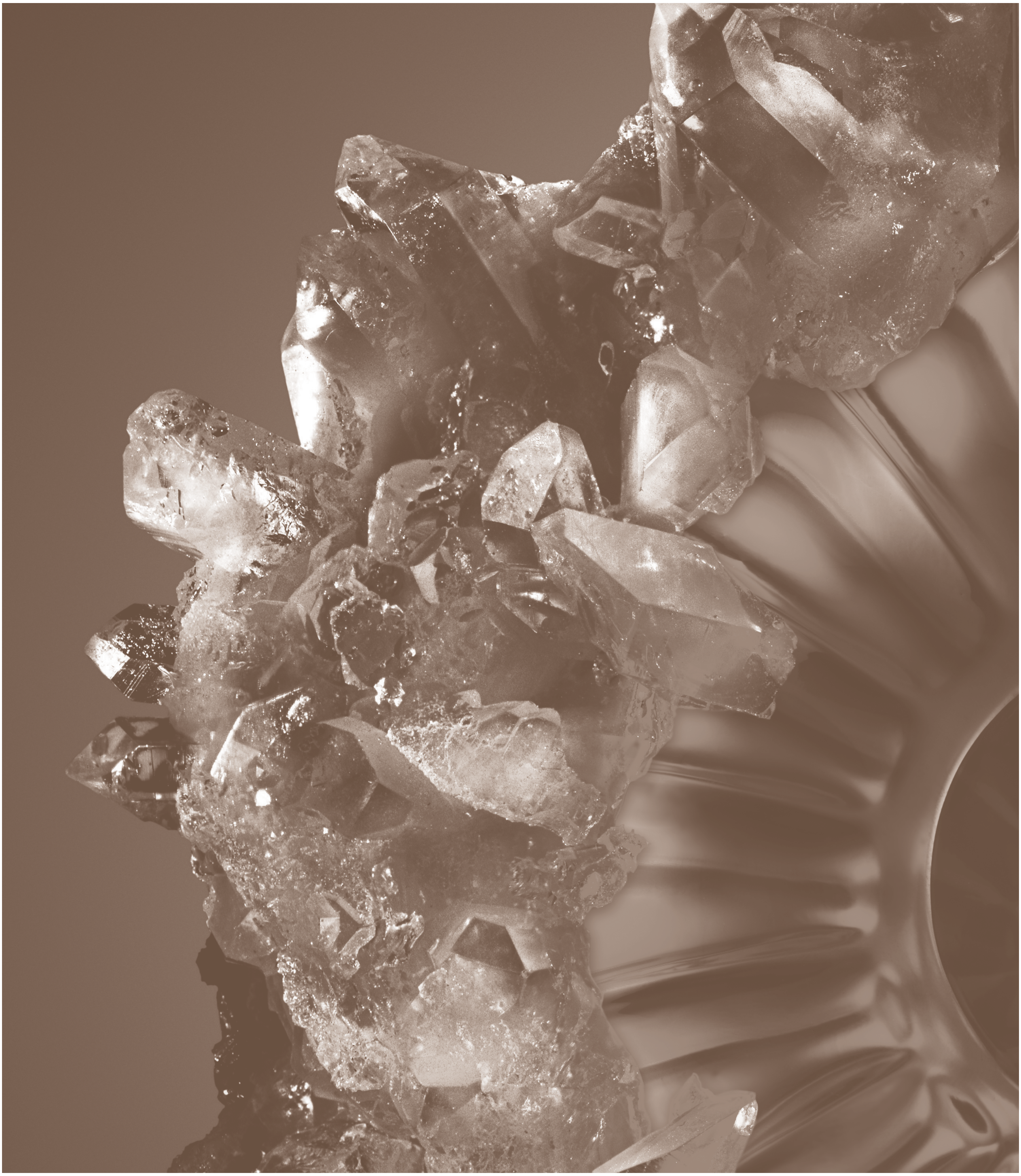


RÉMY COINTREAU

FINANCIAL REPORT
2007 | 2008

CONTENTS

FINANCIAL REPORT 2007 | 2008

Page

3 1. THE RÉMY COINTREAU GROUP

4 History
5 Organisation chart
6 Key figures
7 Rémy Cointreau Group operations
10 Management report
27 Consolidated financial statements

73 2. THE RÉMY COINTREAU COMPANY

74 General information on the Company and its share capital
86 Corporate governance
92 Report of the Chairman of the Board of Directors
101 Report of the Board of Directors to the General Meeting
106 Parent company financial statements

125 3. RESOLUTIONS SUBMITTED TO THE GENERAL MEETING OF 16 SEPTEMBER 2008

133 4. PERSON RESPONSIBLE FOR THE DOCUMENT AND INFORMATION POLICY

136 RECONCILIATION TABLE

AMF | AUTORITÉ DES MARCHÉS FINANCIERS

The present document has been filed with the Autorité des Marchés Financiers on 31 July 2008, in accordance with articles 212-13 of its General Regulation. It can be used in a financial transaction in conjunction with a prospectus which carries the approval of the Autorité des Marchés Financiers.

CHAPTER 1

PROFILE OF RÉMY COINTREAU GROUP

Page

Page		
4	1	HISTORY
5	2.	ORGANISATION CHART
6	3	KEY FIGURES
7	4	RÉMY COINTREAU GROUP OPERATIONS
7	4.1	Strategy
7	4.2	Organisation
7	4.3	Cognac
8	4.4	Liqueurs and Spirits
8	4.5	Champagne
9	4.6	Partner brands
9	4.7	Distribution
9	4.8	Supply and subcontracting
10	5	MANAGEMENT REPORT
10		Introduction
10	5.1	Comments on the consolidated financial statements Income statement - Balance sheet - Cash flow statement
16	5.2	Risk factors and insurance policy
21	5.3	Workforce information
24	5.4	Environment
25	5.5	Principal establishments and investment and research policy
26	5.6	Exceptional events and litigations
26	5.7	Major events after the year end
26	5.8	Future prospects
27	6	CONSOLIDATED FINANCIAL STATEMENTS
27	6.1	Consolidated income statement
28	6.2	Consolidated balance sheet
29	6.3	Consolidated statement of changes in equity
30	6.4	Consolidated cash flow statement
31	6.5	Notes to the consolidated financial statements
72	6.6	Statutory auditors' report on the consolidated financial statements

1. HISTORY

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

KEY DATES AND EVENTS IN RÉMY COINTREAU'S HISTORY:

1724: Establishment of the house of Rémy Martin Cognac.

1849: Creation of Cointreau & Cie by the Cointreau brothers.

1888: Creation of the Metaxa brand.

1924: Acquisition of E. Rémy Martin & Cie SA by André Renaud.

1965: André Hériard Dubreuil takes over from his father-in-law, André Renaud.

1966: Creation of Rémy Martin's international distribution network.

1980: Creation by Rémy Martin of the French-Chinese joint venture Dynasty Winery in partnership with the city of Tianjin (RPC).

1985: Acquisition by the Rémy Martin Group of Charles Heidsieck champagnes.

1986: Creation of the Passoa brand.

1988: Acquisition by the Rémy Martin Group of Piper-Heidsieck champagnes.

1989: Acquisition by the Rémy Martin Group of Mount Gay Rum.

1990: Transfer by Pavis SA of Rémy Martin shares to Cointreau & Cie SA.

1991: Adoption by the Group of the corporate name of Rémy Cointreau.

1998: Appointment of Dominique Hériard Dubreuil as Chairman of Rémy Cointreau.

1999: Establishment of the Maxxium distribution joint venture with three partners, the Rémy Cointreau Group, The Edrington Group and Beam Global Brands (Fortune Brands).

2000: Acquisition of Bols Royal Distilleries including, in particular, the Bols and Metaxa brands.

2001: Vin & Sprit joins the Maxxium network and becomes its fourth partner.

2005: Initial public offering of Dynasty Fine Wines Group on the Hong Kong Stock Exchange.

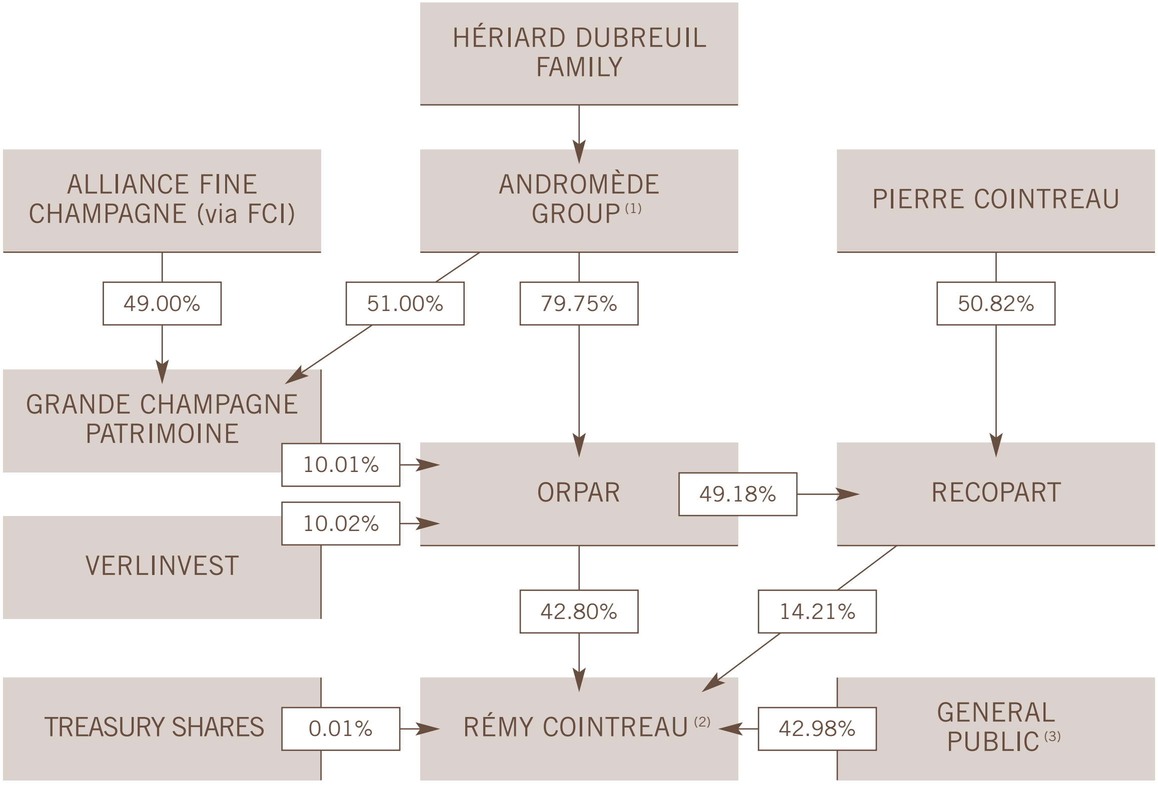
2005: Disposal of Bols Polish operations to CEDC.

2005: Maxxium reinforced by taking over the distribution of a number of Allied Domecq brands acquired by Fortune Brands.

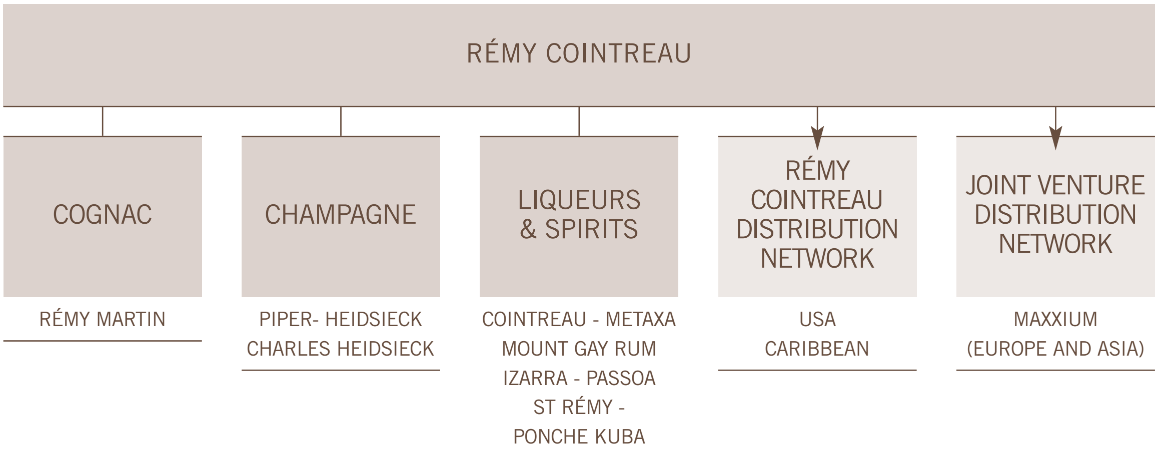
2006: Disposal of Dutch and Italian liqueurs and spirits operations.

2006: Decision by Rémy Cointreau to fully resume control of its distribution with a deadline of March 2009.

2. OWNERSHIP STRUCTURE AND ORGANISATION CHART AT 31 MARCH 2008 (% OF CAPITAL)



(1) Rémy Cointreau is consolidated within the Andromède Group.
(2) Only Rémy Cointreau shares are traded on the Stock Market.
(3) Inc. Arnhold and S. Bleichroeder, LLC 11.05%.



3. KEY FIGURES

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

(€ millions)	2008	2007	2006
Net sales	817.8	785.9	780.6
Current operating profit	159.6	153.8	139.5
as % of net sales	19.5%	19.6%	17.9%
Net profit/(loss) - Group share	98.4	(23.0)	77.8
Net earnings/(loss) per share – Group share (basic)	2.12	(0.50)	1.72
Net earnings/(loss) per share – Group share (diluted)	2.10	(0.50)	1.70
Net cash flow from operating activities	123.1	98.5	102.3
Purchases of non-current assets	27.3	25.8	20.7
Dividends paid during the financial year (per share)	1.20	1.10	1.00
Equity	911.5	852.5	915.5
Net financial debt	440.9	562.1	771.5

Sales volumes [1] by division:

(€ millions)	2008	% total	2007	% total	2006	% total
Cognac	1,844	22.1	1,727	21.4	1,715	20.7
Liqueurs and Spirits	4,347	52.1	4,259	52.9	4,100	49.5
Champagne	907	10.9	832	10.3	822	9.9
Total Group brands	**7,097**	**85.1**	**6,818**	**84.6**	**6,637**	**80.2**
Partner brands	1,240	14.9	1,238	15.4	1,642	19.8
Total	**8,337**	**100**	**8,056**	**100**	**8,279**	**100**

(1) Cases of 8.4 litres for Cognac, Liqueurs and Spirits and 9.0 litres for Champagne.

Net sales by division:

(€ millions)	2008	% total	2007	% total	2006	% total
Cognac	362.3	44.3	347.6	44.2	322.5	41.3
Liqueurs and Spirits	211.7	25.9	209.3	26.6	212.4	27.2
Champagne	142.4	17.4	126.0	16.0	122.2	15.7
Total Group brands	**716.4**	**87.6**	**682.9**	**86.9**	**657.1**	**84.2**
Partner brands	101.4	12.4	103.0	13.1	123.5	15.8
Total	**817.8**	**100**	**785.9**	**100**	**780.6**	**100**

Current operating profit by activity:

(€ millions)	2008	% total	2007	% total	2006	% total
Cognac	93.5	58.6	87.2	56.7	75.9	54.4
Liqueurs and Spirits	53.2	33.3	55.3	36.0	49.9	35.8
Champagne	12.4	7.8	10.1	6.6	9.6	6.9
Total Group brands	**159.1**	**99.7**	**152.6**	**99.2**	**135.4**	**97.1**
Partner brands	0.5	0.3	1.2	0.8	4.1	2.9
Total	**159.6**	**100**	**153.8**	**100**	**139.5**	**100**

Net sales by geographic region:

(€ millions)	2008	% total	2007	% total	2006	% total
Europe	303.3	37.1	274.4	34.9	281.4	36.0
Americas	350.6	42.9	370.4	47.1	374.3	48.0
Asia & Others	163.9	20.0	141.1	18.0	124.9	16.0
Total	**817.8**	**100**	**785.9**	**100**	**780.6**	**100**

Net sales by currency:

(€ millions)	2008	% total	2007	% total	2006	% total
Euro	245.5	30.0	224.3	30.2	236.1	30.2
US Dollar, HK Dollar, Chinese Yuan	434.3	53.1	436.8	54.6	426.5	54.6
Other currencies	138.0	16.9	124.8	15.1	118.0	15.1
Total	**817.8**	**100**	**785.9**	**100**	**780.6**	**100**

4. RÉMY COINTREAU GROUP OPERATIONS

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

The Group is:

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

Rémy Cointreau is quoted in compartment A of Eurolist on the Euronext Paris Stock Exchange and is a component of the CAC MID 100 and SBF 120 indices. Approximately 43% of the shares comprise the free float. Rémy Cointreau is held by the Orpar and Récopart family holding companies.

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

4.1 STRATEGY

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

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

4.2 ORGANISATION

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

SECTOR REVIEW

Respective relative size of each activity:

Data for the financial year ended 31 March 2008

	Net sales	Current operating profit
Cognac	44.3%	58.6%
Liqueurs and Spirits	25.9%	33.3%
Champagne	17.4%	7.8%
Total Group brands	**87.6%**	**99.7%**
Partner brands	12.4%	0.3%
Total	**100%**	**100%**

4.3 COGNAC

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

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

KEY FIGURES

(€ millions or %)	2008	2007	2006
Net sales	**362.3**	**347.6**	**322.5**
Geographical analysis:			
Europe	19.4%	18.1%	18.1%
Americas	46.3%	52.3%	53.8%
Asia & Others	34.3%	29.6%	28.1%
Total	**100%**	**100%**	**100%**
Current operating profit	93.5	87.2	75.9
as % of net sales	25.8%	25.1%	23.5%
Capital employed, excluding brands	557.8	553.4	534.9
Purchase of non-current assets	14.0	14.8	11.0

DESCRIPTION OF “APPELLATION D’ORIGINE CONTRÔLÉE COGNAC”

Cognac is a brandy (eau-de-vie distilled from grapes) with the “appellation d’origine contrôlée” from the Cognac region of France. The “Appellation” is based on six geographic vineyards, of which the best two for superior quality Cognac production are “Grande Champagne” and “Petite Champagne”. “Fine Champagne” designates a cognac that has come exclusively from Grande Champagne (50% minimum) and Petite Champagne.

There are a number of quality levels classified according to legal standards in respect of the average age of the eaux-de-vie:

- VS ("Very Superior"), with a minimum legal age of 2 years,
- QS ("Qualité Supérieure"), covering all the VSOP and QSS labels:

  - VSOP ("Very Superior Old Pale"), with a minimum legal age of 4 years,
  - QSS ("Qualité Supérieure Supérieure"), with a minimum legal age of 6 years,
  - XO ("Extra Old") is included in the QSS category.

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

- Cœur de Cognac, a superior VSOP aimed at European consumers,
- 1898 in China, positioned between XO and Extra, and
- Black Pearl, a limited edition of Louis XIII.

COMPETITIVE RANKING

Rémy Martin's market share reached 15.5% at 31 March 2008, compared with 14.8% the previous year (Source: BNIC).

In line with its strategy, 89% of Rémy Martin's shipments were from the superior quality segment, its core business, compared with 46% for other players in the category. Its market share of the top QSS segment rose from 31.1% to 34.9% (Source: BNIC).

With 1.8 million cases (at end December 2006 - Source: IWSR), Rémy Martin ranks second among the four major Cognac companies, which together account for 9 million cases, out of an overall total of 12.2 million cases in this sector.

4.4 LIQUEURS AND SPIRITS

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

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

000s 8.4 Lit cases	2006	2005	2004
Vodka	**432,725**	429,661	423,985
Other flavoured spirits	**70,374**	70,828	71,805
Brandy	**49,041**	48,595	50,050
Scotch whisky	**43,401**	43,224	43,944
Liqueurs	**41,990**	42,481	42,881
Gin/Tequila/Others	**27,374**	28,100	28,888
Rum/Cane	**22,541**	22,289	21,680
Other whisky	**10,622**	10,434	10,440
Cognac/Armagnac	**4,207**	4,139	4,155
Total	**702,275**	699,753	697,828

Source : (c) Copyright 2008 - The IWSR.

Rémy Cointreau's principal brands are the orange liqueur Cointreau (45% of divisional sales in the 2007/08 financial year), the Greek brandy Metaxa (23%), Passoa liqueur (10%), Saint Rémy brandy (9%) and Mount Gay rum (9%).

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

Products marketed by the Group originate from its Barbados production site for rum and from that of Angers (France), origin of the Cointreau brand, for all other brands, exept Metaxa brand (Greece).

KEY FIGURES

(€ millions or %)	2008	2007	2006
Net sales	**211.7**	**209.3**	**212.4**
Geographic analysis:			
Europe	56.9%	54.0%	53.8%
Americas	34.5%	37.1%	37.2%
Asia & Others	8.6%	9.0%	9.1%
Total	**100%**	**100%**	**100%**
Current operating profit	53.2	55.3	49.9
as % of sales	25.2%	26.4%	23.5%
Capital employed, excluding brands	56.1	67.3	82.0
Purchases of non-current assets	4.8	5.8	6.5

COMPETITIVE RANKING

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

4.5 CHAMPAGNE

Rémy Cointreau is one of the principal producers of champagne with average sales of 10.2 million bottles over the last three years.

The Group's two leading brands in the category are Piper-Heidsieck and Charles Heidsieck, each with a different positioning.

Piper-Heidsieck is aimed at the "major brands" segment and ranks third among export brands (Source: Impact 2007). It is a leading brand in France, Germany, Japan, Belgium and the UK. Charles Heidsieck, positioned in the "Wines" top of the range segment, is distributed through specialist channels, mainly in France, Italy, the US and the UK.

KEY FIGURES

(€ millions or %)	2008	2007	2006
Net sales	**142.4**	**126.0**	**122.2**
Geographic analysis:			
Europe	74.6%	72.4%	74.1%
Americas	13.3%	14.2%	15.1%
Asia & Others	12.1%	13.4%	10.7%
Total	**100%**	**100%**	**100%**
Current operating profit	12.4	10.1	9.6
as % of sales	8.7%	8.0%	7.9%
Capital employed, excluding brands	265.4	236.4	274.5
Purchases of non-current assets	8.2	4.7	2.5

DESCRIPTION OF "APPELLATION D'ORIGINE CONTRÔLÉE" CHAMPAGNE

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

- grapes must come from specified vineyards (32,400 hectares in 2006) in the Champagne district of France;
- the yield of the vines is limited and an annual amount is set to preserve quality;
- only three grape varieties are permitted: Pinot Noir, Pinot Meunier and Chardonnay; and
- a minimum ageing of 15 months in the bottle is required for non-vintage champagnes and three years for vintage champagnes.

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

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

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

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

Champagne's major markets are France (55%), the UK (12%), the US (6%) and Germany (4%). (Source: CIVC 2007). (Source: CIVC 2007).

COMPETITION

Over the 12 months of the 2007/08 calendar year, the Piper-Heidsieck and Charles Heidsieck brands recorded 15% volume growth in all these markets, significantly more than the 4% growth of the category (moving annual average over the same period).

4.6 PARTNER BRANDS

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

Partner brands represented 12.4% of turnover and 0.3% of current operating profit in the financial year ended 31 March 2008.

4.7 DISTRIBUTION

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

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

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

The distribution network is co-ordinated by a markets department that, since November 2006, has been preparing the roll out of distribution in countries currently managed by Maxxium. Thus, at that date, Rémy Cointreau created an already fully operational interim platform in Shanghai, which will immediately take over from Maxxium in this strategic region for the Group.

Analysis of sales by network type:

	2008	2007
Maxxium network	50.0%	46.1%
Own subsidiaries	38.7%	43.3%
Agents and other third parties	11.3%	10.6%
Total	**100.0%**	**100.0%**

4.8 SUPPLY AND SUBCONTRACTING

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

SUPPLY OF CHAMPAGNE

In Champagne, 95% of Rémy Cointreau's supplies depend on medium term contracts of four, five, six, nine years and over, entered into with the principal co-operatives in the region and several hundred growers. This contractual arrangement, which covers just over 1,000 hectares of the 32,400 hectares within the appellation, is a strategic factor in developing the Group's brands in a region with limited production capacity. Since 1990, the Group has enriched and strengthened its supply capacity by seeking to improve its qualitative criteria: the renewal of contracts expiring in 2007 (7% of the total) was completed under conditions that ensured a level of supply for the next three years in harmony with its development requirements. Renewal of contracts which expire in 2008 is in progress and represents 17% of the total.

