



RÉMY COINTREAU

**We seek nothing but *Perfection***

***Preliminary Results***  
***Year ended 31 March 2013***

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London  
12 June 2013

François Hériard Dubreuil

Chairman



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# Strategic choices

## Relevant strategic choices:

- Move upmarket of the entire brand portfolio
- Commitment to very high quality products
- Ambitious pricing policy → generates value
- Sustained policy of innovation → creates growth

***Confidence in the medium and long term***

# Performances



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% Change

		Organic	Published
■ Sales	€1,193.3m	+ 8.8%	+16.3%
of which own brands:	€958.9m	+10.3%	+18.6%
■ Current operating profit	€245.4m	+12.3%	+18.1%
■ Current operating margin	20.6%	20.9%	20.6%
■ Net profit (exc. non-recurring items)	€151.5m		+22.3%
■ Net profit – Group share	€130.4m		+17.7%
■ Net financial debt	€265.5m		
■ <i>Net debt/EBITDA ratio</i>	<i>0.99</i>		

# Review of Activities

Jean-Marie Laborde

**Chief Executive**



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# Another Year of Growth

- Growth in all regions of the world
  - Double-digit growth in Asia and the US
  - Growth in Western Europe
  - Sustained growth in Russia
- Significant investment but targeted by brand and by market
- Sales teams strengthened in key markets
- Positive change in US\$/€ exchange rate
- A strategic acquisition: Bruichladdich
- Sound financial position: A ratio: <1



# Another Year of Growth

## Brands

- Rémy Martin: fourth year of double-digit growth
  - Continued value growth (price + mix)
  - Controlled volume growth: + 4.5%
- Liqueurs & Spirits: another year of growth
  - Cointreau: strong development in the US, good results in Western Europe

## Markets

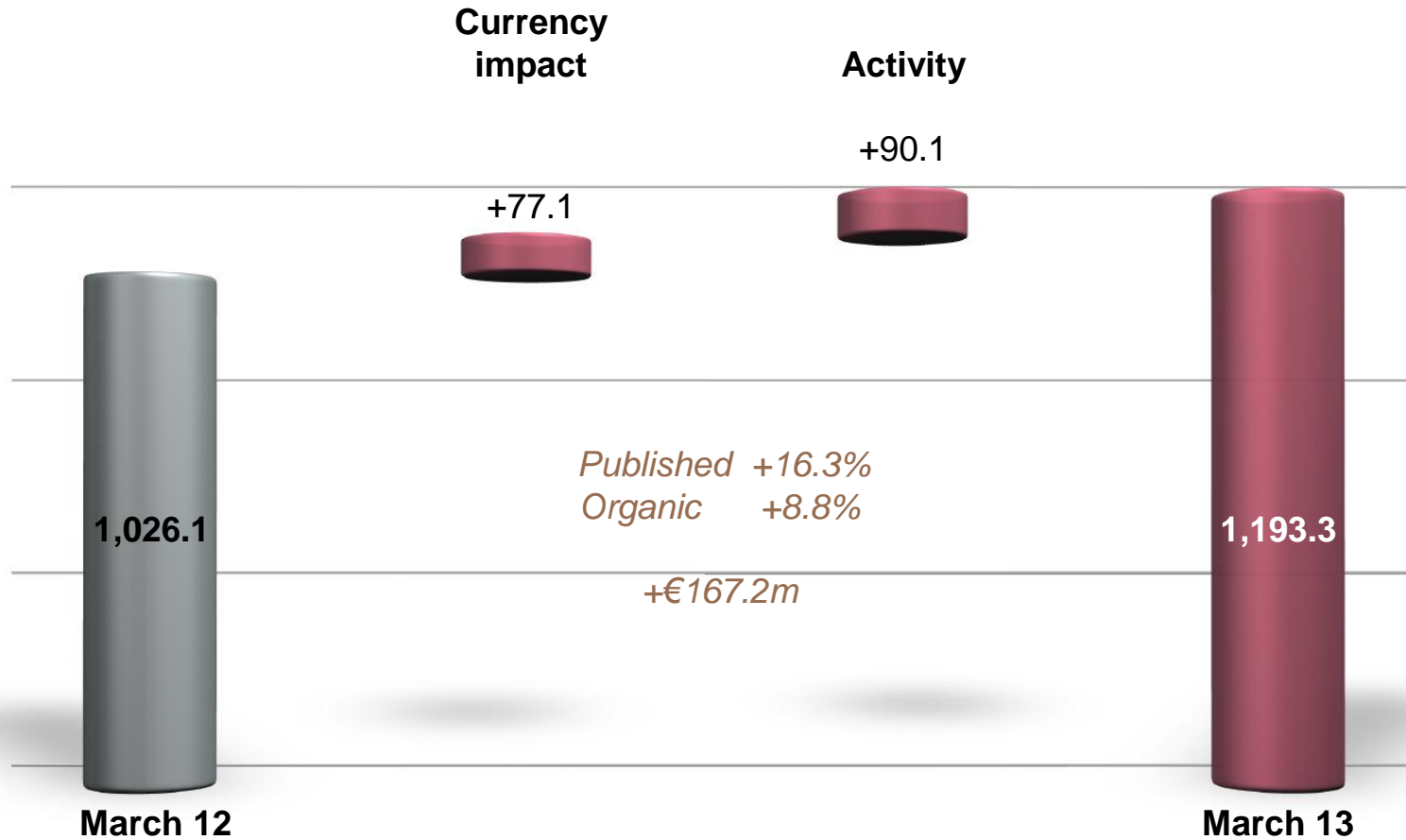
- Sustained strong growth in Asia
- Remarkable performance in the US
- Expansion of the distribution network into future markets

