ANNUAL REPORT

02-03

RÉMY COINTREAU

PROFILE

Rémy Cointreau is a major player in the international wine and spirits industry. It is the leader in superior quality markets and produces and distributes prestigious brands such as Rémy Martin cognac, Cointreau, Passoa, Bols and Galliano liqueurs, Mount Gay Rum, Bols Vodka and Metaxa as well as Charles Heidsieck and Piper-Heidsieck champagnes.
A high awareness of changes in consumption patterns, as well as an understanding and knowledge of the markets, drives the quest for innovation for each of Rémy Cointreau's brands.

2002-2003

Rémy Cointreau: 2,200 STAFF worldwide,
Turnover of €1 BILLION,
An operating margin of 21.4%,
Net profit of €101.5 MILLION,
Earnings per share of €2.30.

2002/03
STRONG BRANDS: COMMITMENTS FULFILLED

Rémy Cointreau has again this year demonstrated its ability to react to market changes against an unfavourable and difficult economic background.

The Group's operating margin was 21.4% and net profit rose by 6.5%.

Successful innovation played a part in the excellent results achieved by the Rémy Martin cognacs, the continuing growth of Cointreau and Passoa and the recovery of Champagne, which exceeded expectations. The rebound of Bols vodka in Poland in the second half of the year justified the emphasis placed on sustained investment in the brand.

The Group's refocus on key brands/markets enabled it to successfully meet the challenges of an uncertain global and increasingly competitive environment.

In the US, the growth in sales of Rémy Martin and Cointreau confirmed the strength and effectiveness of the Rémy Amérique distribution network, which has been further enhanced.

The establishment of Maxxium in Shanghai is another step in the future growth of the business in China. The SARS epidemic in Spring 2003 adversely affected sales in the region. However, there are signs of recovery which justify our investment in key brands, particularly Rémy Martin cognac.

During the year more rigorous and transparent management prompted the establishment of a new organisation encompassing all the production operations through to customer service. The rollout of this Supply Chain will be completed within one year and will lead to substantial cost savings.

Although, traditionally, we have invested in environmental protection at our production sites, our awareness of the need for staff and customer safety has led us to further boost our efforts in this area by creating a Quality/Safety/Environment department. Our acceptance of the United Nations *Global Compact* code of conduct testifies to our commitment to international standards.

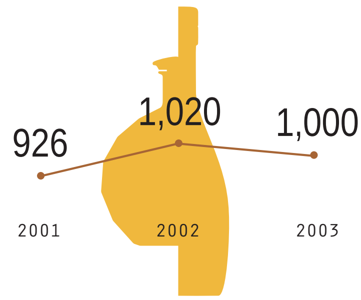
The strength of our brands and our balanced global presence supports our ambition for sustained organic growth in the medium-term.

I would like to thank all our shareholders whose longstanding support and confidence. It has led to the Board proposing an 11% increase in the dividend to €1 per share at the forthcoming Annual General Meeting.

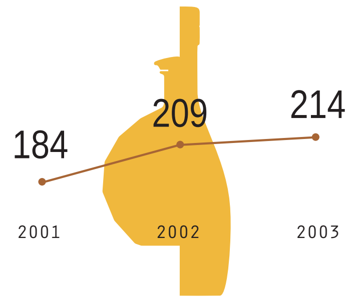
Dominique Hériard Dubreuil
Chairman and Chief Executive

Performance and Investment in the future

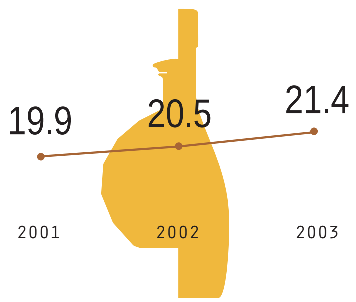
Key figures at 31 March 2003



Consolidated turnover (€ millions)

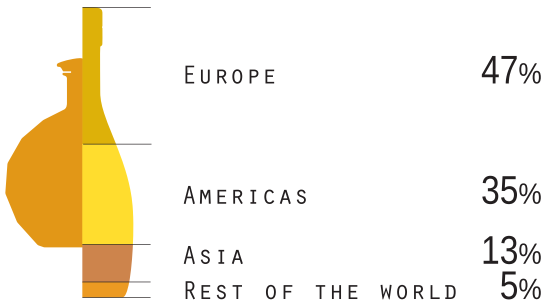


Operating profit (€ millions)

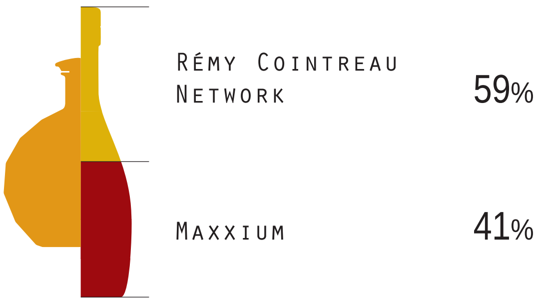


Operating margin (%)

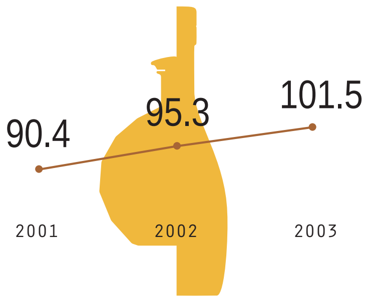
Turnover by division



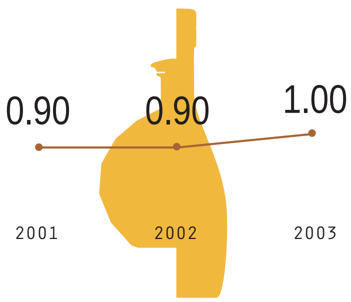
Turnover by geographic area



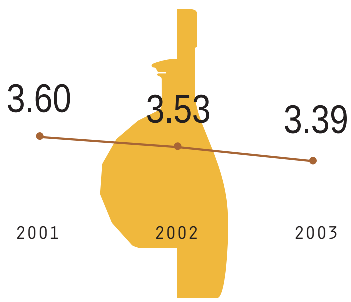
Turnover by distribution network



Group net result (€ millions)



Net Dividend by share (€)



Debt-to-Ebitda

Strategy

Capitalise on our strengths to mount an aggressive campaign of organic growth

Rémy Cointreau intends to capitalise on its fundamental strengths

Strong brands

The Group is pursuing dynamic volume growth and a major increase in market share based on a refined analysis of the potential for each brand within key markets and consumer groups. Significant marketing expenditure will be maintained for the brands and innovative projects. This expenditure will represent 35% of gross margin.