SUPPLY OF EAUX-DE-VIE

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

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

- Three-year collective contracts, involving approximately 1,000 members, which specify the volume of the new harvest to be delivered to the co-operative as well as the desired volume over the coming years. These stocks become the property of the co-operative and are financed in part by payments on account from CLS Rémy Cointreau and the balance from the co-operative's own banking resources. CLS Rémy Cointreau is irrevocably committed to the acquisition in time of these stocks when the eaux-de-vie has been accepted as suitable for the brand and accepted as part of the AFC stock. The price is contractually agreed at the time it is accepted as part of the stock and is then increased by the actual storage and finance costs incurred by the co-operative.
- Individual contracts involving approximately 450 members, who manage supplies by age and whose storage is assured and financed by the home distillers. These contracts are between CLS Rémy Cointreau and the members concerned. Since April 2005, CLS Rémy Cointreau has transferred purchase commitments and the management of three-year contracts with the distillers to AFC.

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

OTHER SUPPLIES AND SUBCONTRACTING

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

The Group's top ten suppliers represent 54% of raw material supplies, excluding eaux-de-vie and wine.

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

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

Subcontracting represents 13% of the total volume of Group brands.

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

5. MANAGEMENT REPORT

INTRODUCTION

REPORT OF THE BOARD OF DIRECTORS TO THE COMBINED GENERAL MEETING OF 16 SEPTEMBER 2008

Dear Shareholders,

In accordance with the law and our bylaws, we have called you to the Combined General Meeting to present the operating report of your Company for the year ended 31 March 2008 and to submit the financial statements for this year for your approval, as well as to authorise the purchase or sale by the Company of its own shares, three revisions to the bylaws as a result of legislative or regulatory changes, the reduction in share capital by cancellation of Treasury shares held by the Company, the renewal of the delegation to the Board of Directors to increase share capital through capitalisation of reserves, profits or premiums, the issue of shares or securities giving access to the share capital with a view to remunerating contributions in kind, as well as the delegations authorising your Board to allocate existing shares free of charge or to issue shares for the benefit of employees or certain directors of the Group.

5.1 COMMENTS ON THE CONSOLIDATED FINANCIAL STATEMENTS

WARNING

The accounts of the Maxxium distribution joint venture could not be drawn up as at 31 March 2008 as the partners were unable to reach agreement on the valuation of the goodwill appearing on Maxxium's balance sheet.

Maxxium's shareholders are holding further discussions and, on 24 July 2008, acknowledged the effective acquisition of V&S by the Pernod Ricard group. A specific goal of these discussions is to reach agreement on Maxxium's net position as at 31 March 2008.

In preparing its consolidated financial statements for the year ended 31 March 2008, Rémy Cointreau applied the equity method of accounting to the Maxxium shares based on its own estimate of Maxxium's consolidated net position. This estimate is derived from an analysis of various scenarios measuring the potential impact of the outcome of the discussions between the partners on the final amount of the withdrawal compensation and on the value of the equity stake in Maxxium.

Rémy Cointreau's management considers that the values ascribed to these items in the consolidated financial statements present a true and fair view of the group's overall position with regard to Maxxium.

CONSOLIDATED INCOME STATEMENT

All data is presented in millions of euros. Rémy Cointreau's financial year runs from 1st April to 31 March.

€ millions	2008	2007	Change	Organic performance
Revenue	**817.8**	**785.9**	**4.1%**	**9.7%**
Operating profit on ordinary activities	**159.6**	**153.8**	**3.8%**	**14.1%**
Operating margin on ordinary activities	19.5%	19.6%		
Operating profit (loss)	**159.0**	**(89.6)**		
Net financial income (expense)	(45.8)	(37.3)		
Net profit (loss) from continuing operations	93.8	(66.6)		
Net profit (loss) for the year - Group share	**98.4**	**(23.0)**		
Earnings per share (euros):				
Earnings on continuing operations	**2.03**	**(1.46)**		
Earnings per share - Group share	**2.12**	**(0.50)**		

During the year ended 31 March 2008, there were no material changes in the consolidation scope, or any changes of accounting method or valuation principles likely to impact comparability with the previous financial year.

During the year ended 31 March 2007, Rémy Cointreau Group had recognised in operating profit a charge of €241.6 million relating to the contractual compensation for termination of the distribution agreement with Maxxium. During the year ended 31 March 2008, this compensation was subject to a reversal of the discounting, whose impact is recorded in net financial income.

OPERATING PROFIT ON ORDINARY ACTIVITIES

Summary of changes in operating profit on ordinary activities:

2007 operating profit on ordinary activities	153.8
Exchange rate movements (net of hedges)	(15.9)
Price increases	22.5
Changes in the business and product mix	20.3
Marketing expenses	(11.0)
Overheads and other income and expenses	(10.1)
2008 operating profit on ordinary activities	**159.6**

Rémy Cointreau successfully pursued the value strategy initiated several years ago by recording its fourth consecutive year of double-digit organic growth in operating profit on ordinary activities of 14.1% (20.0% in 2007, 14.9% in 2006 and 14.4% in 2005) to €159.6 million.

Following the Group's refocusing on its more international brands and high-end products, this strategy revolves around an ambitious pricing policy justified by quality, rarity and innovations in the product range, all supported by a marketing policy targeted at key markets. Since the previous year, the Group has also started work on a fundamental overhaul of its distribution network and is actively preparing for its withdrawal from the Maxxium network, thereby allowing it to exercise greater control over distribution.

The Group generates around 70% of its revenue outside the Eurozone and almost 60% in US dollars and currencies whose exchange rates fluctuate in a similar fashion to the US dollar (Hong Kong dollar, Chinese yuan, Singapore dollar, Canadian dollar and Australian dollar) whereas its costs are denominated mainly in euros. As such, it has significant exposure to foreign exchange risk, whose impact it managed to limit once again this year thanks to its hedging policy. Nevertheless, compared with the previous year, the operating profit on ordinary activities absorbed a negative net exchange rate effect of €15.9 million.

EUR/USD exchange rate	2008	2007	2006
Average exchange rate for accounting purposes	1.41	1.28	1.22
Average rate at which hedged dollars were received	1.37	1.30	1.23
Closing exchange rate	**1.58**	**1.33**	**1.21**

Price increases applied across all markets and brands generated a positive impact of €22.5 million, which boosted revenue from the Group's own brands by 3.3%.

The effectiveness of the value strategy is also illustrated by €20.3 million of income from changes in the business and product mix as a result of faster growth of higher-margin products and tight control over operating expenses.

Advertising costs increased by €11.0 million overall in absolute terms, being total organic growth of 8.7% and representing almost 17% of revenue from all businesses combined. When including Maxxium's expenses, the increase came to €17.4 million.

Overheads and other income and expenses increased by €10.1 million in absolute terms (organic growth of 8.4%), of which more than half related to distribution costs due to investments in the Group's distribution structure in preparation for the withdrawal from Maxxium. However, in relation to revenue, these items remained stable compared with the previous year at 15.5%.

REVENUE AND OPERATING PROFIT

Revenue by sector:

€ millions	2008	% of total	2007	% of total	Change	Organic performance
Cognac	362.3	44.3	347.6	44.2	+4.2	+11.5
Liqueurs and spirits	211.7	25.9	209.3	26.6	+1.1	+4.3
Champagne	142.4	17.4	126.0	16.0	+12.9	+15.4
Total Group brands	716.4	87.6	682.9	86.9	+4.9	+10.0
Partner brands	101.4	12.4	103.0	13.1	(1.6)	+7.4
Total	**817.8**	**100**	**785.9**	**100**	**+4.1**	**+9.7**

Revenue by geographic region:

€ millions	2008	% of total	2007	% of total	Change	Organic performance
Europe	303.3	37.1%	274.4	34.9%	+10.5%	+10.9%
Americas	350.6	42.9%	370.4	47.1%	(5.3%)	+3.8%
Asia and others	163.9	20.0%	141.1	18.0%	+16.2%	+22.6%
Total	**817.8**	**100%**	**785.9**	**100%**	**+4.1%**	**+9.7%**

Operating profit on ordinary activities by sector:

€ millions	2008	% of total	2007	% of total	Change	Organic performance
Cognac	93.5	58.6%	87.2	56.7%	+7.2%	+19.8%
Liqueurs and spirits	53.2	33.3%	55.3	36.0%	(3.8%)	+0.7%
Champagne	12.4	7.8%	10.1	6.6%	+22.8%	+45.5%
Total Group brands	159.1	99.7%	152.6	99.2%	+4.3%	+14.6%
Partner brands	0.5	0.3%	1.2	0.8%	(58.3%)	(50.0%)
Total	**159.6**	**100%**	**153.8**	**100%**	**+3.8%**	**+14.1%**

Operating margin on ordinary activities by sector:

In %	2008	2008 Organic performance	2007
Cognac	25.8	27.0	25.1
Liqueurs and spirits	25.1	25.5	26.4
Champagne	8.7	10.1	8.0
Total Group brands	22.2	23.3	22.3
Partner brands	0.5	0.5	1.2
Total	**19.5**	**20.4**	**19.6**

For the year ended 31 March 2008, Rémy Cointreau Group generated revenue of €817.8 million, up 9.7% on an organic basis compared with the previous year. Given the adverse movement in the EUR/USD exchange rate, reported growth came to 4.1%.

The Group's own brands posted slightly higher organic growth at 10.0% (compared with 4.9% on a reported basis), reflecting the good performances of the entire portfolio of Group brands, in particular Rémy Martin and Piper Heidsieck.

By geographic region, growth in Europe was excellent (organic growth of 10.9%), notably due to the Champagne business and buoyant markets in Russia and the Benelux countries. The Americas posted organic growth of 3.8%, the slowdown in the US in the second half weighing on activity. In the rest of the world, the organic growth of 22.6% benefited in full from the recovery staged by the Group's brands in China and the rest of Asia, a strategic area for Rémy Cointreau.

Cognac

Revenue came in at €362.3 million, representing organic growth of 11.5% (4.2% on a reported basis), with all regions contributing to this increase. The Rémy Martin brand stepped up its policy of developing its high-end products, recording particular growth in markets where these products offer the greatest momentum. Revenue increased by 29% in Asia boosted by the Chinese market and buoyant Rémy Martin sales in South-East Asian markets. In Europe, revenue increased by 12.2%, with strong growth in Russia and in duty-free markets. In the US, where the economic climate worsened during the last six months of the year, revenue posted weaker growth (up 1.1%) but the top products posted growth of 6%.

The Cognac business generated an operating profit on ordinary activities of €93.5 million, up 19.8% on an organic basis. The operating margin on ordinary activities came to 27.0% (organic performance), up 2 percentage points compared with the previous year. This increase is the result of the active policy of stepping up business in high-end products and the policy aimed at increasing selling prices. Marketing investment increased by 15.0% on an organic basis, mainly in Asian markets. Overheads and other income and expenses attributable to the business increased by 9.7%, primarily due to start-up costs for the distribution network (mainly in Asia).

Liqueurs and Spirits

At €211.7 million, revenue increased by 4.3% on an organic basis (1.1% on a reported basis). The Cointreau brand, which continued to benefit from its "cocktail" positioning in the US and Europe, posted stronger growth. Metaxa, the second largest brand in this category in terms of revenue, continued to grow in countries identified by the Group as being strategic for this brand (Greece and Eastern Europe).

Liqueurs and Spirits recorded an operating profit on ordinary activities of €53.2 million, up 0.7% on an organic basis. The operating margin on ordinary activities came to 25.5% (organic performance), down slightly compared with the previous year. Marketing investments were up 9.3% on an organic basis. Overheads and other income and expenses attributable to the business increased by 7.3%.

Champagne

Revenue came to €142.4 million, representing organic growth of 15.4% (12.9% on a reported basis). These results are evidence of the soundness of the refocusing strategy embarked on three years ago. Piper Heidsieck posted strong growth in its traditional markets (Benelux countries, UK, France, Italy, etc.).

The Champagne business posted an operating profit on ordinary activities of €12.4 million, up 45.5% on an organic basis. The operating margin on ordinary activities came to 10.1% (on an organic basis), up two percentage points compared with the previous year, despite a 21% increase in marketing expenses. These results reflect the measures taken over the last few years to improve the profitability of this business by making appropriate changes to the mix, prices and expenses.

Partner brands

This business generated revenue of €101.4 million, representing organic growth of 7.4%. As a result of the refocusing implemented over the last few years, this business today represents a smaller proportion compared with the overall Group and now essentially concerns the US (the Edrington group's Scotch Whiskies, the wine portfolio and the Roust group's Russian vodkas), allowing for diversification of the brand portfolio and optimisation of distribution costs.

At €0.5 million for the year ended 31 March 2008, down 50% on an organic basis, the operating profit for this business is not material. The operating margin on ordinary activities came to 0.5% compared with 1.2% the previous year.

OTHER ITEMS AFFECTING NET PROFIT

Operating profit

After taking into account a charge of €0.6 million including adjustments to items recorded in this line in prior years, the operating profit came to €159.0 million. The previous year's operating loss of €89.6 million included a provision of €241.6 million relating to the withdrawal from the Maxxium network. Note that this compensation, which will be paid on 30 March 2009 at the earliest, is subject to a reversal of the discounting, whose impact is recorded in net financial income.

Net financial income (expense)

€ millions	2008	2007	Change
Net finance costs	(40.5)	(37.2)	(3.3)
Other financial income and expenses	(5.3)	(0.1)	(5.2)
Total	**(45.8)**	**(37.3)**	**(8.5)**

The change in Net finance costs comprises the following:

€ millions	2008	2007	Change
Average net borrowings	541,2	619,9	(78,7)
Average interest rate	5.54%	5.99%	
Ongoing finance costs	(30,0)	(37,2)	7,2
Early redemption premium and "waiver"	(10,5)	-	(10,5)
Net finance costs	**(40,5)**	**(37,2)**	**(3,3)**

Ongoing finance costs fell sharply (down 19.4%) reflecting the combined effect of a reduction in average borrowings and an improvement in the financing structure. Stripping out non-recurring items, the average interest rate comes to 5.54% (5.99% for the previous year).

The non-recurring items comprise for a total of €8.0 million the early redemption premium on the €175 million bond bearing interest at 6.5% per annum fully redeemed in july 2007 and the payment of a compensation ("waiver") to the bondholders of the €200 million bond at a total cost of €2.5 million.

The change in Other financial income and expenses comprises the following:

€ millions	2008	2007	Change
Net result from CEDC shares	4.2	(4.2)	8.4
Reversal of discounting of the Maxxium compensation	(9.2)	-	(9.2)
Movement in impact of exchange rate movements	(1.6)	1.5	(3.1)
Others	1.3	2.6	(1.3)
Other financial income and expenses	**(5.3)**	**(0.1)**	**(5.2)**

At the beginning of the year, the Group sold the remainder of its holding in CEDC, generating a gain on disposal of €4.2 million. In the previous year, the net result from these shares (gain on disposal plus revaluation) was a loss of €4.2 million.

Net profit (loss) from continuing operations

After taking into account:

- a tax charge of €28.9 million, representing an effective tax rate of 25.5%,
- the share of the Dynasty group's earnings amounting to €3.4 million, unchanged compared with the previous year,
- the share of Maxxium's earnings amounting to €6.1 million (€6.9 million in 2007),

the net profit from continuing operations came to €93.8 million (loss of €66.6 million in 2007), giving basic earnings per share of €2.03 (diluted earnings per share of €2.00).

Net profit (loss) for the year - Group share

Profit after tax on activities sold or slated for sale came to €4.6 million, consisting essentially of adjustments (mainly tax effects) in respect of disposals recorded in the previous year. The disposal of the Armagnac business in January 2008 did not generate a significant gain.

There being no minority interests, the Group share of net profit came to €98.4 million (loss of €23.0 million in 2007), giving basic earnings per share of €2.12 (diluted earnings per share of €2.10).

BALANCE SHEET AND CASH FLOW STATEMENT

Consolidated balance sheet

€ millions	2008	2007	Change
Brands and other intangible assets	627.0	628.1	(1.1)
Property, plant and equipment	180.0	171.9	8.1
Investments in associates	120.3	127.2	(6.9)
Other investments	54.1	97.5	(43.4)
Non-current assets (other than deferred tax)	**981.4**	**1 024.7**	**(43.3)**
Stocks	861.6	841.7	19.9
Trade and other receivables	238.3	245.6	(7.3)
Trade and other payables	(307.4)	(310.4)	3.0
Working capital requirement	**792.5**	**776.9**	**15.6**
Net financial derivatives	26.0	11.0	15.0
Assets slated for sale	2.5	17.4	(14.9)
Net current and deferred tax	(154.4)	(103.7)	(50.7)
Provisions for risks and charges	(295.6)	(311.7)	16.1
Other net current and non-current assets and liabilities	**(421.5)**	**(387.0)**	**(34.5)**
Total	**1,352.4**	**1,414.6**	**(62.2)**
Financed by:			
Equity	**911.5**	**852.5**	**59.0**
Long-term borrowings	322.1	403.5	(81.4)
Short-term borrowings and accrued interest	156.1	179.2	(23.1)
Cash and cash equivalents	(37.3)	(20.6)	(16.7)
Net borrowings	**440.9**	**562.1**	**(121.2)**
Total	**1,352.4**	**1,414.6**	**(62.2)**
For information:			
Total assets	**2,162.7**	**2,204.9**	**(42.2)**

Non-current assets declined by €43.3 million, reflecting in particular the sale of the CEDC shares for €46.0 million. The increase in property, plant and equipment includes investments of €24.5 million (of which around €7.0 million relates to the construction of new facilities for the Champagne division). Other investments relate to the ongoing replacement of industrial facilities.

The working capital requirement increased by 2%, i.e. well below the business revenue growth rate. The increase in inventories related essentially to wines and brandies in the ageing process in anticipation of sales growth over the medium to long term.

Other items include a sharp decline in all tax-related items due to the loss in France after recording the Maxxium compensation as at 31 March 2007.

The increase in equity consists of the following items:

Net profit for the year	98.4
Change in value of financial instruments (after tax)	9.9
Change in pension commitments (after tax)	2.1
Impact of stock option and similar plans	3.5
Increase in share capital and share premium	15.0
Transactions in treasury shares	1.0
Dividend paid in respect of 2007	(55.2)
Changes in consolidation scope	1.0
Movement in translation reserves	(16.7)
Total change	**59.0**

Of the increase in share capital, €8.0 million relates to the exercise of stock options and €7.0 million to partial payment of the dividend in shares. In September 2007, Rémy Cointreau paid a dividend of €1.20 per share, with the shareholder having the option to elect for up to 20% to be paid in shares. Out of a total amount of €55.2 million, €48.1 million was paid in cash.

Net borrowings fell by €121.2 million to €440.9 million. In June and July 2007, Rémy Cointreau partially redeemed (€7.6 million) the €200 million bond issue bearing interest at 5.2% per annum and fully redeemed the €175 million bond issue bearing interest at 6.5% per annum.

As at 31 March 2008, confirmed financial resources totalled €760.7 million, comprising a €192.4 million bond issue (bearing interest at 5.2% per annum and maturing in January 2012) and a €500.0 million revolving syndicated credit line (bearing interest at Euribor plus a margin, of which €34 million matures in June 2010 and €466 million in June 2012). Given the sharp decline in borrowings and the strong operating results, ratio A (net debt/EBITDA) that determines the margin applicable to the syndicated loan came to 2.54% at 31 March 2008. The applicable margin will thus be increased from 0.425% to 0.325% with effect from 1st July 2008.

Cash flow statement

€ millions	2008	2007	Change
Net cash flows from operating activities	123.1	98.5	24.6
Net cash flows from investing activities	30.0	132.4	(102.4)
Net cash flows from financing activities	(143.7)	(244.1)	100.4
Translation differences on cash and cash equivalents	7.3	2.2	5.1
Change in cash and cash equivalents	**16.7**	**(11.0)**	**27.7**

Net cash flow from operating and investment activities totalled €153.1 million. Of this, €104.6 million was allocated to paying down gross borrowings and €48.1 million to paying a dividend in cash (these two items are included in net cash flow from financing activities).

Net cash flow from investing activities included:

- €52.5 million received from the sale of the CEDC shares,
- €27.3 million disbursed for capital expenditure (intangible assets and property, plant and equipment), being a similar level to the previous year (€25.8 million).

In the previous year, the Group recorded net cash inflow of €156.4 million on the sale of the Lucas Bols division, Cognac de Luze and Bols Hungary

Net cash flow from operating activities increased by €24.6 million to €123.1 million and comprised the following items:

€ millions	2008	2007	Change
EBITDA	185.1	176.2	8.9
Change in working capital requirement	(26.2)	13.9	(40.1)
Net cash flow from operations	**158.9**	**190.1**	**(31.2)**
Net cash flow from other operating income and expenses	(9.4)	(6.9)	(2.5)
Net financial expense	(37.5)	(43.6)	6.1
Net corporation tax paid	10.5	(43.2)	53.7
Other operating cash flows	(36.4)	(93.7)	57.3
Net cash flow from operating activities - continuing operations	**122.5**	**96.4**	**26.1**
Impact of discontinued operations	0.6	2.1	(1.5)
Net cash flow from operating activities	**123.1**	**98.5**	**24.6**

EBITDA increased by €8.9 million, of which €5.8 million was due to operating profit on ordinary activities and €2.5 million came from dividends received from related companies (Maxxium and Dynasty).

The €26.2 million increase in the working capital requirement for the year stemmed mainly from the increase in inventories of wines and brandies. Other working capital requirement items were tightly managed.

Cash flow from other operating income and expenses consist mainly of negative cash flows on restructuring provisions established in prior years.

Net cash outflows on financial expenses declined compared with the previous year, despite the payment of €7.7 million of charges on bonds (early redemption and waiver). This was due to the ongoing improvement in the Group's financial structure (expiry of the bonds with an option to convert into and/or exchange for new and/or existing shares (OCEANE) in April 2006, expiry of the subordinated perpetual notes (TSDI) in May 2006 and redemption of the 6.5% bond in July 2007) and a decline in debt.

Corporation tax generated a net cash inflow of €10.5 million, mainly due to the repayment of amounts paid on account during the previous year in France following the taxable loss in France due to the Maxxium compensation as at 31 March 2007.

After currency translation effects, cash and cash equivalents increased by €16.7 million to €37.3 million.

5.2 RISK FACTORS AND INSURANCE POLICY

SEASONALITY OF THE BUSINESS

Group sales are split 46% in the first half of the financial year (1st April - 30 September) and 54% in the second half (1st October - 31 March).

Rémy Cointreau generates more sales around Christmas and New Year's Eve (November and December) and the Chinese New Year (January and February). As a result, any event arising during these periods may have an impact on the Group's annual results.

DELIVERY COMMITMENTS

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

PRINCIPAL CONTRACTS AND CUSTOMERS

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

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

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

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

EXCHANGE RATE EXPOSURE

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

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

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

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

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

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

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

For the year ended 31 March 2008, net commercial flows covered by currency were:

(In millions)	USD	AUD	CAD	JPY	GBP	NZD
Total net position	327.4	15.2	16.6	1,927.8	19.5	4.9
Position covered	315.0	11.0	17.0	1,800.0	19.0	5.0
Open position	12.4	4.2	(0.4)	127.8	0.5	(0.1)
Average rate of collection of the net position	1.370	1.671	1.456	152.004	0.709	1.793
Average market rate	1.412	1.631	1.458	162.290	0.702	1.862

It should be noted that the overall USD position includes HKD, as HKD surpluses are automatically sold for USD (i.e. an equivalent of USD 40.0 million).

The financial instruments outstanding at 31 March 2008 were:

- cover relating to turnover achieved but not yet settled at 31 March 2008 (exchange swaps), and
- cover set up for the 2008/09 financial year.

The hedge contracts set up for 2008/09 will provide the Group with a guaranteed floor rate of €/USD 1.447 on 86.0% of its net exposure.

At 31 March 2008, the market value of the foreign exchange instruments portfolio was €24.3 million. An analysis of this portfolio is provided in Note **14.5** to the consolidated financial statements.

Sensitivity of operating profit to movements in exchange rates:

Rémy Cointreau's exposure primarily relates to the US dollar and related currencies.

After taking into account hedges put in place at 31 March 2008, a 10% change in the US dollar exchange rate would have the following impact:

	€/USD exchange rate (1)	
(€ millions)	+10% 1.74	-10% 1.42
Net profit	(3.1)	17.1
Equity excluding net profit	2.8	(0.6)
Market value of financial instruments	15.3	(14.4)

(1) The reference is the €/USD exchange rate at 31 March 2008, being 1.58.

