



RÉMY COINTREAU



ANNUAL REPORT 2004 | 2005





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2004-2005

1,845 employees worldwide

Turnover: **€905.3 million**

Organic growth of **5.1%**

Operating profit: **€167.7 million**

Organic growth of **14.4%**

Operating margin: **18.5%**



RÉMY COINTREAU

LIBERAL INTERPRETATION OF CONTEMPORARY EXCELLENCE

Rémy Cointreau offers the connoisseur a unique and rare range of premium wine and spirit brands, known and recognised throughout the world.

Rémy Cointreau is committed to constant improvement and innovation. The Group continues to add value to its brands, while remaining true to its long term goals. Rémy Cointreau stands out as a “quality benchmark” in the wines and spirits market and anticipates and interprets the demands of contemporary consumers.

The success of the Group’s brands is due to a unique mix of prestige and pleasurable discovery, the demand for perfection and contemporary aspirations, and their excellence. Rémy Martin, Cointreau, Passoã, Bols, Metaxa, Mount Gay Rum, Charles Heidsieck and Piper-Heidsieck - among others - are all quality labels at the forefront of trends and are guardians of a Century-old tradition of elegance and aspirations.



2004 | 2005

ANOTHER PHASE IN OUR DEVELOPMENT

“Rémy Cointreau combines top of the range products with high performance, a rigorous approach and profitability.”

This year, Rémy Cointreau began another phase in its development. At a time of renewed consolidation in the sector, the Group differentiates itself by strong positioning at the top of the market, an enduring and profitable growth driver. Its expertise in international brand development, anchored in the past and poised for the future is a major strength. Adding value to our core image in order to rejuvenate consumer perception, gives us a strong and unique advantage. Strict control of brand imaging guarantees its long term future. We are convinced that these dynamics can also be applied to our leading brands, as well as to brands with growth potential. Thus, Rémy Cointreau now has significant leverage at its disposal to facilitate its continuing organic growth.

For this reason we are very enthusiastic about the prospects for further sector consolidation, which provide us with opportunities, potential partnerships and fresh challenges. Together with our major brands, we remain free to change the shape of the Group to make it even more successful in its core markets. In 2004, we modified our corporate governance system, to provide the Group with a style of management best suited to its needs. The most significant measure was the establishment of a Board of Directors to replace the Supervisory Board and the Management Board, and the appointment of a Chief Executive Officer, a position filled by Jean-Marie Laborde. Various committees, supplemented by an Ethics Committee, have been reconstituted within the Board of Directors. This marks a new phase in the formalisation and organisation of the Group's responsible behaviour. More than ever, Rémy Cointreau is focused on enforcing and sharing the principles of the Global Compact Charter on the basis of continuous progress, a constant search for quality and innovation, and lasting expertise.

Thus, the Group now has a more dynamic management and one that will be better prepared to meet major challenges. I wish to pay tribute to the commitment and involvement of our teams and to thank them for their constant work in adding value to our brands. I am very confident in Rémy Cointreau's ability to meet new challenges as I know the Group can rely on the talent, rigour and passion of its people, as well as on the strength of its brands, which are genuine and complementary strategic tools. We will continue to develop our premium segment, which offers the highest quality, and from which we will expect results. We have already identified areas for improvement that will make us even more competitive. We also have the necessary means, assets and resources to accelerate our development. I would like to thank our shareholders for their support and the confidence that they have shown and would like to pay tribute to their loyalty.

DOMINIQUE HÉRIARD DUBREUIL,
Chairman of the Board of Directors



INTERVIEW WITH
JEAN-MARIE LABORDE
CHIEF EXECUTIVE OFFICER

SINCE YOUR ARRIVAL IN SEPTEMBER 2004,
WHAT HAVE YOU ESTABLISHED?

I wanted to structure a Management team and to establish an Executive Committee under my supervision. In addition to its core functions, the existing organisation was strengthened by the creation of three new operational departments:

- an Operational Department supervising production, logistics, purchasing and sustainable development;
- a Strategy and Brand Development Department responsible for increasing synergies and services between brands; and
- a Market and Commercial Networks Department aimed at optimising market knowledge and managing all Group networks.

HOW DO YOU VIEW YOUR 2004/05 FINANCIAL RESULTS?

Rémy Cointreau achieved its objective of 14% organic growth in operating profit, which makes it one of the best players in the sector. This performance takes into account negative currency impacts, particularly the US Dollar, which again this year substantially affected our results. However, the Group reduced central and administrative expenses by €6 million and its debt by 8%, resulting in improved operating cash flow.

Against this background, Rémy Cointreau changed its corporate governance system, established a new management structure and set out its priorities, particularly the focus on organic growth for our key brands in their strategic markets. For this reason, the 2004/05 financial year has been one of transition.

HOW DO YOU VIEW THE OPERATIONS OF YOUR BRANDS AND OF YOUR MARKETS?

The US and Asia have very high growth rates, due to the strong dynamics of the US market and to increased purchasing power in Asian countries. Rémy Cointreau's position in these two strategic regions drive its growth, contrasting with a less dynamic Europe. The exception to this is the UK where good economic conditions benefit our brands.

*“In our sector,
the competition is one of
brand versus brand.”*

Sales of Rémy Martin's leading products, V.S.O.P., X.O and Louis XIII, have increased. This is the result of profound efforts to improve the product/market mix. Cointreau enjoyed continued growth in the US

and in Asia, particularly in China and Japan. In the Champagne division, our price increase policy has borne fruit. Marketing efforts behind Piper-Heidsieck will be increased as its international image and brand-awareness has great potential.

Finally, it is worth noting the strong performance of Metaxa in Eastern Europe, as well as that of Bols, with its very promising range of liqueurs relaunched with new packaging in the on-trade segment this year.

HOW WILL RÉMY COINTREAU POSITION ITSELF WITHIN THE FRAMEWORK OF RENEWED SECTOR CONSOLIDATION?

The existence or emergence of large groups is not a major issue, as competition sets brand against brand in our sector. Groups change but brands do not. Rémy Cointreau has the required strengths and means to continue and increase its development. Its three main strengths are:

- strong brands to which we have been applying, for some years, a value strategy based on premium quality and on moving our range upmarket. All our brands are premium quality brands.
- Our distribution networks: Rémy Amérique in the US and Maxxium in Europe and in Asia provide us with powerful and competitive worldwide coverage.
- Our marketing investment, which is both significant and targeted, guarantees a good performance in a sector where products are, above everything else, communication tools.

In addition, the economic environment is highly favourable to the Group. Today's consumers drink less alcohol but seek quality products and well-known brands that guarantee quality and portray a certain lifestyle.

The growth in the premium and super-premium segment is much stronger than all other segments of the wines and spirits market: Rémy Cointreau is not only well positioned but is ahead of the competition with superior quality and high added value brands.

WHAT NEW GROWTH OPPORTUNITIES DO YOU SEE?

Innovation still constitutes the main springboard in developing our brands and ensuring their long term future. It includes new packaging and creative products to meet customer demand and complement various consumption trends. It also includes innovation of related services to strengthen brand identity. Our investment will be increased in areas with

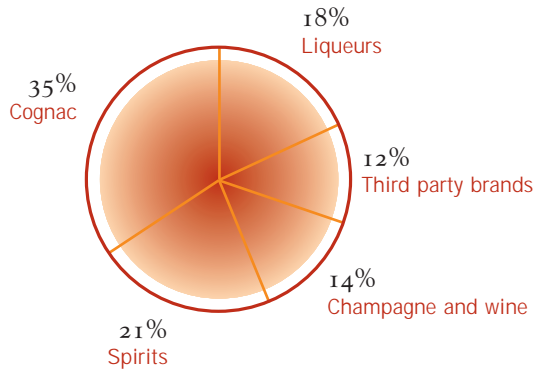
A YEAR OF TRANSITION AIMED AT NEW CHALLENGES

high growth potential such as Asia or Central America. We remain open to brand acquisition at the top end of the market, on the condition that any potential reinforces the attractiveness of our portfolio. The economic environment has become more favourable for premium champagnes and spirits. Rémy Cointreau has the required strengths to continue implementing its policies and improving its performance in the coming years. In the next financial year, our objective is to again record organic growth in operating profit and we anticipate double-digit growth.

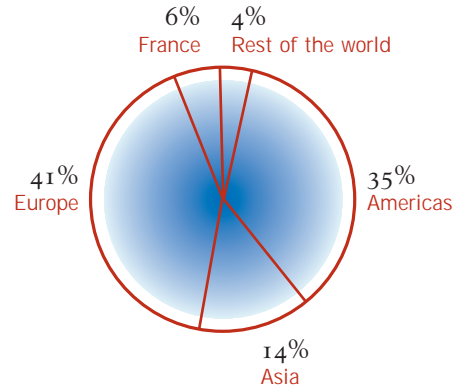
“Today, it is easier to perform well if you produce high quality.”

KEY FIGURES AT 31 MARCH 2005

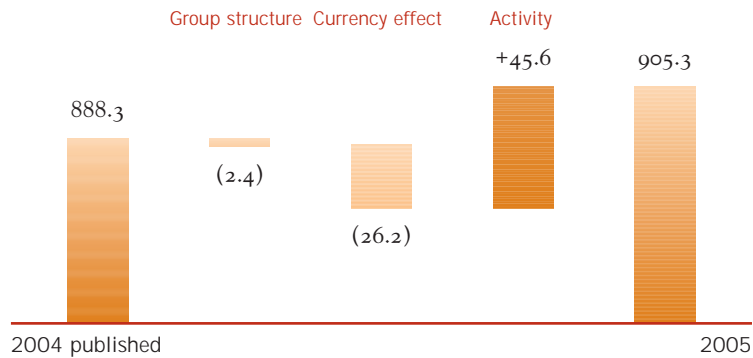
Continue, accelerate and augment
the value strategy.