New consumption trends are emerging throughout the world, principally due to efforts made by the industry to change behavioural patterns. In the US, spirits are being stimulated by the fashion for cocktails. In Europe, more traditional consumers are moving to long drinks.
In Asia, the demand is for increasingly higher quality. In societies that are structured more in tribes than social classes, markets are becoming difficult to enter. They comprise multiple niches, each one with different aspirations, average age and purchasing power. The new challenge for our brands is to respond to these changes, while remaining the benchmark in a very competitive market.

Strategic distribution

Maxxium and Rémy Amérique: the international competitiveness of the two distribution networks combine strength and dynamism.

Maxxium

A joint venture comprising four partners: Highland Distillers, Jim Beam Brands, Vin & Sprit and Rémy Cointreau. This distribution network is among the three strongest in its main markets in Asia and Europe. As a result, the synergy created by the common distribution of the brands in the portfolio has resulted in reduced distribution costs and greater commercial strength for each of the partners.

With a portfolio of products that includes Rémy Martin, Cointreau and Piper-Heidsieck, The Famous Grouse and The Macallan Scotch whiskies, Jim Beam bourbon, as well as Absolut vodka, Maxxium has a leading position in the sought-after premium quality segment, with sales of 24 million cases this year.

The economic development of many emerging countries has led to the development of new markets. Following China's admission to the WTO, the establishment of the Maxxium network in Shanghai in Summer 2002 resulted in a major investment. Now a direct importer with six regional offices, Maxxium China is a formidable base for expansion, particularly for cognac, in a country forecast to be the most important regional market over the next five years. In Japan, the joint venture between Maxxium and the Asahi group further strengthens the sales force, which is essential for the development of the brands, particularly liqueurs. In Europe, Maxxium Spain was restructured as a joint venture with Zadibe, while the network was expanded in Eastern Europe.

Rémy Amérique

Reflecting the importance of the American market, the Rémy Cointreau network represents 59% of Group sales. In addition to the US, it includes the Caribbean and three European countries: Poland, Hungary and The Netherlands.

In tight economic conditions, Rémy Amérique continues to grow the Group's principal brands by specifically targeting various demographic market segments, a distinguishing feature of the richness of the American market. Additional sales staff and sustained marketing expenditure have led to increased market share, particularly for Rémy Martin.

A PROFESSIONAL ORGANISATION

The organisation seeks out every possible source of productivity and efficiency improvements, from production to customer service: *the Supply Chain.*

The establishment of an efficient organisation throughout the industrial process will, over time, reduce working capital requirements, lower inventories and optimise management of product and information flows upstream (the brands) and downstream (our customers).

The creation of an integrated business model defined by the Group will result in a greater capacity for each brand to innovate and ensure tighter control of operating costs, while encouraging Group synergies. These will be fully operational in the 2004/05 financial year and will generate recurring savings of approximately €10 million per year.

By capitalising on its strengths, Rémy Cointreau will focus on the following four priority areas:

- Dynamic volume growth in key markets/brands,
- Ensuring new areas of organic growth, through sustained marketing investment in brands and priority projects and through the development of innovation,
- Maximising productivity gains,
- Strengthening the financial structure through refinancing, reducing the average cost of funds, and the continuing disposal of non-strategic assets.

COGNAC

Success over time,

based on favourable market trends

dynamic innovation,

in the tradition of good taste.

As the market leader in superior quality cognacs, Rémy Martin produced a year of solid growth supported by sustained marketing expenditure, an in-depth analysis of consumer expectations, and a policy of targeted innovation. This year Rémy Martin achieved a historical operating margin of 41.6%.

A WORLDWIDE PRESENCE

Sales continued to grow in the US, testifying to the dynamism of the brand in a market where the number of consumption segments justified very targeted marketing initiatives. While ***Rémy Martin VSOP*** remains the benchmark in the premium market segment, the increase in sales of ***1738 Accord Royal*** and particularly ***XO Excellence*** confirms a genuine trend towards the superior qualities, particularly in view of the various multicultural groups in the country.

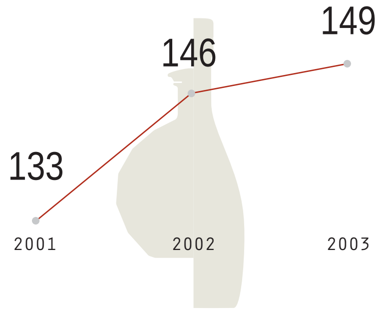
Asia, the second market for the brand, experienced results that varied from country to country. After a slow start to the year as a result of setting up a new distribution organisation in Shanghai, the improvement in coverage of the Chinese market was noticeable from the second half of the year. Sales increased, particularly for the superior qualities. This was also evidenced in certain emerging countries, particularly South Korea.

Europe, despite the increase in sales of ***XO Excellence***, produced a mediocre performance, due primarily to the German and Austrian markets. In the UK, the successful launch of ***Grand Cru*** revitalised the entire range.

RÉMY MARTIN

GRAND CRU
V.S.O.P.
RÉSERVE EXCLUSIVE
CLUB
TRAVELLERS COGNAC
1738 ACCORD ROYAL
XO PREMIER CRU
XO EXCELLENCE
EXTRA
VINTAGE
LOUIS XIII

RÉMY RED
RÉMY SILVER
PINEAU



OPERATING PROFIT
(€ MILLIONS)

GEOGRAPHIC AREA
TURNOVER:
€359 MILLION

AN INNOVATIVE OFFERING

Launched in the US and UK, ***Grand Cru,*** a blend of Petite Champagne eaux-de-vie, is a major initiative designed to position Rémy Martin in the VS quality category which represents over half the world market for cognac. Grand Cru is designed to encourage its consumers to enjoy a cognac in a contemporary way, as a long drink or cocktail.