# Group Sales



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€m





# Breakdown of Sales by Activity



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	% Change	
	Published	Organic*
<b>12 Months</b>		
Rémy Martin	+21.5	+12.7
Liqueurs & Spirits	+10.8	+ 3.8
<b>Sub-total – Group brands</b>	<b>+18.6</b>	<b>+10.3</b>
Partner brands	+ 7.6	+ 3.0
<b>Total</b>	<b>+16.3</b>	<b>+ 8.8</b>

*\*On a like-for-like basis and at constant exchange rates*

# Breakdown of Sales

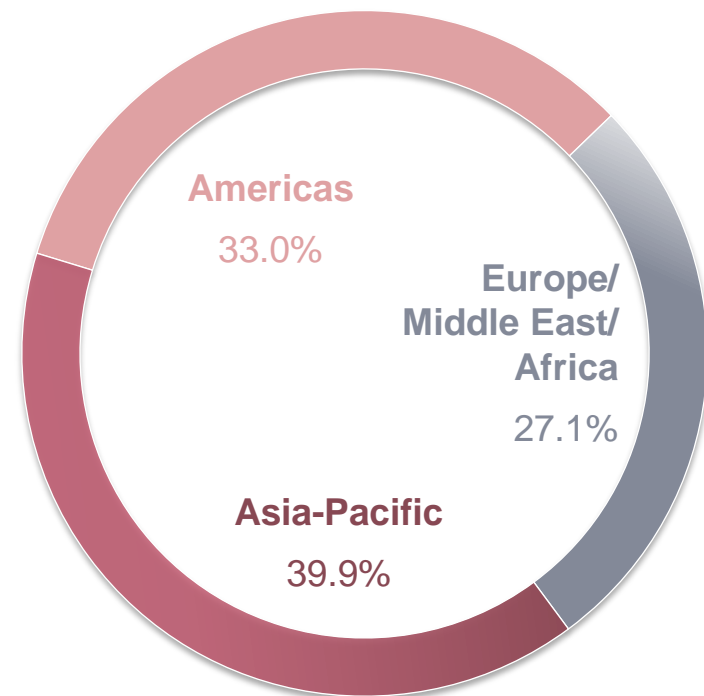


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**by activity**

**by geographic area**

Sales: €1,193 million



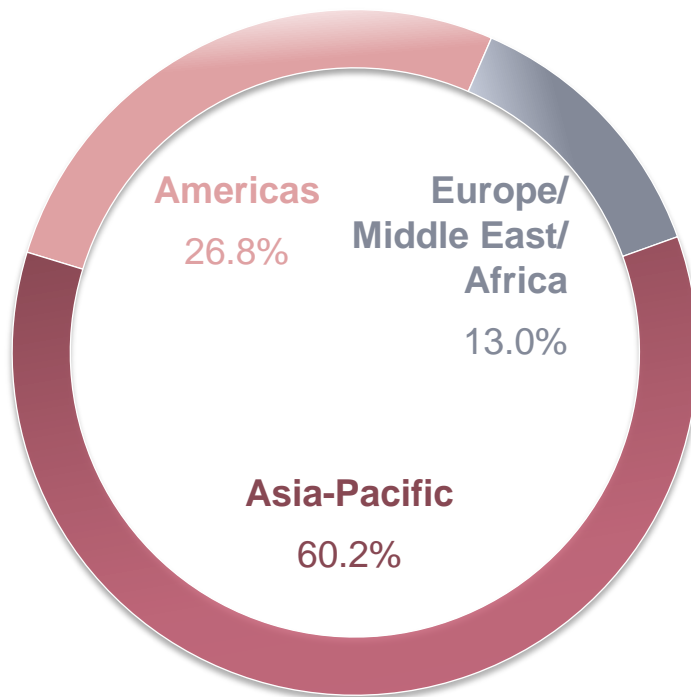
# Breakdown of Sales by Geographic Area



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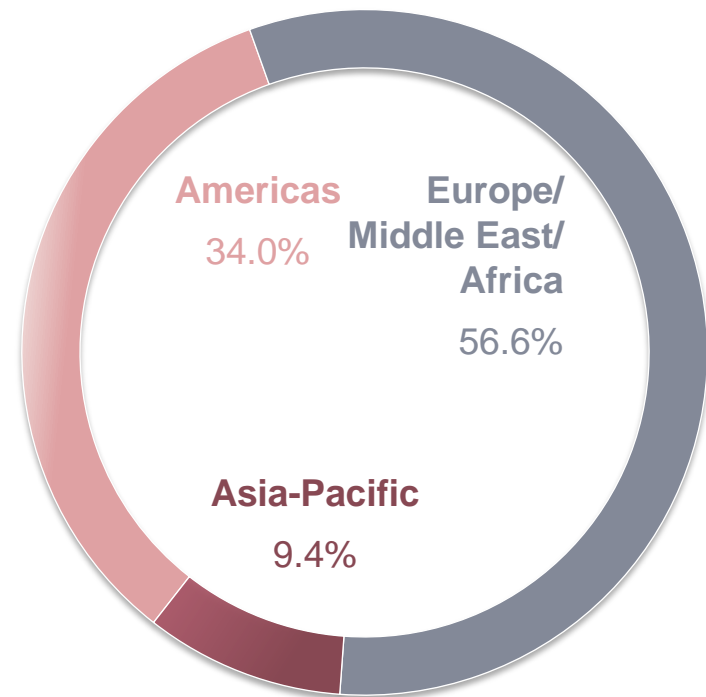
## Rémy Martin