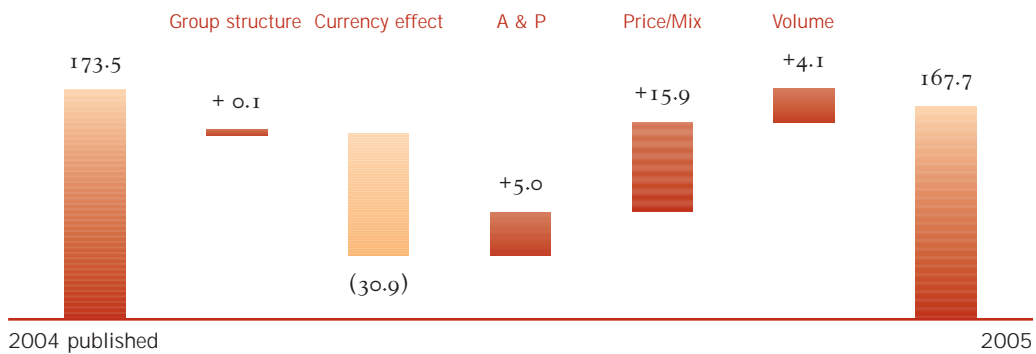
TURNOVER BY DIVISION



TURNOVER BY GEOGRAPHIC AREA

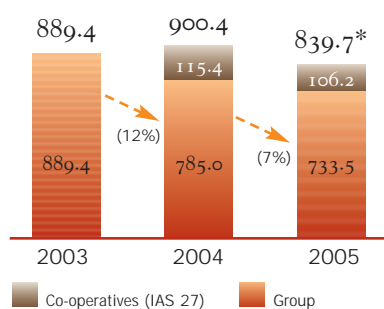


TURNOVER (€ millions)
Organic growth*: up 5.1%



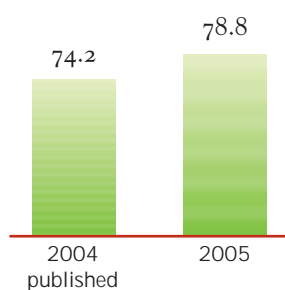
OPERATING PROFIT (€ millions)
Organic growth*: up 14.4%

*Growth on a like-for-like basis.

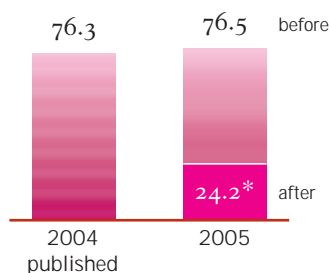


Evolution of financial debt (€ millions)

* Financial debt was €839.7 million
a 7% decline equivalent to €60.7 million.



Net profit on ordinary activities: up 6.2 %
(€ millions)



Net profit, before and after
non-recurring items
(€ millions)

* After a non-recurring charge of €54.6 million including a provision of €52.3 million for exceptional writedown of brands. Excluding this exceptional factor, the net profit would have been stable.

CONSOLIDATED BALANCE SHEET AT 31 MARCH 2005

ASSETS

€ millions

	2005	2004
INTANGIBLE FIXED ASSETS	923.4	969.1
TANGIBLE FIXED ASSETS	133.3	142.8
FINANCIAL ASSETS	113.2	100.2
WORKING CAPITAL	1,110.3	1,153.2
SHORT-TERM DEPOSITS AND CASH	53.6	68.1
TOTAL ASSETS	2,333.8	2,433.4

EQUITY AND LIABILITIES

€ millions

	2005	2004
SHAREHOLDERS' EQUITY	1,101.8	1,111.1
MINORITY INTERESTS	15.9	12.5
PROVISIONS AND OTHER LONG-TERM LIABILITIES	74.5	83.6
FINANCIAL DEBT, BONDS	893.3	968.5
OPERATING LIABILITIES	248.3	257.7
TOTAL EQUITY AND LIABILITIES	2,333.8	2,433.4

CONSOLIDATED INCOME STATEMENTS

YEAR ENDED 31 MARCH 2005

€ millions

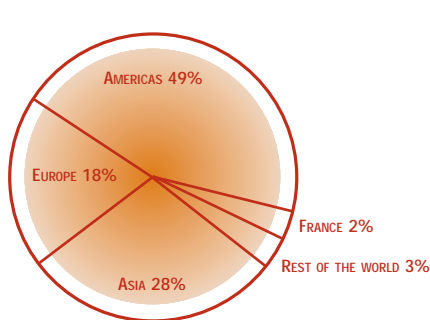
	2005	2004
SALES	905.3	888.3
OPERATING PROFIT	167.7	173.5
NET PROFIT ON ORDINARY ACTIVITIES	78.8	74.2
GROUP SHARE OF NET PROFIT (AFTER A NON-RECURRING CHARGE OF €54.6 MILLION*)	24.2	76.3
EARNINGS PER SHARE (€)	0.54	1.72

* Including a provision of €52.3 million for exceptional writedown of certain brands.

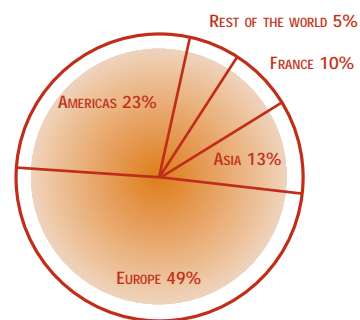
COGNAC, LIQUEURS, SPIRITS AND CHAMPAGNE INTERNATIONALLY KNOWN



TURNOVER
BY GEOGRAPHIC AREA



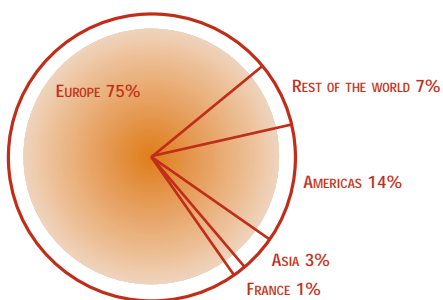
COGNAC



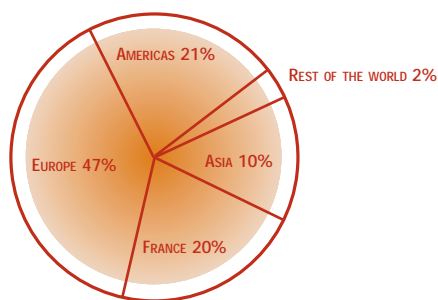
LIQUEURS

PRODUCTS MARKED BY THE SPIRIT OF INNOVATION

Rémy Cointreau continues its strategy of value creation by capitalising on its premium brands and strong position in leading global markets, which guarantees profitable growth.



SPIRITS



CHAMPAGNE



*Cognac
is a testimony to
the mystery of time.
Rémy Martin
has captured
its intimate truth.*

RÉMY MARTIN | V.S.O.P., ACCORD ROYAL, CLUB, VOYAGE, X.O EXCELLENCE, X.O PREMIER CRU, EXTRA, LOUIS XIII

RÉMY MARTIN COGNAC: A RAPIDLY GROWING PRODUCT

In line with its value strategy, Rémy Martin confirms its position as market leader in Fine Champagne superior qualities and accelerates its growth in strategic markets.

Rémy Martin's history and experience in the Fine Champagne appellation guarantees its cognacs unrivalled quality. At the beginning of 2005, Alliance Fine Champagne was created – a co-operative bringing together Rémy Martin's wine growing partners who are committed to the lasting quality and virtues of Fine Champagne eaux-de-vie. To consolidate its position with upmarket cognacs, Rémy Martin focused its efforts on its three leading brands, V.S.O.P., X.O and Louis XIII.

V.S.O.P. Fine Champagne, a flagship of the Rémy Martin brand and an icon in its category, strengthened its market leadership. New red and gold packaging on a slender bottle now represents the contemporary elegance of an outstanding cognac. Reinvented to suit new consumption trends (served chilled or “frosted”), V.S.O.P. is more than ever a benchmark in bars throughout the world.

X.O Excellence is a synonym for uniqueness and superior quality. This cognac is a favourite of Asian consumers. It offers the highest quality on the market in terms of maturity and fulfils the increasing demand of people who recognise the Fine Champagne Cognac quality as a guarantee of a richer and more intense flavour.

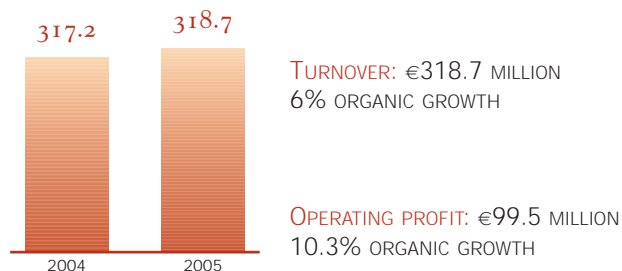
Louis XIII offers the rarest eaux-de-vie, some over a hundred years old: a century in a bottle...or in a glass. If it is the most expensive of spirits, it is because for nearly 150 years Louis XIII has been providing an incomparable sensory experience by revealing some of the secrets of Maison Rémy Martin's cellars. Its new case, a genuine jewellery box, has positioned this gem at the forefront of current trends. Advertising in countries with high potential (China, the US and the UK) has increased brand awareness and the magic it represents.

The Rémy Martin brand appeals to an increasing number of consumers seeking the best quality and it has established a strong position in strategic markets. It recorded healthy growth in the US, its leading market, and in China where the exceptional reputation of the “centaur brand” should result in impressive growth. Alongside the progress made in these two markets, the brand has continued its growth in the UK, Japan and Russia. It also strengthened its leading position in the *travel retail* trade with the launch of the limited edition “Voyage” range.

These commercial efforts were sustained by significant marketing expenditure. Local campaigns supporting the “Feel more” worldwide communications programme have been implemented in all key markets.

In order to introduce the public to the excellent and unique manufacturing process of Rémy Martin cognacs, visitors to Cognac are now greeted in a more personalised manner with smaller groups and more varied tours.