For the first time, Rémy Martin has produced a vintage cognac: ***Edition Rare 1965.*** Packaged in an exact replica of the historic 1830 Rémy Martin bottle, this vintage is a limited edition of Grande Champagne eaux-de-vie.

A new edition, ***Fleur de Diamant,*** has enriched the *Louis XIII Cognac-Diamant collection.* The famous Baccarat crystal bottle is in miniature, while the stopper is adorned with a fleur-de-lys, encrusted with five amber coloured diamonds – its stopper becoming a pendant. This unique jewel adds to the perception of ***Louis XIII*** among new consumers, while exalting its image as an exceptional cognac.

LIQUEURS

In tune with new developments

combining enduring quality and modernity

consumption patterns

based on a quality approach.

COINTREAU

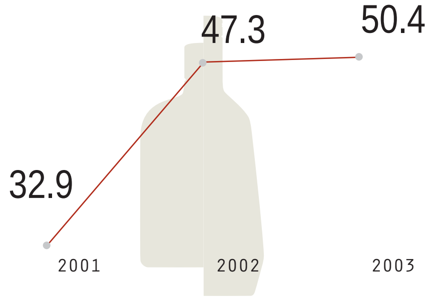
The “Be cointreauversial” campaign, promoting long drinks and cocktails, contributed to the steady growth of Cointreau in the US, its leading market, where there was a significant increase in sales. In the European liqueurs market, Cointreau strengthened its position as the No.3 brand in France, the UK, The Netherlands and Scandinavia, as well as in Germany where sales grew by over 13%.

Its reputation and acceptance in Australia was confirmed year on year. In Japan, Cointreau is a quality component in Japanese pastry and the orange liqueur has become a trendy ingredient. The special edition of Cointreau, which is packaged in a copper covered bottle, forms part of the Group’s strategy of producing products solely for the duty-free market.

A dynamism enhanced by Cointreau C

Launched in 2002, ***Cointreau C*** confirmed its success in France, Belgium and Italy. With its citrus fruit and lime fragrance, *Cointreau C,* together with other innovations being launched in Australia, such as ***Cointreau Aura****,* contributed to further opportunities and ways of enjoying the brand.

COINTREAU
PASSOÃ
GALLIANO
VACCARI
IZARRA
PISANG AMBON
PONCHE KUBA
BOLS LIQUEURS
BOLS BLUE
COEBERGH



OPERATING PROFIT
(€ MILLIONS)

GEOGRAPHIC AREA
TURNOVER:
€175 MILLION

PASSOÃ

A liqueur made from passion fruit which has become a key player in the coveted segment of modern liqueurs.
Another innovation, Passoa Diablo, was launched in Benelux. It is a premix available in three flavours (cactus and ginger, mandarin and guarana, and lemon spice). In France, Passoa growth remains spectacular at over 30%, due primarily to targeted advertising (radio, the press and billboards). In Japan, Passoa continues to grow, buoyed by the success of its "Passion Victim" advertising campaign, while Scandinavia, Switzerland and Poland have consolidated the brand's geographic base.

DEVELOPING BRANDS

Against this favourable background for modern liqueurs, banana flavoured ***Pisang Ambon,*** rounds out the Rémy Cointreau offering, particularly in France and Benelux.

Galliano remains a benchmark in the world of cocktails, particularly in the US and UK, while Sambuca ***Vaccari*** ranks highly in Australia with close to 70% of the market.

With sales of 200,000 cases per year, ***Coebergh*** is the market leader in the Netherlands where it continues to benefit from specific marketing initiatives.

The ***Bols Blue*** and ***Bols Liqueurs*** range, with a strong presence in the US, UK, Germany, Japan and Canada, is positioned in the arena of quality cocktails, a true expert, the barman's partner. Bols liqueurs represent sales of over one million cases per year.

SPIRITS

A high level of marketing expenditure

genuine room for growth in targeted markets

a diverse portfolio

in response to a strategy.

With a rich portfolio of rum, vodka and brandy, the Group operates in markets frequently dominated by local producers, whose aim is to achieve volume sales. For this reason, Rémy Cointreau seeks to produce superior quality products that become the benchmark. Adding value through expertise specific to each of these categories is of strategic importance.

MOUNT GAY RUM

Made in Barbados (Caribbean) since 1703, Mount Gay Rum continues to grow in its traditional markets - the US and the Caribbean - and recently demonstrated its ability to win new markets. It is interesting to note that there was significant growth in the UK.
An active policy of maintaining a presence in sailing has established the brand in pleasure boating harbours and among its traditional followers. In this context, successful initiatives taken during the America's Cup and among Auckland's yachtsmen enabled it to strengthen its position in New Zealand.

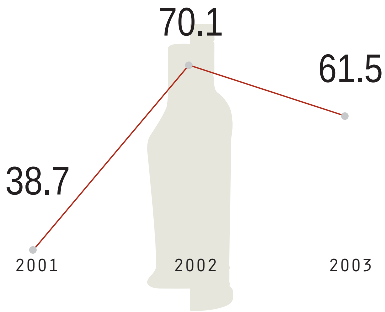
SAINT RÉMY

This is one of the rare international brandy brands to establish a presence in markets dominated by local brands. The global 17% volume increase confirmed the brand's consistent growth in the US and Canada, its leading markets. Saint Rémy also endorsed its success this year in Mexico with sales of over 145,000 cases. The successful launch of *Extra Old* quality should ensure further growth for the brand.