INTEREST RATE EXPOSURE

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

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

(€ millions)			2008
	Long term	Short term	Total
Fixed rate	191.0	1.9	192.9
Variable rate	131.1	151.3	282.4
Accrued interest, not mature	-	2.9	2.9
Gross financial debt	**322.1**	**156.1**	**478.2**

The variable rate debt was covered by contracts whose maturities did not exceed three financial years. These hedges are described in Note **14.4** to the consolidated financial statements.

After taking into account financing facilities and hedges established at 31 March 2008, a 100 basis point increase or decrease in interest rates would have the following impact:

	Euribor 3 months (1)	
	+100 bp 5.727%	-100 bp 3.727%
Net profit	(0.1)	1.6
Equity, excluding net profit	1.8	(0.7)
Market value of financial instruments	2.7	(1.0)

(1) The reference rate is Euribor 3 months at 31 March 2008, being 4.727%

At 31 March 2008, the market value of outstanding interest rate instruments was €1.7 million.

LIQUIDITY RISK

The table below summarises the principal features and maturities of Group debt:

(€ millions)	Bonds	Banking syndicate	Special purpose entities	Total
30 June 2008	2.3	-	60.0	62.3
7 June 2010	-	34.0	-	34.0
7 June 2012	-	466.0	-	466.0
15 January 2012	192.4	-	-	192.4
31 December 2012	-	-	6.0	6.0
Total	**194.7**	**500.0**	**66.0**	**760.7**
Use at 31 March 2008	**194.7**	**130.0**	**53.0**	**377.7**

At 31 March 2008, unused confirmed credit lines amounted to €370 million (see Note **11** to the consolidated financial statements).

FINANCING POLICY

At 31 March 2008, the Group had no significant specific financing linked to its assets.

BRANDS

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

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

The Group never hesitates to initiate litigation, anywhere in the world, each time it considers that a brand registration application may impair its property rights. It is also a member of professional organisations that combat counterfeiting. Lastly, the Group has initiated brand awareness recognition procedures for some of its brands in countries where these procedures are provided by law. An integrated legal team permanently monitors the Group's intellectual property rights throughout the world. The team works in close partnership with external consultants, recognised for their expertise, as well as professional organisations specialising in combating counterfeiting worldwide.

Since 2006, Rémy Cointreau has significantly developed its internal resources in the fight against counterfeiting, notably with the appointment of a co-ordinator who co-operates closely with the various lawyers with responsibility for the Group's brands. The co-ordinator of the fight against counterfeiting firstly ensures the follow up of the report on any counterfeiting of the Group's brands together with specialist organisations, distributors, commercial staff, customs authorities, DRE and economic missions. He then reports this information, having verified its reliability, shares the best anti-counterfeiting practices with other major groups in wines and spirits and ensures the consistency of the steps to be taken by the lawyers and other concerned internal players.

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

LEGAL RISKS

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

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

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

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

The "Bioterrorism Act", which was signed on 12 June 2002 and came into force on 13 December 2003, stepped up the conditions of entry of all merchandise to the US.

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

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

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

At the date of the present report, neither Rémy Cointreau SA nor any of its subsidiaries has been involved or is involved in a legal process in respect of liability due to defective products that has given or is likely to give rise to a legal decision against the Company.

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

An integrated legal department, organised by brand groups but operating in a cross-group partnership spirit, permanently manages the Group's legal affairs. It carries out preventative checks on all legal risks, either internal or external, that may adversely affect the achievement of the Group's objectives. If necessary, the team may request the assistance of international lawyers recognised for their expertise in specific commercial legal areas. The legal department strives to only initiate litigation processes if all possibilities of reaching out-of-court settlements have proved unsuccessful.

OTHER RISKS

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

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

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

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

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

INDUSTRIAL AND ENVIRONMENTAL RISKS

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

Safety/Environment audits are carried out on a regular basis at production sites by personnel and certified external auditors, giving rise to action plans followed by quarterly committee meetings.

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

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

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

During the financial year, more than €2 million was invested in France to prevent industrial risks, primarily in the fields of fire safety.

In terms of product risks, the Group refers to the HACCP standard, as well as the ISO 22000 standard, the roll out of which is ongoing.

During the financial year ended 31 March 2008, no significant disaster was reported at the various Group sites, either in terms of industrial or product safety.

(1) HACCP (Hazard Analysis of Critical Control Point): international method for the implementation of a system guaranteeing the hygiene of food delivered to consumers.

(2) ISO 2200: standard for the certification of HACCP plans for a production site, recognised internationally.

INSURANCE

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

The Group has also been working for a number of years in close partnership with the prevention departments of insurance companies. This partnership has enabled prevention and safety audits to be carried out at all sites and the upgrading of facilities to current standards. The prevention policy reduces the Group's operational risks to a minimum.

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

The Rémy Cointreau Group works closely with a worldwide insurance broker and all policies were subscribed to with a number of major insurance companies with recognised financial strength.

The main insurance cover is part of integrated international programmes for strategic risks such as general civil liability, withdrawal of products delivered, damage to property and consequent loss of profit, transport of goods and public liability for senior executives.

Given the nature of its operations, the Group focuses particularly on risks related to storage, raw material transport and finished products.

Excess levels were optimised depending on the coverage of each risk and overall coverage cost. Limits to contractual guarantees were established on the basis of disasters with extreme consequences, evaluated according to current insurance market rules (Maximum Possible Disaster).

These programmes are contracted and managed by the Group Insurance Team within the Legal Affairs Department.

These policies have the following main features:

Insurances	Guarantees and limits
Material Damage and Loss of Profit	The industrial operations of the Group are covered as part of an international policy based in France.Material damage is covered in the form of "All risks except". This policy was taken out for a multi-year period, and operates under Difference in Conditions and Difference in Limits of local policies. The damages related to contamination or pollution are covered under this policy. **Cover** ■ Replacement value as new goods and property. ■ Wine and alcohol at market replacement value. ■ Period of cover of 12 months for financial losses arising from the cessation of operations as a result of direct damage and for default by suppliers and customers. **Contractual compensation limits** A capacity of €250,000,000 per claim has been negotiated on the international insurance market for both material damage and loss of profit. This limit was determined following the analysis of the Maximum Possible Disaster study.
General Civil Liability (operations and products)	This is a multi-year contract, which operates under Difference in Conditions and Difference in Limits (DIC/DIL) of local policies. This policy guarantees the Group is covered for all tangible and intangible damage likely to be caused to third parties. Cost of withdrawal of products delivered are also covered. In the US, local policies have been subscribed to that cover employer civil liability as well as motor insurance civil liability.
Transport	The policy was taken out on an annual basis and covers transport risks of €10,000,000 per claim. This limit corresponds to the maximum risk during transportation. This policy provides cover for all merchandise in the Group's business transporters from every point in the world to every point in the world, by every means of transport.
Public Liability policy for senior executives	This policy is renewed each year. The level of the guarantee limit varies according to identified risks and is discounted.

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

The Group suffered no significant loss in the 2007/08 financial year where the losses were not recovered under its insurance cover.

The total insurance premiums, excluding collective insurance of personnel, for the 2007/08 financial year did not exceed 0.23% of consolidated turnover.

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

5.3 WORKFORCE INFORMATION

HUMAN RESOURCES POLICY

The Rémy Cointreau Group's human resources policy is totally focused on implementing action plans aimed at enhancing each of its employee's skills development.

During the year, this aim resulted in the roll out of a new human resources management tool, with a view to formalising Group employees' career development projects and identifying career plans and training that could facilitate the achievement of these projects.

In order to complement this individual process, Rémy Cointreau has undertaken a collective process of forward planning job and skills management. This thinking process, carried out in conjunction with employee representatives, is aimed at orienting human resource action plans by anticipating job developments and the required expertise.

In addition, Rémy Cointreau has prepared a new, more ambitious training plan, in line with the Company's strategy and that of its employees, involving all managers.

Finally, the Group's human resources policy now takes into account the new more international and multi-cultural dimension resulting from strategic changes in distribution.

2006 REORGANISATION PLAN

In spite of its desire to avoid redundancies while managing its employment policy, in 2006, Rémy Cointreau had to implement a review of its structures in France.

Implementation of this review led to 125 positions being made redundant at three sites, Paris, Angers and Cognac. The implementation was carried out in accordance with the Group's social policy and was primarily based on voluntary redundancy by offering early retirement to those likely to be eligible and encouraging the realisation of professional projects.

After implementing this review, Rémy Cointreau decided, in conjunction with the personnel representatives, to commit to a forward planning job and skills management policy. This joint decision led to the signing of a collective agreement that formalised the commitment of Company participants.

PROFESSIONAL RELATIONS AND COLLECTIVE AGREEMENT ACHIEVEMENTS

The 2007/08 financial year confirmed the Group's tradition of encouraging consultation and favouring collective agreements.

Within this framework, a pay agreement was signed by some of the trade unions in CLS Rémy Cointreau representing approximately 70% of the Group's workforce in France.

Adhering to its intention of sharing the Company's progress with its personnel, Rémy Cointreau renewed two profit-sharing plans that had been signed within the two main companies in France.

As stated above, the Group's commitment to anticipated job and skills management resulted in an agreement being signed unanimously by the trade unions concerned.

In addition, the Rémy Cointreau Group committed to making its social security and pension contracts comply with new legal provisions. This ensured that contracts fulfil the definition of "responsible" contracts as specified by the Law, while at the same time retaining the same benefits for those employees concerned. These changes were implemented with the full knowledge of personnel representatives. They were also subject to a collective agreement.

MOVEMENTS IN THE SIZE OF THE WORKFORCE

At 31 March 2008, the Group's workforce totalled 1,246 people, a year-on-year increase of 27 people or 2.2% of the total workforce. This modest movement in the size of the workforce occurred on a like-for-like basis, as none of the businesses that employ staff were acquired or disposed of.

Analysis of workforce by geographic area:

	2008	% total	2007	% total	2006	% total
France	840	67	860	71	928	69
Europe (excluding France)	41	3	38	3	102	8
Americas	327	26	304	25	312	23
Asia & Others	38	3	17	1	4	0
Total	**1,246**	**100**	**1,219**	**100**	**1,346**	**100**

Analysis of workforce by division:

	2008	% total	2007	% total	2006	% total
Cognac, Liqueurs and Spirits	691	55	731	60	788	59
Champagne	182	15	184	15	194	14
Distribution	318	26	256	21	307	23
Holding	55	4	48	4	57	4
Total	**1,246**	**100**	**1,219**	**100**	**1,346**	**100**

Analysis of workforce by position:

	2008	% total	2007	% total
Operations [1]	645	52	652	53
Sales and marketing	309	25	288	24
Administration and general management	292	23	279	23
Total	**1,246**	**100**	**1,219**	**100**

(1) Includes production, ageing and supply chain.

Analysis of workforce by gender:

	2008	% total	2007	% total
Women	536	43	475	39
Men	710	57	744	61
Total	**1,246**	**100**	**1,219**	**100**

Analysis of French workforce by professional category in 2008:

	% total
Managers	26
Supervisors	26
Employees	9
Workers	39
Total	**100**

The average age of Rémy Cointreau's workforce is 44 years old worldwide and 45 years old in France, being the same for men and women. Women have a higher average age in the workers category (52) than men (45) and a younger average age in the managers' category (40 for women compared with 43 for men).

The average seniority is 16 years for the entire Rémy Cointreau workforce, with longer seniority for French operations personnel (19 years).

France - Analysis of 2008 permanent workforce, by age:

	% total
60 years old and over	1
55 to 59 years old	13
50 to 54 years old	25
45 to 49 years old	17
40 to 44 years old	11
35 to 39 years old	15
30 to 34 years old	11
25 to 29 years old	6
under 25 years old	1
Total	**100**

France - Analysis of 2008 permanent workforce, by seniority:

	% total
40 years and over	0
35 to 39 years	2
30 to 34 years	23
25 to 29 years	17
20 to 24 years	9
15 to 19 years	6
10 to 14 years	10
5 to 9 years	19
Less than 5 years	14
Total	**100**

WORK-LINKED TRAINING CONTRACTS

In France, since 2007, Rémy Cointreau has implemented a policy of developing work-linked training programmes and in the 2007/08 financial year hired 13 people (an increase of 160%), bringing their total to 18, or 2% of the total permanent workforce.

EXTERNAL WORKERS

The Rémy Cointreau Group calls upon external workers, particularly for positions that feature marked seasonality and significant peaks in activity. In France, the average number of external workers employed in 2007/08 was 70 people, or 9% of the total permanent workforce.

WORKFORCE SIZE MOVEMENTS

France - Analysis of workforce movements:

	Additions	Exits
Managers	27	43
Supervisors	3	25
Employees	-	9
Workers	12	32
Total	**42**	**109**

Analysis by gender showed that 64% of men and 36% of women were recruited and 67% of men and 33% of women left the Group.

21% of new recruits were under 25 years old.

Of the 109 leavers, 74 were part of the 2006 employment preservation plan, including 35 voluntary redundancies and 39 took retirement/pre-retirement benefits.

ABSENTEEISM

The 2007/08 absenteeism rate of the workforce in France was 4.5%, a slight increase (+0.3%) on 2006/07. This increase focused on sick leave in excess of 20 days and sick leave in excess of 6 months. Conversely, short sick leaves, of less than 5 days, were in marked decline (-10%).

WORKING WEEK ORGANISATION

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

In France, the working week is either annualised and/or modulated for packaging operations in accordance with high and low activity periods, due to seasonal turnover. Other operations feature a cyclical work organisation, such as ageing, the organisation of which relates to periods of high activity, in particular high levels of eaux-de-vie and wine deliveries.

France - Analysis of workforce by working week duration:

	2008	2007	2006
Full-time	97%	95%	95%
Part-time	3%	5%	5%
Total	**100%**	**100%**	**100%**

EMPLOYEE PROFIT-SHARING AND COMPANY SHAREHOLDING

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

The profit-sharing agreement of the Cognac, Liqueurs and Spirits division (76% of the workforce in France), was renegotiated in France for three years by applying the following four criteria of Rémy Cointreau's premium strategy: enhanced profitability, turnover growth, improved industrial performance and control of general expenses. As a result of this agreement, a bonus of 14.2% of annual salaries and wages was distributed in 2007/08, within the limit set by legal ceilings.

Bonuses paid in respect of employee profit-sharing contracts:

(€ millions)	2008	2007	2006
France - Cognac, Liqueurs & Spirits	3.8	4.0	3.9
France - Champagne	1.1	1.2	1.1
Total	**4.9**	**5.2**	**5.0**

PROFESSIONAL TRAINING

The strategy announced and adopted by the Remy Cointreau Group requires that, at all levels of the Company, everyone's energy is focused on the international development of the Group's brands in a premium niche.

Training must also be in line with this strategy by matching individual skills to the Group's Human Resources needs.

Professional training expenditure represented 3% of the total 2007/08 payroll of the French operations.

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

Focus 1: Developing our marketing culture

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

Focus 2: Developing a luxury goods culture

Pour accompagner la stratégie Premium de nos marques, permettre à tous les collaborateurs de comprendre les choix stratégiques et le positionnement de nos marques sur leurs marchés.

Focus 3: Sharing an economic and financial culture

To motivate personnel based on the Rémy Cointreau Group's success criteria and improve our performance on a daily basis (profitability, project management and value creation).

Axe 4 : Developing professionalism and improving each member of staff's personal efficiency

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

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

5.4 ENVIRONMENT

SHARING THE ENVIRONMENTAL POLICY

The Group is one of the first French companies to have adhered, as early as 2003, to the Global Compact Charter which, on the initiative of the UN, promotes fundamental values in the fields of Human Rights, work and environmental standards and corruption control. In accordance with its recommendations, Rémy Cointreau intends to be an ambassador for good practices.

Within this framework, Rémy Cointreau develops relationships with many educational institutions in the Poitou-Charentes region on sustainable development themes, such as the ones with CESI Angoulème, IEQT Rochefort and Sup de Co La Rochelle.

The Group also supports the Pays de Loire region's "forum on sustainable development jobs". This is another opportunity to make the general public aware of the significance of sustainable development in the Company's business.

Finally, the Group participates in exchanges of good practice within the Alter Entreprises club where, together with other international groups, Rémy Cointreau's executives meet managers of small and medium size companies to discuss implementing sustainable development policies within their businesses.

DECISIVE ACTION TO PRESERVE THE ENVIRONMENT

The numerous projects implemented by Rémy Cointreau with a view to preserving the environment at its various sites are tangible proof of an ongoing intent to operate in this field.

"Reasoned winemaking" certification for Rémy Cointreau's vineyards

Committed since the beginning of the 1990s to implementing reasoned winemaking, in 2007 Rémy Cointreau obtained this certification for its Cognac vineyards.

Following an environmental diagnosis of the estate, carried out in compliance with reasoned farming standards which are specific to the Champagne and Cognac regions, Rémy Cointreau worked on managing and disposing of various types of waste as well as on fertilisation in order to obtain the certification. In Cognac, wine effluent processing is now autonomous following the creation and improvement in processing facilities. Wine effluents were also subject to innovative and environmentally-friendly processing.

The Group strives to roll out these initiatives to its vine-growing partners. Thus, specific training courses are offered to the 1,300 vine growers of the Alliance Fine Champagne (eaux-de-vie co-operative).

Reasoned winemaking fully meets our economic requirements, the priority we place on quality and the Company's future. Adherence by our personnel to more responsible vine-growing methods contributes to the success of the initiative.

PERMANENT DEMANDS IN TERMS OF QUALITY-SAFETY-ENVIRONMENT

Reducing CO_2 emissions: the carbon test

The findings of the carbon test carried out in 2007 demonstrated that Rémy Cointreau generates very little greenhouse gases. The findings led to the definition of a three-year CO_2 emission reduction plan. It is based in particular on limiting inter-site mileage through car pooling, and more frequent use of video-conferencing, etc. A programme to gradually replace company cars with more environmentally friendly vehicles should also contribute to reducing both hydrocarbon consumption and CO_2 emissions.

Control of energy, water and waste management

At all sites, the following practices are developed with a view to improving the management of energy, water and waste:

- Integration of High Environmental Quality for new buildings,

■ Investment in centralised technical energy management systems:

(In MwH)	Electricity	Gas
2005	13.2	14.3
2006	13.5	14.2
2007	13.0	12.0
2008	13.9	12.2

■ Shared efforts to reduce water consumption:

(In m^3)	Water
2007	125.000
2008	122.000

■ Maintained waste sorting ratio:

% of total waste sorted	
2006	90.9
2007	93.0
2008	90.1

■ Personnel incentives to make "green gestures" (switching off of lights, recto-verso printing, limited printing, etc.), and
■ Eco-design of packaging.

These actions also reduce costs.

Steps taken with suppliers

Rémy Cointreau's general purchasing terms and conditions include a clause on compliance with corporate social and environmental responsibility principles. In order to strengthen its implementation, the Group now collects data on its suppliers' CER policies, particularly in the area of food safety and environmental risk.

This approach will be enhanced this year through the editing of a "Buying charter". This tool is an aid to conducting negotiations and making buying decisions. It very clearly lays out rules and constraints.

In addition, since 2007, Rémy Cointreau has been involved in the PEFC initiative, which is aimed at managing wood resources within the framework of "sustainable forests". The vast majority of wooden barrels are PEFC certified, as is the paper used by the Group to publish its communication documents.

The Group encourages and supports its suppliers in their approach to certification and supply. The traditional barrel maker Seguin-Moreau adhered to the Global Compact Charter in 2007 and established the "Oaks for life" initiative, which involves reforesting oak forests, with the support of Rémy Cointreau.

In time, the Group will increase its stock of certified wood with a view to providing100% of its supply.

ETHICS AND RESPONSIBLE MARKETING

Due to the nature of its operations, special attention is paid to Rémy Cointreau's marketing and communications. The Group complies with regulations by, for example, attaching a pictogram to its labels for the benefit of pregnant women. Rémy Cointreau has been committed for some time to leading preventative organisations such as the Institut de Recherche Scientifique sur les Boissons (IREB), the European Forum of Responsible Drinking (EFRD), as well as Entreprise & Prévention. It also develops its own internal control tools that promote reasonable consumption.

The Responsible Consumption Charter, reissued in 2007, acts as a benchmark which enables the Group to validate, or not, communication campaigns. It is widely shared (new employees are made aware of it on a systematic basis) and encourages brands to promote consumption based on risk control.

A large number of breathalysers are offered to consumers and are included in the tasting sessions and site visits.

The 2007/08 report on Rémy Cointreau's Corporate, Social and Environmental responsibility features all the Sustainable Development indicators put in place by the Group.

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

The Group's principal establishments are:

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

2) **Cognac** (Rémy Martin).

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

■ Merpins site (on the edge of Cognac)

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

■ Cognac site

Office complex and ageing storehouse of approximately 18,500 m^2.

3) **Angers** (Liqueurs & Spirits)

■ The units owned by the Group are on the St Barthélémy d'Anjou site with a surface area of 100,000 m^2.

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

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

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

■ Allée du Vignoble site (Reims)

A complex comprising offices, reception areas, fermenting areas, workshops and cellars over a 12 hectare area. Virtually all production and ageing operations are carried out at this site, following the disposal of the Boulevard Henry Vasnier site. Similarly, all administrative departments have been brought together, since the end of March 2008, on this site to new facilities built during the 2007/08 financial year.

■ Chemin Vert site (Reims)

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

Part of the Chemin Vert site (storage part of finished goods) is in the process of disposal. The site is due to be released by 2009.

5) **Barbados** (Liqueurs and Spirits)

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

6) **Other establishments**

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

INVESTMENT POLICY

CAPITAL EXPENDITURE

The Group considers that the level of investment required to maintain and develop the production and administrative units is between €25-€30 million per annum.

During the financial year ended 31 March 2008, investments thus totalled €27.3 million, a 5.8% increase compared with the previous financial year.

These investments involved the following:

- Cognac division for €14.0 million, including the finalisation of work relating to the product preparation activity, flow optimisation within the bottling workshop and continuous renewal of eaux-de-vie storage equipment.
- The Champagne division for €8.2 million, including primarily the relocation of activities to the Allée du Vignoble site in Reims, which required an extension to the fermentation area, as well as the building of a turning workshop and administrative offices. The new facilities will be completed in June 2008.

INVESTMENTS IN PROGRESS:

At the Cognac site, Rémy Cointreau has begun to build an additional cellar with a view to increasing the eaux-de-vie ageing capacity. Planning permission and administrative authorisations have been granted. Civil engineering work has started and the building is due for delivery at the beginning of 2009. A second phase is planned for the 2009/10 financial year.

RESEARCH POLICY

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

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

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

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

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

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

5.6 GROUP EXCEPTIONAL EVENTS AND LITIGATION OR RISKS

At 31 March 2008, Group companies were defendants in action taken by their usual suppliers as part of their business (agent, service provider or advertising agency). The litigation between CLS Rémy Cointreau and an agent in Porto Rico was concluded after the financial year end with the signing of a transaction resulting in the payment by CLS Rémy Cointreau of compensation of USD 800,000. None of the ongoing litigation at the date of the present report carries an underlying risk that could be considered as significant for Rémy Cointreau, either in business terms or financially.

At the date of the present report, the major demands of these companies are less than €5 million for all litigation, and these are all fully contested and provided to the extent of the likely risk.

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

5.7 POST-BALANCE SHEET EVENTS

Apart from ongoing discussions between the four Maxxium shareholders, described at the beginning of Chapter 5.1, no significant event occurred after the approval of the financial statements.

5.8 OUTLOOK

The 2008/09 financial year will be one of transition and enhancement of its distribution since the Group will leave the Maxxium network on 30 March 2009.

The slowdown noted in economic activity in the US and the unfavourable movement in the EUR/USD exchange rate will adversely affect the Group's prospects for the year while other very significant geographical regions for the Group maintain their strong momentum

As a result, taking into account the temporary additional costs already announced for the setting up of the new distribution network, the Group does not anticipate organic growth in its current operating profit in 2008/09.