Rémy Martin is enjoying profitable growth and the Group will continue its strategy of moving the brand upmarket, as well as developing sales of its three superior qualities, thereby reducing the current negative impact of currency.



LIQUEURS: A CONTEMPORARY RANGE DRIVEN BY NEW TRENDS

Liqueurs in the Rémy Cointreau portfolio fulfil market expectations and changing consumption trends.

Growth in all operations is driven by the continued success enjoyed by Cointreau in the US and by Bols Liqueurs in Japan, as well as Passoã’s strong performance in France and Puerto Rico.

Rémy Cointreau offers a varied and balanced liqueur portfolio, which is popular among active and discerning consumers seeking special moments of conviviality and friendship. The promotion of new liqueur drinking modes enables Rémy Cointreau’s brands to continually provide products to meet ever-changing trends. The cocktail fashion and the distributors’ *Total Cocktail* programme benefit the Group’s liqueurs and increase brand-awareness and visibility among bartenders, their main promoters.

COINTREAU, A NEW IMAGE AND NEW TRENDS

Created 155 years ago, Cointreau is as fresh and unique as ever. It is a necessary ingredient in the trendiest cocktails (*Cosmopolitan*, *Caipirinha*, *Margarita*, etc.) and the brand is now asserting itself in *long drinks*. With added tonic or sparkling water, *Cointreau’s bubbles* attract a part of the

“Continuously rejuvenated, Passoà successfully interprets new trends in young adult consumption.”



female population seeking lightness and freshness in sparkling drinks.

The US is the brand's leading market and continues to make the orange peel liqueur very successful. Asia is also an area with high growth potential. The brand is already established in Japan where it exports nearly 4% of its production. In addition, Cointreau has made a strong entry in the Chinese market where it offers several bottle sizes, including a small format, to attract modern and active female customers.

In Europe, Cointreau benefits from the UK's cocktail trend and from long drink consumption in Spain. The brand confirmed its strong presence in the global duty-free market, which is second only to the US market and which represents a significant source of growth.

The new international advertising campaign "Be Cointreauiversal" supported sales growth and contributed to the unveiling of Cointreau as a trendy, elegant and contemporary product. Following its rollout in major European markets, future campaigns will target Asia this year.

PASSOÃ, THE LATINO JOY OF LIFE

Passoã is the Group's No. 2 liqueur brand and it has established itself in the highly competitive segment of modern liqueurs. The brand grew in volume and value terms due to its success in the French market and the upturn in sales in Puerto Rico, its original market. It is enjoyed for its unique, exotic taste, its colours and its black bottle packaging. This year, Passoã confirmed its good performance with the successful launch of two new flavours, *spicy mango* and *melon cactus*.

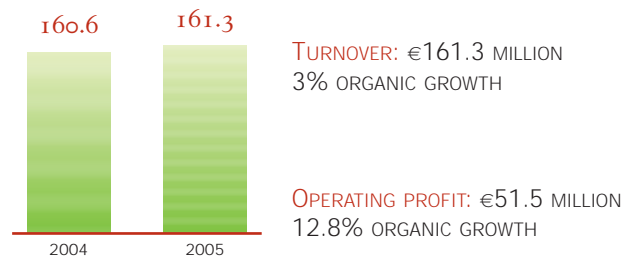
In France, the alcohol content has been reduced from 20% to 17% to adapt to consumer demand. This measure will be applied to all European countries.

In 2005, the brand will be associated with the year of Brazil in France and will increase its marketing expenditure in alternative media, such as the internet, to be even closer to its young, active and discerning consumers. Passoã will also explore new markets with high potential, implementing its growth strategy.

BOLS LIQUEURS, A COCKTAIL INGREDIENT

With 31 products on offer in around 100 countries, the Bols liqueur range is international and a market leader. It was designed as a base for cocktails and continually adapts its flavours to anticipate consumption trends and market demand. The ergonomic and appealing design of the bottle represents the relaunch of the new range. It was designed and researched by bartenders for bartenders. The *BolsCocktails.com* website is specially designed for them and has become a reference point: it offers over 12,000 recipes with relevant and interactive search criteria to create your own cocktail.

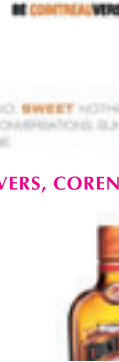
Bols Liqueurs will continue to target its promotional activities in major "cocktail" markets, particularly the US and Japan.



*At a time of major change
in the Polish market,
this unique partnership
for operating
and distributing
Bols vodka provides
the brand with
new horizons.*



MOUNT GAY RUM, METAXA, CLÉS DES DUCS, SAINT RÉMY, SEGUIN, BOLS VODKA, BOLS BRANDY, BOLS GENEVERS, COREN WYN, BOKMA, HARTEVELT



SPIRITS: PREMIUM RUM, VODKA AND BRANDY

With a rich rum, vodka and brandy portfolio, Rémy Cointreau continues to develop its brands in the superior quality segment.

Three brands have driven the spirits segment: Bols maintained its market share in a very competitive environment, Mount Gay Rum was rejuvenated by innovation in the US and Caribbean, and Metaxa continued its outstanding development in Central Europe and Greece, its original market.

BOLS VODKA

The leading Polish vodka in the premium segment with a 12% market share, Bols Vodka is perceived as an international vodka brand benefiting from local expertise. In a competitive market that is undergoing consolidation, Rémy Cointreau has signed a partnership agreement with the CEDC Group, the leading wines and spirits distributor in Poland. This partnership will take effect in the third quarter of 2005 and will bring a new dimension to Bols Vodka, by opening up exceptional development prospects in Poland and Russia. Bols intends to develop its global presence by making vodka a priority.

BOLS GENEVER

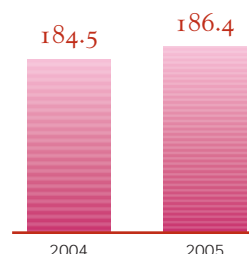
Bols Genever and Bokma are mainly marketed in the Netherlands and in Belgium, the leading markets for genever. They grew by 2.5% in these declining markets. Distribution in the Netherlands was assigned to a single subsidiary, Maxxium, which enabled the Group to implement a successful brand portfolio strategy.

MOUNT GAY RUM

Mount Gay Rum is a premium rum, displaying all the qualities of amber rum produced by blending aged rums. It originates from Barbados and is sold in major English-speaking markets seeking quality rums.

The brand is now established in 60 countries and has grown in both volume and value terms. Its sales increased by 16% in the US, its leading market, stimulated by the success of two new flavours, *Vanilla* and *Mango*. The brand grew strongly in the UK, as well as in Oceania, which holds significant growth potential for the future.

*Enjoyed with ice,
mixed or in a cocktail,
Mount Gay Rum
brings together those who share
a common taste for adventure.*



TURNOVER: €186.4 MILLION
1.3% ORGANIC GROWTH

OPERATING PROFIT: €56 MILLION
3.3% ORGANIC GROWTH

It continues to be developed, for instance by adding new flavours, but efforts will be focused on the two traditional qualities, Eclipse and Extra Old.

The brand targets yachtsmen, Mount Gay Rum's preferred ambassadors: it has been a sailing partner for over 30 years and currently sponsors over 110 renowned regattas, in partnership with the Official US and UK Sailing Associations.

METAXA

For a number of years, Metaxa has recorded very good results in Eastern Europe, in Poland, Russia, Hungary and the Czech Republic. Consumers in countries where wine-

based eaux-de-vie is popular, particularly enjoy this Greek brandy. Metaxa is developing in the German, Austrian, Swiss and Scandinavian markets.

SAINT RÉMY

Repositioning, together with efforts to add value to this international brandy brand have borne fruit. With a new identity and more contemporary packaging, Saint Rémy enjoyed continued sales growth in the US, Australia and Canada, as well as in new Eastern European markets.



PIPER-HEIDSIECK, BRUT MILLÉSIMÉ, ROSÉ SAUVAGE, SUBLIME, CUVÉE RARE, CHARLES HEIDSIECK, BRUT RÉSERVE, BRUT MILLESIMÉ

CHAMPAGNE: CULTIVATE EXCELLENCE

Piper-Heidsieck and Charles Heidsieck recorded another year of growth. These leading brands in Rémy Cointreau's champagne business are currently implementing a strategy to move upmarket.

Champagnes continue to make progress in their strategic markets and have also attracted new consumers in other countries with high potential, which will provide future growth. The champagne market remains healthy with growth rates of 2% to 3% per year, supported by strong international demand. The US and Asia (primarily Japan and China) recorded the highest increases. The more mature European market has tended to stabilise.

Against this background, Rémy Cointreau positions its champagne brands in the premium sector more than ever, thereby fulfilling the demand for quality in all markets. The Group continues to expand its range and successfully develop special vintages, such as rosé and demi-sec, which became increasingly popular this year.

PIPER-HEIDSIECK:

A NEW LOOK FOR CHAMPAGNE

With 85% of sales generated by exports, Piper-Heidsieck is positioned as the third most exported champagne brand. It is supported by strong marketing action through the Maxxium and Rémy Amérique distribution networks. It posted good results in its key markets, the US, the UK, Germany and Japan and confirmed its number one position in the duty-free market.

Piper-Heidsieck has become an alternative to traditional references with an innovative and contemporary offering. The brand has attracted an audience seeking less formal consumption. The doubling of Rosé Sauvage sales and the successful launch of Sublime demi-sec in the US and China both contributed to the brand's development. These vintages fulfil the demand for different and innovative flavours. They were also acclaimed for their highly original packaging. In addition, Piper-Heidsieck launched a new range of products aimed at meeting the demand for champagne gifts, and confirmed its positioning by constant innovation and targeted promotional action.