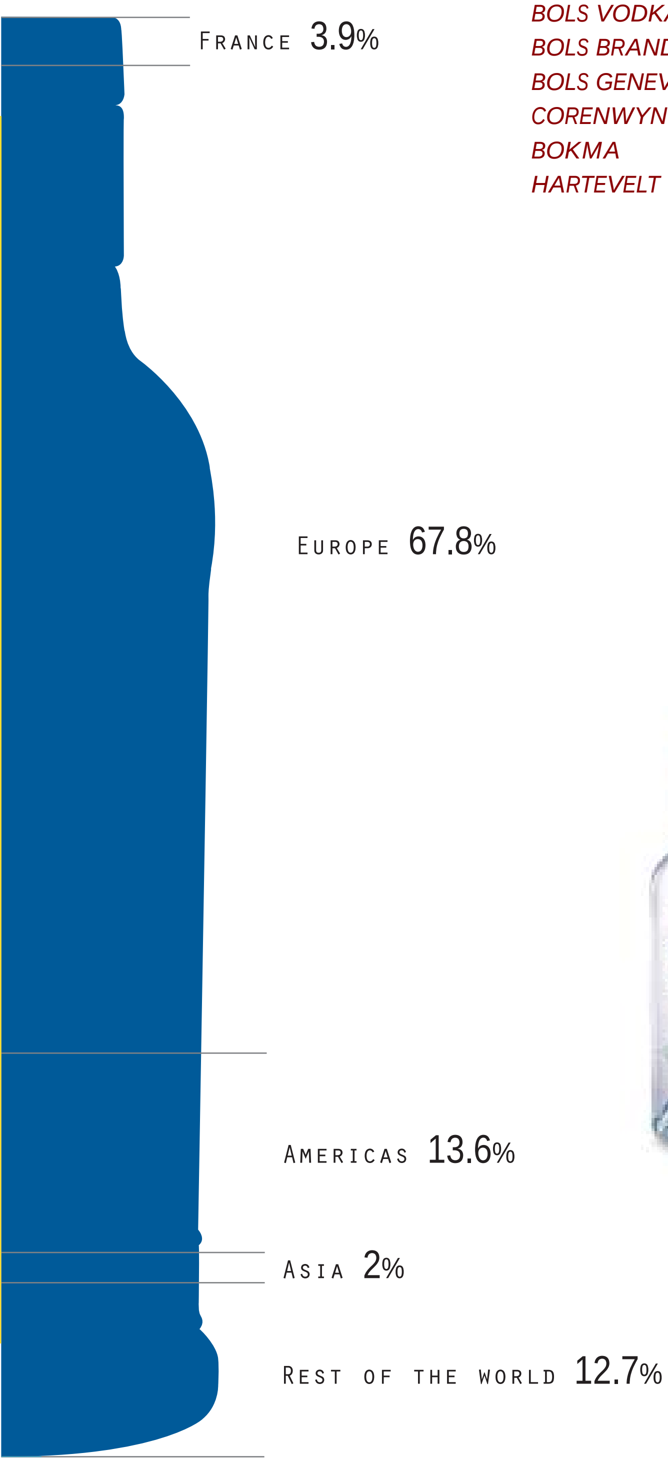
METAXA

With sales of over one million cases, Metaxa continues its rapid progress in its traditional markets, Greece and Germany, while growing strongly in Central and Eastern Europe where its Mediterranean flavour sets it apart. Anticipating the effects of the Athens Olympic Games in 2004, the successful launch of *Metaxa Grand Olympic* Reserve confirms the brand's strategic options.

MOUNT GAY RUM
CLÉS DES DUCS
SAINT RÉMY
SEGUIN
METAXA
BOLS VODKA
BOLS BRANDY
BOLS GENEVER
CORENWYN
BOKMA
HARTEVELT



OPERATING PROFIT
(€ MILLIONS)



GEOGRAPHIC AREA
TURNOVER:
€201 MILLION

VODKA

The year was marked by difficulties in the Polish market, where the Group is ranked the No. 3 producer of vodka under the Bols Vodka, Soplica and Niagara brands. A tight commercial environment in the Autumn, with the announcement of a 30% reduction in excise duties, temporarily unsettled the market and initially encouraged high priced vodkas. Rémy Cointreau chose to adopt a value creating approach in the medium term to the detriment of short-term volume. Since then, despite a 17.6% fall in turnover, the position has improved and a steady recovery has been recorded in an environment that remains highly competitive.

Bols Vodka. The leading brand in the portfolio, with sales of nearly 2 million cases, Bols Vodka reigns supreme in the top of the range segment with a 39% market share in Poland. Positioned as a high quality brand, it has huge growth potential and is supported by sales and marketing expenditure that should guarantee its success in Poland and in Eastern European markets.

GENEVERS

The ***Bols Genevers*** and ***Bokma*** brands are principally sold in the Netherlands and Belgium, the leading markets for genevers. Bols' offering, the category leader, is complemented by two leading brands on the Dutch market, ***Jonge Bols*** and ***Corenwyn:*** their very specific positioning among connoisseurs guarantees a solid basis for sales in a market that has reached maturity.

CHAMPAGNE

A very good year,

favouring quality and innovation.

rising profitability

market positions that create value.

After two unsettled years, the recovery in champagne led to a sales increase of almost 30%. Additional marketing efforts, particularly in innovation, together with a desire to maintain prices were the cause of this spectacular rebound.

PIPER-HEIDSIECK

The Group's leading champagne, Piper-Heidsieck, made significant progress in all its Key markets - France, the UK, Belgium, Germany, the US and Japan. By its positioning as a highly contemporary drink, Piper-Heidsieck has established a following who enjoy celebrating, are fashionable but relaxed, and who are drawn to the brand.

An indication of the keen interest in the brand was evidenced on the launch of ***Cuvée Brut Rosé Sauvage*** at the end of the year, which substantially exceeded initial forecasts in France and Belgium. This original champagne provides a unique response to the growing demand for rosé champagne.

Geographic area
Turnover:
€130 million

PIPER-HEIDSIECK

BRUT "SANS ANNÉE"
BRUT VINTAGE
ROSÉ SAUVAGE
CUVÉE SPÉCIALE
CUVÉE RARE
DEMI-SEC
BABY PIPER

CHARLES HEIDSIECK

BRUT RÉSERVE "MIS EN CAVE"
BRUT VINTAGE
ROSÉ VINTAGE
BLANC DES MILLÉNAIRES

Operating profit
(€ millions)

CHARLES HEIDSIECK

The Charles Heidsieck brand has a following of genuine connoisseurs in Europe as well as in the US, Australia and Asia, particularly for the "Mis en Cave".