6. RÉMY COINTREAU - CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

6.1 CONSOLIDATED INCOME STATEMENT

As at 31 March, in € millions

	notes	2008	2007	2006
Revenues	15	**817.8**	**785.9**	**780.6**
Cost of sales		(375.7)	(368.6)	(381.7)
Gross profit		**442.1**	**417.3**	**398.9**
Distribution costs	16	(210.6)	(192.5)	(190.7)
Administrative expenses	16	(83.0)	(81.1)	(80.2)
Other income (expenses) from operations	16	11.1	10.1	11.5
Operating profit on ordinary activities	15	**159.6**	**153.8**	**139.5**
Other operating income (expenses)	18	(0.6)	(243.4)	(18.2)
Operating profit (loss)		**159.0**	**(89.6)**	**121.3**
Finance costs		(40.5)	(37.2)	(64.1)
Other financial income (expenses)		(5.3)	(0.1)	0.9
Net financial income (expenses)	19	**(45.8)**	**(37.3)**	**(63.2)**
Profit (loss) before tax		**113.2**	**(126.9)**	**58.1**
Corporation tax (expense) income	20	(28.9)	50.1	(13.3)
Share of profit of associates	5	9.5	10.2	8.5
Profit (loss) from continuing operations		**93.8**	**(66.6)**	**53.3**
Profit (loss) from discontinued operations	21	4.6	45.2	20.6
Net profit (loss) for the year		**98.4**	**(21.4)**	**73.9**
of which: attributable to minority interest		-	1.6	(3.9)
group share		98.4	(23.0)	77.8
Earnings per share from continuing operations (€)				
basic		2.12	(0.50)	1.72
diluted		2.10	(0.50)	1.70
Earnings per share from continuing operations (€)				
basic		2.03	(1.46)	1.18
diluted		2.00	(1.46)	1.16
Number of shares used for the calculation				
basic	10.2	46,320,872	45,657,049	45,320,286
diluted	10.2	46,792,120	45,657,049	45,893,565

6.2 CONSOLIDATED BALANCE SHEET

As at 31 March, in millions of euros

	notes	2008	2007	2006
Brands and other intangible assets	3	627.0	628.1	629.6
Property, plant and equipment	4	180.0	171.9	180.5
Investments in associates	5	120.3	127.2	123.6
Other investments	6	54.1	97.5	70.7
Deferred tax assets	20	14.0	13.0	12.3
Non-current assets		**995.4**	**1,037.7**	**1,016.7**
Inventories	7	861.6	841.7	852.4
Trade and other receivables	8	238.3	245.6	243.1
Corporation tax receivables		1.5	30.8	11.0
Derivative financial instruments	14	26.1	11.1	6.9
Cash and cash equivalents	9	37.3	20.6	31.6
Assets held for sale	2	2.5	17.4	204.0
Current assets		**1,167.3**	**1,167.2**	**1,349.0**
Total assets		**2,162.7**	**2,204.9**	**2,365.7**
Share capital		74.5	73.6	72.8
Share premium		664.5	650.2	639.5
Treasury shares		0.1	(0.9)	(0.7)
Consolidated reserves		100.4	162.3	127.3
Translation reserve		(24.6)	(8.1)	2.0
Net profit - Group share		98.4	(23.0)	77.8
Equity - Group share		**913.3**	**854.1**	**918.7**
Minority interests		(1.8)	(1.6)	(3.2)
Total equity	10	**911.5**	**852.5**	**915.5**
Long-term borrowings	11	322.1	403.5	376.2
Provisions for staff benefits	22	20.3	22.2	24.5
Long-term provisions for risks and charges	12	7.5	256.2	26.3
Deferred tax liabilities	20	163.0	135.8	170.8
Non-current liabilities		**512.9**	**817.7**	**597.8**
Short-term borrowings and accrued interest	11	156.1	179.2	426.9
Trade and other payables	13	307.4	310.4	300.4
Corporation tax payables		6.9	11.7	23.6
Short-term provisions for risks and charges	12	267.8	33.3	34.1
Derivative financial instruments	14	0.1	0.1	1.9
Liabilities directly related to assets held for sale	2	-	-	65.5
Current liabilities		**738.3**	**534.7**	**852.4**
Total liabilities and equity		**2,162.7**	**2,204.9**	**2,365.7**

6.3 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

As at 31 March, in millions of euros

	Share capital Share premium	Treasury shares	Consolidated reserves and profit for the year	Translation reserve	Group share	Minority interests	Total equity
Balance at 1st April 2005	**702.8**	**(0.6)**	**174.9**	**(3.0)**	**874.1**	**11.4**	**885.5**
Net profit for the year	-	-	77.8	-	77.8	(3.9)	73.9
Change in value of hedging instruments	-	-	(3.2)	-	(3.2)	-	(3.2)
Actuarial difference on pension liabilities	-	-	0.6	-	0.6	-	0.6
Associated tax effect	-	-	0.9	-	0.9	-	0.9
Earnings taken directly to equity	-	-	(1.7)	-	(1.7)	-	(1.7)
Translation differences	-	-	-	5.0	5.0	-	5.0
Total expenses and income recognised directly in equity	-	-	**76.1**	**5.0**	**81.1**	**(3.9)**	**77.2**
Share-based payments	-	-	1.7	-	1.7	-	1.7
Capital increase	16.4	-	-	-	16.4	-	16.4
Cancellation of shares	(7.6)	-	-	-	(7.6)	-	(7.6)
Conversion of bonds	0.7	-	-	-	0.7	-	0.7
Transactions on treasury shares	-	(0.1)	-	-	(0.1)	-	(0.1)
Dividends	-	-	(45.0)	-	(45.0)	-	(45.0)
Other	-	-	(2.6)	-	(2.6)	-	(2.6)
Changes in consolidation scope	-	-	-	-	-	(10.7)	(10.7)
Balance at 31 March 2006	**712.3**	**(0.7)**	**205.1**	**2.0**	**918.7**	**(3.2)**	**915.5**
Net profit for the year	-	-	(23.0)	-	(23.0)	1.6	(21.4)
Change in value of hedging instruments	-	-	4.9	-	4.9	-	4.9
Actuarial difference on pension liabilities	-	-	1.2	-	1.2	-	1.2
Associated tax effect	-	-	(2.2)	-	(2.2)	-	(2.2)
Earnings taken directly to equity	-	-	3.9	-	3.9	-	3.9
Translation differences	-	-	-	(10.1)	(10.1)	-	(10.1)
Total expenses and income recognised directly in equity	-	-	**(19.1)**	**(10.1)**	**(29.2)**	**1.6**	**(27.6)**
Share-based payments	-	-	3.3	-	3.3	-	3.3
Capital increase	11.5	-	-	-	11.5	-	11.5
Transactions in treasury shares	-	(0.2)	-	-	(0.2)	-	(0.2)
Dividends	-	-	(50.0)	-	(50.0)	-	(50.0)
Balance at 31 March 2007	**723.8**	**(0.9)**	**139.3**	**(8.1)**	**854.1**	**(1.6)**	**852.5**
Net profit for the year	-	-	98.4	-	98.4	-	98.4
Change in value of hedging instruments	-	-	15.1	-	15.1	-	15.1
Actuarial difference on pension liabilities	-	-	3.1	-	3.1	-	3.1
Change in value of AFS securities	-	-	-	-	-	-	-
Associated tax effect	-	-	(6.2)	-	(6.2)	-	(6.2)
Earnings taken directly to equity	-	-	12.0	-	12.0	-	12.0
Translation differences	-	-	-	(16.5)	(16.5)	(0.2)	(16.7)
Total expenses and income recognised directly in equity	-	-	**110.4**	**(16.5)**	**93.9**	**(0.2)**	**93.7**
Share-based payments	-	-	3.5	-	3.5	-	3.5
Capital increase	15.2	-	(0.2)	-	15.0	-	15.0
Transactions in treasury shares	-	1.0	-	-	1.0	-	1.0
Dividends	-	-	(55.2)	-	(55.2)	-	(55.2)
Changes in consolidation scope	-	-	1.0	-	1.0	-	1.0
Balance at 31 March 2008	**739.0**	**0.1**	**198.8**	**(24.6)**	**913.3**	**(1.8)**	**911.5**

6.4 CONSOLIDATED CASH FLOW STATEMENT

As at 31 March, in millions of euros

	notes	2008	2007	2006
Operating profit on ordinary activities		159.6	153.8	139.5
Adjustment for depreciation, amortisation and impairment charges		13.6	13.2	14.3
Adjustment for share-based payments		3.5	3.3	1.7
Dividends received from associates	5	8.4	5.9	7.3
EBITDA		185.1	176.2	162.8
Change in inventories		(32.5)	(0.8)	31.4
Change in trade receivables		(10.3)	(4.9)	(23.9)
Change in trade payables		10.8	9.0	5.9
Change in other receivables and payables		5.8	10.6	(13.0)
Change in working capital requirement		(26.2)	13.9	0.4
Net cash flow from operations		**158.9**	**190.1**	**163.2**
Other operating income and expenses		(9.4)	(6.9)	(2.5)
Net financial expenses		(37.5)	(43.6)	(43.6)
Net corporation tax		10.5	(43.2)	(24.6)
Other operating cash flows		(36.4)	(93.7)	(70.7)
Net cash flow from operating activities - continuing operations		**122.5**	**96.4**	**92.5**
Impact of discontinued operations		0.6	2.1	9.8
Net cash flow from operating activities		**123.1**	**98.5**	**102.3**
Purchases of non-current assets	3/4	(27.3)	(25.8)	(20.7)
Purchases of investment securities	5/6	-	(3.5)	(8.9)
Proceeds from sale of non-current assets		9.4	1.2	11.1
Proceeds from sale of investment securities	6	52.5	4.3	-
Net cash flow from other investments	6	(1.5)	(0.2)	(1.8)
Net cash flow from investing activities - continuing operations		**33.1**	**(24.0)**	**(20.3)**
Impact of discontinued operations		(3.1)	156.4	44.3
Net cash flow from investing activities		**30.0**	**132.4**	**24.0**
Capital increase	10	8.0	11.5	9.5
Treasury shares	10	1.0	(0.2)	(0.1)
Increase in borrowings		82.0	141.5	-
Repayment of borrowings		(186.6)	(346.9)	(112.5)
Dividends paid to shareholders of the parent company		(48.1)	(50.0)	(45.0)
Other cash flows from financing activities		-	-	0.3
Net cash flow from financing activities continuing operations		**(143.7)**	**(244.1)**	**(147.8)**
Impact of discontinued operations		-	-	-
Net cash flow from financing activities		**(143.7)**	**(244.1)**	**(147.8)**
Translation differences on cash and cash equivalents		7.3	2.2	(0.5)
Change in cash and cash equivalents		**16.7**	**(11.0)**	**(22.0)**
Cash and cash equivalents brought forward	9	**20.6**	**31.6**	**53.6**
Cash and cash equivalents carried forward	9	**37.3**	**20.6**	**31.6**

6.5 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Page	Note
32	1. ACCOUNTING POLICIES
39	2. CHANGES IN CONSOLIDATION SCOPE
40	3. BRANDS AND OTHER INTANGIBLE ASSETS
41	4. PROPERTY, PLANT AND EQUIPMENT
42	5. INVESTMENTS IN ASSOCIATES
44	6. OTHER INVESTMENTS
45	7. INVENTORIES
45	8. TRADE AND OTHER RECEIVABLES
46	9. CASH AND CASH EQUIVALENTS
46	10. EQUITY
49	11. BORROWINGS
52	12. PROVISIONS FOR RISKS AND CHARGES
53	13. TRADE AND OTHER PAYABLES
53	14. FINANCIAL INSTRUMENTS AND MARKET RISK
57	15. SEGMENT REPORTING
61	16. ANALYSIS OF OPERATING EXPENSES BY TYPE
62	17. NUMBER OF EMPLOYEES
62	18. OTHER OPERATING INCOME AND EXPENSES
63	19. NET FINANCIAL EXPENSES
64	20. CORPORATION TAX
65	21. NET PROFIT FROM DISCONTINUED OPERATIONS
66	22. RETIREMENT PROVISIONS
67	23. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES
69	24. RELATED PARTIES
69	25. POST-BALANCE SHEET EVENTS
70	26 LIST OF CONSOLIDATED COMPANIES

INTRODUCTION

Rémy Cointreau is a société anonyme (joint stock company) with a Board of Directors subject to French legislation and in particular to the French Commercial Code. Rémy Cointreau shares are listed on Euronext Paris.

The consolidated financial statements presented below were approved by the Board of Directors on 29 July 2008 pursuant to a recommendation from the audit committee following its meeting of 29 July 2008. They will be submitted for shareholder approval at the shareholders' general meeting of 16 September 2008.

1. ACCOUNTING POLICIES

Rémy Cointreau's financial year runs from 1st April to 31 March. The consolidated financial statements are prepared in millions of euros.

In accordance with Regulation (EC) No. 1606/2002 of the European Parliament and the Council of 19 July 2002 on the application of international accounting standards, the consolidated financial statements of Rémy Cointreau are prepared in accordance with the international accounting policies applicable within the European Union as at 31 March 2008.

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

IFRS 1 offers options with regard to the accounting treatment of various items. In this regard, Rémy Cointreau Group made the following elections:

- Business combinations: exemption from retroactive application of IFRS 3 was applied;
- Valuation of property, plant and equipment and intangible assets: the option to measure these assets at fair value on the transition date was not applied;
- Employee benefits: deferred actuarial differences under French GAAP on the transition date were recognised;
- Translation of the financial statements of foreign subsidiaries: translation reserves relating to the consolidation of subsidiaries in foreign currencies were cancelled on 1st April 2004 with a corresponding entry to retained earnings brought forward;
- Share-based payments: Rémy Cointreau Group does not apply IFRS 2 relating to share-based payments to stock option plans opened before 7 November 2002, the date prior to which application is optional.

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

Of the standards and interpretations whose application became mandatory for the year ended 31 March 2008, only the amendment to IAS 1 on additional information relating to share capital and IFRS 7 Financial instruments: disclosures have a material impact on the consolidated financial statements presented and are reflected in both cases by means of additional disclosures in the notes to the financial statements.

1.1 USE OF ESTIMATES

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

Brands

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

Pension liabilities and other post-employment benefits

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

Stock options plans

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

Derivative financial instruments

Derivative financial instruments held by the Group in connection with its ordinary activities, mainly in the form of options, are valued using the methods prevailing in the financial markets. Note that the valuations are based on market data as at the balance sheet date. These values may fluctuate rapidly due to constant changes in the financial markets.

Provisions for risks

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

1.2 BASIS OF CONSOLIDATION

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

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

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

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

1.3 TRANSLATION OF THE FINANCIAL STATEMENTS OF FOREIGN SUBSIDIARIES

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

1.4 FOREIGN CURRENCY TRANSACTIONS

In accordance with IAS 21 The effects of changes in foreign exchange rates, transactions denominated in foreign currencies are recorded by each consolidated entity at the rate of exchange prevailing on the transaction date. At the balance sheet date, foreign currency assets and liabilities are netted off and translated at the closing rate of exchange. The resulting differences are recognised in the income statement as an operating item or as a financial item depending on the nature of the underlying transactions.

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

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

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

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

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

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

1.5 GOODWILL

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

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

1.6 INTANGIBLE ASSETS

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

Expenditure incurred to create new brands or to develop existing brands and all expenses relating to the registration and legal protection of brands are systematically recognised in the income statement in the period in which they are incurred.

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

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

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

The Group does not capitalise any research and development costs.

Other intangible assets are amortised over the following periods:

- Leasehold rights: over the term of the lease
- Software licences and direct costs of installations and/or upgrades: 3 to 7 years.

1.7 PROPERTY, PLANT AND EQUIPMENT

a) Cost

In accordance with IAS 16, Property, Plant and Equipment, items of property, plant and equipment are recognised at acquisition or production cost. The Group having opted for the Cost Model, these assets are not revalued subsequently.

Cost does not include any finance costs.

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

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

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

b) Depreciation

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

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

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

Property, according to the nature of the individual components	10 to 75 years
Stills, barrels and vats	35 to 50 years
Plant, equipment and tooling	3 to 15 years
Computer equipment	3 to 5 years
Other property, plant and equipment	5 to 10 years

1.8 IMPAIRMENT OF NON-CURRENT ASSETS

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

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

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

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

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

The principal method used to estimate value in use is based on the present value of future cash flows (excluding finance costs) generated by the use of the brand. These cash flows are estimated by reference to medium-term business plans (five to ten years) approved by the Board of Directors. The terminal value is determined by applying a constant growth rate to infinity. The discount rates used are set for each brand in turn and include a specific risk premium for each activity.

At 31 March 2008, the following assumptions were used:

- pre-tax discount rates ranging from 9.5% to 9.8%,
- growth rate to infinity of between 1% and 2%.

When recent transactions involving similar assets have taken place, the multiples for these transactions are used to determine fair value.

1.9 INVENTORIES

Inventories are valued in accordance with IAS 2, Inventories.

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

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

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

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

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

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

1.10 FINANCIAL ASSETS AND LIABILITIES

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

a) Trade receivables and payables

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

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

b) Non-consolidated equity investments

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

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

c) Derivative financial instruments

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

Derivative instruments are stated at market value as at the balance sheet date. Changes in the value of currency instruments are recognised in the manner described in note **1.4**. When used to hedge interest rate risk, changes in the value of derivative instruments (principally caps) are recorded in recyclable equity in respect of the change in the intrinsic value of the hedging instruments when these options are active and in net financial income and expenses for any residual change in fair value of the hedging instruments and the change in fair value of the non-hedging instruments.

From time to time, the Group may also hold derivative instruments linked to divestments (note **6.2**) or concerning contracts involving Rémy Cointreau shares (note **14.6**).

d) Loans and borrowings

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

- subordinated perpetual notes (TSDI), which matured in May 2006;
- bonds with the option to convert into and/or exchange for new and/or existing shares (OCEANE), which expired in April 2006;
- two non-convertible bond issues, one of which was redeemed in July 2007;
- amounts drawn down on credit lines negotiated with a banking syndicate;
- amounts drawn down on unconfirmed credit lines.

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

1.11 CASH AND CASH EQUIVALENTS

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

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

1.12 DEFERRED TAX

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

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

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

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

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

In the interim consolidated financial statements, the corporation tax charge is estimated by applying the estimated effective tax rate for the full year to the pre-tax profit. This calculation is performed for each entity in turn.

1.13 PROVISIONS FOR RISKS AND CHARGES

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

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

1.14 PENSION AND OTHER LONG-TERM EMPLOYEE LIABILITIES

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

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

- charges relating to defined contribution plans are recognised as expenses when paid;
- commitments in respect of defined benefit plans are determined by actuaries using the Projected Unit Credit Method. These calculations are based on assumptions regarding life expectancy, staff turnover and future salary increases. They also take into account the economic situation in each country. The discount rates used are yields on government bonds with a maturity close to that of the pension liabilities.

Commitments under defined benefit plans concern:

- commitments relating to the pension fund of Bols in the Netherlands up to 31 March 2006;
- commitments under the Group's pension plan in Germany and Barbados;
- retirement indemnities and long-service awards under collective bargaining agreements in France;
- commitments in respect of various post-retirement healthcare benefits;
- other commitments in respect of supplementary defined benefit pension plans sponsored by the Group.

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

Actuarial gains and losses for defined benefit plans arising since 1st April 2004 have also been recognised directly in equity ("Total expenses and income recognised directly in equity"). These actuarial gains and losses correspond to adjustments to reflect differences between the previous actuarial assumptions and actual experience, and the effects of changes in actuarial assumptions.

1.15 REVENUES

Revenues comprise wholesale sales of finished products of the brands of wines and spirits marketed by the Group to:

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

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

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

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

1.16 DEFINITION OF CERTAIN INDICATORS

a) Operating profit on ordinary activities, Operating profit, Profit (loss) from discontinued operations

Operating profit on ordinary activities comprises all elements relating to the Group's activities with the exception of:

- The operating profit from operations that were discontinued during the period or are to be discontinued, when plans to this effect have been approved by the Board of Directors. The corresponding operating profit is reclassified in the line "Profit (loss) from discontinued operations" together with other items of revenue and expense relating to these activities.

Items that, given their nature, frequency and materiality, cannot be considered as part of the Group's ordinary activities and which affect inter-period comparisons. They include notably impairment losses in respect of brands and other non-current assets recognised as a result of impairment tests (see note **1.8**), provisions for restructuring, and significant profits and losses on the sale of assets other than those relating to operations that already have been, or are to be, discontinued.

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

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

c) Net debt

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

d) Capital employed

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

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

In addition, comparative data is systematically adjusted for items relating to activities sold during subsequent periods.

1.17 SEGMENT REPORTING

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

a) Business segments

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

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

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

b) Geographic segments

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

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

1.18 TREASURY SHARES

Group investments in Rémy Cointreau shares are deducted from equity.

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

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

1.19 STOCK OPTION PLANS AND BONUS SHARES

In accordance with IFRS 2, Share-based payments, the plans since 7 November 2002 give rise to the recognition of a charge representing the estimated value of the benefit granted to the plans' beneficiaries. When amounts are expensed as "Administrative expenses", they are credited to reserves.

The benefits are measured as follows:

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

1.20 EARNINGS PER SHARE

Basic earnings per share are calculated based on the weighted average number of shares in issue during the reporting period, less treasury shares and plus the number of shares corresponding to bonds that are certain to be converted.

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

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

1.21 DISCONTINUED OPERATIONS

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

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

- all income statement lines of this company or activity for comparative periods are reclassified in "Profit (loss) from discontinued operations". A similar reclassification is performed in the cash flow statement in the line "Impact of discontinued operations" within "Net cash flow from operating activities";
- all income statement lines of this company or activity for the current period are reclassified in the line "Profit (loss) from discontinued operations". A similar reclassification is performed in the cash flow statement in the line "Impact of discontinued operations" within "Net cash flow from operating activities";
- the profit or loss generated on the disposal transaction, net of transaction costs and taxes, is also recognised in the line "Profit (loss) from discontinued operations". In the cash flow statement, a distinction is made between the cash received as consideration for the sale net of transaction costs, classified in "Net cash flow from investing activities", and any impact of the de-consolidation of the cash held by the entity sold, classified in "Net cash flow from financing activities".

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

1.22 CONSOLIDATION OF CO-OPERATIVES

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

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

1.23 CONSOLIDATION OF THE MAXXIUM JOINT VENTURE

Rémy Cointreau Group holds a 25% stake in the Maxxium BV distribution joint venture, to which it is bound by a strategic distribution agreement signed with three other partners: The Edrington Group, Beam Global Brands and Vin & Sprit.

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

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

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

On 23 November 2006, Rémy Cointreau notified its decision to terminate the Global Distribution Agreement with Maxxium on 30 March 2009 (see note **5.1.2**).

2. CHANGES IN CONSOLIDATION SCOPE

2.1 BUSINESSES SOLD DURING THE YEAR

The Group sold its Armagnac business and the related Clés des Ducs brand on 23 January 2008. As this business had only a marginal impact on the Group's income statement, prior years were not restated.

Contribution to operating profit:

€ millions	2008	2007	2006
Revenue	0.7	0.8	0.9
Operating profit	**(0.2)**	**(0.4)**	**(0.2)**

2.2 ASSETS AND LIABILITIES HELD FOR SALE

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

Of the assets recorded in this line at 31 March 2007:

- the Armagnac inventory was sold on 23 January 2008 for €3.2 million,
- a collection of properties located in Reims was sold on 7 November 2007 for €11.0 million,
- part of the Machecoul industrial site was sold on 10 December 2007 for €0.9 million.