€719.8 million



## Liqueurs & Spirits

€239.1 million

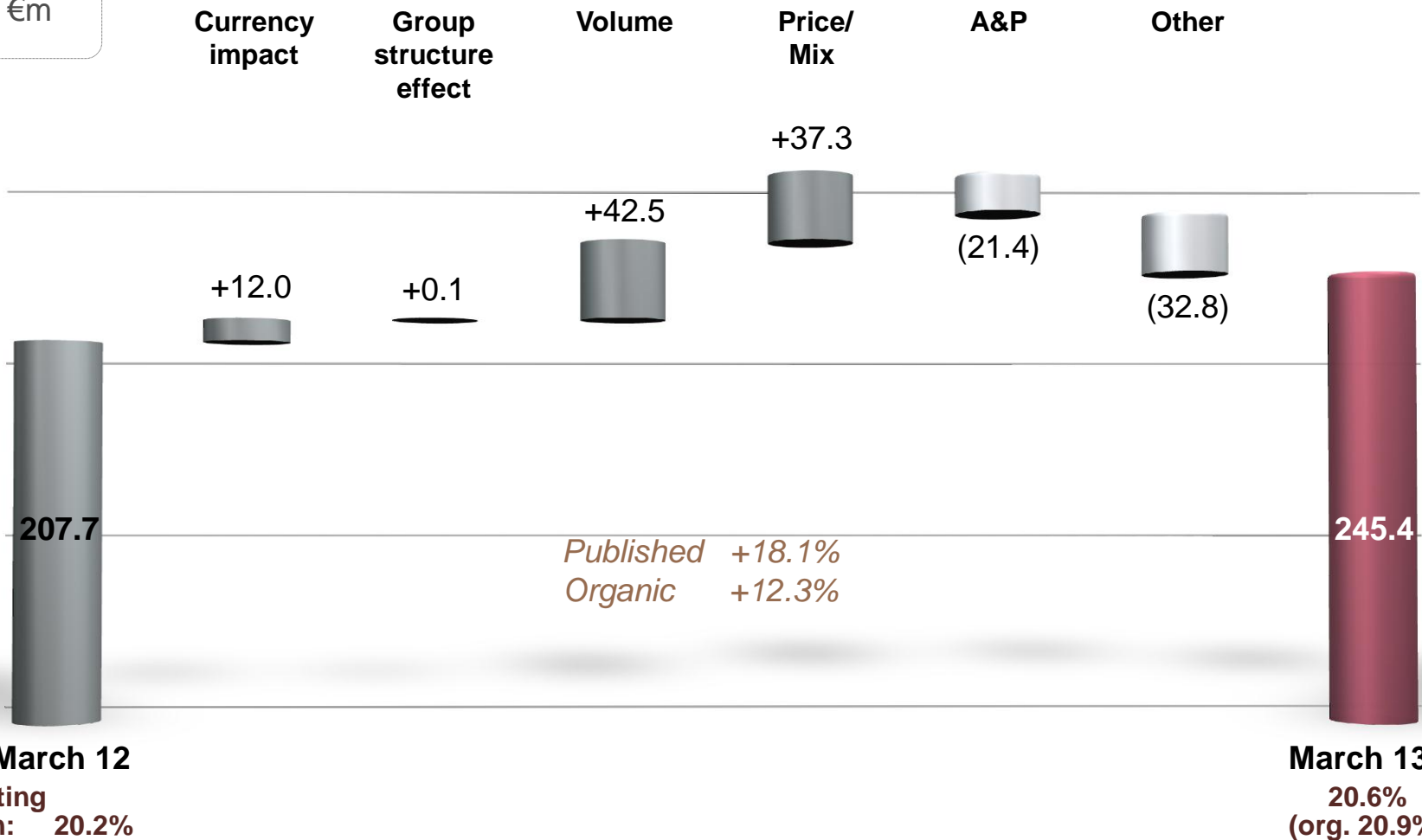


# Growth in Current Operating Profit



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€m



# Net Profit



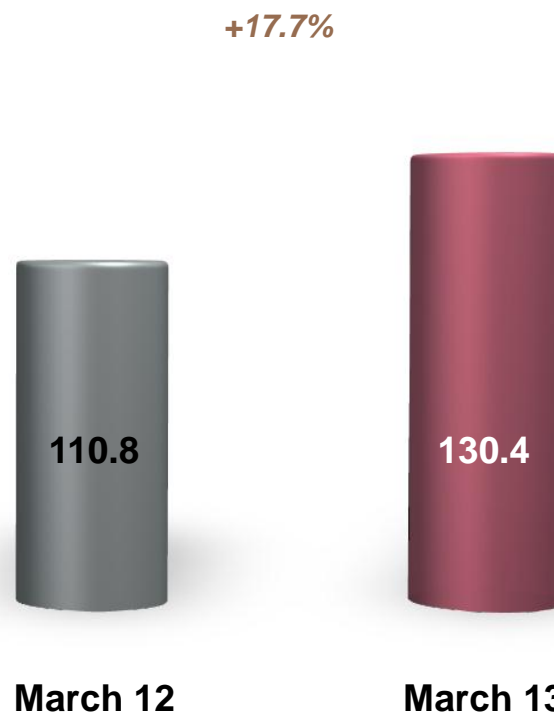
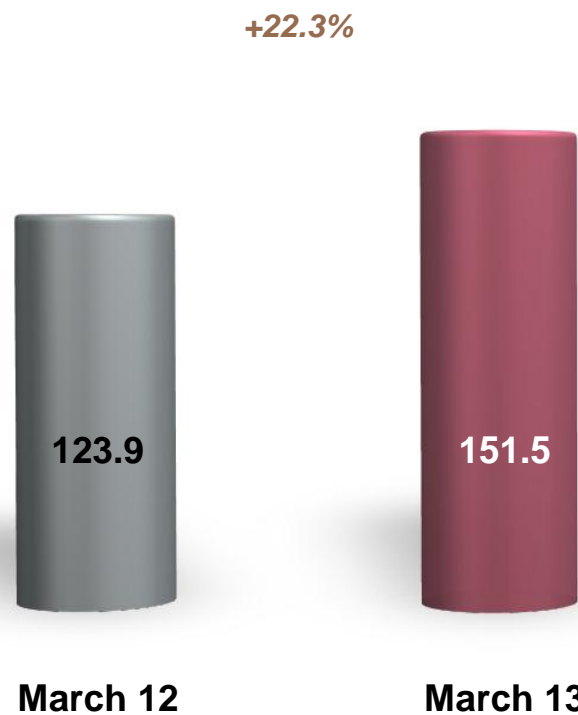
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€m