Recognised for its excellent quality, the brand is positioned in the top of the range segment where it enjoys selective distribution among the best-known retailers and prestigious wine cellars.

The launch of two new vintages - Charles Heidsieck ***Rosé vintage 1996*** and Charles Heidsieck ***Brut vintage 1995*** – which was awarded a gold medal at the 2002 International Wine Challenge – were particularly well received.
Their reputation and low volume production, together with their exceptional character, ensure steady growth for Charles Heidsieck among new consumers.

As they respond to the evolution of the perception of champagne, demand for quality and less formal consumption patterns, Rémy Cointreau's two champagne brands have significant room to grow in the world market.

The Group intends to continue developing these two complementary brands with strategies clearly designed to create value.

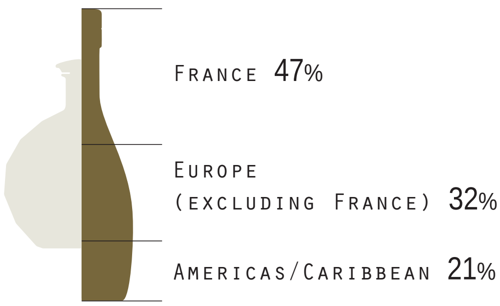
Sustainable development

Group standards

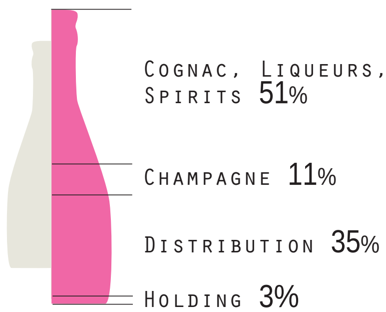
A group with a human face

Rémy Cointreau strengthened its head office and human resources functions last year. In order to ensure synergies among the Group's various operations, group-wide functions have been created: an internal communications team, a corporate affairs team and a development and human resources team. This organisation is responsible for creating the resources and tools necessary to implement a human resources policy for Rémy Cointreau's 2,200 employees. The task is to summarise the needs and implement appropriate and effective solutions as rapidly as possible.

Employees
by geographic area



Employees
by division



Meeting the Group's growth objectives

Rémy Cointreau is committed to a policy of recruiting talent: 434 new employees were taken on in 2003, mainly in sales and marketing, to support growth in the US and in Central and Eastern Europe.

In addition, a global human resources policy has standardised the different practices across the Group. By facilitating management mobility, conditions have been created for the Group to benefit from the knowledge and expertise of its people, while ensuring their personal development.

Training at an international level

During the year, 3.21% of the Group's payroll was invested in various training programmes, representing nearly 36,000 hours over the year. This proactive policy contributed to raising awareness of unifying themes among the management of all the subsidiaries, with every operating entity having autonomy to develop its training activities.

In addition to having environmental, quality and safety programmes organised at the various sites, major training programmes were conducted, particularly with the sales force in Poland and the US.

Social dialogue

Rémy Cointreau adopts a global approach to corporate policy while respecting to national legislations. As part of this, priority is given to establishing a dialogue with our partners in every country.

A number of agreements were also finalised for employee profit sharing, time saving and the creation of autonomous teams on production lines.

As a first step in our adherence to the Global Compact code of conduct, the human resources department established employee focus groups in Poland, the US, The Netherlands and France on key ethical topics, in order to determine common values.

An intranet website with access for all Group employees has been set up to ensure the sharing of values and the exchange of best practices.

Due to the involvement and professionalism of its staff, the excellence of human relations and the Group's work environment, Rémy Cointreau has all the factors required for success.

During the year, the Quality, Safety and Environment team was set up at Group level to organise initiatives and ensure that all sites develop practices in line with environmental requirements. This new team will establish common objectives for all entities and set up comparable performance indicators.

A RESPONSIBLE ENVIRONMENTAL POLICY

At Rémy Cointreau, quality has always been a major part of our culture. In addition, the Group has always been committed to preserving the environment of its production sites while guaranteeing the safety of staff and customers. In order to measure the impact of its operations and to prevent the risk of incidents, a number of measures were implemented along the operating chain. These involve and place responsibility on all staff, together with our regional partners.

Cognac and Reims

For a year, under the direction of a steering committee, Domaines Rémy Martin has been committed to responsible cultivation, aimed at managing water resources, in terms of needs and waste treatment, and promoting biodiversity. For the past three years, a training programme has been put in place for farm workers so that they can, from the initial signs, detect and remedy vine diseases. Similar measures were also taken in the Reims region.

Angers - pilot scheme

A pilot scheme, launched in 2000, in line with the environmental management standards enabled Angers to obtain the ISO 14001 certification. At the end of a 600-hour training cycle in 2001, a decision was taken to concentrate waste and reduce pollution. This led to a 10% reduction in water consumption and, in 2002, a 43% improvement in waste quality. At the same time, sorting and using 95% of the waste led to a reduction in treatment costs and a 10% decline in weight.

In addition to site cleanliness, the scheme unites employees in a common project supported by regular internal communications and publication of performance indicators.

Following on from the scheme in Angers, the Rémy Martin sites in Cognac this year began the groundwork required for ISO 14001 environmental certification.

Quality and safety: a priority

The quality standard and its impact has been defined for every production site. Employees were motivated by the steps taken to involve them in the project which has total quality integrated certification. Action taken included internal seminars within the Group, where the site managers and QSE team co-ordinated their activities within a general strategy. The quality concept is now included in the training plans of the various Group companies.

Today, most of the production sites have the ISO 9001 quality certification; the most recent being the vodka production units in Poland.

Regular audits of consumers, customers, employees and subcontractors enable the Group to measure, update and optimise these various efforts.

In addition, a crisis management procedure has been set up worldwide to ensure the necessary resources are available to respond to any event that may have an impact on consumer safety, product quality, and the protection of staff and the environment.