€ millions	2008	2007	2006
Items relating to the sale of Lucas Bols:			
Brands and distribution rights	-	-	188.2
Investment in an associate	-	-	3.6
Deferred tax assets	-	-	3.8
Inventories	-	-	4.6
Inventories relating to the Cognac de Luze brand	-	-	3.8
Inventories relating to the Clés des Ducs	-	3.5	-
Reims property assets	1.8	12.6	-
Machecoul industrial site	0.2	1.3	-
Other	0.5	-	-
Total assets	**2.5**	**17.4**	**204.0**
Items relating to the sale of Lucas Bols:			
- Deferred tax liabilities (on brands)	-	-	52.7
- Provisions for risks and charges	-	-	12.8
Total liabilities	**-**	**-**	**65.5**

3. BRANDS AND OTHER INTANGIBLE ASSETS

€ millions	Brands	Distribution rights	Other	Total
Cost at 31 March 2006	**624.0**	**10.6**	**21.5**	**656.1**
Additions	-	-	1.3	1.3
Changes in consolidation scope	-	-	(0.1)	(0.1)
Other movements	-	-	0.4	0.4
Translation differences	(0.8)	(0.6)	(0.1)	(1.5)
Cost at 31 March 2007	**623.2**	**10.0**	**23.0**	**656.2**
Additions	-	-	2.7	2.7
Disposals and items scrapped	(0.1)	-	(2.9)	(3.0)
Changes in consolidation scope	(0.1)	-	-	(0.1)
Other movements	-	-	0.7	0.7
Translation differences	(1.4)	(0.9)	(0.2)	(2.5)
Cost at 31 March 2008	**621.6**	**9.1**	**23.3**	**654.0**
Accumulated amortisation and impairment at 31 March 2006	**3.4**	**7.8**	**15.3**	**26.5**
Charge for the year	-	0.1	2.0	2.1
Changes in consolidation scope	-	-	(0.1)	(0.1)
Translation differences	-	(0.3)	(0.1)	(0.4)
Accumulated amortisation and impairment at 31 March 2007	**3.4**	**7.6**	**17.1**	**28.1**
Charge for the year	-	0.1	2.4	2.5
Disposals and items scrapped	-	-	(3.0)	(3.0)
Changes in consolidation scope	-	-	-	-
Translation differences	-	(0.6)	-	(0.6)
Accumulated amortisation and impairment at 31 March 2008	**3.4**	**7.1**	**16.5**	**27.0**
Carrying amount at 31 March 2006	**620.6**	**2.8**	**6.2**	**629.6**
Carrying amount at 31 March 2007	**619.8**	**2.4**	**5.9**	**628.1**
Carrying amount at 31 March 2008	**618.2**	**2.0**	**6.8**	**627.0**

"Other" largely consists of software licenses and leasehold rights.

4. PROPERTY, PLANT AND EQUIPMENT

€ millions	Land	Buildings	Other	In progress	Total
Cost at 31 March 2006	**41.5**	**107.5**	**159.3**	**8.7**	**317.0**
Additions	0.1	1.0	11.5	11.9	24.5
Disposals and items scrapped	(1.1)	-	(5.7)	(0.1)	(6.9)
Reclassified as assets slated for sale	(3.6)	(22.3)	(7.1)	-	(33.0)
Changes in consolidation scope	-	(0.1)	(1.3)	-	(1.4)
Other movements	0.2	5.6	6.3	(13.8)	(1.7)
Translation differences	(0.1)	(0.6)	(0.9)	(0.2)	(1.8)
Cost at 31 March 2007	**37.0**	**91.1**	**162.1**	**6.5**	**296.7**
Acquisitions	-	0.5	10.1	13.9	24.5
Disposals and items scrapped	(0.8)	(1.7)	(12.9)	-	(15.4)
Reclassified as assets slated for sale	-	-	(4.1)	-	(4.1)
Changes in consolidation scope	0.3	(0.4)	0.2	-	0.1
Other movements		1.9	10.2	(10.1)	2.0
Translation differences	(0.1)	(1.1)	(2.0)	-	(3.2)
Cost at 31 March 2008	**36.4**	**90.3**	**163.6**	**10.3**	**300.6**
Accumulated depreciation and impairment at 31 March 2006	**1.6**	**43.0**	**91.9**	**-**	**136.5**
Charge for the year	0.1	2.6	8.5	-	11.2
Disposals and items scrapped	(0.1)	-	(4.1)	-	(4.2)
Reclassified as assets slated for sale	(0.2)	(12.1)	(5.0)	-	(17.3)
Changes in consolidation scope	-	-	(0.6)	-	(0.6)
Other movements	-	-	-	-	-
Translation differences	-	(0.1)	(0.7)	-	(0.8)
Accumulated depreciation and impairment at 31 March 2007	**1.4**	**33.4**	**90.0**	**-**	**124.8**
Charge for the year	0.1	2.3	8.6	-	11.0
Disposals and items scrapped	(0.3)	(0.8)	(11.2)	-	(12.3)
Reclassified as assets slated for sale	-	-	(3.1)	-	(3.1)
Changes in consolidation scope	0.2	(0.2)	0.2	-	0.2
Other movements	-	0.1	1.3	-	1.4
Translation differences	-	(0.2)	(1.2)	-	(1.4)
Accumulated depreciation and impairment at 31 March 2008	**1.4**	**34.6**	**84.6**	**-**	**120.6**
Carrying amount at 31 March 2006	**39.9**	**64.5**	**67.4**	**8.7**	**180.5**
Carrying amount at 31 March 2007	**35.6**	**57.7**	**72.1**	**6.5**	**171.9**
Carrying amount at 31 March 2008	**35.0**	**55.7**	**79.0**	**10.3**	**180.0**

For the year ended 31 March 2008, the additions of €24.5 million mainly comprise industrial capital expenditure on the Group's various production facilities in Cognac, Angers and Reims.

The amounts reclassified as assets slated for sale are explained in note **2.2**.

These non-current assets are unencumbered.

5. INVESTMENTS IN ASSOCIATES

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

The financial statements of Maxxium for the year end 31 March 2008 were not available at balance sheet date. Rémy Cointreau consolidated its share of Maxxium based on its own estimation of Maxxium's consolidated equity as at 31 March 2008.

€ millions	Maxxium	Dynasty	Total
At 31 March 2006	**79.2**	**44.4**	**123.6**
Dividends paid [(1)]	(4.2)	(1.7)	(5.9)
Net profit for the year	6.9	3.3	10.2
Additions	-	3.1	3.1
Translation differences	(1.0)	(2.8)	(3.8)
At 31 March 2007	**80.9**	**46.3**	**127.2**
Dividends paid [(1)]	(6.9)	(1.5)	(8.4)
Net profit for the year	6.1	3.4	9.5
Translation differences	(3.7)	(4.3)	(8.0)
At 31 March 2008	**76.4**	**43.9**	**120.3**

(1) For Maxxium, dividend deducted from the asset contribution premium.

5.1 MAXXIUM

5.1.1 GENERAL DESCRIPTION

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

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

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

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

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

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

Maxxium B.V.'s partners are both suppliers and shareholders of Maxxium B.V. Revenue earned by Rémy Cointreau from Maxxium's distribution companies or customers managed by them accounted for 50.0% of total revenue for the year ended 31 March 2008 (2007: 46.1%; 2006: 43.1%).

The summary figures below relate to Rémy Cointreau's financial year, i.e. the year ended 31 March. Because the accounts of Maxxium as at 31 March 2008 are not available, certain financial data below could not be updated.

Summary income statement (€ millions)	2008	2007	2006
Revenues	**1,954.8**	**1,882.0**	**1,493.6**
of which, Rémy Cointreau products	540.6	499.6	440.7
Operating profit on ordinary activities	**N/A**	**60.0**	**28.6**
Net profit	**N/A**	**32.2**	**22.5**

Breakdown of revenue by geographic region (€ millions)	2008	2007	2006
Europe	1,173.1	1,142.6	833.3
Americas	103.0	98.1	80.8
Asia and rest of the world	678.7	641.3	579.5
Total	**1,954.8**	**1,882.0**	**1,493.6**

Summary balance sheet (€ millions)	2008	2007	2006
Non-current assets	N/A	300.7	298.2
Working capital	N/A	213.4	145.3
Net assets	**N/A**	**514.1**	**443.5**
Financed by:			
Net borrowings	N/A	189.7	126.9
Equity	N/A	324.4	316.6
Total	**N/A**	**514.1**	**443.5**

Year-end headcount	2008	2007	2006
Maxxium	2,018	2,029	1,979

Rules for allocating Maxxium B.V.'s and its partners' profits are described in note **1.23**.

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

5.1.2 WITHDRAWAL FROM MAXXIUM

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

In accordance with the terms of the Umbrella Agreement, Rémy Cointreau Group must pay to Maxxium, by 30 March 2009 at the latest, an indemnity representing three times 15% of the amount of sales of Rémy Cointreau Group products invoiced by the Maxxium distribution network during the year ended 31 March 2008.

In accordance with the principles set out in note **1.13**, a provision was raised in the financial statements for the year ended 31 March 2007 (notes **12** and **18**). At 31 March 2008, the provision stood at €250.4 million and corresponded to the most likely estimate of the expected outflow of resources after allowing for a discounting effect.

As a result of the termination, Rémy Cointreau Group may relinquish its equity holding in Maxxium at any time at the initiative of Rémy Cointreau Group or, with effect from 31 March 2009, at the initiative of the other three partners.

In the event that Rémy Cointreau decides to withdraw, the shareholders' pact provides for a minimum notice period of six months. At the end of this period, a second six-month period commences that must enable an external third party appointed by the parties to determine the restructuring costs to be borne by Rémy Cointreau. These costs are deducted from the purchase value of the shares held by Rémy Cointreau in Maxxium. At the end of this second period, Maxxium or its shareholders have the option to buy the shares from Rémy Cointreau. If Maxxium or its shareholders fail to purchase all the shares, Rémy Cointreau Group will have the option to convene a shareholders' meeting to initiate the winding up of Maxxium.

As from 31 March 2009 (the day after the date of withdrawal from the Global Distribution Agreement), Maxxium's shareholders will still have the option to notify Rémy Cointreau Group of their withdrawal from Maxxium. The withdrawal of Rémy Cointreau will be effected by the purchase of Rémy Cointreau's shares at the end of a six-month period starting on the date on which Maxxium's shareholders notify Rémy Cointreau.

In all cases, the purchase value of the shares is determined using the following formula: consolidated net assets adjusted for the change in value of goodwill, less any dividends contractually due to the shareholders and any restructuring costs to be borne by Rémy Cointreau.

At 31 March 2008, the Maxxium shares were not reclassified as "Assets slated for sale" within the meaning stipulated in IFRS 5 and thus continue to be accounted for by the equity method as:

- Rémy Cointreau still exercises significant influence over Maxxium,
- the Maxxium shares are not immediately available for sale,
- Rémy Cointreau will not sell its equity investment until after 30 March 2009.

The accounts of the Maxxium distribution joint venture could not be drawn up as at 31 March 2008 as the partners were unable to reach agreement on the valuation of the goodwill appearing on Maxxium's balance sheet.

Maxxium's shareholders are holding further discussions and, on 24 July 2008, acknowledged the effective acquisition of V&S by the Pernod Ricard group. A specific goal of these discussions is to reach agreement on Maxxium's net position as at 31 March 2008.

In preparing its consolidated financial statements for the year ended 31 March 2008, Rémy Cointreau applied the equity method of accounting to the Maxxium shares based on its own estimate of Maxxium's consolidated net position. This estimate is derived from an analysis of various scenarios measuring the potential impact of the outcome of the discussions between the partners on the final amount of the withdrawal compensation and on the value of the equity stake in Maxxium.

Rémy Cointreau's management considers that the values ascribed to these items in the consolidated financial statements present a true and fair view of the group's overall position with regard to Maxxium.

5.2 DYNASTY

The Dynasty Fine Wines Limited group, which is listed on the Hong Kong stock exchange, produces and sells various ranges of wines in the Chinese market where it enjoys a leading position. Its relationship with Rémy Cointreau dates from the founding of the joint venture with the municipality of Tianjin (Republic of China) in 1980.

At 31 March 2008, Rémy Cointreau held 336.5 million Dynasty shares representing a 27.03% equity stake. The share price on the Hong Kong stock exchange on that date stood at HKD1.69 (31 March 2007: HKD3.32; 31 March 2006: HKD3.25).

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

Dynasty's financial year end is 31 December. The key figures below have been taken from Dynasty Group's financial statements after translation into euros. The figures have been adjusted for purposes of the equity consolidation to reflect the fact that Rémy Cointreau has a financial year end of 31 March.

Summary income statement (€ millions)	2007	2006	2005
Revenue	97.8	108.8	103.6
Operating profit on ordinary activities	15.8	14.8	25.1
Net profit	**11.0**	**11.2**	**19.6**

Summary balance sheet (€ millions)	2007	2006	2005
Non-current assets	38.9	37.4	35.2
Working capital	27.5	27.6	27.5
Net assets	**66.4**	**65.0**	**62.7**
Financed by:			
Borrowings net of cash and cash equivalents	(72.3)	(74.6)	(83.4)
Equity	138.8	139.6	146.2
Total	**66.4**	**65.0**	**62.7**

6. OTHER INVESTMENTS

(€ millions)	2008	2007	2006
Non-consolidated equity investments	5.4	5.3	5.3
CEDC shares	-	46.0	53.7
Value of security on CEDC shares	-	-	7.2
Prepayments for pension and retirement schemes	0.3	0.5	0.6
Seller's loan	43.6	41.7	-
Loans to non-consolidated equity investments	1.1	1.0	1.2
Liquidity account excluding Rémy Cointreau shares	2.7	2.2	1.9
Other	1.0	0.8	0.8
Total	**54.1**	**97.5**	**70.7**

6.1 NON-CONSOLIDATED EQUITY INVESTMENTS

(en M€)	% interest	2008	% interest	2007	% interest	2006
Dettling & Marmot (Switzerland)	25.0	1.0	25.0	1.0	25.0	1.0
Ducs de Gascogne S.A. (France)	30.1	1.1	30.1	1.1	30.1	1.1
Tianjin Dvpt Holding Ltd (China)	0.2	0.6	0.2	0.6	0.2	0.6
Caves Allianca S.A. (Portugal)	5.4	0.8	5.4	0.8	5.4	1.1
Revico (France)	5.0	0.4	5.0	0.3	-	-
Transmed (France)	9.6	0.0	9.6	0.0	7.0	0.0
Destilerias de Vilafranca S.A. (in liquidation)	100.0	1.5	100.0	1.5	100.0	1.5
Total		**5.4**		**5.3**		**5.3**

6.2 CEDC SHARES

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

Between December 2006 and March 2007, Rémy Cointreau sold 433,746 shares. The remaining 2,103,383 shares were sold between 1st April 2007 and 25 May 2007. The profit(loss) of these operations is recognised in "Other financial income and expenses" (note **19.2**).

In connection with this transaction, Rémy Cointreau had obtained guarantees akin to put options concerning CEDC's share price in the event of a sale. These guarantees, which had been valued at the grant date and then at each period end, expired during the year ended 31 March 2007.

6.3 SELLER'S LOAN

In connection with the sale of the Lucas Bols division on 11 April 2006, Rémy Cointreau granted a seller's loan of €50 million for a maximum term of seven years and bearing interest at 3.5%. This loan is presented net of an early repayment option at the acquirer's initiative of €10 million. The loan interest is capitalised.

6.4 LIQUIDITY ACCOUNT

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

7. INVENTORIES

7.1 BREAKDOWN BY INVENTORY CATEGORY

(€ millions)	2008	2007	2006
Goods for resale and finished products	89.1	89.8	78.6
Raw materials	81.9	71.4	69.3
Wines and brandies undergoing ageing process	690.8	677.0	696.1
Other	4.3	6.9	13.0
At cost	**866.1**	**845.1**	**857.0**
Provision for impairment	(4.5)	(3.4)	(4.6)
Carrying amount	**861.6**	**841.7**	**852.4**

7.2 ANALYSIS OF THE CHANGE

(€ millions)	Cost	Impairment	Carrying amount
Balance at 31 March 2007	**845.1**	**(3.4)**	**841.7**
Change	32.5	(1.2)	31.3
Changes in consolidation scope	0.5	(0.1)	0.4
Translation differences	(12.0)	0.2	(11.8)
Balance at 31 March 2008	**866.1**	**(4.5)**	**861.6**

8. TRADE AND OTHER RECEIVABLES

(€ millions)	2008	2007	2006
Trade receivables	169.4	175.3	183.6
Tax and social security receivables (other than corporation tax)	20.9	18.7	16.2
Sundry prepaid expenses	10.4	8.7	8.1
Advances paid	10.1	12.5	8.2
Receivables relating to asset disposals	5.4	2.7	0.2
Other receivables	22.1	27.7	26.8
Total	**238.3**	**245.6**	**243.1**
of which, provision for doubtful receivables	(5.3)	(4.1)	(3.2)

The provision for doubtful receivables is established on a case-by-case basis and is measured based on the risk of non-collection.

9. CASH AND CASH EQUIVALENTS

(€ millions)	2008	2007	2006
Marketable securities	0.1	0.1	10.8
Associates' current accounts	1.2	1.1	3.6
Cash at bank	36.0	19.4	17.2
Total	**37.3**	**20.6**	**31.6**

10. EQUITY

10.1 SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

	Number of shares	Treasury shares	Total number of shares in issue	Share capital	Share premium	Treasury shares
At 31 March 2006	**45,506,144**	**(24,700)**	**45,481,444**	**72.8**	**639.5**	**(0.7)**
Exercise of stock options	493,658	-	493,658	0.8	10.7	-
Change in liquidity account	-	(300)	(300)	-	-	(0.3)
Net capital gain on liquidity account transactions	-	-	-	-	-	0.1
At 31 March 2007	**45,999,802**	**(25,000)**	**45,974,802**	**73.6**	**650.2**	**(0.9)**
Exercise of stock options	328,252	-	328,252	0.5	7.5	-
Partial payments of dividends in shares	142,739	-	142,739	0.2	6.8	-
Allocations under the 2005 bonus share plan	88,000	-	88,000	0.2	-	-
Change in liquidity account	-	25,000	25,000	-	-	1.3
Other treasury shares	-	(4,705)	(4,705)	-	-	(0.1)
Net capital gain on liquidity account transactions	-	-	-	-	-	(0.2)
At 31 March 2008	**46,558,793**	**(4,705)**	**46,554,088**	**74.5**	**664.5**	**0.1**

10.1.1 SHARE CAPITAL AND SHARE PREMIUM

At 31 March 2008, the share capital consisted of 46,558,793 shares with a nominal value of €1.60 per share.

During the year ended 31 March 2008, 328,252 shares were issued in connection with the stock options granted to certain employees.

On 20 November 2007, 88,000 shares were issued as a deduction from available reserves following the allocation under the 2005 bonus share plan.

On 11 September 2007, Rémy Cointreau issued 142,739 shares as a result of shareholders being allowed to opt for partial payment of the dividend in shares.

10.1.2 TREASURY SHARES

At 31 March 2008, no shares were held in the liquidity account established in November 2005 (note **1.18**). Post-tax losses of €0.2 million earned on the shares by the manager of the liquidity account during the year ended 31 March 2008 were recognised in equity.

Furthermore, during the year ended 31 March 2008, Rémy Cointreau exercised its buyback option on 75,000 shares under the sale and buyback agreement entered into on 24 March 2005 for the purpose of covering stock option plan no. 12. A total of 70,295 shares were allocated to options exercised under plan no. 12 and Rémy Cointreau thus held the remaining 4,705 shares at 31 March 2008 for allocation to options exercised the following year.

At 31 March 2008, Rémy Cointreau still had a buyback option covering 246,503 shares under the abovementioned sale and buyback agreement and an option to purchase a further 224,497 shares, the total of these being intended to cover stock option plans.

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

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

	March 2008	March 2007	March 2006
Average number of shares (basic):			
Average number of shares	46,325,577	45,682,049	45,344,986
Average number of treasury shares	(4,705)	(25,000)	(24,700)
Total used for calculating basic earnings per share	**46,320,872**	**45,657,049**	**45,320,286**
Average number of shares (diluted):			
Average number of shares (basic)	46,320,872	45,657,049	45,320,286
Dilution effect of stock option plans (1) (2)	471,248	-	573,279
Total used for calculating diluted earnings per share	**46,792,120**	**45,657,049**	**45,893,565**

(1) The Rémy Cointreau share price used as a reference when calculating the shares that could be issued in the future as a result of the exercise of options was €49.06 for 2008, €43.89 for 2007 and €37.44 for 2006.

(2) For March 2007, the dilution effect from the exercise of options is not taken into account due to the net loss recorded for the year ended 31 March 2007.

10.3 STOCK OPTION PLANS AND SIMILAR SCHEMES

10.3.1 STOCK OPTION PLANS

These plans were granted under the authorisations given by the shareholders' extraordinary general meetings held on 26 August 1998 (plans 7, 8 and 9), 24 August 2000 (plans 10 and 11), 21 September 2001 (plans 11 and 12) and 7 September 2004 (plan 13).

Exercise start date	Plan no.	Term	Type (1)	Options granted	Exercice price in euros	Lapsed options	Options exercicsed at 31 March 2007	Options exercised during the year	Average exercise price	Outstanding options at 31 March 2008
28 April 1999	7	10 years	S	289,300	12.2	4,700	245,214	14,111	48.89	25,275
7 December 1999	8	10 years	S	499,100	16.36	3,400	425,037	27,680	47.38	42,983
30 May 2000	9	10 years	S	131,280	18.85	-	101,870	11,870	53.12	17,540
1 March 2003	10	8 years	S	1,016,600	27.1	34,000	622,210	127,600	50.21	232,790
8 March 2006	11	6 years	S	659,500	25.00	8,500	309,876	146,991	49.73	194,133
16 September 2007	12	6 years	P	287,000	27.67	27,000	-	70,295	49.52	189,705
24 December 2008	13	6 years	P	262,000	28.07	35,000	-	-	-	227,000
Total				**3,144,780**		**112,600**	**1,704,207**	**398,547**	**45.61**	**929,426**

(1) S = Subscription, P = Purchase.

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

10.3.2 BONUS SHARE ISSUES

Grant date	Plan no.	Vesting period	Minimum retention period	Original number of options granted	Share price on the grant date	Lapsed options	Options granted at the end of the vesting period	Outstanding options at 31 March 2008
11 October 2005	2005	2 years	2 years	96,500	36.89	8,500	88,000	-
12 October 2006	2006	2 years	2 years	97,000	40.41	2,500	n/a	94,500
20 November 2007	2007	2 years	2 years	91,100	50.47	-	n/a	91,100
Total				**284,600**		**11,000**	**88,000**	**185,600**

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

- 60% of the shares are granted on the condition that the beneficiary is still employed by the Group at the end of the vesting period;
- 40% of the shares are granted on the condition that the beneficiary is still employed by the Group at the end of the vesting period and that Group has achieved the performance criteria as measured at the end of the financial year preceding the end of the vesting period.

These three plans were granted under the authorisation given by the extraordinary general meeting of 28 July 2005.

The shares granted at the end of the vesting period for the 2005 plan resulted in the creation of 88,000 new shares as a deduction against reserves.

10.3.3 CALCULATION OF THE CHARGE FOR THE YEAR

In accordance with IFRS 2, plans 12 and 13 and the 2005, 2006 and 2007 plans are valued for accounting purposes.

The valuation assumptions and resulting values are as follows:

	Plan 12	Plan 13	Plan 2005 (2)	Plan2006 (2)	Plan2007 (2)
Volatility (1)	33%	28%	-	-	-
Dividend payout	3.6%	3.6%	-	-	-
Risk-free rate	4.2%	3.6%	-	-	
Staff turnover rate	2.4%	3.4%	8.8%	7.4%	5.0%
Value per option (€)	9.11	8.00	34.59	28.89	36.50

(1) Assumptions are based on historic data.

(2) The 2005, 2006 and 2007 plans are bonus share schemes. Their valuations are based on the share price on the grant date and on the estimated dividends to be paid during the rights vesting period, weighted according to the probability of meeting the final allocation criteria.

The charge is calculated as the value per stock option of the plans concerned multiplied by the estimated number of options that will be exercised, amortised on a straight-line basis over the rights vesting period (four years for plans 12 and 13 and two years for the 2005, 2006 and 2007 plans).

The charge amounted to €3.5 million for the year ended 31 March 2008 (2007: €3.3 million; 2006: €1.7 million).

10.4 DIVIDENDS

On 11 September 2007, Rémy Cointreau S.A. distributed a total dividend of €1.20 per share for the year ended 31 March 2007, i.e. €55.2 million in total, payable, at each shareholder's option, as follows:

- wholly in cash, i.e. €1.20 per share; or
- in shares in respect of 20% of the dividend, i.e. €0.24 per share, with the balance of the dividend, i.e. €0.96 per share, to be paid in cash.

As such, the part paid in cash totalled €48.1 million while the equivalent of €7.1 million was paid in shares, corresponding to the issue of 142,739 shares at €49.4 each.

The dividend that will be proposed to the shareholders' general meeting of 16 September 2008 for the year ended 31 March 2008 is €1.30 per share, amounting to a total of €60.5 million before taking into account treasury shares. It will also be proposed that shareholders' are given the option to elect for 50% of the dividend, i.e. €0.65 per share, to be paid in shares.