## Net profit exc. non-recurring items

## Net profit – Group share



# Rémy Martin



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Growth in sales  
in volume

+12.7% organic  
+ 4.5%

## Continued innovation



Centaure de diamant

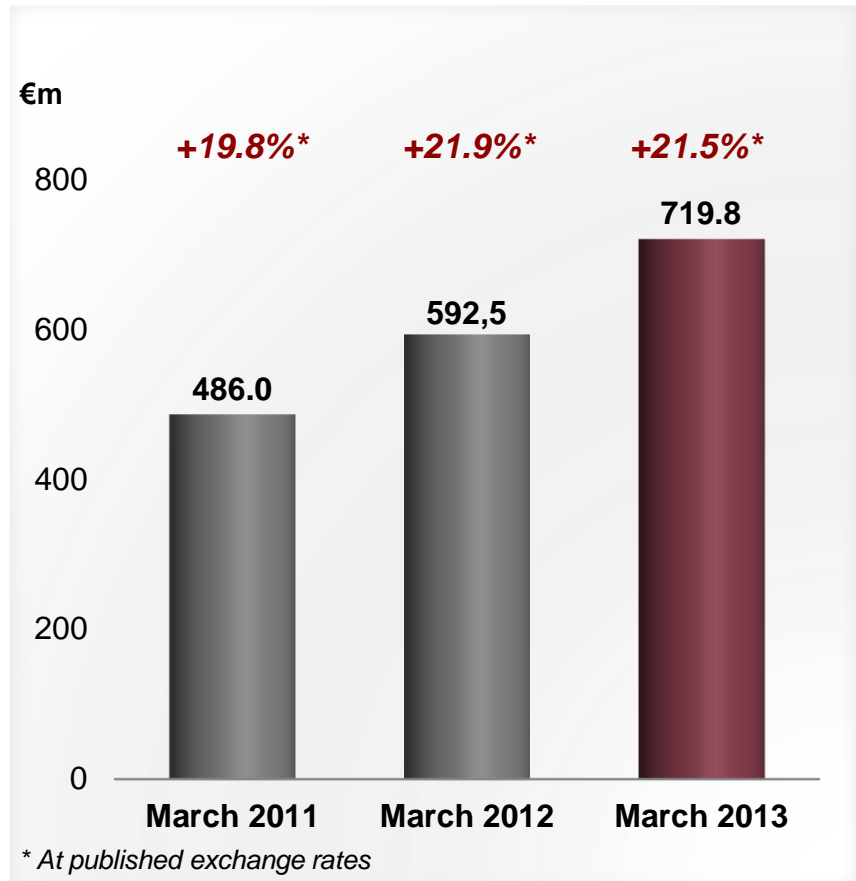


VSOP Mature Cash Finish



Centaure