CHARLES HEIDSIECK:

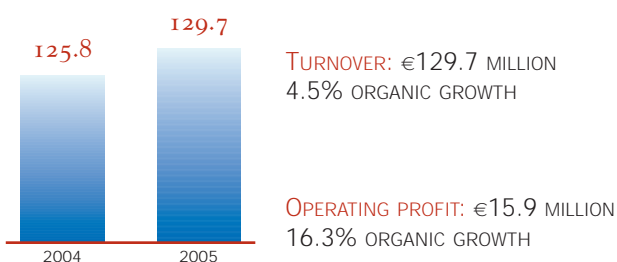
A CONFIRMED SYMBOL OF EXCELLENCE

Charles Heidsieck is positioned in the high-end segment and is a champagne wine designed for new consumers, highly sought after by prestige cellars and well-known gastronomes. The quality and exceptional character of Charles Heidsieck champagnes were again rewarded this year at international competitions: Charles Heidsieck Brut Réserve laid down in 1998 and Charles Heidsieck Brut Rosé vintage 1996 were awarded the Gold medal at the famous London International Wine Challenge. In addition, jury experts elected Régis Camus, cellar master for the Piper-Heidsieck and Charles Heidsieck champagnes who supervises the manufacturing process of all the Group's vintages as "Best cellar master for the year 2004".

At the same time, Charles Heidsieck developed brand awareness and an image of its champagnes among those whose views influence the public including specialist journalists, wine experts and sommeliers, as well as clubs for new consumers, who are true ambassadors of the brand. Perle Rare, a symbol of the prestige and luxury of Charles Heidsieck and carried out in conjunction with Lafayette Gourmet, was a great success.



The innovative, unusual and appealing communication of Piper-Heidsieck in strategic markets such as the US and Japan plays a key part in the constant development of the brand.



SUSTAINABLE DEVELOPMENT

- VINE CULTIVATION
- SUPPLIER RELATIONSHIPS
- QUALITY/SAFETY AND THE ENVIRONMENT
- ETHICAL MARKETING AND COMMERCIAL BEHAVIOUR
- HUMAN RESOURCES
- FOOD SAFETY AND RESEARCH

Rémy Cointreau's sustainable development policy is based on very specific action. Following the establishment in 2004 of a management group and an *ad hoc* committee, the previous year marked a stage in the formalisation and structuring of existing efforts around six areas.

This year was also an occasion to share our policy more effectively with all our stockholders: the workforce, vine growers, suppliers, public authorities and consumers in all countries where Rémy Cointreau has a presence.





INTERVIEW WITH CHRISTIAN LAFAGE, DIRECTOR OF SUSTAINABLE DEVELOPMENT

WHAT WERE YOUR PRIORITIES THIS YEAR?

To install and lead the sustainable development policy. Following Rémy Cointreau's signing of the Global Compact Charter, the creation, in 2004, of a Management group and a Sustainable Development Committee (with a highly operational and genuine role, extended to risk management, food research and safety) marked a step in the establishment and structuring of existing efforts;

To define objectives and validate the indicators for the six areas that encompass our policy. They measure precisely the achievement of our commitments. They will be used to direct our action plans and inform our stakeholders; and

To share the importance of sustainable development in our business, through ongoing contact with all our stakeholders: employees (including those in the distribution channels), vine growers, suppliers and partners, as well as public authorities and consumers.

DO YOU HAVE ANY EXAMPLES OF ACTION TAKEN?

Action taken responds to our commitment to the Global Compact and is even more ambitious, for example:

The plan to move towards responsible vine cultivation is in place and also involves some of our partners.

Our suppliers are subject to an economic, environment and corporate evaluation.

An environmental analysis has been carried out on all our French sites, with a view to them all attaining certification.

We now have the resources to evaluate our communication tools in respect of our commitments to responsible communication.

We have carried out a survey among all our employees worldwide.

And finally, sustainable development will be enhanced by an additional subject "Food safety and research". Our laboratories operate at all stages of our business and are at the heart of continuing progress. They also play a full role in our sustainable development policy.

WHAT DOES THE FUTURE HOLD?

Our priorities are reflected in what we have achieved: our policy is based on very specific action, related to our business. It is not a matter of being the right thing to do nor is it an ecological fashion, but it is to do with Rémy Cointreau's concern for the environment, society, working conditions and customer satisfaction. We have three major areas of focus:

To continue and consolidate the action already taken. And since we are seeking to experiment and learn lessons that help us to innovate, further action will be taken which will consolidate our six fundamental areas;

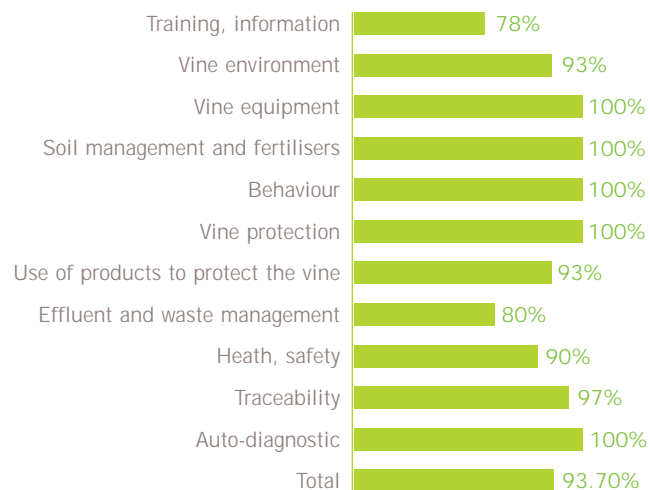
To measure the overall impact of our sustainable development policy. This is a complex matter, where precise measurements will only be found in the medium term. Our initial indicators have been defined. After some months of operating in the correct manner, we can improve our indicators and determine quantifiable objectives; and

In the short term, to continue to train, inform, mobilise and involve everyone, at all levels of the business.

Moreover, as confirmation of the Group's intentions and commitment, an ethics committee was recently established drawn from the Board of Directors. It will encourage the development of corporate and environmental responsibility in Rémy Cointreau.



57% OF VINEYARD SURFACES IN REIMS AND 35% IN COGNAC ARE COVERED WITH GRASS.



RATE OF PROGRESS IN IMPLEMENTING 'RESPONSIBLE VINE CULTIVATION' (COGNAC SITE)

VINE CULTIVATION: A METHOD OF GROWING THAT RESPECTS THE ENVIRONMENT

Rémy Cointreau pays constant and close attention as a matter of course to vine cultivation.

Since the start of the 1990s, the Group has progressively become involved in a policy of responsible vine cultivation, at the same time as launching a number of experiments to strengthen its technical leadership and expertise (biological cultivation, use of a further layer of fauna over all surfaces, regular assessment of fauna, etc).

This approach, clearly part of the Group's policy for sustainable development, was rapidly enhanced by steps taken to preserve the natural habitat and by sharing skills with our partners, vine growers and wine makers, as well as agricultural colleges and agricultural associations. The principles of a three-year plan will see the vineyards brought up to meet environmental standards (completed in 2004 in Cognac and to be completed in Champagne in 2005), and to acquire gradually the "responsible vine cultivation" accreditation.

A permanent commitment to responsible vine cultivation

In Charente, Rémy Cointreau was involved in preparing a guide to responsible vine cultivation. This was the culmination of an inter-company project over a number of years, leading to the publication in July 2003 of the reference book for responsible vine cultivation in Charente.

A vineyard in Cognac was initially selected, with the intention of obtaining information on new techniques. A platform was established in Juillac-le-Coq to channel, store and treat the water used for washing the spraying machines and the tanks. A water treatment plant was installed, as well as a transit reservoir of 9,000 hl that, since March 2005, has provided optimal safety for waste product in the natural habitat.

In all the Group's vineyards, exclusive use of non-aggressive pesticides for the additional fauna, regular analysis of nitrogen additives in the leaves and the soil and half-yearly assessments of the fauna are subject to subsequent monitoring. In addition, there is ongoing personnel training (17 people in Cognac and Reims have received safety/environment training). The Group's participation in a measurement and control network also provides a proven competence to decide on the treatment of vines as a function of the threshold of appearance of disease and thus to optimise the dose applied (on average, the Group only uses 58% of the standard dose of the required plant care products).

> *The Jullac property will attain the "responsible vine cultivation" label before the end of 2005 and, next year, the Gensac-la-Pallue property will follow suit. The 2004 progress plan will be fully operational in 2007. The Rémy Cointreau properties in Champagne will benefit from these experiences as a result of their commitment to this approach in 2005.*



RÉGIS CAMUS,
DIRECTOR
OF VINEYARDS AND
WINES (REIMS)

*"This year in Reims,
as in Spring every
year, we welcomed*

our vineyard partners who are linked to us through delivery contracts. During 16 tasting sessions of clear wines from 2004, we discussed the business and our experiences and, as always, I explained our sustainable development policy. I presented our annual report on sustainable development to 280 vine growers, directors and chairmen of co-operatives. This helped them to understand Rémy Cointreau's involvement in this approach. The problems of the environment and responsible vine cultivation created keen interest and several questions were raised. At the request of a number of people, the 2004/05 report will be distributed so that they understand the changes in the various areas covered by our sustainable development policy."

Preserve the natural habitat

Over and above the environmental challenge of vine cultivation, preserving the natural habitat is an ongoing concern for Rémy Cointreau. The measurements and monitoring of consumption, due to recent investment, will enable savings in water, energy and waste: installation of meters in major areas, automatic shut-off of water at the end of the pipes used to clean the presses and the tanks and despatch of the packaging of plant care products and used oils to approved organisations for their destruction. In Cognac and Reims, personnel were made aware of sustainable development as part of a "health plan".

Direct intervention to preserve the natural habitat also results in the maintenance and protection of river banks and soil subject to erosion (spreading tree bark by recycling the waste wood from sawmills on 40% of the land affected in Reims), by planting grass at the end of each row and leaving land fallow (to preserve the ecosystem), as well as planting landscape hedges around the recovery equipment for vine/wine effluents in Cognac.