10.5 MINORITY INTERESTS

(€ millions)	2008	2007	2006
Minority interests in Mount Gay Distilleries	0.7	0.8	0.7
Other entities linked to Takirra Invest Corp	(2.5)	(2.4)	(3.9)
Total	**(1.8)**	**(1.6)**	**(3.2)**

10.6 CAPITAL MANAGEMENT AND FINANCIAL STRUCTURE

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

For several years now, the Group has resolutely pursued a debt-reduction policy in order to maximise funds available for brand development. As a result, it has sold non-core assets and adopted new performance indicators including return on capital employed (ROCE) and free cash flow for the various businesses. In the last three years, net borrowings have been trimmed from €839.8 million to €440.9 million, a reduction of almost 50%, while shareholders' equity have remained broadly unchanged (up from €885.5 million to €913.3 million). The net debt to equity ratio has fallen from 0.94 to 0.48 and return on capital employed has increased from 12.7% to 17.2%.

11. BORROWINGS

11.1 BREAKDOWN OF GROSS BORROWINGS

11.1.1 BREAKDOWN BY TYPE

(€ millions)	2008 Long term	2008 Short term	2008 Total	2007 Long term	2007 Short term	2007 Total	2006 Long term	2006 Short term	2006 Total
TSDI (debt securitisation fund units)	-	-	-	-	-	-	-	11.9	11.9
OCEANE	-	-	-	-	-	-	-	331.6	331.6
Bonds	191.0	1.9	192.9	372.9	2.6	375.5	375.5	2.0	377.5
Drawdowns on syndicated bank line	130.0	-	130.0	30.0	-	30.0	-	-	-
Drawdowns on unconfirmed credit lines	-	88.9	88.9	-	103.3	103.3	-	-	-
Other borrowings and overdrafts	-	0.4	0.4	-	1.8	1.8	-	1.4	1.4
Syndicated loan issue costs	(0.4)	(0.4)	(0.8)	(0.8)	(0.3)	(1.1)	(1.1)	(0.4)	(1.5)
Accrued interest not yet due	-	2.9	2.9	-	5.5	5.5	-	18.0	18.0
Total - Rémy Cointreau S.A.	**320.6**	**93.7**	**414.3**	**402.1**	**112.9**	**515.0**	**374.4**	**364.5**	**738.9**
Finance leases	0.1	0.1	0.2	-	0.1	0.1	-	0.1	0.1
Other borrowings and overdrafts	1.4	9.3	10.7	1.4	16.2	17.6	1.8	12.7	14.5
Accrued interest not yet due	-	0.0	0.0	-	0.1	0.1	-	0.6	0.6
Borrowings of special purpose entities	-	53.0	53.0	-	49.9	49.9	-	49.0	49.0
Total - subsidiaries	**1.5**	**62.4**	**63.9**	**1.4**	**66.3**	**67.7**	**1.8**	**62.4**	**64.2**
Gross borrowings	**322.1**	**156.1**	**478.2**	**403.5**	**179.2**	**582.7**	**376.2**	**426.9**	**803.1**

11.1.2 BREAKDOWN BY INTEREST RATE TYPE

(€ millions)	2008 Long term	2008 Short term	2008 Total	2007 Long term	2007 Short term	2007 Total	2006 Long term	2006 Short term	2006 Total
Fixed rate	191.0	1.9	192.9	372.9	2.6	375.5	375.5	333.6	709.1
Variable rate	131.1	151.3	282.4	30.6	171.0	201.6	0.7	74.7	75.4
Accrued interest not yet due	-	2.9	2.9	-	5.6	5.6	-	18.6	18.6
Gross borrowings	**322.1**	**156.1**	**478.2**	**403.5**	**179.2**	**582.7**	**376.2**	**426.9**	**803.1**

(€ millions)	2008 Long term	2008 Short term	2008 Total	2007 Long term	2007 Short term	2007 Total	2006 Long term	2006 Short term	2006 Total
TSDI	-	-	-	-	-	-	-	11.9	11.9
Drawdowns on syndicated bank line	130.0	-	130.0	30.0	-	30.0	-	-	-
Drawdowns on unconfirmed credit lines	-	88.9	88.9	-	103.3	103.3	-	-	-
Other	1.1	62.4	63.5	0.6	67.7	68.3	0.7	62.8	63.5
Total variable-rate borrowings	**131.1**	**151.3**	**282.4**	**30.6**	**171.0**	**201.6**	**0.7**	**74.7**	**75.4**

The drawdowns on the syndicated bank line and unconfirmed credit lines are hedged. Details of the interest rate hedging instruments held in the portfolio at the balance sheet date are provided in note 14.

11.1.3 BREAKDOWN BY CURRENCY

(€ millions)	2008 Long term	2008 Short term	2008 Total	2007 Long term	2007 Short term	2007 Total	2006 Long term	2006 Short term	2006 Total
Euro	322.1	150.2	472.3	403.5	166.9	570.4	376.2	420.7	796.9
US dollar	-	5.9	5.9	-	7.7	7.7	-	6.2	6.2
Hong Kong dollar	-	-	-	-	4.6	4.6	-	-	-
Gross borrowings	**322.1**	**156.1**	**478.2**	**403.5**	**179.2**	**582.7**	**376.2**	**426.9**	**803.1**

11.1.4 BREAKDOWN BY MATURITY (€ MILLIONS)

Before 31 March 2009	156.1
Before 31 March 2012	322.1
Total	**478.2**

At 31 March 2008, unconfirmed credit lines not drawn down totalled €370.0 million (2007: €470.0 million; 2006: €500.0 million).

11.2 NET BORROWINGS

(€ millions)	2008 Long term	2008 Short term	2008 Total	2007 Long term	2007 Short term	2007 Total	2006 Long term	2006 Short term	2006 Total
Gross borrowings	322.1	156.1	478.2	403.5	179.2	582.7	376.2	426.9	803.1
Cash and cash equivalents	-	(37.3)	(37.3)	-	(20.6)	(20.6)	-	(31.6)	(31.6)
Net borrowings	**322.1**	**118.8**	**440.9**	**403.5**	**158.6**	**562.1**	**376.2**	**395.3**	**771.5**

11.3 BONDS

At 31 March 2007, Rémy Cointreau's borrowings included three bond issues:

- a line with a par value of €175 million issued on 24 June 2003, bearing interest at 6.5% and repayable at par on 1st July 2010;
- a line with a par value of €200 million issued on 15 January 2005, bearing interest at 5.2% and repayable at par on 15 January 2012;
- a line with a par value of €6.3 million issued in connection with the CLS Rémy Cointreau employee savings plan (Plan d'Epargne Entreprise).

During the year ended 31 March 2008, the following transactions were recorded pertaining to the bonds with a par value of €175 million and €200 million:

- Pursuant to one of the clauses relating to the two borrowings, having not allocated the asset disposal proceeds for the year ended 31 March 2007 to transactions authorised in the 365 days following receipt of the disposal proceeds, Rémy Cointreau was required to offer the bondholders early redemption of their securities. The option, which ran from 10 May 2007 to 8 June 2007, resulted in the redemption of 17,115 bonds in the case of the €175 million line and 7,632 bonds in the case of the €200 million line. These bonds were redeemed at par (€1,000 for both borrowings), plus accrued interest.

- As announced on 1st June 2007, Rémy Cointreau made early redemption on 2 July 2007 of the €175 million bond. On the redemption date, 157,885 bonds with a par value of €1,000 each were outstanding and the early redemption premium, in accordance with the issue terms and conditions, amounted to €32.5 per bond, i.e. €5.1 million, recognised in net financial income and expenses (note **19.1**). The redemption amount thus totalled €163.0 million plus accrued interest of €5.1 million. This redemption was financed principally by further drawdowns on the syndicated bank line (note **11.4**).

- Lastly, pursuant to another clause relating to the €200 million bond restricting the capacity to pay a dividend in the event of a loss being made, Rémy Cointreau compensated the bondholders (the so-called "waiver") at a total cost of €2.5 million, recognised in net financial income and expenses (note **19.1**).

11.3.1 €200 MILLION BOND ISSUED ON 15 JANUARY 2005

- before 15 January 2008, in the event of a capital increase, whether for the general public or privately placed, redemption at 105.2% on a proportional basis of up to 35% of the total par value of the bonds issued,

- at any time before 15 January 2009, redemption at par plus a premium equal to the higher of the following two amounts:

- 1% of the principal amount redeemed,

- an amount equal to the difference between: (a) the present value on the redemption date at 102.6% plus interest calculated over the period from the redemption date to 15 January 2009, and (b) the principal amount of the bond. The discount rate used is the Bund interest rate on the redemption date plus 50 basis points,

- from 15 January 2009, under any circumstances, redemption of all or part of the bonds at 102.6% up to 15 January 2010 exclusive, at 101.3% from 15 January 2010 to 15 January 2011 exclusive and at par from 15 January 2011.

- the bond issue contract also entitles every bondholder to request redemption of the bonds held at 101% in the event of:

- the sale or transfer of all or a substantial part of Rémy Cointreau's assets,

- approval by the shareholders of a liquidation or voluntary winding up plan for the issuer, or

- Orpar and Recopart together holding less than one third of the voting rights in the issuer and another person or group obtaining more than one third of the voting rights in the issuer or Orpar and Recopart being unable to appoint the majority of the Board of Directors for two consecutives years,

- at any time at par, but in full, in the event of a material change in the tax regime applicable to payments made by the issuer on the bonds subsequent to the issue date.

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

11.3.2 OTHER BONDS

In connection with the CLS Rémy Cointreau employee savings plan, on 1 July 2003 Rémy Cointreau issued unlisted bonds with a 6% coupon. Total outstanding bonds from this issue, known as "PEE Centaure" (Centaure employee savings plan) were as follows:

	2008			2007			2006		
(€ millions)	Long term	Short term	Total	Long term	Short term	Total	Long term	Short term	Total
Centaure employee savings plan	-	2.3	2.3	2.3	4.0	6.3	6.3	3.4	9.7

11.4 SYNDICATED BANK LINE

At 31 March 2008, Rémy Cointreau had access to a €500 million syndicated loan entered into on 7 June 2005. The agreement provides for a revolving credit facility of €500 million, of which €466 million expires on 7 June 2012 and €34 million on 7 June 2010.

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

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

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

This facility is not subject to any security.

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

Period	Ratio A
From date of signing to 30/09/2006	Ratio A < 4.50
From 01/10/2006 to 30/09/2007	Ratio A < 4.00
From 01/10/2007 to 30/09/2008	Ratio A < 3.75
From 01/10/2008 to maturity	Ratio A < 3.50

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

At 31 March 2008, ratio A stood at 2.54 (2007: 3.28; 2006: 3.91).

11.5 ACCRUED INTEREST NOT YET DUE

(€ millions)	2008	2007	2006
Interest on the TSDI (debt securitisation fund units)	-	-	1.8
Interest on the OCEANEs	-	-	10.4
Interest on bonds	2.2	5.3	5.6
Other	0.7	0.3	0.8
Total accrued interest not yet due	**2.9**	**5.6**	**18.6**

11.6 LIQUIDITY RISK

At 31 March 2008, Rémy Cointreau had access to confirmed funding totalling €760.7 million with the following maturities:

(€ millions)	Bonds	Syndicated bank line	Resources Special purpose entities	Total
30 June 2008	2.3	-	60.0	62.3
7 June 2010	-	34.0	-	34.0
7 June 2012	-	466.0	-	466.0
15 January 2012	192.4	-	-	192.4
31 December 2012	-	-	6.0	6.0
Total	**194.7**	**500.0**	**66.0**	**760.7**
Utilised at 31 March 2008	194.7	130.0	53.0	377.7

12. PROVISIONS FOR RISKS AND CHARGES

12.1 CHANGE IN PROVISIONS FOR RISKS AND CHARGES

(€ millions)	Maxxium indemnity	Restructuring	Early retirement plan	Other	Total
At 31 March 2006	**-**	**25.7**	**3.2**	**31.5**	**60.4**
Charge for the year	241.0	-	-	17.4	258.4
Discounting	-	0.3	-	-	0.3
Utilisations	-	(6.8)	(1.3)	(10.6)	(18.7)
Write-backs of provisions no longer required	-	(1.9)	-	(10.9)	(12.8)
Reclassified in “Assets slated for sale”	-	(1.9)	-	-	(1.9)
Other reclassifications	-	1.5	-	2.8	4.3
Changes in consolidation scope	-	-	-	(0.3)	(0.3)
Translation differences	(0.1)	-	-	(0.1)	(0.2)
At 31 March 2007	**240.9**	**16.9**	**1.9**	**29.8**	**289.5**
Charge for the year	-	1.7	0.2	0.9	2.8
Discounting	9.2	0.4	-	-	9.6
Utilisations	-	(8.1)	(0.7)	(12.7)	(21.5)
Write-backs of provisions no longer required	-	-	(0.4)	(4.2)	(4.6)
Other reclassifications	0.3	-	-	(0.6)	(0.3)
Translation differences	-	-	-	(0.2)	(0.2)
At 31 March 2008	**250.4**	**10.9**	**1.0**	**13.0**	**275.3**

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

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

12.2 MATURITY

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

(€ millions)	2008	2007	2006
Long-term provisions (or unknown maturity)	7.5	256.2	26.3
Short-term provisions	267.8	33.3	34.1
Total	**275.3**	**289.5**	**60.4**

The provision for the Maxxium indemnity, being €250.4 million, was reclassified as a short-term provision (note **5.1.2**).

13. TRADE AND OTHER PAYABLES

(€ millions)	2008	2007	2006
Trade payables – brandy suppliers	85.8	77.3	69.3
Other trade payables	110.9	109.1	109.4
Customer advances	1.0	0.2	0.2
Tax and social security liabilities (other than corporation tax)	35.1	42.4	35.7
Excise duties payable	0.5	0.2	1.1
Advertising charges payable	32.5	32.8	29.8
Miscellaneous deferred income	0.5	0.5	4.9
Other liabilities	41.1	47.9	50.1
Total	**307.4**	**310.4**	**300.4**

14. FINANCIAL INSTRUMENTS AND MARKET RISK

14.1 BREAKDOWN OF FINANCIAL INSTRUMENTS BY CATEGORY

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

At 31 March 2008 (€ millions)	Notes	Balance sheet value	Loans and receivables/ liabilities at amortised cost	Fair value through profit or loss	Available for sale	Hedging instruments	Non financial instruments (1)
Other financial assets	6	54.1	46.0	2.7	5.4	-	-
Trade and other receivables	8	238.3	196.9	-	-	-	41.4
Derivative financial instruments	14	26.1	-	-	-	26.1	-
Cash and cash equivalents	9	37.3	-	37.3	-	-	-
Assets		**355.8**	**242.9**	**40.0**	**5.4**	**26.1**	**41.4**
Long-term borrowings	11	322.1	322.1	-	-	-	-
Short-term borrowings and accrued interest	11	156.1	156.1	-	-	-	-
Trade and other payables	13	307.4	296.0	-	-	-	11.4
Derivative financial instruments	14	0.1	-	-	-	0.1	-
Liabilities		**785.7**	**774.2**	**0.0**	**0.0**	**0.1**	**11.4**

(1) Within assets, tax and social security receivables, sundry prepayments and advances and amounts paid on account have not been included above as they do not constitute financial instruments as defined in IAS 39. The same applies to liabilities for deferred income and provisions for foreign exchange losses.

At 31 March 2007 (€ millions)	Notes	Balance sheet value	Loans and receivables/ liabilities at amortised cost	Fair value through profit or loss	Available for sale	Hedging instruments	Non financial instruments [1]
Other financial assets	6	97.5	44.0	48.2	5.3	-	-
Trade and other receivables	8	245.6	205.7	-	-	-	39.9
Derivative financial instruments	14	11.1	-	-	-	11.1	-
Cash and cash equivalents	9	20.6	-	20.6	-	-	-
Assets		**374.8**	**249.7**	**68.8**	**5.3**	**11.1**	**39.9**
Long-term borrowings	11	403.5	403.5	-	-	-	-
Short-term borrowings and accrued interest	11	179.2	179.2	-	-	-	-
Trade and other payables	13	310.4	300.8	-	-	-	9.6
Derivative financial instruments	14	0.1	-	-	-	0.1	-
Liabilities		**893.2**	**883.5**	**0.0**	**0.0**	**0.1**	**9.6**

(1) Within assets, tax and social security receivables, sundry prepayments and advances and amounts paid on account have not been included above as they do not constitute financial instruments as defined in IAS 39. The same applies to liabilities for deferred income and provisions for foreign exchange losses.

At 31 March 2006 (€ millions)	Notes	Balance sheet value	Loans and receivables/ liabilities at amortised cost	Fair value through profit or loss	Available for sale	Hedging instruments	Non financial instruments [1]
Other financial assets	6	70.7	2.6	62.8	5.3	-	-
Trade and other receivables	8	243.1	210.6	-	-	-	32.5
Derivative financial instruments	14	6.9	-	-	-	6.9	-
Cash and cash equivalents	9	31.6	-	31.6	-	-	-
Assets		**352.3**	**213.2**	**94.4**	**5.3**	**6.9**	**32.5**
Long-term borrowings	11	376.2	376.2	-	-	-	-
Short-term borrowings and accrued interest	11	426.9	426.9	-	-	-	-
Trade and other payables	13	300.4	284.6	-	-	-	15.8
Derivative financial instruments	14	1.9	-	-	-	1.9	-
Liabilities		**1 105.4**	**1 087.7**	**0.0**	**0.0**	**1.9**	**15.8**

(1) Within assets, tax and social security receivables, sundry prepayments and advances and amounts paid on account have not been included above as they do not constitute financial instruments as defined in IAS 39. The same applies to liabilities for deferred income and provisions for foreign exchange losses.

14.2 MARKET RISK MANAGEMENT POLICY

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

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

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

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

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

14.3 BREAKDOWN OF FINANCIAL INSTRUMENTS (ON INTEREST RATES AND EXCHANGE RATES)

(€ millions)	2008	2007	2006
Assets			
Interest rate derivatives	1.7	3.4	2.9
Exchange rate derivatives	24.4	7.7	4.0
Total	**26.1**	**11.1**	**6.9**
Liabilities			
Interest rate derivatives	-	-	0.6
Exchange rate derivatives	0.1	0.1	1.3
Total	**0.1**	**0.1**	**1.9**

14.4 INTEREST RATE DERIVATIVES

The Group manages the risk of an increase in interest rates on its variable-rate financial resources (note **11.1.2**), which are generally based on EURIBOR (1 month or 3 month), using only options (caps).

(€ millions)	2008	2007	2006
Assets			
Purchases of caps	1.6	3.4	2.9
Purchases of floors	0.1	0.0	-
Total	**1.7**	**3.4**	**2.9**
Liabilities			
Interest rate swaps relating to the TSDI	-	-	0.6
Total	-	-	**0.6**

At 31 March 2008, the following interest rate derivatives were held in the portfolio:

March 2008 (€ millions)	Nominal value	Initial value	Market value
Purchases of caps			
Maturing in March 2009	250.0	0.8	1.2
Maturing in March 2010	200.0	0.5	0.3
Maturing in March 2011	50.0	0.1	0.1
Sub-total	**500.0**	**1.4**	**1.6**
Purchases of floors			
Maturing in September 2008	50.0	0.2	-
Maturing in December 2008	100.0	0.2	0.1
Sub-total	**150.0**	**0.4**	**0.1**
Total	-	**1.8**	**1.7**

SENSITIVITY TO INTEREST RATE RISK

Given the financing in place and existing hedges at 31 March 2008, a 100bp increase or decrease in interest rates would have the following impact:

	3-month EURIBOR (1)	
	+100bp 5.727%	-100bp 3.727%
Net profit	(0.1)	1.6
Equity excluding net profit	1.8	(0.7)
Market value of financial instruments	2.7	(1.0)

(1) The reference value for 3-month EURIBOR at 31 March 2008 is 4.727%

14.5 EXCHANGE RATE DERIVATIVES

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

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

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

March 2008 (€ millions)	Nominal value (1)	of which, CFH (2)	Initial value	Market value
Put options and tunnel options				
USD/EUR	239.0	239.0	3.4	15.3
AUD/EUR	12.0	12.0	0.2	0.5
CAD/EUR	11.0	11.0	0.1	0.7
GBP/EUR	20.5	20.5	0.6	2.9
JPY/EUR	2,100.0	2,100.0	0.3	0.2
Total options			**4.6**	**19.6**
Forward sales and synthetic tunnels				
USD/EUR	50.0	50.0	0.7	4.3
CAD/EUR	4.0	4.0	-	0.3
NZD/EUR	4.0	4.0	-	0.1
Total forward sales			**0.7**	**4.7**
Total			**5.3**	**24.3**

(1) expressed in millions of currency units.

(2) CFH = cash flow hedges within the meaning defined in IAS 39.

Revaluation of this portfolio increased equity by €22.5 million and decreased net financial income by €3.6 million.

March 2008 (€ millions)	Nominal value in millions of currency units	Nominal value in millions of euros
(Sale) purchase of short-term currency swaps on commercial cash flows		
USD/EUR	(74.6)	(47.2)
AUD/EUR	0.4	0.2
CAD/EUR	(0.8)	(0.5)
JPY/EUR	(828.5)	(5.3)
GBP/EUR	(0.9)	(1.1)
NZD/EUR	(1.4)	(0.7)
HKD/USD	224.4	28.8
Total		**(25.7)**
Purchase (sale) of currency swaps on financing activities		
HKD/EUR	30.2	2.5
AUD/EUR	2.4	1.4
USD/EUR	(96.0)	(60.7)
Total		**(56.9)**

SENSITIVITY TO FOREIGN EXCHANGE RISK

Given the hedges in place at 31 March 2008, a 10% increase or decrease in the €/USD exchange rate would have the following impact:

	€/USD exchange rate (1)	
	+10%	**-10%**
	1.74	**1.42**
Net profit	(3.1)	17.1
Equity excluding net profit	2.8	(0.6)
Market value of financial instruments	15.3	(14.4)

(1) The reference value of the €/USD exchange rate at 31 March 2008 is 1.58.

14.6 OTHER DERIVATIVES

Other derivatives held in the portfolio at 31 March 2007 comprised call options on 224,497 Rémy Cointreau shares that, in accordance with IAS 39, are not recorded on the balance sheet.

14.7 LIQUIDITY RISK

The following table shows the contractual maturity profile of disbursements relating to financial liabilities recognised as at 31 March 2008.

(€ millions)	Prior to 03/31/09	Prior to 03/31/10	Prior to 03/31/11	Prior to 03/31/12	Total
Long-term borrowings	-	0.7	(0.5)	321.9	322.1
Short-term borrowings and accrued interest	156.1	-	-	-	156.1
Trade and other payables	296.0	-	-	-	296.0
Financial derivatives	0.1	-	-	-	0.1
Liabilities recognised at 31 March 2008	**452.2**	**0.7**	**(0.5)**	**321.9**	**774.3**
Future interest on bonds and syndicated bank line	13.6	16.1	16.1	8.5	54.3
Total disbursements	**465.8**	**16.8**	**15.6**	**330.4**	**828.6**

15. SEGMENT REPORTING

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

15.1 ACTIVITIES

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

Cognac	Rémy Martin
Liqueurs and spirits	Cointreau, Passoa, Metaxa, Saint Rémy, Mount Gay
Champagne	Piper-Heidsieck, Charles Heidsieck
Partner brands	Non-Group brands and, by extension, those not fully produced by the Group, which are marketed through the Group's own distribution network; mainly Edrington group scotches, Russian Standard and Imperia vodkas and a portfolio of wines in the United States.

15.1.1 BREAKDOWN OF REVENUE AND OPERATING PROFIT ON ORDINARY ACTIVITIES

(€ millions)		Revenue			Operating profit on ordinary activities	
	2008	2007	2006	2008	2007	2006
Cognac	362.3	347.6	322.5	93.5	87.2	75.9
Liqueurs and Spirits	211.7	209.3	212.4	53.2	55.3	49.9
Champagne	142.4	126.0	122.2	12.4	10.1	9.6
Partner brands	101.4	103.0	123.5	0.5	1.2	4.1
Total	**817.8**	**785.9**	**780.6**	**159.6**	**153.8**	**139.5**

There are no intra-segment sales.