## Double-digit growth

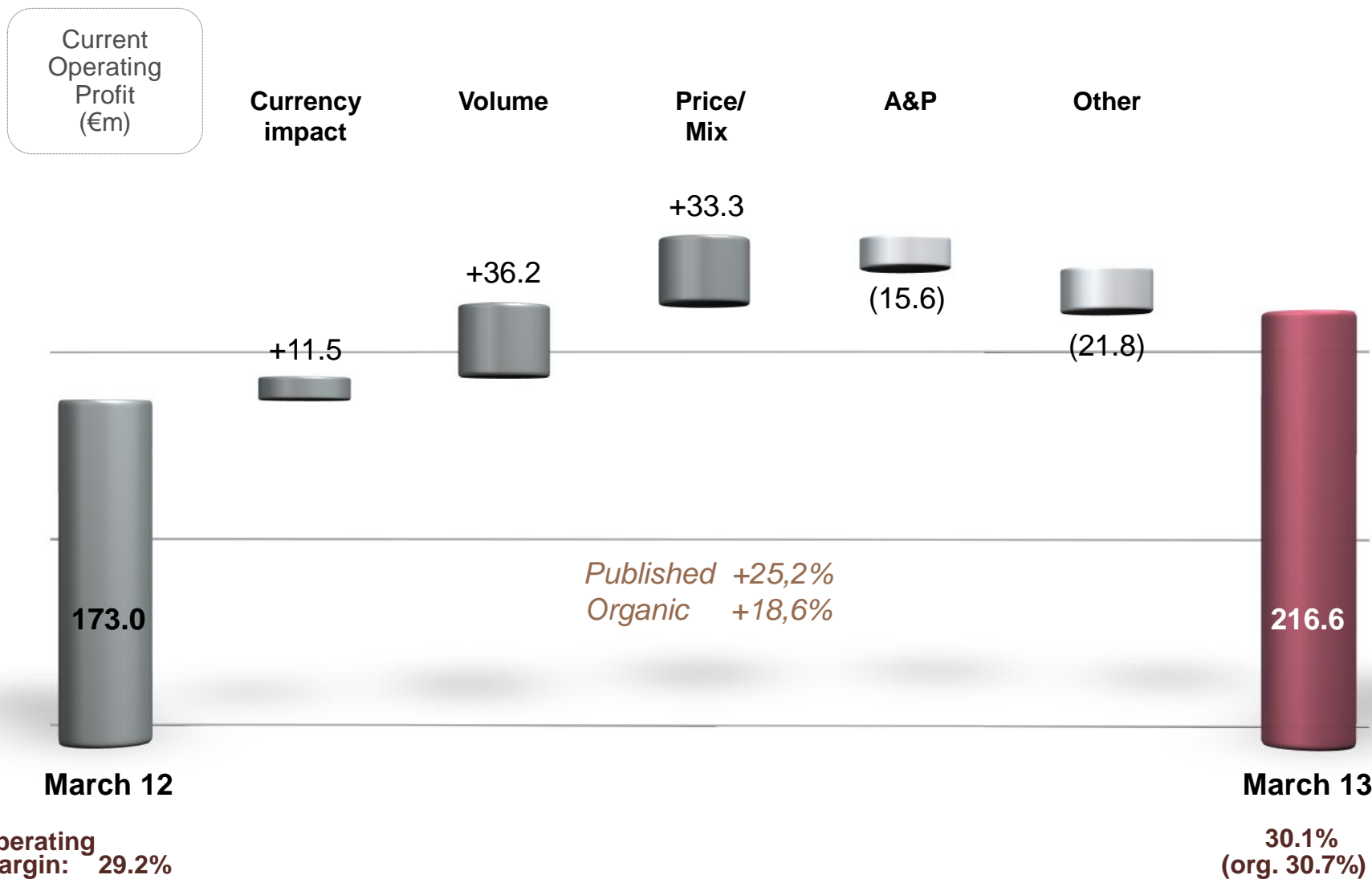


# Rémy Martin



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# Liqueurs & Spirits



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Growth in sales  
in volume

+ 3.9% organic  
- 0.6%

A premium and diversified portfolio



Liqueur  
Cointreau