An ethical approach

Global Compact: the ethical commitment of the Rémy Cointreau Group

Global Compact is an initiative that was launched in 2000 by Kofi Annan, the Secretary General of the United Nations, bringing together states, international businesses and United Nations agencies around common ethical objectives. By signing the Global Compact charter, the Rémy Cointreau Group officially subscribes to the defence of values that it has always had.

The Group's values are reflected in its respect for human rights, the environment and fundamental social rules that comprise the principles of this charter. Thus, Rémy Cointreau joins 200 international businesses and accepts the basic tenets of Sustainable Development. In this connection, three commitments were made: to develop management practice in line with the nine principles in the charter, support these principles publicly and give an account, once a year, of the concrete application of each of them.

In view of its operations, Rémy Cointreau decided to meet its ethical commitments by reaffirming its acceptance of every step taken to advocate moderate and responsible consumption of wines and spirits. To this end, commitments made within the Amsterdam Group and Enterprise et Prévention are now an integral part of the Group's ethics.

Thus, in 2002/03, a number of awareness and training measures were undertaken with the marketing staff to help them to understand these commitments and ensure that all communications respect these principles.

A communication committee, with the objective of verifying that all communications conform to these principles, will be established in 2003.

The Principles of *Global Compact*

The nine principles of this charter are a summary of the 1948 Universal Declaration of the Rights of Man and the recommendations of the International Labour Office and the Rio Conference.

Rights of man

Rémy Cointreau is committed to:

1 - Sustain and respect the rights of man on the international level and within its sphere of influence.

2 - Avoid being complicit in breaches of the rights of man.

Work & Employment

Rémy Cointreau is committed to encouraging:

3 - Freedom of association and the effective recognition of the right to collective bargaining.

4 - Elimination of all forms of forced labour.

5 - Effective abolition of child labour.

6 - Elimination of discrimination in recruitment and employment.

Environment

Rémy Cointreau is committed to:

7 - Sustain a prudent approach in environmental matters.

8 - Initiate action that takes a greater responsibility for the environment.

9 - Encourage the development and the diffusion of technologies that respect the environment.

CONSOLIDATED BALANCE SHEET

YEAR ENDED 31 MARCH 2003

ASSETS

(€ millions)	2003	2002	2001
Intangible fixed assets	**972.2**	972.5	962.5
Tangible fixed assets	**151.8**	165.6	160.1
Investments in associated undertakings	**80.1**	87.3	96.7
Non-consolidated investments	**10.2**	10.3	11.8
Other financial assets	**15.7**	19.9	19.8
Financial assets	**106.0**	117.5	128.3
Total fixed assets	**1,230.0**	1,255.6	1,250.9
Inventories	**775.4**	831.9	787.4
Trade notes and accounts receivable	**213.9**	264.0	192.5
Other receivables	**155.7**	153.5	197.3
Deferred tax	**31.9**	44.0	45.6
Short-term deposits and cash	**18.7**	21.3	13.2
Total current assets	**1,195.6**	1,314.7	1,236.0
Total assets	**2,425.6**	2,570.3	2,486.9

EQUITY AND LIABILITIES

(€ millions)	2003	2002	2001
Share capital	**71.3**	71.1	71.0
Share and merger premium	**623.6**	622.0	620.9
Consolidated reserves	**309.1**	253.4	213.5
Translation adjustment	**(19.1)**	5.2	0.5
Group net profit	**101.5**	95.3	90.3
Group shareholders' equity	**1,086.4**	1,047.0	996.2
Minority interests	**8.4**	64.7	59.4
Convertible loan notes	**315.1**	308.4	301.7
Subordinated perpetual notes	**72.4**	91.7	109.4
Provisions for liabilities and charges	**76.0**	81.6	72.6
Deferred tax	**32.7**	34.0	39.5
Provisions and other long-term liabilities	**108.7**	115.6	112.1
Long and medium-term debt	**333.5**	390.1	437.5
Short-term debt	**163.1**	71.1	35.7
Financial debt	**496.6**	461.2	473.2
Trade notes and accounts payable	**139.7**	227.1	217.4
Other operating liabilities	**198.3**	254.6	217.5
Operating liabilities	**338.0**	481.7	434.9
Total equity and liabilities	**2,425.6**	2,570.3	2,486.9

CONSOLIDATED INCOME STATEMENT

YEAR ENDED 31 MARCH 2003

(€ millions)	2003	2002	2001
Turnover	**1,000.2**	1,019.5	925.6
Cost of sales	**(441.1)**	(452.7)	(430.6)
Gross margin	**559.1**	566.8	495.0
Marketing expenses	**(260.7)**	(274.2)	(225.3)
Administrative expenses	**(84.6)**	(83.5)	(85.4)
Operating profit	**213.8**	209.1	184.3
Net finance charges	**(66.7)**	(61.9)	(54.0)
Profit on ordinary activities before tax	**147.1**	147.2	130.3
Tax on ordinary activities	**(50.5)**	(48.6)	(42.4)
Share of profit on ordinary activities of associated undertakings	**9.0**	10.4	9.8
Net profit before goodwill amortisation	**105.6**	109.0	97.7
Goodwill amortisation	**(2.8)**	(3.2)	(3.7)
Net profit after goodwill amortisation	**102.8**	105.8	94.0
Minority interests	**0.1**	(5.2)	(3.6)
Net profit on ordinary activities	**102.9**	100.6	90.4
Exceptional result	**(1.4)**	(5.3)	–
Group net profit	**101.5**	95.3	90.4

(€)

Basic earnings per share	2003	2002	2001
Earnings per share on ordinary activities	**2.34**	2.29	2.04
Earnings per share	**2.30**	2.17	2.04
Number of shares	**44,069,956**	43,949,741	44,377,621

Commentary on activities

2002/03

Turnover

Turnover for the year ended 31 March 2003 was €1,000.2 million, an increase of 5.1% on a like-for-like basis.
Operating profit rose by 2.2% to €213.8 million.
The recovery in Champagne and the dynamism of Cognac contributed to this performance.
In unfavourable market conditions, sustained margins, a maintained pricing policy and the optimisation of the distribution network enabled all operations to achieve a satisfactory performance.