15.1.2 BREAKDOWN OF THE BALANCE SHEET

At 31 March 2008 (€ millions)	Cognac	Liqueurs and Spirits	Champagne	Partner brands	Not analysed	Total
Non-current assets	316.3	279.6	200.4	10.7	188.4	995.4
Current assets	659.1	74.2	271.4	69.0	27.7	1,101.4
Derivative financial instruments	-	-	-	-	26.1	26.1
Assets slated for sale	-	-	-	-	2.5	2.5
Cash and cash equivalents	-	-	-	-	37.3	37.3
Total assets	**975.4**	**353.8**	**471.8**	**79.7**	**282.0**	**2,162.7**
Equity	-	-	-	-	911.5	911.5
Borrowings and accrued interest	-	-	-	-	478.2	478.2
Provisions for risks and charges	17.2	7.2	7.2	0.5	263.5	295.6
Deferred and current tax liabilities	-	-	-	-	169.9	169.9
Trade and other payables	164.1	45.3	70.4	18.3	9.3	307.4
Derivative financial instruments	-	-	-	-	0.1	0.1
Total liabilities and equity	**181.3**	**52.5**	**77.6**	**18.8**	**1,832.5**	**2,162.7**
Brands and other intangible assets not included in the base for the calculation of "return on capital employed" (ROCE)	236.3	245.2	128.8	9.9	-	620.2
Base for the calculation of ROCE	**557.8**	**56.1**	**265.4**	**51.0**	**-**	**930.3**

At 31 March 2007 (€ millions)	Cognac	Liqueurs and spirits	Champagne	Partner brands	Not analysed	Total
Non-current assets	306.1	287.7	195.2	11.0	237.7	1,037.7
Current assets	634.3	99.1	265.5	67.5	51.7	1,118.1
Derivative financial instruments	-	-	-	-	11.1	11.1
Assets slated for sale	-	-	-	-	17.4	17.4
Cash and cash equivalents	-	-	-	-	20.6	20.6
Total assets	**940.4**	**386.8**	**460.7**	**78.5**	**338.5**	**2,204.9**
Equity	-	-	-	-	852.5	852.5
Borrowings and accrued interest	-	-	-	-	582.7	582.7
Provisions for risks and charges	18.8	11.8	13.2	1.1	266.8	311.7
Deferred and current tax liabilities	-	-	-	-	147.5	147.5
Trade and other payables	131.9	61.0	82.3	18.6	16.6	310.4
Derivative financial instruments	-	-	-	-	0.1	0.1
Total liabilities and equity	**150.7**	**72.8**	**95.5**	**19.7**	**1,866.2**	**2,204.9**
Brands and other intangible assets not included in the base for the calculation of "return on capital employed" (ROCE)	236.3	246.7	128.8	10.4	-	622.2
Base for the calculation of ROCE	**553.4**	**67.3**	**236.4**	**48.4**	**-**	**905.5**

At 31 March 2006 (€ millions)	Cognac	Liqueurs and spirits	Champagne	Partner brands	Not analysed [(1)]	Total
Non-current assets	296.2	295.6	217.0	0.5	207.4	1,016.7
Current assets	635.9	115.0	252.8	68.3	34.5	1,106.5
Derivative financial instruments	-	-	-	-	6.9	6.9
Assets slated for sale	-	-	-	-	204.0	204.0
Cash and cash equivalents	-	-	-	-	31.6	31.6
Total assets	**932.1**	**410.6**	**469.8**	**68.8**	**484.4**	**2,365.7**
Equity	-	-	-	-	915.5	915.5
Borrowings and accrued interest	-	-	-	-	803.1	803.1
Provisions for risks and charges	24.9	17.7	8.5	1.7	32.1	84.9
Deferred and current tax liabilities	-	-	-	-	194.4	194.4
Trade and other payables	136.0	63.2	58.0	19.0	24.2	300.4
Derivative financial instruments	-	-	-	-	1.9	1.9
Liabilities directly related to assets slated for sale					65.5	65.5
Total liabilities and equity	**160.9**	**80.9**	**66.5**	**20.7**	**2,036.7**	**2,365.7**
Brands and other intangible assets not included in the base for the calculation of "return on capital employed" (ROCE)	236.3	247.7	128.8	10.7	-	623.5
Base for the calculation of ROCE	**534.9**	**82.0**	**274.5**	**37.4**	-	**928.8**

(1) Also includes the line-by-line impact of entities sold during the year ended 31 March 2007 (Bols Hungary).

15.1.3 RETURN ON CAPITAL EMPLOYED (ROCE)

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

- Operating profit on ordinary activities by activity (note **15.1.1**)
- Breakdown of the balance sheet by activity excluding certain intangible assets (note **15.1.2**)

Operating profit on ordinary activities and capital employed are determined by business segment based on management accounts. Profits and capital employed for the distribution business and holding company are allocated pro rata to actual revenue and inventories.

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

At 31 March 2008 (€ millions)	Capital employed	Operating profit on ordinary activities	%
Cognac	557.8	93.5	16.8
Liqueurs and Spirits	56.1	53.2	94.8
Champagne	265.4	12.4	4.7
Partner brands	51.0	0.5	1.0
Total	**930.3**	**159.6**	**17.2**

At 31 March 2007 (€ millions)	Capital employed	Operating profit on ordinary activities	%
Cognac	553.4	87.2	15.8
Liqueurs and Spirits	67.3	55.3	82.2
Champagne	236.4	10.1	4.3
Partner brands	48.4	1.2	2.5
Total	**905.5**	**153.8**	**17.0**

At 31 March 2006 (€ millions)	Capital employed	Operating profit on ordinary activities	%
Cognac	534.9	75.9	14.2
Liqueurs and Spirits	82.0	49.9	60.9
Champagne	274.5	9.6	3.5
Partner brands	37.4	4.1	11.0
Total	**928.8**	**139.5**	**15.0**

15.1.4 CAPITAL EXPENDITURE AND DEPRECIATION AND AMORTISATION CHARGES

(€ millions)	Capex on property, plant and equipment and intangible assets			Depreciation and amortisation of property plant and equipment and intangible assets		
	2008	2007	2006	2008	2007	2006
Cognac	14.0	14.8	11.0	6.6	5.9	5.2
Liqueurs and spirits	4.8	5.8	6.5	4.2	4.3	4.8
Champagne	8.2	4.7	2.5	2.5	2.8	4.1
Partner brands	0.3	0.5	0.7	0.3	0.2	0.2
Total	**27.3**	**25.8**	**20.7**	**13.6**	**13.2**	**14.3**

15.2 GEOGRAPHIC REGIONS

15.2.1 BREAKDOWN OF REVENUE

Revenue (€ millions)	2008	2007	2006
Europe	303.3	274.4	281.4
Americas	350.6	370.4	374.3
Asia and rest of the world	163.9	141.1	124.9
Total	**817.8**	**785.9**	**780.6**

Revenue is analysed according to the destination region of the goods sold.

15.2.2 BREAKDOWN OF THE BALANCE SHEET

Balance sheet information is broken down according to the geographic location of the Group entities.

At 31 March 2008 (€ millions)	Europe	Americas	Asia and rest of the world	Not analysed	Total
Non-current assets	927.1	22.3	46.0	-	995.4
Current assets	938.9	135.0	27.5	-	1,101.4
Derivative financial instruments	-	-	-	26.1	26.1
Assets slated for sale	2.5	-	-	-	2.5
Cash and cash equivalents	-	-	-	37.3	37.3
Total assets	**1,868.5**	**157.3**	**73.5**	**63.4**	**2,162.7**
Equity	-	-	-	911.5	911.5
Borrowings and accrued interest	-	-	-	478.2	478.2
Provisions for risks and charges	293.3	2.1	0.2	-	295.6
Deferred and current tax liabilities	167.7	0.5	1.7	-	169.9
Trade and other payables	271.0	28.1	8.3	-	307.4
Derivative financial instruments	-	-	-	0.1	0.1
Total liabilities and equity	**732.0**	**30.7**	**10.2**	**1,389.8**	**2,162.7**

At 31 March 2007 (€ millions)	Europe	Americas	Asia and rest of the world	Not analysed	Total
Non-current assets	965.5	25.2	47.0	-	1,037.7
Current assets	939.4	145.9	32.8	-	1,118.1
Derivative financial instruments	-	-	-	11.1	11.1
Assets slated for sale	17.4	-	-	-	17.4
Cash and cash equivalents	-	-	-	20.6	20.6
Total assets	**1,922.3**	**171.1**	**79.8**	**31.7**	**2,204.9**
Equity	-	-	-	852.5	852.5
Borrowings and accrued interest	-	-	-	582.7	582.7
Provisions for risks and charges	309.4	2.1	0.2	-	311.7
Deferred and current tax liabilities	146.3	1.0	0.2	-	147.5
Trade and other payables	270.3	33.6	6.5	-	310.4
Derivative financial instruments	-	-	-	0.1	0.1
Total liabilities and equity	**726.0**	**36.7**	**6.9**	**1,435.3**	**2,204.9**

At 31 March 2006 (€ millions)	Europe	Americas	Asia and rest of the world	Not analysed	Total
Non-current assets	945.3	26.4	45.0	-	1,016.7
Current assets	968.1	138.4	-	-	1,106.5
Derivative financial instruments	-	-	-	6.9	6.9
Assets slated for sale	204.0	-	-	-	204.0
Cash and cash equivalents	-	-	-	31.6	31.6
Total assets	**2,117.4**	**164.8**	**45.0**	**38.5**	**2,365.7**
Equity	-	-	-	915.5	915.5
Borrowings and accrued interest	-	-	-	803.1	803.1
Provisions for risks and charges	83.1	1.8	-	-	84.9
Deferred and current tax liabilities	193.5	0.7	0.2	-	194.4
Trade and other payables	264.6	35.3	0.5	-	300.4
Derivative financial instruments	-	-	-	1.9	1.9
Liabilities directly related to assets slated for sale	65.5	-	-	-	65.5
Total liabilities and equity	**606.7**	**37.8**	**0.7**	**1,720.5**	**2,365.7**

15.2.3 CAPITAL EXPENDITURE

(€ millions)	Capex on property, plant and equipment and intangible assets		
	2008	2007	2006
Europe	25.4	23.1	15.5
Americas	1.4	2.5	5.2
Asia and rest of the world	0.5	0.2	-
Total	**27.3**	**25.8**	**20.7**

16. ANALYSIS OF OPERATING EXPENSES BY TYPE

(€ millions)	2008	2007	2006
Personnel costs	(104.8)	(105.7)	(105.1)
Advertising and promotion expenses	(140.2)	(129.6)	(130.2)
Depreciation, amortisation and impairment of non-current assets	(13.6)	(13.2)	(14.3)
Other costs	(93.9)	(85.5)	(78.4)
Costs allocated to inventories and production cost	58.9	60.4	57.1
Total	**(293.6)**	**(273.6)**	**(270.9)**
of which:			
Distribution costs	(210.6)	(192.5)	(190.7)
Administrative expenses	(83.0)	(81.1)	(80.2)
Total	**(293.6)**	**(273.6)**	**(270.9)**

Distribution costs comprise marketing and advertising expenses, commissions payable and receivable, brand royalties, ordinary allowances for inventories and trade receivables and the overheads of the Group distribution companies.

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

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

Personnel costs consist of the following:

(€ millions)	2008	2007	2006
Wages, salaries and social security	(96.5)	(98.7)	(99.6)
Pensions and other retirement benefits	(3.0)	(2.4)	(1.5)
Employee profit sharing	(1.8)	(1.3)	(2.3)
Stock options and similar expenses	(3.5)	(3.3)	(1.7)
Total	**(104.8)**	**(105.7)**	**(105.1)**

17. NUMBER OF EMPLOYEES

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

(full-time equivalent)	2008	2007	2006
France	840	860	928
Europe (excluding France)	41	38	102
Americas	327	304	312
Asia and rest of the world	38	17	4
Total	**1,246**	**1,219**	**1,346**
of which, activities sold in:			
Hungary	-	-	57
Total	-	-	57

18. OTHER OPERATING INCOME AND EXPENSES

(€ millions)	2008	2007	2006
Maxxium indemnity (and related charges)	(0.4)	(241.6)	-
Site restructuring, closure and transfer plans	(0.9)	1.8	(18.2)
Additional tax assessments (other than corporation tax)	0.7	(3.6)	-
Total	**(0.6)**	**(243.4)**	**(18.2)**

The procedures for determining the amount of the Maxxium indemnity are set out in note **5.1.2**.

The amount recognised in 2006 in “Site restructuring, closure and transfer plans” corresponds mainly to a reorganisation plan for the main Group subsidiary, CLS Rémy Cointreau, which was presented to staff representatives on 22 March 2006. This plan impacts 147 staff and provides for early retirement and voluntary redundancy payments and assistance. The provision was subsequently adjusted as at 31 March 2007 and 31 March 2008.

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

19. NET FINANCIAL EXPENSES

19.1 NET FINANCE COSTS BY TYPE OF FINANCING

(€ millions)	2008	2007	2006
TSDI	-	(0.2)	(1.4)
OCEANE bonds	-	0.1	(26.0)
Bonds	(14.3)	(23.4)	(23.7)
Syndicated loan and unconfirmed lines	(13.0)	(8.4)	(6.4)
Finance costs of special purpose entities	(6.4)	(5.8)	(5.1)
Early redemption premium and accelerated amortisation of issues costs on the 6.5% bond (note **11.3**)	(8.0)	-	-
"Waiver" on the 5.2% bond (note **11.3**)	(2.5)	-	-
Other finance costs	(0.2)	0.1	(0.4)
Impact of interest rate hedges, excluding TSDI	3.9	0.4	(1.1)
Total	**(40.5)**	**(37.2)**	**(64.1)**

Borrowings are described in note **11**.

Given that net borrowings averaged €541.2 million for the year ended 31 March 2008, the average interest rate is 5.54% when excluding costs relating to the "waiver" (note **11.3**) and early redemption of the €175 million bond (note **11.3**) (2007: €619.9 million and 5.99%; 2006: €798.6 million and 8.00%).

The impact of interest rate hedges is as follows:

(€ millions)	2008	2007	2006
Interest received on caps	3.9	1.5	-
Interest received (paid) on FRAs	-	0.1	(0.6)
Ineffective portion of interest rate hedges	-	(1.2)	(0.5)
Impact of interest rate hedges	**3.9**	**0.4**	**(1.1)**

19.2 OTHER FINANCIAL INCOME AND EXPENSES

(€ millions)	2008	2007	2006
Profit on sale of CEDC shares	4.2	1.8	-
Change in fair value of CEDC shares	-	(6.0)	0.2
Discounting charge on provisions	(9.6)	(0.5)	-
Interest on seller's loan	1.8	1.7	-
Currency (losses) and gains	(1.6)	1.5	(0.8)
Other financial income and expenses	(0.1)	1.4	1.5
Other financial income and expenses	**(5.3)**	**(0.1)**	**0.9**

The change in fair value of CEDC shares corresponds to the change in value of the shares received on the sale of Bols Sp.z.o.o and the change in value of put options related to this transaction.

The profit on sale of CEDC shares corresponds to the gain realised on the sale of 433,746 CEDC shares between December 2006 and March 2007 for the year ended 1st March 2007 and to the gain realised on the sale of the remaining 2,103,383 CEDC shares between 1st April and 25 May for the year ended 31 March 2008 (note **6**).

For the year ended 31 March 2008, €9.2 million of the discounting charge on provisions corresponds to the impact on the provision for the Maxxium indemnity recognised as at 31 March 2007 (note **12**).

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

(€ millions)	2008	2007	2006
Ineffective portion of currency hedges	(3.6)	(2.3)	(3.2)
Other	2.0	3.8	2.4
Currency (losses) and gains	**(1.6)**	**1.5**	**(0.8)**

20. CORPORATION TAX

20.1 NET CORPORATION TAX CHARGE

(€ millions)	2008	2007	2006
Current tax (expense) income	(1.5)	(7.2)	(42.6)
Deferred tax (expense) income	(27.4)	57.3	29.3
Corporation tax	(28.9)	50.1	(13.3)
Effective tax rate	-25.5%	n/a	-22.9%

20.2 TAX REGIME

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

20.3 ANALYSIS AND SOURCES OF DEFERRED TAX

(€ millions)	2008	2007	2006
Breakdown by type			
Retirement provisions	5.8	6.4	6.9
Regulated provisions	(9.3)	(7.9)	(22.1)
Other provisions	6.2	6.1	13.8
Brands	(167.6)	(165.4)	(167.6)
Non-current assets	(14.6)	(16.2)	(17.0)
Inventory margins	9.4	9.9	8.7
OCEANE redemption premium	-	-	11.8
Losses carried forward	36.9	63.8	-
Other timing differences	(15.8)	(19.5)	7.0
Net deferred tax asset (liability)	**(149.0)**	**(122.8)**	**(158.5)**
Breakdown by tax group			
France tax group	(100.6)	(79.8)	(134.4)
US tax group	1.5	1.0	-
Netherlands tax group	(55.8)	(55.4)	(33.9)
Other	5.9	11.4	9.8
Net deferred tax asset (liability)	**(149.0)**	**(122.8)**	**(158.5)**
Deferred tax asset	14.0	13.0	12.3
Deferred tax liability	(163.0)	(135.8)	(170.8)
Net deferred tax asset (liability)	**(149.0)**	**(122.8)**	**(158.5)**

20.4 TAX LOSSES AND CAPITAL LOSSES CARRIED FORWARD

At 31 March 2008, the tax losses carried forward totalled €114.1 million, including €107.2 million on the French tax consolidation due to the Maxxium indemnity recognised as at 31 March 2007. The potential tax saving arising from the use of these losses is €38.1 million (2007: €64.8 million), including €36.9 million for the French tax consolidation.

20.5 TAX RECONCILIATION

In 2008, the corporation tax charge amounted to €28.9 million. The difference between the actual charge and the theoretical tax charge based on the French statutory rate of 34.4% is analysed as follows:

(€ millions)	2008	2007	2006
Theoretical tax charge	(39.0)	43.7	(20.0)
Actual tax charge	(28.9)	50.1	(13.3)
Difference	**10.1**	**6.4**	**6.7**
Permanent differences between consolidated profit and taxable profit	(2.1)	(4.6)	(1.4)
Impact of TSDI	-	-	22.1
Use of tax losses or timing differences not previously capitalised	0.9	1.5	0.8
Tax losses of subsidiaries not capitalised	-	-	(0.2)
Difference in tax rates applicable to foreign subsidiaries	6.8	5.0	(0.2)
Adjustment to the tax charge for prior years	4.5	4.5	(14.4)
Total	**10.1**	**6.4**	**6.7**

21. NET PROFIT FROM DISCONTINUED OPERATIONS

(€ millions)	2008	2007	2006
Polish activities			
Net profit for the year (before tax)	-	-	0.6
Corporation tax charge for the year	-	-	(0.1)
Gain (loss) on sale (before tax)	-	-	(0.8)
Tax effect	-	-	17.6
Italian liqueurs and Dutch liqueurs and spirits			
Net profit for the year (before tax)	-	-	7.2
Corporation tax charge for the year	-	-	(0.6)
Profit (loss) on sale (before tax)	2.7	9.3	(7.2)
Tax effect	1.8	24.3	2.2
Cognac de Luze			
Net profit for the year (before tax)	-	0.2	(0.4)
Corporation tax charge for the year	-	(0.1)	0.1
Gain (loss) on sale (before tax)	-	6.1	-
Tax effect	-	(0.4)	-
Bols Hungary			
Net profit for the year (before tax)	-	-	2.4
Corporation tax charge for the year	-	-	(0.4)
Gain (loss) on sale (before tax)	-	8.7	-
Tax effect	0.1	(1.6)	-
Armagnac Activity			
Gain (loss) on sale (before tax)	(0.2)	-	
Provision for impairment of assets sold	-	(1.9)	-
Tax effect	0.2	0.6	-
Total	**4.6**	**45.2**	**20.6**

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

22. RETIREMENT PROVISIONS

22.1 DEFINED BENEFIT PENSION PLAN COMMITMENTS

(€ millions)	2008	2007	2006
Actuarial liability brought forward	(27.8)	(28.1)	(134.6)
Normal expense	(1.2)	(1.2)	(1.9)
Interest on actuarial liability	(1.1)	(0.9)	(5.9)
Changes to pension benefits	-	-	0.7
Reductions in pension benefits	-	1.1	-
Pensions paid	0.5	0.6	6.5
Actuarial gains and (losses)	3.1	0.9	(5.4)
Cost of past services	(0.3)	(1.0)	1.5
Closure of pension scheme (1)	-	1.0	110.2
Other (including transfers)	-	(0.2)	0.6
Translation differences	0.4	-	-
Actuarial liability carried forward (2)	(26.4)	(27.8)	(28.3)
Value of dedicated assets brought forward	5.2	4.5	106.4
Yield	0.3	0.3	6.3
Contributions received	0.5	0.5	3.3
Changes to pension benefits	-	-	-
Reductions in pension benefits	-	-	-
Pensions paid	-	(0.4)	(5.9)
Actuarial gains and (losses)	-	0.3	5.9
Closure of pension scheme (1)	-	-	(111.2)
Other (including transfers)	0.1	-	-
Translation differences	(0.4)	-	-
Value of dedicated assets carried forward	5.7	5.2	4.8
Dedicated assets for the liability	(20.8)	(22.6)	(23.5)
Cost of past services not recognised (income) / expense	0.8	0.9	(0.4)
Other	-	-	-
Retirement obligations	(20.0)	(21.7)	(23.9)
Liabilities	(20.3)	(22.2)	(24.5)
Assets	0.3	0.5	0.6

(1) At 31 March 2006, the Group transferred the pension commitments of Bols in the Netherlands to an insurance firm. The balance on the transfer amounted to €10.5 million. The previous provisions were written back.

(2) Of the total actuarial liability of €26.4 million, €19.7 million is not funded and €6.7 million is partially funded.

22.2 CHARGE FOR THE YEAR

(€ millions)	2008	2007	2006
Normal expense	1.3	1.2	2.1
Interest on actuarial liability	1.1	0.9	5.7
Expected return on plan assets	(0.3)	(0.3)	(6.3)
Depreciation of other items not recognised	0.3	0.2	0.3
Impact of reductions in benefits	-	(2.4)	(1.3)
Expense for the year	2.4	(0.4)	0.5
Pensions paid	(0.2)	(0.2)	(0.6)
Net expense for the year	2.2	(0.6)	(0.1)
Actuarial assumptions			
Average discount rate	5.75%	4.60%	3.90%
Average salary increase	2.80%	2.80%	2.80%
Expected working life	8 to14 years	8 to 14 years	8 to 13 years
Expected return on plan assets	4.50%	4.50%	4.50%
Increase in medical costs	5.20%	5.50%	5.20%

22.3 ACTUARIAL GAINS AND LOSSES

(€ millions)	2008	2007	2006
Movements for the year	3.1	1.2	0.6
of which, differences between actual and forecast	0.2	0.3	0.7

22.4 BREAKDOWN OF PRESENT VALUE OF BENEFITS BY TYPE OF SCHEME

(€ millions)	2008	2007	2006
Pensions	(6.5)	(6.6)	(6.8)
Supplementary pension payments	(15.4)	(15.5)	(15.2)
Long-service awards	(0.6)	(0.6)	(0.7)
Pensioners' medical costs	(3.9)	(5.1)	(5.6)
Total	**(26.4)**	**(27.8)**	**(28.3)**

22.5 ANALYSIS OF DEDICATED INVESTMENTS

At 31 March 2008, the assets underlying the liability were held by insurance firms that invest them together with their general assets.

23 OFF-BALANCE SHEET COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

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

23.1 PURCHASE AND LEASING COMMITMENTS

(€ millions)	2008	2007	2006
Purchase commitments - non-current assets	5.7	5.0	5.0
Leasing commitments - offices	12.0	16.3	19.9
Leasing commitments - equipment	1.9	1.4	1.5
Purchase commitments - brandies	121.3	-	17.5
Purchase commitments - wine (champagne)	15.4	15.9	14.6

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

The brand purchase commitments relate to three-year contracts entered into with the distillers. These commitments are valued based on the prices known at the balance sheet date.

The wine purchase commitments of the champagne division concern purchases of wine reserved with the champagne grower.

The maturity analysis of commitments at 31 March 2008 is as follows:

(€ millions)	Total	2009	Further out
Purchase commitments - non-current assets	5.7	5.7	-
Leasing commitments - offices	12.0	3.1	8.9
Leasing commitments - equipment	1.9	1.0	0.9
Purchase commitments - brandies	121.3	60.7	60.6
Purchase commitments - wine (champagne)	15.4	-	15.4

23.2 DEPOSITS AND OTHER SIMILAR GUARANTEES

(€ millions)	2008	2007	2006
Tax deposits	-	9.7	10.3
Customs deposits	7.3	-	-
Agricultural warrants on AFC inventories	53.0	48.5	42.5
Maxxium financing guarantee (25%)	40.4	37.2	27.0
Avandis financing guarantees (33.33%)	-	-	4.4
Miscellaneous guarantees on credit lines	12.3	12.0	2.5

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

Rémy Cointreau S.A. guarantees 25% of Maxxium BV's bank borrowings, with the three other partners providing similar guarantees. This guarantee is capped at €62.5 million.