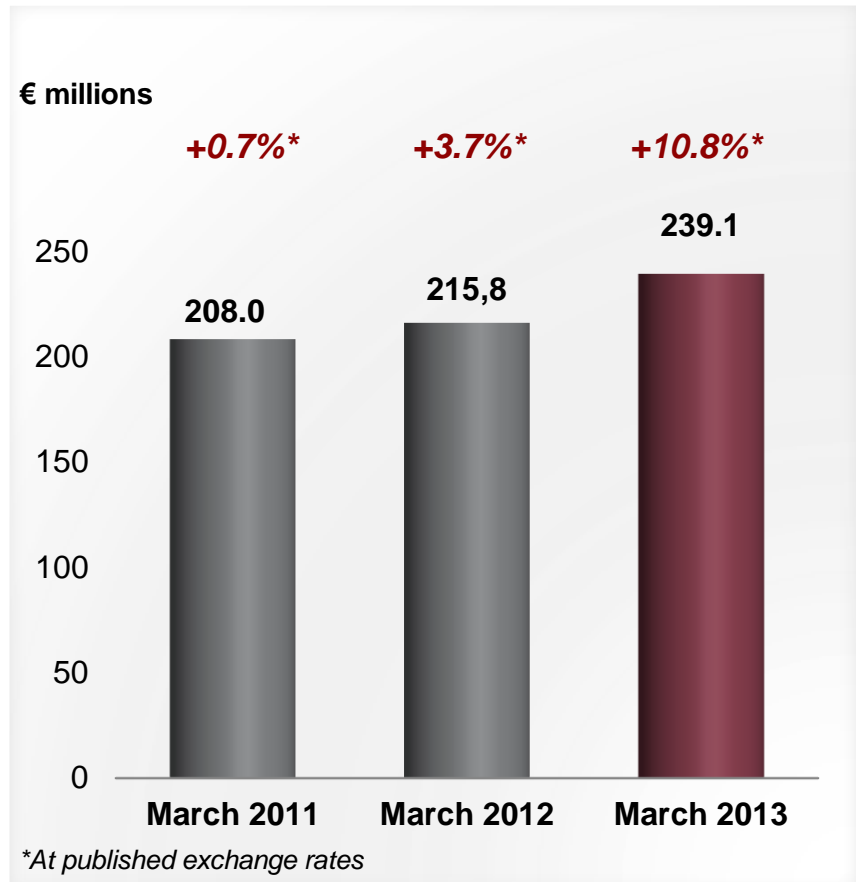


Rum  
Mount Gay Black Barrel



Single Malt Scotch Whisky  
Bruichladdich The Laddie Ten

Breakdown of sales

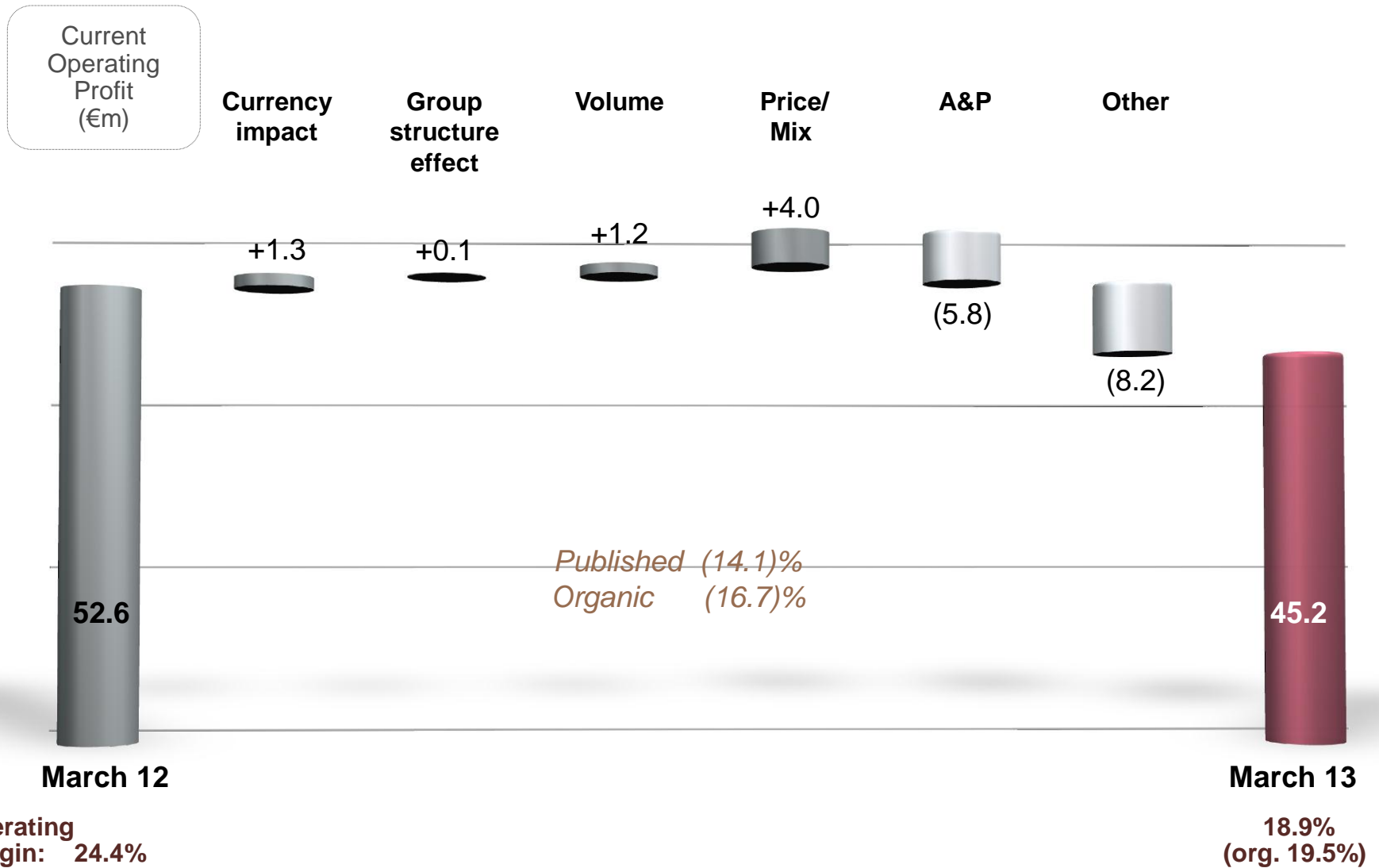




# Liqueurs & Spirits



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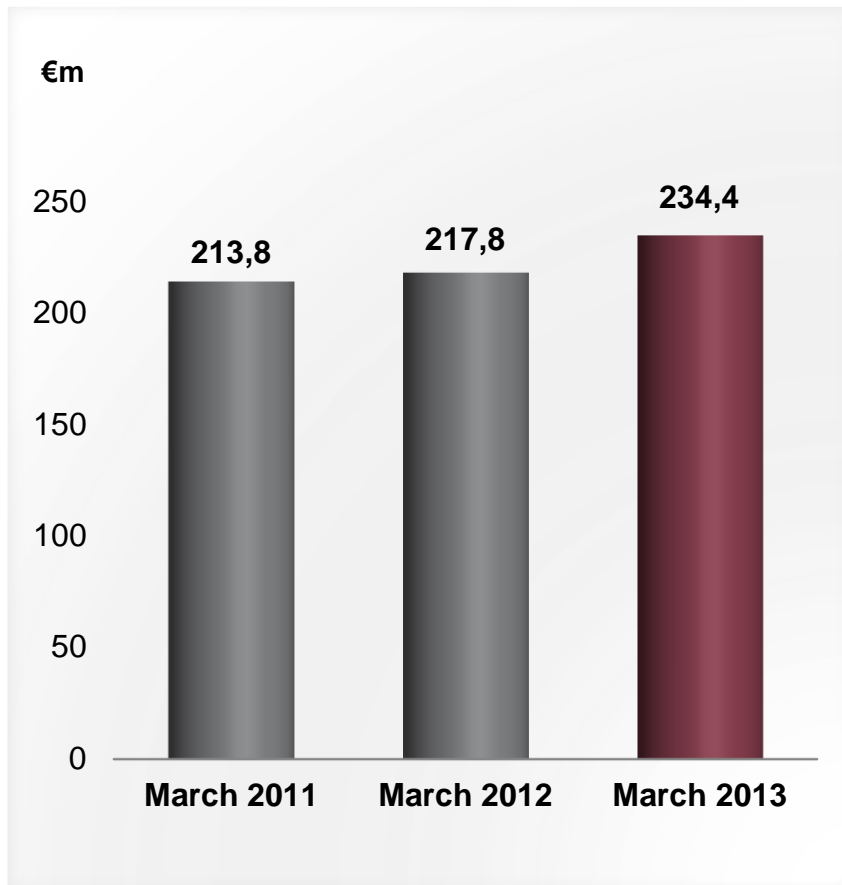