> *New programmes are being implemented, particularly in Champagne, that enable optimum use of treating the waste from pressing and protecting the water tables from vine care products. Adhering to its tradition, Rémy Cointreau will share the lessons learned from these local initiatives with its operating partners. This information will enhance the Group's environmental strategy.*

Share our convictions and principles with our partners

Since the 1990s, various production sites have been engaged in a specific but compatible approach that, in 2004, facilitated the definition of a plan to move towards responsible vine cultivation. Staff training is fundamental to success in this area. In addition to professional training sessions, exchange days among the teams, set up in November 2004, facilitated mutual knowledge and accelerated, for all concerned, the measurement of the environmental and economic challenge of sustainable development.

In its relationships with vine growers and wine makers, the Group also adopted the role of teacher and ensured that its expertise was shared. In Reims, awareness meetings brought together 280 wine makers at which the Group reminded them of their commitments to environmental quality and food safety. In Reims, the Group's properties are subject to a HACCP audit each year.

In Cognac, there is a method in place and verification visits were made to a number of vine growers. Since November 2004, conditions specific to the environment and to sustainable development have been included in the three-year contracts with vine growers.

> In 2005, action will be taken and communication tools on the sustainable development policy of Rémy Cointreau will be available specifically for our vine growers.

SUPPLIERS COMMITTED TO OUR CORPORATE AND ENVIRONMENTAL APPROACH

Since 2003, through the signing of the Global Compact Charter, Rémy Cointreau has been committed to respecting and sharing it.

Respect and enforce respect for our commitments

The selection and evaluation of suppliers and service providers are inseparable from the sustainable development policy. Thus the Group was very pleased that its leading barrel supplier attained the PEFC (sustainable forestry management) certification.

Our overall approach is part of the continuing unwritten ethical choices that Rémy Cointreau has adopted from the beginning, in the area of respect for Human Rights and fundamental working conditions. The Group has always made clear commitments in this respect.

In addition to reviewing supplier contracts in December 2003, general purchasing conditions now include Group principles in respect of corporate responsibility and the 10th principle of the Global Compact Charter (refusal to accept corruption): a serious breach of one commitment in the Charter could lead to contract termination.

Simultaneously, an internal code of conduct for Group purchasing was published in October 2004, and subsequently issued

to all personnel. This document, which is accessible on the intranet, sets out the rules and procedures for purchasing and is fundamentally linked to the Group's ethical commitments.

> Following a year of implementing the internal code of conduct and as part of the consideration for purchasing promotional articles and advertising, the impact of the new clauses of general purchasing conditions of the Group will be evaluated. If appropriate, the latter will be subject to revision.

Evaluate risks and establish an audit process

Rémy Cointreau has solid and sustainable relationships with a number of suppliers. This long term policy naturally forms part of a shared approach to progress. At the start of 2004, the process of supplier evaluation was completed with over 20 criteria relating to respect for the Group's corporate, environmental and economic commitments. As a result, from July to October 2004 all buyers and auditors have been trained.



In two years, Rémy Cointreau has reduced its consumption of cardboard by 310 tons and glass by 1,460 tons.

Rémy Cointreau was committed to carrying out a complete evaluation of its suppliers last year. The commitment was met in September 2004: this facilitates an evaluation of the corporate, environmental and economic risks. Completed on the basis of evaluation questionnaires, it will be progressively improved and will lead to the launch of environmental and corporate audit programmes.

> Looking to the future, Rémy Cointreau already works with an external organisation. This uses local auditors whose analysis takes account of the local socio-economic situation. Before the end of next year, at least five test audits will be carried out on various suppliers.

Reduce the use of materials not easily recycled and reduce the weight of packaging

For a number of years Rémy Cointreau has limited the use of materials not easily recycled. It has taken three years to build up a database containing all the information necessary for every product with the result that the rate of “recyclability” of major products is now over 99%. Major efforts will be necessary to make further progress taking into account economic and commercial constraints.

In addition, the co-assessment carried out in Angers in 2003/04 demonstrated the possibility of using recyclable, even reusable, materials to deliver bottles (with packaging in rigid plastic rather than cardboard). This year, an additional 10 tons of cardboard was saved (310 tons over two years).

Moreover, the Group is committed to a policy of reducing the weight of packaging, thus enabling major savings on materials used: 1,460 tons of glass have thus been saved over two years.

> In the longer term, the process of developing new products will take into account the need for safety and preservation of the environment. As part of an experiment to start the “eco-design” method, environmental impact criteria will be included in the selection of products. This will form the basis and provide new ideas for future products.



JOSIANE DRAPET,
GROUP LEADING
BUYER (ANGERS)

“Selection or evaluation audits of our suppliers ensured they adopted the correct practices and verified the application of our requirements.

I use a pre-printed document with questions that include respect for the environment and corporate standards. I also adapt them depending on the products and the location of the supplier.

Corporate and environmental questions are significant in supplier assessment and are part of the objectives for progress to be agreed with them. They can also be a determining factor in the selection of a supplier.”

QUALITY/SAFETY/ENVIRONMENT:

SAFE PRODUCTION PROCESSES WHILE PRESERVING THE ENVIRONMENT

The quality of Rémy Cointreau's products is based on a continuous need for production and food safety. This need has always been linked to respect for and preservation of the environment.



CAROLINE BERTHO,
QUALITY/SAFETY/
ENVIRONMENT
MANAGER
(COGNAC)

*“Committing to the ISO
14001 certification was*

*a site project. Our project team was well received
by everyone and I saw a genuine expectation
from everyone in respect of the environment.*

*It is now almost a year since everyone
on the Cognac site was mobilised. We have also
exchanged experiences during the project
with the QSE team in Angers.*

*This approach was greatly appreciated on our site,
both by our people and by our organisation.*

*We sought and put in place all possible resources
to take into account preservation of the
environment in our business.*

*Our colleagues have made a substantial
commitment and many of them have said:*

*“My children are proud of me when I explain that
at Rémy Cointreau, I participate in a project
concerned with environmental protection”.*

The structuring of the principles and teams responsible for quality management, safety and the environment (QSE), as part of the sustainable development policy and the application of the principles of the Global Compact Charter, have confirmed the steps taken to include them in a shared framework of overall management. A QSE committee for France has met quarterly since the end of 2004: it ensures the exchange of best practices, as well as the sharing of lessons, and works on the harmonisation and measurement of indicators at all sites.

Economise on the use of energy and water, reduce rejects and waste

A substantial investment, of over €2 million during the year, ensured quality, safety and respect for the environment. In February 2005, respect for the new environmental standards was part of the selection of new premises for the Group's Paris-based head office. In Angers, equipment was installed to reduce the cost of managing and sorting waste. Other investment, notably relating to the cooling equipment, washing and rinsing of tanks (Reims) and packing lines (Angers) has significantly reduced water consumption. Optimum use of centrifuges (7m³ water saving every use), and the frequency of equipment cleaning significantly reduced the effluents from the Angers site (1,430 inhabitants in 2004 compared with 7,500 in 1999). Similar measures are being taken on the Reims and Cognac sites.

In terms of the monitoring of energy use (fuel, gas and electricity), all sites can now control this. An initial energy diagnosis was also carried out in 2004 on the Angers site, where the method and conclusions will be shared.

With regard to waste, a selective sort is now systematically carried out at all production and administrative sites.

With regard to impact measurements, an experiment of “carbon assessment” including upstream and downstream (transport, supplies, etc.) was carried out in Angers from December 2004 to February 2005. Action taken over the last two years has reduced emission of greenhouse gases by 6%.

> This pilot experiment of “carbon assessment” facilitated a test of measurement procedures for emissions of greenhouse gases which will shortly be effective on all sites. On a broader level, adding value to recycled waste is in progress: it will be subject to a specific indicator.

Guarantee the safety of our sites and risk management

Rémy Cointreau continued to invest in safety at all its sites, at times beyond national regulations. These costs related to safety (€1.4 million during the year), improved working conditions, and provided better management of product quality and site safety (particularly against fire). In Cognac, a booklet “Safety at the heart of production” was distributed in June 2004 to all employees and external businesses operating on site. A safety management system (SMS) was rolled out to organise the management and safety of the site and a strict system was put in place. CHSCT information was followed up regularly (13 meetings for all sites). Employee training on site safety and risk management was stepped up: 2,550 hours of employee training on site safety and risk management was carried out. The crisis management plan will be accessible on the Intranet.

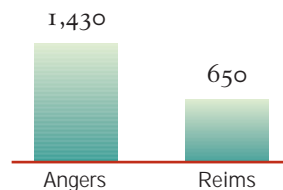
The impact of information and training campaigns enable the Group to retain a standard rate of incident (number of employees injured compared with one million hours worked) at the low level of 11.33 and a level of seriousness (number of days lost by personnel on site as a result of work-related accidents compared with one thousand hours worked) of 0.11.

> Crisis management provisions will be tested particularly around product traceability. They will enable team reaction times to be verified and optimise decision-making as a function of the organisation.

Continue the policy of environmental certification

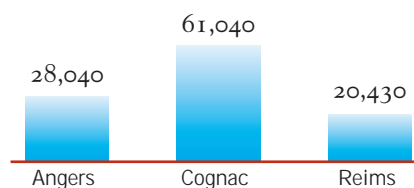
Since the first ISO 9002 certification for Angers was obtained in 1994, Rémy Cointreau has sought to have all production sites certified. In defining clear objectives and quality procedures (ISO 9001) and environmental (ISO 14001), certification provides an effective example of the principles of sustainable development.

