are called to vote:

#### 1. REDUCTION IN SHARE CAPITAL BY CANCELLATION OF TREASURY SHARES HELD BY THE COMPANY (FIFTEENTH RESOLUTION)

Pursuant to the assignment provided by Article L. 225-209, paragraph 7, of the Commercial Code, in the event of a reduction in capital by cancellation of shares purchased, we present our report on our assessment of the reasons, terms and conditions of the proposed capital reduction.

We have performed our work in accordance with acceptable professional standards in France. These require the performance of due diligence procedures to verify whether the reasons for and terms and conditions of the proposed share capital reduction are compliant.

This transaction arises from your Company's share buyback programme, which allows it to purchase up to 10% of its share capital, in accordance with the provisions of Article L. 225-209 of the Commercial Code. This purchase authorisation is also subject to approval by your General Meeting in its thirteenth resolution and will be valid for a period expiring at the end of the Meeting called to consider the financial statements for the year ended 31 March 2010, and no later than 18 months from the date of the current Meeting.

Your Board of Directors proposes that you delegate to it, for a period that ends at the close of the General Meeting called to consider the financial statements for the year ended 31 March 2010, and no later than 18 months from the date of the current Meeting, in respect of the implementation of the authorisation for your Company to purchase its own shares, all powers to cancel the shares thus purchased, up to the limit of 10% of its share capital and by 24 month periods.

We have no comments to make on the reasons for and the terms and conditions of the proposed capital reduction, it being noted that this cannot be carried out unless the Meeting first approves the share buyback programme, provided by the thirteenth resolution to the current Meeting.

#### 2. ISSUE OF MARKETABLE SECURITIES GIVING ACCESS TO THE CAPITAL OF THE COMPANY OR GIVING RIGHT TO AN ALLOCATION OF DEBT SECURITIES, WITH OR WITHOUT PRE-EMPTION RIGHTS TO SUBSCRIBE (SIXTEENTH, SEVENTEENTH AND NINETEENTH RESOLUTIONS)

In execution of our assignment provided by the Commercial Code and notably Articles L. 225-135 and L. 228-92, we present our report on the proposed issue of marketable securities giving access to capital or giving the right to an allocation of debt securities, with or without pre-emption rights to subscribe, a transaction on which you are requested to make a decision. The issues that may be decided in this respect may be increased by 15% under the conditions provided by the nineteenth resolution, in the event of excess demand.

Share capital increases that may occur immediately or in time from the issue of these marketable securities may not exceed €30,000,000. Also, the nominal value of debt securities giving access or not to shares and likely to be issued may not exceed €750,000,000, it being noted that this ceiling is common to all debt securities whose issue is delegated to the Board of Directors by virtue of the current Meeting.

Your Board of Directors proposes that, on the basis of its report, you delegate to it the authorisation, for a period of 26 months, within the framework of Article L. 225-129-2 of the Commercial Code, to proceed with this transaction and decide upon the conditions of issuance and to cancel, in the seventeenth resolution, your pre-emption rights to subscribe.

It is the role of your Board of Directors to prepare a report in accordance with Articles R. 225-113, R. 225-114 and R. 225-117 of the Commercial Code. We have to give our opinion on the fairness of the financial information drawn from the financial statements, on the proposal to cancel the pre-emption right to subscribe, and certain other information concerning the issue, provided in the Management Report.

We have performed our work in accordance with acceptable professional standards in France. These require the performance of due diligence procedures to verify the content of the Board of Directors' report in respect of this transaction and the methodology for determining the issue price of shares to be issued.

Subject to a subsequent review of the terms and conditions of the proposed issue, we have no comments to make on the methodology for determining the issue price of capital securities to be issued given in the Board of Directors' report.

The Board of Directors' report does not disclose the methods of determining the issue price of marketable securities to be issued as part of the implementation of the seventeenth resolution, thus we cannot express an opinion on the selection of elements to calculate the issue price.

As the amount of share premium to be created by these issues is not fixed, we express no opinion on the final conditions through which the issues will be realised, and consequently, on the proposed cancellation of pre-emption rights to subscribe.