# Partner Brands

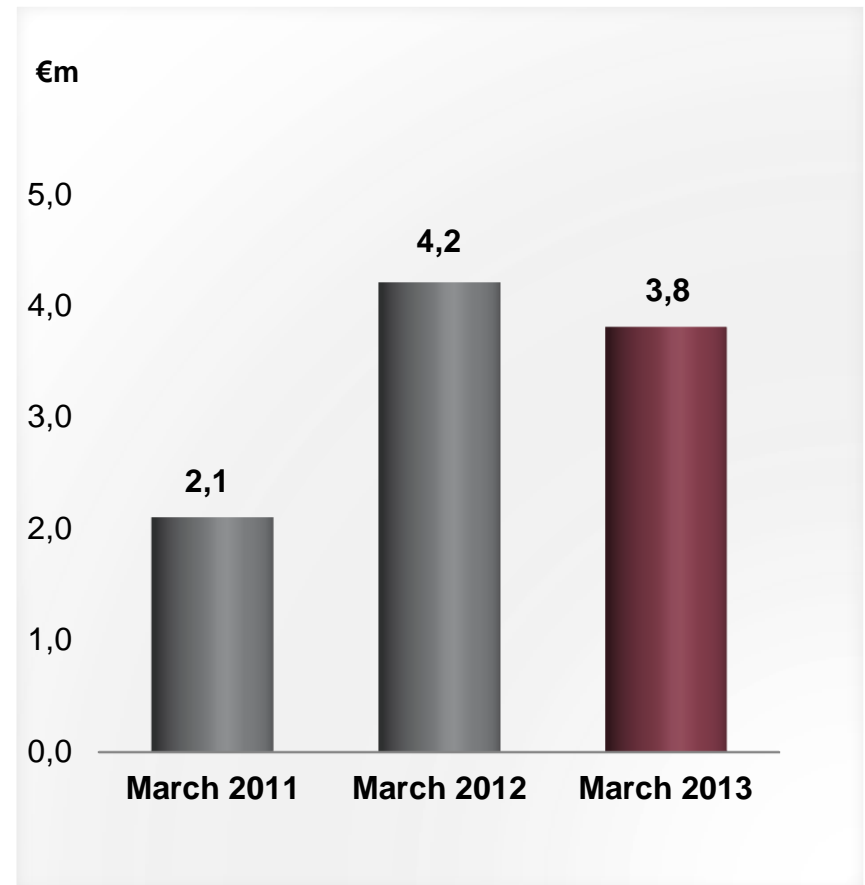


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## Sales



## Current Operating Profit



# Consolidated Preliminary Results

Frédéric Pflanz

**Chief Operating Officer & Finance Director**

# Analysis of Current Operating Profit



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(€m)	2012	2013
<b>Sales</b>	<b>1,026.1</b>	<b>1,193.3</b>
<b>Gross profit</b>	<b>630.0</b>	<b>736.9</b>
<i>in %</i>	<i>61.4%</i>	<i>61.8%</i>
Sales & marketing expenses	(344.8)	(403.3)
Administrative expenses	(79.0)	(89.8)
Other income & expenses	1.5	1.6
<b>Current operating profit</b>	<b>207.7</b>	<b>245.4</b>
<b>Current operating margin</b>	<b>20.2%</b>	<b>20.6%</b>

# Net Profit



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(€m)	2012	2013
Current operating profit	207.7	245.4
Other operating income/(expenses)	(3.0)	(7.5)
Operating profit	204.7	237.9
<b>Financial charges</b>	<b>(35.3)</b>	<b>(20.0)</b>
Profit before tax	169.4	217.9
<b>Taxation</b>	<b>(47.3)</b>	<b>(72.0)</b>
Share in profit of associates	(0.4)	(15.5)
Net profit from continuing operations	121.7	130.4
Net profit from discontinued operations	(10.6)	-
<b>Net profit – Group share</b>	<b>110.8</b>	<b>130.4</b>



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# Breakdown of Financial Charges

(€m)	2012	2013
Cost of gross financial debt	(20.7)	(23.9)
Investment income	2.0	3.0
<b>Sub-total</b>	<b>(18.7)</b>	<b>(20.9)</b>
<i>Impact of the portfolio of interest rate instruments</i>	<i>(9.2)</i>	<i>(1.2)</i>
<i>Effect of IFRS 5 reclassification (disposal of Champagne)</i>	<i>1.0</i>	<i>-</i>
Exchange result	(5.1)	4.7
Other financial charges	(3.3)	(2.6)
<b>Financial charges</b>	<b>(35.3)</b>	<b>(20.0)</b>



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# Financial Debt & Cash Flow