Effluent rates

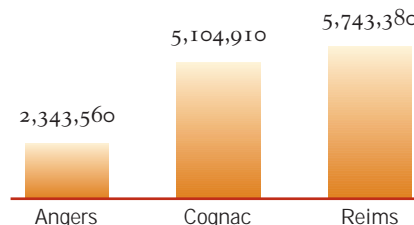


Measurement of the effluent rates at Cognac is underway

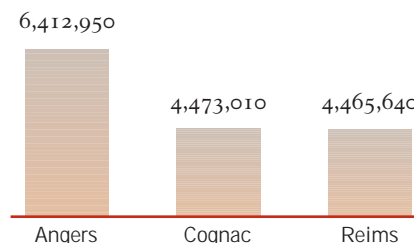
Water consumption (in m³)



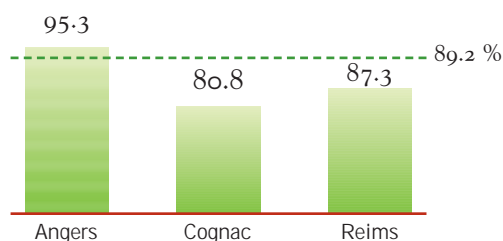
Electricity consumption (in Kw/h)



Gas consumption (in Kw/h)



Rate of waste sorting (in %)



In November 2004, the ISO 14001 Angers site certification was renewed and the site was, for the first time, OHSAS 18001 certified (certification of a management system of health and safety at work). In respect of quality, the experience of Angers enabled other sites to respond more effectively to the demands of certification.

At the end of 2004, the process flow chart of the Reims site was validated and the annual management reviews were continued at Angers and Cognac.

With regard to ISO 14001 certification, the environmental analysis and identification of significant environmental

impacts of the Cognac site took place in July 2004. These studies led to the creation in September 2004 of an environment management programme.

Regular evaluation of our HACCP systems responds to the need for guaranteed food safety.

> An audit "from zero" of the ISO 14001 certification will be carried out in Cognac to obtain certification this year. An environmental analysis of the Reims site will see the same process started, for certification in 2006.



CAMPAIGNS ARE SUBJECT TO EVALUATION ON SEVEN CRITERIA, MARKED OUT OF 10 POINTS. A MARK OF LESS THAN 7 IS CONSIDERED AS A FAILURE. THE COINTREAUVERSIAL AND X.O CAMPAIGNS WERE VALIDATED BY THE COMMITTEE FOR RESPONSIBLE COMMUNICATION WITH A MARK OF 8.

RESPONSIBLE COMMUNICATION WITH OUR CUSTOMERS

Rémy Cointreau's brand communication is always part of responsible communication with its customers, colleagues and marketing partners as well as its worldwide distribution networks.

In June 2004, the Group published its Communications Charter built on six key commitments:

- promote responsible and sociable consumption, without excess;
- attribute no special properties to alcohol;
- not to target minors and other vulnerable people;
- clear disclosure of the alcohol content;
- never associate the brands with dangerous situations or violence; and
- respect the dignity of everyone.

Implement the guide to responsible communication

The Committee for Responsible Communication comprises six members from the Group, drawn from marketing, public affairs, legal, communication and sustainable development. It meets regularly and, since its inception, has worked with an external researcher motivated by this approach. The first work undertaken by the Committee was to transform the Charter into an operational guide. Presented and explained to the marketing team in June 2004, the guide was then distributed to all commercial, marketing, communication, production, legal and purchasing managers (and, by their intermediaries, to all Group suppliers and partners). For internal use, it sets out criteria that enable communication to be in line with the commitments in the Charter.

Thereafter, the Committee verified that the major advertising campaign and communication support for Group brands conformed to the principles of the charter: Rémy Martin, Cointreau, Ponche Kuba, Charles Heidsieck, etc.

The Committee also issued a number of opinions and analyses to the Executive Committee (at the Executive Committee's request and on its own initiative) relating to promotion, preventative action among the youth, etc.

> In the medium term, the work of the Committee for Responsible Communication will cover all means of brand communication with, notably, the creation of internal ethics in respect of product advertising at sales points.

Promote responsible consumption

Rémy Cointreau has been involved for a number of years with the Amsterdam group (TAG), at a European level, and the Entreprises et Prévention association, in France. The Group also participated in the TAG forum, on responsible consumption of alcohol by the young, in October 2004. It also helped to fund the Entreprises et Prévention action (operation "Soif de vivre" (Thirst for life), designated driver campaign, etc.).

The Group also shared its findings with a number of other partners: in April 2004, for example, it funded and assisted in the exploitation of data arising from a European study on consumption trends among European youths (ESPAD project), with the Institut de recherches scientifiques sur les boissons (IREB).

> The Group will take further steps, notably in the areas of road safety, to continue the partnerships established to ensure responsible promotion and consumption.

SYBILLE MARLIN,
BRAND MANAGER (REIMS)



"The Responsible Communication Charter was issued to us about ten months ago and presented via a Committee for responsible communication.

As Brand Manager for Piper-Heidsieck, and thus responsible for Products/POS development, I ensure that every day our brand lives up to this charter in every way. I have also passed the charter to my colleagues in the Maxxium distribution network to make them aware of the subject, particularly with regard to POS development.

In addition, as part of our consideration for brand positioning and advertising we evaluate the proposals made by our agencies to ensure our ethical commitments are met.

The various facets of my work are thus impacted by the Responsible Communication Charter. Personally, I feel that far from being a constraint, this charter enables me to place the brand within the Group's ethical consideration, in line with sustainable development."



PRACTICES THAT GUARANTEE SOCIAL EQUITY AND THE PROFESSIONAL DEVELOPMENT OF OUR COLLEAGUES

In the area of human resources and corporate dialogue, steps taken by Rémy Cointreau are fully within the framework of the principles of the Global Compact Charter.

Ensure social equity and encourage corporate dialogue throughout the business

Respect for social equity is at the heart of Rémy Cointreau's human resources policy. Two years ago, the Group set up a unique Human Resources department with a global remit. The initial result is harmonisation of framework evaluation and career management for all sites and for all countries.

The realisation of training plans is one of the indicators monitored as part of sustainable development: training plans and the encouragement of internal mobility promotes the professional development of our colleagues.

The success of the Group's dynamic human resources is based on collective consultation and dialogue. It was reflected in 53 meetings of the Works Committee and personnel representatives (and other meetings related to housing, profit-sharing and training). In addition, there was a new profit-sharing agreement in September 2004, meetings to present strategic projects, ongoing expenditure to improve working conditions (€1 million in the year), taking into account employee travelling time in the selection of its new location and the realisation of the first internal survey among

our colleagues carried out in November 2004. Another result was that the rate of absenteeism remained very low at 4.99.

> The results of the internal survey were the subject of work groups that led to concrete proposals for improvements, presented officially with the conclusions of the survey in 2005. In addition, the proposal of a programme to provide better access to sites for people with reduced mobility is under consideration in Cognac.

Spread the culture of responsibility and sustainable development

The annual report and the sustainable development report for 2003/04 was widely distributed and now all our colleagues have a specific area on the Group intranet, regularly updated (with, in particular, a section on news of sustainable development in the sector and beyond).

More direct contact with colleagues was achieved by the sustainable development management acting on a number of occasions (meetings with personnel, departmental meetings, steering committees, Works Committee meetings), to present the strategy, action taken and objectives of



**PIERRETTE TRICHET,
CELLAR MASTER
(COGNAC)**

“At our site committee meeting, I agreed to join the work group that was

established to analyse the results of the internal survey that was carried out among all personnel. The most difficult thing was to successfully analyse the results. We have acted in the most objective manner possible to remain faithful to the messages that everyone wished to send. Strong messages were sent by all personnel and the response should be fully transparent.

I believe that we have correctly identified the positive points and the areas for improvement on which action will be developed internally. Over and above the conclusions of the survey, the work group was very useful to me in building a work programme with my colleagues. The managers were associated as much with the output of the results as with the definition and implementation of action. For us, it is additional data to assist our management.”

Rémy Cointreau’s policy on sustainable development. The internal letter, issued regularly to everyone within the Group has, since 2004, contained a page on the policy of corporate and environmental responsibility of the business. The QSE department at the sites also provides regular specific information: “Environment flashes” are displayed, every month, on the Angers and Cognac sites.

Training plans also include concepts developed within the framework of sustainable development with, for example, training of the ISO 14001 instructors at Cognac, training of auditors including corporate and environmental aspects, training “Safety in the workplace” for vineyard personnel, and training in Hygiene Quality Safety Environment for everyone at the Reims site. Overall, 533 people had safety training in the Group.

Also, at the request of those employees seeking to share their experiences and to have a guide on conduct, a work group was established in January 2004 to identify professional situations at risk due to the consumption of alcohol: tasting sessions, VIP receptions, lunches, etc.

Sharing awareness should enable everyone to adopt responsible behaviour.

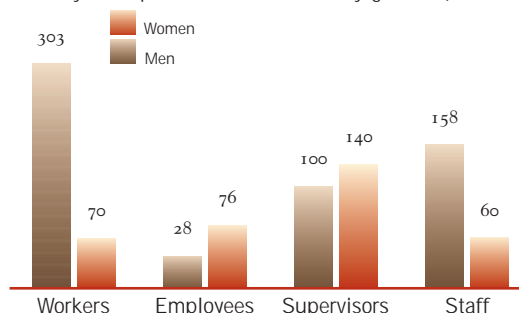
> The internal charter for responsible consumption published by this work group will be distributed shortly to everyone and will be the subject of a specific presentation.

On a broader level, the management for sustainable development will continue to organise days on which experiences can be exchanged on various sites and will support the organisation of sustainable development events. “Heritage workshops” will be organised to facilitate the transfer of competence and expertise among the different generations of employees.

Training hours 2003/04 and 2004/05



Analysis of permanent workforce by gender (2004/05)



The total number of 15,430 training hours is 25% higher than the previous year.

Support the corporate commitment of employees

Rémy Cointreau created a partnership in 2004 with the 2nd Chance Foundation. With this, the Group sought to accompany business start-ups, in a modest way, for those who face serious professional, social and human difficulties that are often cumulative, and who seek to start again with a business project. Rémy Cointreau's objective is to support and assist them by acting as a focal point and a back up.