In compliance with Article R.225-116 of the Commercial Code, we will report on these issues when implemented by your Board of Directors.

### **3. ISSUE OF SHARES, SECURITIES OR VARIOUS MARKETABLE SECURITIES AND FREELY SETTING THE ISSUE PRICE (EIGHTEENTH RESOLUTION)**

In execution of our assignment provided by Article L. 225-136 1° of the Commercial Code, we present our report on the authorisation requested by your Board of Directors to proceed freely to set the issue price of a part of reserved capital increase for the issue of capital securities and/or marketable securities giving access to capital covered by the seventeenth resolution to the current Meeting.

Your Board of Directors proposes, for a period of 26 months from the current Meeting, to set the issue price of capital securities or marketable securities giving access to the capital of the Company to be issued without pre-emption rights to subscribe for a part set at 10% of the share capital of the Company, while respecting a floor price which will be determined and disclosed in the eighteenth resolution.

It is the role of your Board of Directors to prepare a report in accordance with Articles R. 225-113, R. 225-114 and R. 225-117 of the Commercial Code. We have to give our opinion on the fairness of the financial information drawn from the financial statements, on the proposal to cancel the pre-emption right to subscribe, and certain other information concerning the issue, provided in the Management Report.

We have performed our work in accordance with acceptable professional standards in France. These require the performance of due diligence procedures to verify the content of the Board of Directors' report in respect of this transaction and the methodology for determining the issue price of shares to be issued.

Subject to a subsequent review of the terms and conditions for the proposed capital increases, we have no comments to make on the methodology for determining the issue price given in the Board of Directors' report.

The issue price of capital securities or marketable securities giving access to capital to be issued, where appropriate, is not fixed, and we do not express an opinion on the final conditions for realising the issue, and, as a result, on the proposal made to you to cancel the pre-emption rights to subscribe.

In compliance with Article L. 225-136 1° of the Commercial Code, we will certify the additional report prepared by the Board of Directors at the time of use of this authorisation.

### **4. AUTHORISATION TO PROCEED WITH THE ISSUE OF SHARES OR MARKETABLE SECURITIES GIVING ACCESS TO CAPITAL AS CONSIDERATION FOR TRANSFERS IN KIND (TWENTY-FIRST RESOLUTION)**

In execution of our assignment provided by Article L. 228-92 of the Commercial Code, we present our report on the proposed issue of marketable securities giving access to capital as consideration for transfers in kind to the Company and comprising capital securities or marketable securities giving access to capital, within the limit of 10% of the capital, a transaction upon which you are called to vote.

Your Board of Directors proposes that, on the basis of its report, you authorise it for a period of twenty six months to set the methods of this issue.

It is the role of your Board of Directors to prepare a report in accordance with Articles R. 225-113, R. 225-114 and R. 225-117 of the Commercial Code. We have to give our opinion on the fairness of the financial information drawn from the financial statements and certain other information concerning the issue, provided in the Management Report.

We have performed our work in accordance with acceptable professional standards in France. These require the performance of due diligence procedures to verify the content of the Board of Directors' report in respect of this transaction and the methodology for determining the issue price of shares to be issued.

The Board of Directors' report does not disclose the methods of determining the issue price of capital securities to be issued, thus we cannot express an opinion on the selection of elements to calculate the issue price.

As the issue price has not been set, we express no opinion on the final conditions through which the issues will be realised, and consequently, on the proposed cancellation of pre-emption rights to subscribe.

In compliance with Article R. 225-116 of the Commercial Code, we will report on these issues when implemented by your Board of Directors.

## 5. INCREASE IN CAPITAL OF THE COMPANY, WITH CANCELLATION OF THE PRE-EMPTION RIGHT TO SUBSCRIBE RESERVED FOR MEMBERS OF A COMPANY SAVINGS PLAN (TWENTY-SECOND RESOLUTION)

In execution of our assignment provided by Articles L. 225-135 and subsequent of the Commercial Code, we present our report on the proposal to delegate to the Board of Directors the authority to decide on an increase in capital by the issue of ordinary shares with cancellation of the pre-emption right to subscribe, reserved for members of a company savings plan of your Company or related companies within the meaning of Article L. 225-180 of the Commercial Code. The maximum capital increase is set at €1,400,000.