Cognac

Volumes of Rémy Martin cognacs increased by 4.6% thus strengthening its leadership position in superior qualities with a 32% market share.
Cognac achieved a historic operating margin of 41.6% with a continued high level of marketing expenditure of 26.9% of gross margin at constant exchange rates. Its contribution to consolidated profit was €149.3 million, an increase of €3.7 million over last year.
The dynamism of the brand was particularly evident in the US. Shipments grew by 7%, driven by sustained consumer demand (depletions rose by 10% for the year ended 31 March 2003).
In Asia, the new distribution organisation in China increased sales and now represents a major strength for the brand's development in this market. The establishment of this organisation generated additional costs of approximately €5 million during the year.

Liqueurs

The good performance by Cointreau in the US and Southern Europe, Passoa in France and Japan, together with the success of Cointreau C, Aura (pre-mix) and Passoa Diablo, which required particularly high marketing expenditure this year (46.6% of gross margin), brought divisional profit to €50.4 million. The operating margin rose to 28.8%.

Spirits

Bols vodka made a partial recovery in the second half of the year. However, it ended the year with a decline of 17.6% compared with the previous year, in a very competitive and volatile environment. In line with its policy of supporting brands in their priority markets, the Group maintained a high level of marketing expenditure for its vodka brands (38.5% of gross margin compared with 27.1% the previous year).
The Metaxa brand (+8.4%), Mount Gay and St James rums (+16.6%) and St Remy brandy (+11.3%) all grew at very satisfactory rates. The Spirits division contributed €61.5 million to operating profit, and the operating margin was 30.6%.

Champagne

With an operating profit of €17.2 million, an increase of €11.5 million over the previous year, the Champagne division achieved a better operating margin at 13.2% than that forecast by the Group for the year, against a background of sustained marketing expenditure (41.7% of gross margin).

Third Party Brands

The contribution to operating profit of third party brands, which mainly comprises distribution of the Highland Distillers brands and Antinori wines in the US, fell slightly due to the cessation of certain distribution contracts in the US duty-free market.

Distribution and Central Costs

Distribution costs rose slightly due to additional marketing resources for Rémy Amérique. The growth in central costs resulted from the implementation of the "Supply Chain" organisation, which in one year, will generate productivity and efficiency gains.

Operating profit grew by 3.7% at constant exchange rates. The increase came from a higher level of activity and an improvement in the Group's operating margin, which rose by 21.4%, whilst marketing expenditure was maintained at its high level (33.8% of gross margin).

Finance costs of €66.7 million included a financing charge of €64.8 million compared with €63 million the previous year. Despite the decline in the average financing rate, this increase was due to the rise in average debt during the year and the non-renewal of a financial instrument that benefited the previous year.

Profit on ordinary activities rose by 2.3% to €102.9 million to represent €2.34 per share.

Exceptional expenses were (€1.4) million. These mainly comprised the disposal of Blue Pyrenees Estate in Australia and Domaines Rémy Martin, the income from the disposal of assets (sale of barrels, property in California and Champagne) and also the exceptional costs of reorganising production units.

Profit grew by 6.5% to €101.5 million, equivalent to €2.30 per share.

Consolidated financial debt was €812 million (excluding the subordinated perpetual loan notes). Financial debt including the subordinated perpetual loan notes, the OCEANE redemption premium, marketable securities and cash, amounted to €865 million. The debt (excluding the subordinated perpetual loan notes) to EBITDA ratio was 3.39.

Group equity grew by €39 million to €1,086 million.

Outlook for 2003/04:

Capitalise on all our strengths to sustain an aggressive policy of organic growth.

The Group has the capability to ensure optimum acceleration of its programme of organic growth and to achieve further improvement in profitability, while improving its financial position.

Rémy Cointreau intends to capitalise on its fundamental strengths, ie:

- **strong brands** with high market share;
- **strategic distribution** through two networks - Maxxium and Rémy Amérique - combining strength and dynamism;
- **a disciplined organisation** seeking every source for improved productivity and efficiency, from production to customer service *(Supply Chain).*

Stock market information

Shares in Rémy Cointreau are quoted on the Premier Marché of Euronext Paris SA (Euroclear France SA code: 13039) and since 30 June 2003, ISIN code: FR0000130395. The French financial community opted for an international standard called ISIN (International Securities Identification Numbers) to identify financial instruments, as a replacement for the codes used by Française de Codification. The Rémy Cointreau share is part of the 150 European shares index (Euro Stoxx 150).

The Rémy Cointreau share price held up well in a declining stock market

Position (source: Euronext Paris SA)

At 31 March	**2003**	2002
Share price high (€)	35.00	39.37
Share price low (€)	22.50	18.36
Latest price (€)	24.41	29.48

Dividend growth

At 31 March	**2003**	2002
Net dividend per share	1.00	0.90
Tax credit per share	0.50	0.45
Number of shares in issue	44,069,956	43,949,741

During the year, Rémy Cointreau purchased 145,588 of its own shares.
At 31 March 2003, the Company held 655,573 of its own shares.

Shareholder information

The Investor Relations department is available to respond to any enquiries regarding the Group. A shareholders' letter is issued regularly.

An e-mail address is also available at:
info@remy-cointreau.com
The Rémy Cointreau website is designed to provide information on the Group and its operations. It includes press releases issued to the financial community as well as presentations given at analyst and journalist meetings.

A Privileged Club for shareholders is open to all individual shareholders, who register with:
Rémy Cointreau
Direction de la Communication financière
152, avenue des Champs-Élysées
75008 Paris – France
Telephone (Direct): 01 44 13 45 15

The Club enables members to understand the Group's operations and brands and they may take advantage of offers to purchase certain products. In addition, they have privileged access to various product sites that are open to the public.