In order that the Rémy Cointreau partnership not only

delivers a financial contribution, the Group established a back-up site in Reims in 2004 for the Champagne-Ardennes region. This back-up site is operated by Group personnel who wish to offer a few hours per week to instruct or sponsor projects that are submitted to them. Volunteers are spontaneously proposed and teams are created on the Reims site.

> In 2005, a new "back-up site" for the 2nd Chance foundation will be established in Cognac. On a broader level, Rémy Cointreau is considering an investment in sponsorship and social action.

CONTINUOUS INVESTMENT IN FOOD SAFETY AND RESEARCH

By including sustainable development in its operations, the laboratory of the "Product analysis and research" department carried out Rémy Cointreau's investment in respect of global and sustainable management.



The laboratory, which was established over 20 years ago and is based in Cognac, is responsible for verifying and anticipating the compatibility of products with national regulations. As a principal technical support, it has been responsible for a number of years for environmental problems.

To commit to research as part of the policy of sustainable development

At the end of 2003 the laboratory developed a method of measuring air quality. This was tested at the Cognac site. Thus, Rémy Cointreau is involved beyond its legal obligations to ensure the safety and health of its workforce. For more than 10 years, laboratory studies have also been undertaken in partnership with the scientific community. After having taken part in a 3rd cycle thesis on the ageing of wooden barrels at the start of the 1990s, and having welcomed DESS students and their participation in the

environment impact study on the Cognac vineyards in 2001, Rémy Cointreau took part in university studies and welcomed young researchers whose work will benefit everyone. Every year, visits are organised to the vineyards with students from the agricultural colleges (management of wine effluents in Gensac, results of double grafting at Saint-Même-les-Carrières).

> For a few months, together with the CNRS of Poitiers, Rémy Cointreau received and funded a 3rd cycle thesis on wood diseases in the Charente vineyards, the conclusions of which will be shared and will benefit everyone in the industry.

To anticipate requirements in respect of food safety

The “Product analysis and research” department laboratory is a major strength in applying commitments to sustainable development of the business.

The laboratory is an essential management tool. It enables Rémy Cointreau to guarantee the quality and safety of its products: contents and containers are subject to precise and rigorous tests. The laboratory thus makes its expertise available to the Group by giving, for example, its technical analysis of products offered by suppliers. It is also a tool to oversee national and international regulations in respect of food safety. It establishes complementary analysis plans and applies them. The anticipation of regulatory changes, such as the search for new means of achieving conformity, are included in these plans. Another essential dimension to food safety is the fact that the laboratory takes part in the battle against counterfeiting and analyses market products on a regular basis.

> Due to the purchasing staff concerned working together, the packaging aspect of products will also be studied to identify counterfeit goods. On a broader level, new methods of analysis to expand the control plans for food safety will be tested. Projects are also being considered in conjunction with the academic world, particularly Nantes University.



JEAN-CHARLES
MATHURIN,
MANAGER OF
PRODUCT ANALYSIS
RESEARCH
DEPARTMENT
(COGNAC)

“Our desire to

encourage exchanges with public research bodies such as the CNRS or university laboratories brings us significant technical and human competences that are complementary to our expertise in making our products.

I believe that our ongoing collaboration with a CNRS laboratory in Poitiers on the study of diseases in the vine wood is a very good example. All the ingredients for a concrete and significant plan for sustainable development can be found in this project: the development of our fundamental knowledge on a major topic for our business – the vine, the use of new data to extend our activities and encourage disease prevention that is part of a better respect for the environment, and also the sharing of this information with the vine growers in order to benefit the greatest number of people.”



CONSOLIDATED BALANCE SHEET

AT 31 MARCH 2005

ASSETS *€ millions*

	2005	2004	2003
INTANGIBLE FIXED ASSETS	923.4	969.1	972.2
TANGIBLE FIXED ASSETS	133.3	142.8	151.8
INVESTMENTS IN EQUITY ACCOUNTED COMPANIES	89.4	78.3	83.7
NON-CONSOLIDATED INVESTMENTS	5.5	5.2	6.6
OTHER FINANCIAL ASSETS	18.3	16.7	15.7
FINANCIAL ASSETS	113.2	100.2	106.0
TOTAL FIXED ASSETS	1,169.9	1,212.1	1,230.0
INVENTORIES	831.7	874.0	775.4
TRADE NOTES AND ACCOUNTS RECEIVABLE	181.7	184.6	213.9
OTHER RECEIVABLES	92.1	87.9	131.0
DEFERRED TAX	4.8	6.7	3.2
SHORT-TERM DEPOSITS AND CASH	53.6	68.1	18.7
TOTAL CURRENT ASSETS	1,163.9	1,221.3	1,142.2
TOTAL ASSETS	2,333.8	2,433.4	2,372.2

COMMENTARY ON ACTIVITIES

Value strategy

Rémy Cointreau recorded strong organic growth of 14.4% in operating profit which amounted to €167.7 million.

This performance reflected the positive changes in the Group in the following areas:

- premium positioning of brands which drive profitable growth,
- successful price increases,
- sustained and targeted marketing expenditure,
- acceleration of innovation, and
- a reduction in finance charges and lower debt.

The Group continued its strategy of value creation by capitalising on its premium brands and strong position in leading world markets, which guarantees profitable growth.

Operating margin was 18.5% (21.3% excluding the currency effect). This reflected the Group's price increases and its development of superior qualities. During the year, marketing expenditure was sustained, it was increased for the major brands and was stable overall.

REVIEW OF OPERATIONS

COGNAC

Rémy Martin grew by 6%, thus confirming its place as market leader in superior qualities with significant growth in the US and China. Cognac retained a solid operating margin of 31.2%, which took into account a negative exchange effect of €26.6 million and increased marketing expenditure. Operating profit was €99.5 million, representing organic growth of 10.3%.

EQUITY AND LIABILITIES *€ millions*

	2005	2004	2003
SHARE CAPITAL	72.1	71.6	71.3
SHARE ISSUE AND MERGER PREMIUMS	630.7	626.4	623.6
CONSOLIDATED RESERVES	407.7	366.7	309.1
TRANSLATION ADJUSTMENT	(32.9)	(29.9)	(19.1)
GROUP SHARE OF NET PROFIT	24.2	76.3	101.5
SHAREHOLDERS' EQUITY	1,101.8	1,111.1	1,086.4
MINORITY INTERESTS	15.9	12.5	8.4
SUBORDINATED PERPETUAL LOAN	38.6	61.2	82.1
CONVERTIBLE BONDS	336.0	329.4	325.6
PROVISIONS FOR LIABILITIES AND CHARGES	63.0	77.1	76.0
DEFERRED TAX	11.5	6.5	4.0
PROVISIONS AND OTHER LONG-TERM LIABILITIES	74.5	83.6	80.0
MEDIUM AND LONG-TERM DEBT	392.6	399.3	333.5
SHORT-TERM DEBT	120.3	174.4	163.1
INTEREST ACCRUED	5.8	4.2	3.8
FINANCIAL DEBT	518.7	577.9	500.4
TRADE NOTES AND ACCOUNTS PAYABLE	111.4	133.5	139.7
OTHER OPERATING LIABILITIES	136.9	124.2	149.6
OPERATING LIABILITIES	248.3	257.7	289.3
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	2,333.8	2,433.4	2,372.2

LIQUEURS

Driven by the good performance of **Cointreau** in the US, **Passoã** in France and **Bols** liqueurs in Asia (notably Japan), divisional operating profit was €51.5 million, representing organic growth of 12.8%. The operating margin increased to 31.9%.

SPIRITS

The division saw strong growth of **Metaxa** in Central Europe and a solid performance by **Mount Gay Rum** in the US and the Caribbean with very satisfactory growth rates in their sales areas. As a result, the operating profit was up 3.3% to €56 million. The operating margin was up slightly to 30%.

CHAMPAGNE

Sales of champagne held up well, with a very favourable product/market mix. Total priority was given to the two premium brands **Piper-Heidsieck** and **Charles Heidsieck**, with operating profit up 3.9% to €15.9 million (16.3% organic growth). Champagne maintained its operating margin of 12.3% against a background of high marketing expenditure.

PARTNER BRANDS

Partner brands (distribution of wine and Edrington Scotch whiskies in the US) contributed €16.8 million in operating profit. This was an increase of 9.1%, and 13% excluding the currency effect.

CONSOLIDATED INCOME STATEMENT

YEAR ENDED 31 MARCH 2005

€ millions

	2005	2004	2003
SALES	905.3	888.3	1,000.2
COST OF SALES	(410.6)	(385.4)	(441.1)
GROSS MARGIN	494.7	502.9	559.1
MARKETING EXPENSES	(243.6)	(247.8)	(260.7)
ADMINISTRATIVE EXPENSES	(83.4)	(81.6)	(84.6)
OPERATING PROFIT	167.7	173.5	213.8
NET FINANCIAL INCOME (EXPENSES)	(53.1)	(64.1)	(66.7)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX	114.6	109.4	147.1
TAX ON ORDINARY ACTIVITIES	(38.3)	(38.3)	(50.5)
SHARE OF PROFIT ON ORDINARY ACTIVITIES OF EQUITY ACCOUNTED COMPANIES	8.5	6.9	9.0
NET PROFIT BEFORE GOODWILL AMORTISATION	84.8	78.0	105.6
GOODWILL AMORTISATION	(2.9)	(2.8)	(2.8)
NET PROFIT AFTER GOODWILL AMORTISATION	81.9	75.2	102.8
MINORITY INTERESTS	(3.1)	(1.0)	0.1
NET PROFIT ON ORDINARY ACTIVITIES	78.8	74.2	102.9
EXCEPTIONAL INCOME (EXPENSE) AFTER TAX	(54.6)	2.1	(1.4)
GROUP SHARE OF NET PROFIT	24.2	76.3	101.5

BASIC EARNINGS PER SHARE (€)

EARNINGS PER SHARE ON ORDINARY ACTIVITIES	1.75	1.68	2.34
EARNINGS PER SHARE	0.54	1.72	2.30
NUMBER OF SHARES	45,022,661	44,269,864	44,069,956

CONSOLIDATED RESULTS

Net financial expenses declined by €11 million due to a lower level and cost of debt, as well as an exchange gain of €4 million.