This proposed increase in share capital is submitted for your approval in application of the provisions of Articles L. 225-129-6 of the Commercial Code and Article L. 3332-8 and subsequent of the Labour Code.

Your Board of Directors proposes that, on the basis of its report, you delegate to it the authorisation, for a period of 26 months, to decide upon the method of implementing this transaction and proposes that you cancel the pre-emption subscription. Where necessary, it will set the terms and conditions of this transaction.

It is the role of your Board of Directors to prepare a report in accordance with Articles R. 225-113 and R. 225-114 of the Commercial Code. We have to give our opinion on the fairness of the financial information drawn from the financial statements, on the proposal to cancel the pre-emption right to subscribe and certain other information concerning the issue, provided in the Management Report.

We have performed our work in accordance with acceptable professional standards in France. These require the performance of due diligence procedures to verify the content of the Board of Directors' report in respect of this transaction and the methodology for determining the issue price.

Subject to a subsequent review of the terms of the proposed capital increase to be decided, we have no observations to make on the methodology for determining the issue price given in the Board of Directors' report.

As the issue price has not been set, we express no opinion on the final conditions through which the increase in share capital will be realised and, consequently, on the proposed cancellation of pre-emption rights to subscribe.

In compliance with Article R. 225-116 of the Commercial Code, we will prepare an additional report at the time of use of this allocation by your Board of Directors.

Neuilly-sur-Seine and Paris, 19 June 2009

The Statutory Auditors

Ernst & Young et Autres

Marie-Laure Delarue

Auditeurs & Conseils Associés SA  
Nexia international

Olivier Juramie



# PERSON RESPONSIBLE FOR THE REFERENCE DOCUMENT AND INFORMATION POLICY

Page

- 156 1. PERSON RESPONSIBLE FOR THE REFERENCE DOCUMENT
- 156 2. CERTIFICATE OF THE PERSON RESPONSIBLE  
FOR THE REFERENCE DOCUMENT
- 156 3. INFORMATION INCLUDED BY REFERENCE
- 156 4. PUBLICLY AVAILABLE DOCUMENTS

## 1. PERSON RESPONSIBLE FOR THE REFERENCE DOCUMENT

Jean-Marie Laborde,  
Chief Executive Officer of Rémy Cointreau.

## 2. CERTIFICATE OF THE PERSON RESPONSIBLE FOR THE REFERENCE DOCUMENT

“To the best of my knowledge, the information contained in this reference document is accurate and contains no omissions likely to change this view.

I certify that, to the best of my knowledge, the financial statements were prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, the financial position and the profit of the Company, and all the companies included in the consolidation, and the management report included in pages 10 to 28 of the current document presents a true and fair position of the business, the profit and financial position of the Company and all companies included in the consolidation as well as a description of the principal risks and uncertainties encountered.

I have received a letter from the Statutory Auditors attesting to the completion of their assignment, stating that they have verified the information concerning the financial situation and financial statements provided in the current reference document and have read this document.”

The historical information included in this document was subject to the reports of the Statutory Auditors on page 73 and 128.

It should be noted that the report on the consolidated financial statements for the year ended 31 March 2008 included the following observation: “without calling into question the opinion expressed above, we draw your attention to the matter explained in Note 5.1.2 to the consolidated financial statements regarding the conditions of the consolidation of Maxxium in the consolidated financial statements of the Group.”