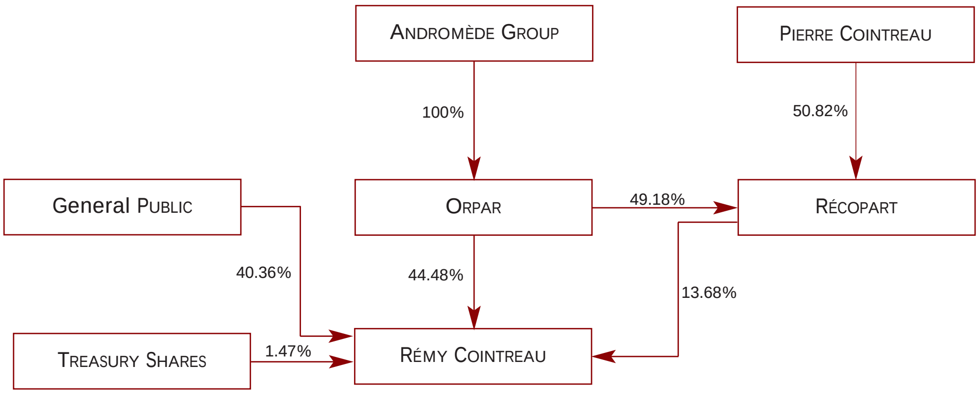
Transactions since January 2002 (source Euronext Paris SA)

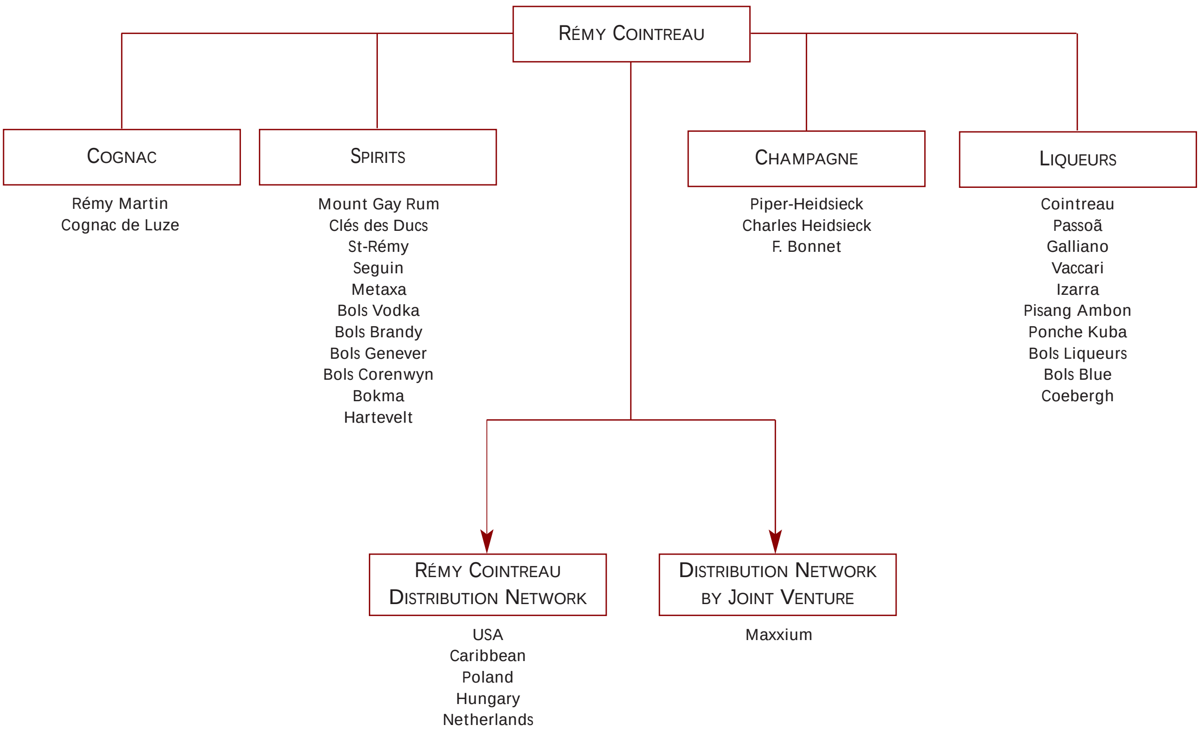
(Euros)	Volume	Average price	Highest	Lowest	Value in millions
January 2002	2,035,855	26.58	27.98	24.87	54.12
February 2002	559,441	26.33	27.22	25.57	14.74
March 2002	2,010,980	27.84	29.70	25.30	56.82
April 2002	4,044,851	31.45	34.54	29.48	128.26
May 2002	1,784,522	33.26	35.00	31.50	58.50
June 2002	1,797,188	32.47	34.85	30.64	58.66
July 2002	2,225,582	30.35	32.98	25.20	66.40
August 2002	1,717,286	30.17	31.51	27.51	51.49
September 2002	1,476,620	29.14	30.39	26.05	42.71
October 2002	3,830,757	29.04	32.10	26.01	109.85
November 2002	901,132	30.03	31.50	28.49	27.14
December 2002	1,159,674	29.18	30.50	28.20	33.83
January 2003	1,006,098	29.69	31.40	27.80	29.72
February 2003	1,283,659	25.52	28.75	24.40	32.93
March 2003	1,402,678	24.53	26.25	22.50	34.27
April 2003	1,708,013	24.12	26.80	22.61	41.37
May 2003	1,567,363	24.85	26,20	23,00	38,46
June 2003	1,038,005	26.65	28.40	25.10	27.85

At 31 March 2003, the stock market capitalisation of Rémy Cointreau was €1,085 million.

Organisation chart

at 30 june 2003





Supervisory Board and Management Board members

Supervisory Board

François Hériard Dubreuil, *President*
Marc Hériard Dubreuil, *Vice-President*
Pierre Cointreau
Javier Bernat
Alain Bodin
Patrick Duverger
Gérard Épin
Brian Ivory
Guy Le Bail
Håkan Mogren
Jürgen Reimnitz

Management Board

Dominique Hériard Dubreuil, *President*
Huub van Doorne, *Operations Director*
Alain Emprin, *Operations Director*
Bruno Mouclier, *Finance Director*
Pierre Soussand, *Human Resources Director*

Rémy Cointreau
152, avenue des Champs-Élysées
75 008 Paris – France
Tel.: 33 (0) 1 44 13 44 13
www.remy-cointreau.com

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WWW.REMY-COINTREAU.COM