Net profit on ordinary activities grew by 6.2% to €78.8 million. This was due to a lower tax rate and an increased contribution from Maxxium.

The exceptional expense was €54.6 million including a provision of €52.3 million. This arose from an impairment test on brands carried out during the year with assistance from an independent firm. This confirmed the significant under-valuation of the leading brands that are recorded at historic cost, but requires a restatement of the value of certain local brands, to take into account their recent performance in their European markets.

Net profit was €24.2 million after the exceptional provision. Profit was stable excluding this exceptional item.

FINANCIAL POSITION

Net financial debt including the subordinated perpetual loan, short-term deposits, cash and accrued interest not yet due, amounted to €839.7 million, a decline of €60.7 million compared with 31 March 2004.

The net debt to EBITDA ratio was 4.31, compared with 4.52 the previous year.

Outlook 2005-2006

These results demonstrate the relevance of Rémy Cointreau's strategy which is based on the development of its premium brands in strategic markets.

The Group is confident that it will continue to improve its performance and the position it holds against a background of consolidation in the sector. Double digit growth in operating profit is expected for 2005/06.

STOCK MARKET INFORMATION

Rémy Cointreau shares are exclusively listed on the Euronext Paris SA Eurolist (ISIN code: FR0000130395). The Rémy Cointreau share is part of the CAC MID100 and SBF 120 index.

Very strong performance by Rémy Cointreau shares

Up 25% : since 1 January 2005

Up 38% : over the last year
(from June 2004 to June 2005)

DIVIDEND (in €)

At 31 March	2005	2004	2003
Net dividend per share	1.00	1.00	1.00
Number of shares	45,023,000	44,269,864	44,069,956

Rémy Cointreau has proceeded with the refinancing of its debt as follows:

- placement of a €200 million bond with international investors in January 2005 carrying a 5.20% interest rate and a 2012 maturity date.
- signing of a €500 million loan with an international banking syndicate in June 2005.

SHAREHOLDER INFORMATION

The Investor Relations department is responsible for the Group's information policy towards the financial community. The department is available to respond to any enquiries regarding the Group. It distributes a shareholders' letter on a regular basis.

The e-mail address is: info@remy-cointreau.com

The Rémy Cointreau website: www.remy-cointreau.com, 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 to analysts and journalists. It provides access to the share price and facilitates any message to the Company.

2005 Agenda

21 JULY 2005

Q1 Turnover (April to June 2005)

28 JULY 2005

General meeting in Cognac (Charente)

20 OCTOBER 2005

Q2 Turnover (April to September 2005)

8 DECEMBER 2005

Half year results as at 30 September 2005

19 JANUARY 2006

Q3 Turnover (April to December 2005)

20 APRIL 2006

Q4 Turnover (April 2005 to March 2006)

JUNE 2006

Year end results as at 31 March 2006

The **Privilège Club** is open to all shareholders and individuals upon request at the following address:

Rémy Cointreau
Investor Relations
21, boulevard Haussmann
75009 Paris
Direct Line: + 33 1 44 13 45 15

The Club enables members to familiarise themselves with the Group, its operations and its brands, particularly by providing special offers on certain products. The Club also offers members a VIP welcome at the various production sites that are open to the public (Cointreau in Angers, Rémy Martin in Cognac and Piper-Heidsieck in Reims).

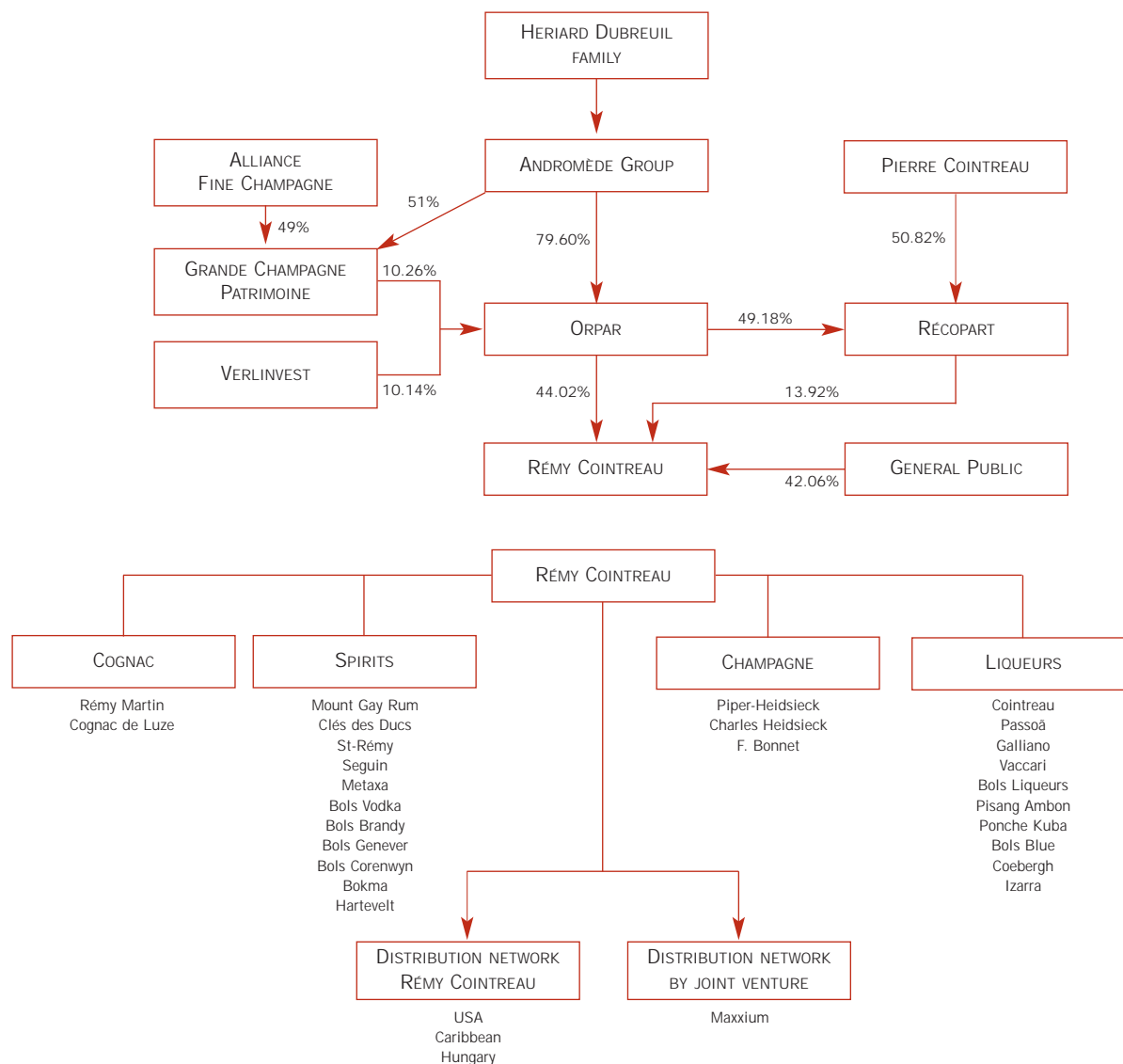
RÉMY COINTREAU'S SHARE PERFORMANCE
OVER THE LAST 18 MONTHS (source Euronext Paris)

(In euros)	Trading volume	Average price	High price	Low price	Trading value (millions)
JANUARY 04	1,127,626	26.07	28.80	25.12	29.72
FEBRUARY 04	1,312,379	27.82	28.92	26.50	36.29
MARCH 04	7,192,180	27.83	29.39	25.90	190.52
APRIL 04	1,863,790	27.70	28.10	26.26	51.41
MAY 04	831,164	27.64	28.68	26.54	23.09
JUNE 04	1,383,252	26.85	27.70	25.53	36.82
JULY 04	986,921	27.15	27.80	26.25	26.77
AUGUST 04	833,739	28.15	28.92	27.00	23.48
SEPTEMBER 04	965,882	28.15	29.05	27.10	27.05
OCTOBER 04	1,465,633	26.72	27.69	25.60	38.97
NOVEMBER 04	1,783,426	27.28	28.50	26.44	48.86
DECEMBER 04	1,998,156	28.44	30.40	27.00	56.63
JANUARY 05	1,370,928	30.35	31.37	29.34	41.46
FEBRUARY 05	1,137,268	31.58	32.10	30.50	35.83
MARCH 05	1,044,628	31.16	32.36	29.17	32.19
APRIL 05	1,782,471	33.09	34.40	31.64	58.94
MAY 05	901,893	33.61	34.33	33.57	30.26
JUNE 05	1,785,051	35.82	37.62	33.40	63.76



ORGANISATION CHART

AT 30 JUNE 2005



MANAGEMENT OF RÉMY COINTREAU

AT 30 JUNE 2005

BOARD OF DIRECTORS

Dominique Hériard Dubreuil,
Chairman

François Hériard Dubreuil

Marc Hériard Dubreuil

Pierre Cointreau

Patrick Duverger

Brian Ivory
Jürgen Reimnitz

Guy Le Bail

Håkan Mogren

Xavier Bernat

Jean Burelle

EXECUTIVE COMMITTEE

Jean-Marie Laborde,
Chief Executive Officer

Hervé Dumesny,
Group Finance Director

Jean-François Boueil,
Group Human Resources Manager

Christian Liabastre,
Strategy & Brand Development Manager

Damien Lafaurie,
Operations Manager

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