Jean-Marie Laborde,  
Chief Executive Officer of Rémy Cointreau

## 3. INFORMATION INCLUDED BY REFERENCE

Pursuant to Article 28 of Commission Regulation (EC) No. 809/2004, the following items are included by reference in this document:

- consolidated financial statements for the 2007/08 financial year in accordance with IFRS, as well as the Statutory Auditors’ report relating to them, presented on pages 29 to 74 respectively of the Reference Document filed with the AMF on 31 July 2008,
- consolidated financial statements for the 2006/07 financial year prepared in accordance with French law and CRC regulation No. 99-02, as well as the Statutory Auditors’ report relating to them, presented on pages 28 to 75 respectively of the Reference Document filed with the AMF on 30 June 2007,
- Rémy Cointreau SA company financial statements for the 2007/08 financial year, prepared in accordance with French law, as well as the Statutory Auditors’ general and special reports relating to them, presented respectively on pages 108 to 129 of the Reference Document filed with the AMF on 31 July 2008,
- Rémy Cointreau SA company financial statements for the 2006/07 prepared in accordance with French law, as well as the Statutory Auditors’ general and special reports relating to them, presented respectively on pages 76 to 93 of the Reference Document filed with the AMF on 30 June 2007.

## 4. PUBLICLY AVAILABLE DOCUMENTS

The bylaws, AGM reports, Statutory Auditors’ reports and other corporate documents may be viewed at the Company’s registered office. Financial information and various information on company organisation and operations are available on the Group’s website: [www.remy-cointreau.com](http://www.remy-cointreau.com)

The table below lists all documents published between 1 April 2008 and 31 May 2009:

<b>Theme</b>	<b>Date</b>	<b>Available on</b>
12 months Group turnover	04/17/08	www.remy-cointreau.com www.amf-France.org balo.journal.official.gouv.fr
Declaration of treasury share purchase and disposal transactions	06/03/08	www.remy-cointreau.com www.amf-France.org
Group annual results	07/30/08	www.remy-cointreau.com www.amf-France.org
2007/08 Reference Document	07/30/08	www.remy-cointreau.com
Notice of AGM	08/08/08 08/08/08 08/28/08	balo.journal.official.gouv.fr La Tribune La Charente Libre
Consolidated financial statements Statutory Auditors' report	07/29/08	balo.journal.official.gouv.fr www.amf-France.org
Rémy Cointreau share buyback programme	07/17/08	www.remy-cointreau.com www.amf-France.org
Q1 Group turnover	07/30/08 08/13/08	www.remy-cointreau.com www.remy-cointreau.com balo.journal.official.gouv.fr
Agreement on exit from Maxxium	09/03/08	www.remy-cointreau.com www.amf-France.org
Dividend payment	09/17/08	La Tribune
Notice of approval of financial statements	10/29/08	balo.journal.official.gouv.fr
Group interim turnover	10/16/08	www.remy-cointreau.com www.amf-France.org
Group interim results	11/25/08	www.remy-cointreau.com
Review of interim financial statements by Statutory Auditors	11/25/08	www.amf-France.org
Publication of subsidiary financial statements	12/24/08	balo.journal.official.gouv.fr
Declaration of treasury share purchase and disposal transactions	12/23/08 01/08/09	www.remy-cointreau.com www.amf-France.org
9 months Group turnover	01/22/09	www.remy-cointreau.com www.amf-France.org
Declaration of treasury share purchase and disposal transactions	02/24/09 03/09/09	www.remy-cointreau.com www.amf-France.org
12 months Group turnover	04/16/09	www.remy-cointreau.com www.amf-France.org
Annual consolidated results	06/10/09	www.remy-cointreau.com www.amf-France.org
Notice of AGM	06/17/09	balo.journal.official.gouv.fr

# RECONCILIATION TABLE

1.	Person responsible	156
1.1	Person responsible for the reference document	
1.2	Certificate of the person responsible for the reference document	
2.	Statutory Auditors	92
3.	Selected financial information	6, 10-16, 116
4.	Risk factors	17-22
4.1	Policy for identification and control of risks	
4.2	Risks related to the business	
4.3	Legal risks	
4.4	Industrial risks	
4.5	Environmental risks	
4.6	Market risks	
4.7	Insurance and hedging	
5.	Information regarding the issuer	76-86
5.1	History and evolution of the Company	3
5.2	Investments	27-28, 42-43
6.	Overview of operations	7-10
6.1	Principal operations of the Group	
6.2	Principal markets	
7.	Organisation chart	5
7.1	Description of the Group	
7.2	Simplified organisation chart of the Group at 31 March 2009	
8.	Property, plant and equipment	25-27
8.1	Principal production sites	
8.2	Environment and safety	
9.	Financial position and results	10-17, 125
9.1	Financial position	
9.2	Operating results	
10.	Cash and capital	15-17, 31-32, 47-54
10.1	Net debt	
10.2	Cash flow	
10.3	Financing structure and financial security	
10.4	Off-balance sheet contractual obligations and commitments	
11.	Research and development, patents and licences	27-28
11.1	Research and Development Policy	
11.2	Protection of rights to intellectual and industrial property	
12.	Information on trends	28
13.	Profit estimates and forecasts	n/a
14.	Administration, management and supervision, and general management	87-97
14.1	Board of Directors and Executive Officers	87-97
14.2	Conflicts of interest	92
15.	Remuneration and benefits	
15.1	Remunerations paid during the year	110-111
15.2	Retirement commitments	110
15.3	Information on transactions with members of governance bodies	112