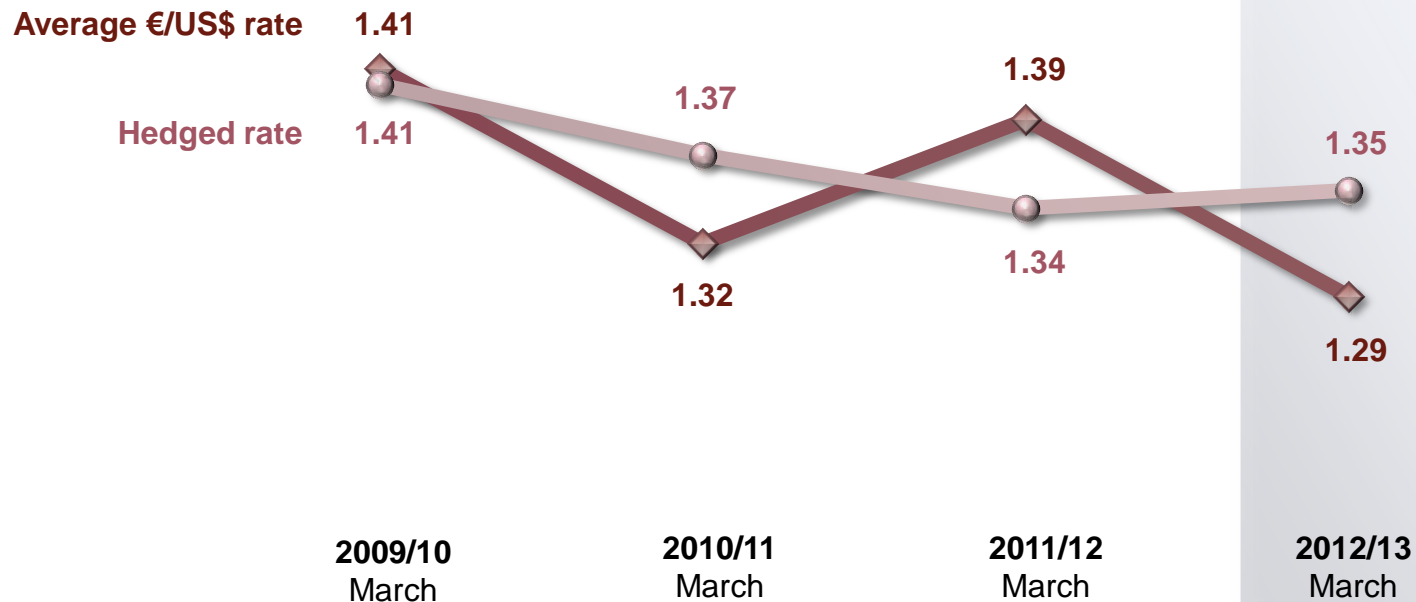
(€m)	2012	2013
<b>Net debt (at year end)</b>	<b>188.6</b>	<b>265.5</b>
<b>Cash flow from operating activities of continuing operations</b>	<b>100.6</b>	<b>132.0</b>
Impact of changes in consolidation scope	83.3	(151.8)
Other (inc. capital expenditure)	(15.5)	(25.2)
<b>Increase/(decrease in cash flow before financing activities</b>	<b>168.4</b>	<b>(45.0)</b>

*Net debt/EBITDA ratio = 0.99*

# Foreign Exchange Hedging Impact



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# Sound Financial Position



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## Assets

## Liabilities

	2012	2013		2012	2013
<b>Non-current assets</b>	<b>789</b>	<b>843</b>	<b>Shareholders' equity</b>	<b>976</b>	<b>1,095</b>
<b>Current assets</b>	<b>1,010</b>	<b>1,237</b>			
<i>of which inventories</i>	793	946	<b>Current and non-current liabilities</b>	<b>634</b>	<b>720</b>
<i>of which trade receivables and others</i>	208	256			
<i>of which assets held for sale, net of tax</i>	-	29			
<b>Cash and cash equivalents</b>	<b>190</b>	<b>187</b>	<b>Gross financial debt</b>	<b>379</b>	<b>452</b>
<b>Total assets</b>	<b>1,989</b>	<b>2,267</b>		<b>1,989</b>	<b>2,267</b>



# Highlights of the Financial Year

- 5 June 2012 – Following the renewal of the syndicated credit facility, the Group has €600 million in long-term resources
- 3 September 2012 – Acquisition of Bruichladdich Distillery and integration within the Liqueurs & Spirits division
- 18 December 2012 – Agreement signed to acquire the entire share capital of Larsen Cognac
- 10 December 2012 - S&P raises Rémy Cointreau's rating to BB<sup>+</sup> with a positive outlook



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# Post-Balance Sheet Events

- 10 June 2013 – Rémy Cointreau announced that it had signed an agreement with the Nordic group, Altia, in respect of the transfer of Larsen Cognac, including the brand, industrial and commercial assets and inventories necessary for the entity to operate as a going concern
  
- Dynasty Fine Wines Ltd:
  - February 2013: net loss flagged for the 2012 financial year
  - 31 March 2013, Dynasty had not published its annual results
  - Rémy Cointreau carried out an impairment test on the asset and recognised an impairment charge of €15.9 million at the year-end
  
- 11 June 2013: Rémy Cointreau announces the end of the distribution contract (US) with The Edrington Group as of 31 March 2014

# Outlook for 2013/14



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**In a world economy clearly lacking visibility, particularly in Europe:**

- Confidence in our very high quality brands
- Priority in respect of high added value and high growth markets
- Development in new territories: expansion of the network
- Ongoing innovation, a source of both value and growth
- Continued strict cost control and a very sound financial position

***Rémy Cointreau remains confident in its capacity to generate profitable growth in the medium and long term***