16.	Operation of administration and management bodies	87-90
16.1	16.1 Terms of office of executive officers	87-90
16.2	Service contracts	
16.3	Audit Committee, Nomination and Remuneration Committee and Corporate Responsibility Committee	96-97
16.4	Corporate governance	87-92
16.5	Conditions of preparation and organisation of the work of the Board of Directors	93-94
16.6	Internal control procedures and management of risks implemented by the Company	97-101
16.7	Statutory Auditors' Report	104
17.	Group workforce	
17.1	Human resources and corporate responsibility	22-24
17.2	Profit-sharing and stock options	109-110
17.3	Employee shareholding	n/a
18.	Principal shareholders	
18.1	Shareholding at 31 March 2009	84
18.2	Voting rights	77
18.3	Change in control of the Company	
18.4	Market for Company shares	86
18.5	Listed equity investments	n/a
19.	Transactions with associates	71, 129-132
20.	Financial information on the Company's assets, financial position and financial results	
20.1	Consolidated financial statements	29-73
20.2	Parent Company financial statements	113-127
20.3	Dividend distribution policy	50, 116
20.4	Legal and arbitration procedures	28
20.5	Significant change in financial or commercial position	n/a
21.	Additional information	
21.1	Share capital	107
21.2	Incorporation and bylaws	76-77
22.	Principal contracts	17
23.	Information from third parties, expert reports and expressions of interest	n/a
24.	Documents available to the public	157
25.	Information on investments	44
A	Notes to the Combined General Meeting of 28 July 2009	134-140
A.1	Draft resolutions presented to the Combined General Meeting of 28 July 2009	141-150
A.2	Special reports of the Statutory Auditors to the Annual General Meeting of 28 July 2009	151
A.3	Terms of office and functions held by executives or candidates to the Board of Directors	87-89

# RECONCILIATION TABLE

## FOR THE 2008/09 FINANCIAL REPORT

In order to facilitate the reading of this document, the following reconciliation table makes it possible to identify, in the present Reference Document, the information included in the Annual Report that must be published by listed companies in accordance with Articles L.451-1-2 of the Monetary and Financial Code and the Autorité des Marchés Financiers (AMF) general ruling 222-3.

1.	Parent Company financial statements	112-127
2.	Consolidated financial statements	29-73
3.	Management Report	10-28
3.1	Information contained in Article L.225-100 of the Commercial Code	
a.	Business trend analysis	11-12
b.	Analysis of results	13-14
c.	Analysis of financial position	15-17
d.	Principal risks and uncertainties	
e.	Summary of outstanding authorisations given by the General Meeting to the Board of Directors concerning an increase in capital	81-82
3.2	Information contained in Article L.225-100-3 of the Commercial Code	
f.	Factors likely to have an influence in the event of a public takeover offer	107
3.3	Information contained in Article L.225-211 of the Commercial Code	
g.	Buyback by the Company of its own shares	104-107
4.	Declaration by the persons assuming responsibility for the annual financial report	156
5.	Statutory Auditors' report on the Parent Company and consolidated financial statements	73, 128
6.	Fees paid to the Statutory Auditors	92
7.	Report of the Chairman on internal control	93-103
8.	Statutory Auditors' Report on the Chairman's report on internal control	103

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