The maturity analysis of commitments at 31 March 2008 is as follows:

(€ millions)	Total	2009	Further out
Customs deposits	7.3	7.3	-
Agricultural warrants on AFC inventories	53.0	51.7	1.3
Maxxium financing guarantee (25%)	40.4	-	40.4
Miscellaneous guarantees on credit lines	12.3	12.3	-

CONTINGENT LIABILITIES RELATING TO DISPOSAL TRANSACTIONS

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

The guarantees granted that have not lapsed at 31 March 2008 are as follows:

Disposal transaction	Transaction date	Nature of unlapsed guarantees	Maturity	Maximum amount
Wine business (ORB) (Netherlands)	17 April 2003	Excise duties, tax and social security liabilities	17 October 2008	
		Total of all guarantees		**1.5**
RMSJ/SMCS (France)	11 July 2003	Tax, customs and social security liabilities	31 October 2008	None
Botapol Holding BV (parent company of Bols Sp.z.o.o)	17 August 2005	Tax liabilities	17 October 2010	
		Total of all guarantees		**24.9**
Lucas Bols	11 April 2006	Tax liabilities	11 October 2012	
		Total of all guarantees		**100.0**
		Franchise		2.6
Bols Hungary	12 July 2006	Tax liabilities	12 July 2012	
		Total of all guarantees		**2.4**
Cognac de Luze	25 July 2006	**Total of all guarantees**	31 December 2008	**2.8**
Clé des Ducs	23 January 2008	Tax liabilities	31 March 2009	
		Total of all guarantees		**0.2**

23.3 CONTINGENT ASSET

In connection with the agreements for setting up Maxxium in August 1999, Rémy Cointreau contributed assets to the new joint venture in exchange for Maxxium shares and a balancing payment of €122 million of which €82 million had been received at 31 March 2007. The balance of €40 million represents a variable price component that depends on Maxxium's financial performance. Part of this amount (€24 million) must be paid by 31 July 2014 while the balance (€16 million) has no fixed payment deadline.

23.4 OTHER CONTINGENT LIABILITIES

At 31 March 2008, Rémy Cointreau was involved in various legal proceedings. After reviewing each case in relation to the subsidiary concerned, and after seeking legal advice, the provisions deemed to be necessary have, where applicable, been established to cover the estimated risks.

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

24. RELATED PARTIES

24.1 RELATIONS WITH ASSOCIATED COMPANIES

At 31 March 2008, Rémy Cointreau Group's main associated companies were Dynasty Fine Wines Group Ltd and the Maxxium BV joint venture.

The Group does not conduct any commercial business with Dynasty.

Business with the Maxxium BV joint venture is conducted under the agreement described in notes **1.23** and **5.1**. This business mainly involves the sale of products to various distribution companies owned by Maxxium BV worldwide.

(€ millions)	2008	2007	2006
Sales to Maxxium	408.9	362.2	336.3
Customer account balance	37.7	33.5	52.2

Rémy Cointreau Group also guarantees 25% of Maxxium BV's borrowings (note **23.2**).

24.2 RELATIONS WITH ORPAR

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

(€ millions)	2008	2007	2006
Services billed by Orpar	2.6	2.6	2.7
Current account balance	0.4	0.9	1.0
Supplier account balance	-	-	0.2

24.3 RELATIONS WITH COMPANIES WITH A COMMON SHAREHOLDER OR DIRECTOR

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

(€ millions)	2008	2007	2006
Purchases of non-current assets	5.7	4.4	1.4
Other purchases	1.2	0.3	1.6
Trade payables	0.3	(1.6)	0.4
Purchase commitments	5.0	2.8	5.4

24.4 MANAGEMENT BODIES

Since 7 September 2004, the Group's management bodies have comprised the members of the Board of Directors and the Executive Committee (6 members at 31 March 2008; 5 members at 31 March 2007; 6 members at 31 March 2006).

(€ millions)	2008	2007	2006
Short-term benefits	4.7	4.1	3.2
Post-employment benefits	0.5	0.5	0.5
Stock options and similar expenses	2.0	1.5	1.0
End-of-contract bonuses	-	0.2	-
Total	**7.2**	**6.3**	**4.7**

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

25. POST-BALANCE SHEET EVENTS

Apart from the ongoing discussions between Maxxium's shareholders described in note **5.1.2.**, there are no events that are likely to have a material impact on the financial statements for the year ended 31 March 2008.

26. LIST OF CONSOLIDATED COMPANIES

At 31 March 2008, the consolidation included 45 companies (50 at 31 March 2007). 43 companies were fully consolidated and two were accounted for using the equity method. All companies have a 31 March year end, except for Dynasty Fine Wines Group Ltd, which has a 31 December year end.

Company	Activity	% interest	
		31 March 2008	31 March 2007
EUROPE			
France			
Rémy Cointreau SA (1)	Holding / Finance	100.00	100.00
Gie Rémy Cointreau Sces (6)	Holding / Finance	-	95.00
Rémy Cointreau Sces (1)	Holding / Finance	100.00	100.00
Téquisco (1) (8)	Holding / Finance	100.00	100.00
RC One (9)	Logistics	-	100.00
CLS Rémy Cointreau SA (1)	Production	100.00	100.00
SNE des Domaines Rémy Martin (1)	Other	100.00	100.00
E. Rémy Martin & Cie (1)	Production	100.00	100.00
Seguin & Cie (1)	Production	100.00	100.00
Cointreau (1)	Production	100.00	100.00
Izarra (1)	Production	100.00	100.00
Champ.P&C Heidsieck SA (1)	Production	99.98	99.98
Champ. F.Bonnet P&F (1)	Production	100.00	100.00
Piper Heidsieck C.C. (1)	Production	100.00	100.00
G.V. de l'Aube (1)	Production	100.00	100.00
G.V. de la Marne SA (1)	Production	99.95	99.95
Fournier & Cie - Safec (1)	Production	100.00	100.00
Société Forestière Agricole et Viticole de Comméreuil	Production	100.00	-
Alliance Fine Champagne (2)	Cooperative	100.00	100.00
Netherlands			
Maxxium International BV (3)	Distribution	25.00	25.00
Penelop BV (4)	Holding / Finance	100.00	-
RC Nederland Holding BV	Holding / Finance	100.00	100.00
DELB BV	Holding / Finance	100.00	100.00
Ponche Kuba BV (10)	Holding / Finance	100.00	100.00
RC Nederland BV	Holding / Finance	100.00	100.00
Metaxa BV	Holding / Finance	100.00	100.00
Lodka Sport BV	Other	50.00	50.00
Lelie BV	Holding / Finance	100.00	100.00
't Lootsje II BV	Holding / Finance	100.00	100.00
Unipol BV	Other	50.00	50.00
Botapol Management BV (6)	Holding / Finance	-	100.00
De Bron 1575 BV	Holding / Finance	100.00	100.00
Other countries			
Hermann Joerss Gmbh	Distribution	100.00	100.00
Cointreau Holding	Holding / Finance	100.00	100.00
Rémy Suisse SA (6)	Distribution	-	100.00
Bols Sports & Travel Sp.z.o.o	Other	100.00	100.00
S&EA Metaxa ABE	Production	100.00	100.00
Financière Rémy Cointreau SA	Holding / Finance	100.00	100.00

Company	Activity	% interest 31 March 2008	31 March 2007
AMERICAS			
USA			
Rémy Cointreau USA Inc	Distribution	100.00	100.00
Rémy Cointreau Amérique Inc	Holding / Finance	100.00	100.00
Caribbean			
Mount Gay Distilleries Ltd	Production	94.98	94.98
Mount Gay Holding Ltd (4)	Holding / Finance	100.00	-
Bols Latin America NV	Holding / Finance	100.00	100.00
Other countries			
Cointreau Do Brasil Ltda (7)	Production	-	100.00
Destileria de Jalisco (7)	Production	-	100.00
Rémy de Colombia (7)	Distribution	-	98.00
ASIA/PACIFIC			
China			
Dynasty Fine Wines Group Ltd (3)	Production	27.03	27.03
Rangit Ltd	Holding / Finance	100.00	100.00
Shanghai Rentouma Trading Cpy Ltd	Distribution	100.00	100.00
Hong Kong			
Rémy Concord	Holding / Finance	100.00	100.00
Rémy Pacifique Ltd	Holding / Finance	100.00	100.00
Australia			
BPE Pty Ltd	Other	100.00	100.00
DISCONTINUED OPERATIONS			
SAP (5)	Production	-	100.00

(1) Company is part of the French tax group.
(2) Special purpose entity.
(3) Accounted for by the equity method.
(4) Company formed during the year.
(5) Company sold during the year.
(6) Company liquidated.
(7) Company in liquidation, deconsolidated.
(8) Formerly Financière Rémy Cointreau before it changed its name to Téquisco.
(9) Company merged into CLS Rémy Cointreau SA.
(10) Formerly DELB Holding BV before it changed its name to Ponche Kuba BV.

6.6 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meetings, we have audited the accompanying consolidated financial statements of Rémy Cointreau for the year ended March 31, 2008.

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

I. OPINION ON THE FINANCIAL STATEMENTS

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

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

Without qualifying our opinion, we draw attention to the matter discussed in note **5.1.2** to the consolidated financial statements relating to the conditions for consolidating the group's investment in Maxxium.

II. JUSTIFICATION OF ASSESSMENTS

In accordance with the requirements of article L. 823-9 of French Company Law (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

Brands' impairment test

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

Use of estimates

Provisions for risks and reserves are recorded according to the method described in note **1.13** of the notes to the consolidated financial statements. We examined the information and assumptions used by your company on which are based these estimates, reviewed the calculation made by your company, compared the estimates made during previous periods with actual realizations and assessed the approval process of these estimates by the management of your company. In particular, we checked that information provided in note **5.1.2** of the notes to the consolidated financial statements regarding the use of estimates in consolidating Maxxium with equity method as at March 31, 2008 and in determining the amount of the recorded provision relative to the exit of Maxxium are appropriate. We carried out the assessment of the reasonableness of these estimates.

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

III. SPECIFIC VERIFICATION

In accordance with professional standards applicable in France, we have also verified the information given in the group management report. We have no matters to report regarding its fair presentation and conformity with the consolidated financial statements.

Neuilly-sur-Seine and Paris, July 29, 2008

The Statutory Auditors

Auditeurs et Conseils Associés
Nexia international

Francois Mahé

Ernst & Young et Autres

Marie-Laure Delarue

CHAPTER 2

THE RÉMY COINTREAU COMPANY

Page

74	1	GENERAL INFORMATION ON THE COMPANY AND ITS SHARE CAPITAL - STOCK MARKET
74	1.1	General information on the Company
75	1.2	General information on the share capital
82	1.3	Analysis of shareholders and voting rights
83	1.4	Stock market performance
84	1.5	Share buyback programme
86	2	CORPORATE GOVERNANCE
86	2.1	Management Board and Supervisory Board
91	2.2	Statutory Auditors - appointments and fees
92	3	REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS
92	3.1	Conditions of preparation and organisation of the duties of the Board of Directors
95	3.2	Internal control procedures
99	3.3	Limitations on the powers of the Chief Executive Officer
100	3.4	Report of the Statutory Auditors on the Report of the Chairman of the Board of Directors on internal control
101	4	REPORT OF THE BOARD OF DIRECTORS TO THE GENERAL MEETING
101	4.1	Financial report - Rémy Cointreau SA
101	4.2	Composition and holders of the share capital at 31 March 2008
101	4.3	Items likely to be significant in the event of a public takeover offer
102	4.4	Shareholders - Option plans - Free share allocations
104	4.5	Directors' remuneration
105	4.6	Other
106	5	RÉMY COINTREAU SA FINANCIAL STATEMENTS
106	5.1	Balance sheet
107	5.2	Income statement
108	5.3	Cash flow statement
109	5.4	Five-year financial summary
110	5.5	Notes to the financial statements
118	5.6	List of subsidiaries and equity investments at 31 March 2008
120	5.7	Statutory Auditor's report on the parent company financial statements

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

1.1 GENERAL INFORMATION ON THE COMPANY

CORPORATE NAME, REGISTERED OFFICE AND MAIN ADMINISTRATIVE OFFICE

Corporate name: Rémy Cointreau SA.

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

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

LEGAL FORM AND GOVERNANCE

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

APPLICABLE LEGISLATION

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

DATE ESTABLISHED - DURATION

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

OBJECTS

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

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

REGISTER OF COMPANIES AND REGISTRATION NUMBER

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

INSPECTION OF THE LEGAL DOCUMENTS OF THE COMPANY

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

FINANCIAL YEAR

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

ALLOCATION OF PROFITS

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

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

DIVIDENDS (DISTRIBUTION POLICY OVER THE LAST FIVE YEARS)

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

GENERAL MEETING

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

RIGHT OF ADMISSION TO MEETINGS

Pursuant to Article R 225-85 of the Commercial Code, the only people allowed to participate in a meeting, to vote by post or to be represented, are shareholders who have previously justified their status by an accounting record of securities in their name or in the name of an intermediary recorded for their account, on the third working day preceding the meeting by midnight, Paris time, either in nominative accounts held by the Company by its service provider Société Générale, Service Assemblées Générales, 32 rue du Champ de Tir à Nantes 44000, France, or in the bearer securities accounts held by an authorised intermediary, who holds the accounts for securities.

The inscription or accounting record of bearer securities held by an authorised intermediary must be noted by a certificate of shareholding delivered by the latter, attached to the standard form to vote by post, or a proxy, or on a request for an admission card in the name of the shareholder, or on behalf of the shareholder represented by the recorded intermediary.

A certificate is also delivered to the shareholder wishing to participate in person in the meeting and who has not received the admission card on the third working day preceding the meeting by midnight, Paris time.

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

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

RIGHT TO VOTE

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

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

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

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

DECLARATION OF CROSSING THRESHOLDS

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

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

IDENTIFICATION OF SHAREHOLDERS

The Company is legally entitled to request, in accordance with the legal terms and conditions, the identity of those shareholders holding shares, which immediately or subsequently give rise to voting rights.

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

1.2 GENERAL INFORMATION ON THE SHARE CAPITAL

CHANGES TO THE SHARE CAPITAL AND SHAREHOLDERS' RIGHTS

The share capital can be changed in accordance with legal requirements. It may be increased by a decision taken at an Extraordinary General Meeting. However, where a capital increase is carried out by incorporation of reserves, profits or share premium, the relevant Extraordinary General Meeting will set the quorum and majority required in an Annual General Meeting.

Capital increases are decided or authorised by an Extraordinary General Meeting which sets the terms for an issue of new shares and grants all powers to the Board of Directors to carry this out in a period that may not exceed 26 months.

The Extraordinary General Meeting may decide to reduce the share capital, particularly by way of repurchase of shares or reduction in their nominal value, or again, by reduction in the number of shares in accordance with legal requirements.

The share capital may also be written down in accordance with the law.

SHARE CAPITAL

At 31 March 2008, the share capital was €74,494,068.80 divided into 46,558,793 shares of €1.60 each, all of one class, fully paid and carrying 73,122,844 voting rights.

Form of shares: fully paid shares are in nominative or bearer form, at the shareholder's choice.

AUTHORISATION TO TRADE IN THE COMPANY'S SHARES

(a) Pursuant to the share repurchase programme, authorised by the General Meeting of 7 September 2004, the Company sold 602,430 shares with a repurchase agreement on 24 March 2005. In order to maintain comprehensive coverage of its share repurchase plans and to partially manage the dilution resulting from the exercise of one of these share subscription plans, a resolutive clause was included in the last sale. This transaction was supplemented by the purchase by the Company of 224,497 call options from Barclays Bank PLC on 24 March 2005. The whole transaction enables Rémy Cointreau to meet the exercise of a maximum of 826,927 share subscription or purchase options. As part of this, the Company, on 14 February 2006, exercised the resolutive clause included in the share sale contract and repurchased 280,927 shares at a price of €27.10. These shares were cancelled by the Board of Directors in accordance with the authorisation given by the General Meeting of 28 July 2005.

(b) On 17 and 26 September 2007 and 20 December 2007, the Company exercised the resolutive clause included in the above-mentioned contract for the sale of shares and repurchased 75,000 shares at a price of

€27.67 each in order to serve exercised share purchase options. At 31 March 2008, the remaining balance of shares held in that respect was 4,705 shares.

(c) In addition, the Company concluded a liquidity contract with a financial organisation. As part of this mandate, the service provider's sole objective was to encourage liquidity in the Company's share and a steady quotation on the French Stock Market. At 31 March 2008, the Company held no shares in respect of the liquidity contract.

(d) The Combined General Meeting of Rémy Cointreau of 31 July 2007 in its tenth resolution, authorised the Board of Directors, for a period ending at the conclusion of the General Meeting called, to consider the financial statements for the year ended 31 March 2008 and, at the latest, within a period of 18 months from 31 July 2007, to purchase, or sell shares in the Company, up to 10% of the current share capital, which is 4,028,980 shares, net of treasury shares, the sale of shares with a repurchase option and the purchase of call options. The maximum amount that the Company may pay on the basis of this number of shares is €241,738,800.

The share repurchase programme is designed to achieve the following, in order of priority:

- to stimulate the secondary market or provide liquidity for Rémy Cointreau shares by an investment services provider via a liquidity contract that conforms to the AFEI charter recognised by the Autorité des Marchés Financiers;
- to cancel the shares, in order to increase the return on capital and earnings per share;
- to cover the obligations related to debt securities giving access to capital;
- to grant the shares in accordance with the terms and conditions provided by law, notably as part of a profit sharing plan, to service options to purchase shares, as part of a business savings plan or to be used to grant free shares to employees and executives in accordance with Articles L. 225-197 and subsequent of the Commercial Code;
- to purchase shares and retain them for subsequent use in exchange or payment in possible acquisitions, while meeting market practices permitted by the Autorité des Marchés Financiers and within the limits provided by law.

The purchase of these shares, as well as their sale or transfer, may be carried out at any time, including during the period of a public takeover bid, subject to periods of abstention, provided by Article 631-6 of AMF general regulations or other legal or regulatory provisions, and by any means, on the market or over the counter, including block transactions, sale with repurchase options and the use of derivative financial instruments, particularly options excluding sales options, as long as they do not significantly increase the volatility of the share price. Share capital acquired or transferred in blocks may account for the entire authorised share repurchase programme. The payment may be made in any way.

As part of these objectives, the repurchased shares may be cancelled in accordance with the fourteenth resolution of the same Meeting up to 10% of the share capital per period of 24 months.

The maximum purchase price is €60.

The renewal of this authorisation will be proposed at the Combined General Meeting.

AUTHORISED CAPITAL

AUTHORISATION TO GRANT OPTIONS TO SUBSCRIBE FOR OR PURCHASE SHARES

The authorisation was given by way of the seventh resolution of the Combined General Meeting of Rémy Cointreau on 31 July 2007 to the Board of Directors, for a period of 38 months from 31 July 2007, to grant, on one or more occasions, to employees of the Company or companies covered by Article L.225-180 of the Commercial Code, or certain of them, as well as the management of the Company or companies covered by Article L.225-180 of the Commercial Code, within the limits set by Article L. 225-180 of the Commercial Code, options to subscribe for new shares in the Company, to be issued by way of an increase in capital, or options to purchase shares in the Company arising from a repurchase pursuant to Article L.225-208 or L. 225-209 and subsequent of the Commercial Code.

The total amount of options granted under the current authorisation may not give a right to a number of shares representing more than 3% of the share capital of the Company.

The subscription price or the share price shall be set by the Board of Directors the day the option is granted within the limits prescribed by law. Share subscription or purchase options may not be granted during periods forbidden by law.

In any event, the issue price for options to subscribe must not, on the day the option is granted, be lower than 80% of the average share price of the 20 trading days preceding the issue date. In the event of the grant of options to purchase, the purchase price of the shares may not be either less than 80% of the average share price of the 20 trading days preceding the date of grant of the purchase options or less than 80% of the average purchase price of the shares held by the Company pursuant to Articles L.225-208 and/or L.225-209 of the Commercial Code.

This price may only be revised in accordance with circumstances provided by law at the time of financial transactions or share transactions. The Board of Directors will then, in accordance with regulations, make an adjustment to the number and price of the shares included in the options granted to take into account the effect of these transactions. The options must be exercised within a period of ten years from the date they are granted.

AUTHORISATION FOR THE ALLOCATION OF FREE SHARES TO EMPLOYEES OR EXECUTIVES

The Combined General Meeting of 28 July 2005, authorised the Board of Directors, in its twenty first resolution and for a period of 38 months from 28 July 2005, pursuant to the conditions of Articles L.225-197-1 and subsequent of the Commercial Code, to proceed, on one or more occasions, for the benefit of the employees of the Company or related companies within the meaning of Article L.225-197-2 of the Commercial Code, or to certain categories of them, as well as for the benefit of executives defined by law, with the allocation of free shares that exist or are to be issued in the Company, subject to the period of abstention provided by the law.

The Board of Directors will determine the identity of the beneficiaries of the allocation as well as the conditions and, where appropriate, the criteria of allocation of shares. The total number of shares thus issued free may not be such that the total number of shares allocated free in respect of the current resolution represents a number of shares in excess of 2% of the number of shares comprising the share capital on the day of the allocation of free shares by the Board of Directors.

The allocation of shares to their beneficiaries will become final at the end of a minimum period of acquisition of two years and the minimum period of retention of shares by the beneficiaries is set at two years.

The Board of Directors will proceed, where appropriate, during the period of acquisition with adjustments to the number of shares arising from transactions in the capital of the Company in order to preserve the rights of the beneficiaries.

The renewal of this authorisation will be proposed at the Combined General Meeting.

DELEGATION TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL BY INCORPORATION OF RESERVES, PROFITS OR PREMIUMS

The Combined General Meeting of 27 July 2006, in its twentieth resolution, authorised the Board of Directors, in accordance with the provisions of Articles L.225-129, L.225-129-2 and L.225-130 of the Commercial Code, with the possibility of sub-delegation under the conditions provided by law, for a duration of 26 months from 27 July 2006, to increase the share capital, on one or more occasions, at the times and in accordance with the methods that it shall determine, by incorporation into capital of reserves, profits, or premiums, followed by the creation and bonus issue of shares or the increase in the nominal value of existing shares, or a combination of these two methods.

Fractional rights are not negotiable and the corresponding shares will be sold, the amounts resulting from the sale being allocated to the holders of rights within legal and regulatory requirements.

The amount of the capital increase that may be carried out under this authorisation may not exceed the nominal amount of €70,000,000, set independent of the maximum limit of increases resulting from the issue of marketable securities authorised by this same Meeting.

The renewal of this authorisation will be proposed at the Combined General Meeting, it being specified that the share capital increase that may be carried out under this authorisation renewal may not exceed the nominal amount of €30,000,000, set against the maximum limits established by the fifteenth and sixteenth resolutions of the Ordinary General Meeting of 31 July 2007.

DELEGATION TO THE BOARD OF DIRECTORS TO ISSUE VARIOUS MARKETABLE SECURITIES GIVING ACCESS TO SHARE CAPITAL OR GIVING RIGHT TO THE ALLOCATION OF DEBT SECURITIES, WITH OR WITHOUT SHAREHOLDERS' PRE-EMPTION RIGHTS

The Combined General Meeting of 31 July 2007, in its fifteenth resolution, in accordance with the provisions of L.225-129 and subsequent and L.225-135, L.125-3, L.228-91 and L.228.92 and subsequent of the Commercial Code, granted, with the possibility of sub-delegation under the conditions provided by law, the powers required to proceed, on one or more occasions, in France and/or abroad and/or on the international market, with a maintained pre-emption right for shareholders, in euro, foreign currencies or any monetary unit established by reference to a number of currencies, to issue shares in the Company (other than preference shares) as well as marketable securities of whatever nature, giving access to capital by conversion, exchange, repayment, presentation of a warrant, a combination of these, or in any other way, to the granting immediately and/or subsequently, at any time or a set date, to a share in the capital of the Company and this, within the limit of a total nominal ceiling of a capital increase of €30,000,000, in common with the sixteenth and seventeenth resolutions, and a total nominal ceiling of debt securities in common with all the debt securities whose issue is delegated to the Board of Directors by virtue of the same Annual and Extraordinary General Meeting, of €750,000,000. Issues of preference shares and marketable securities giving access immediately or in time to preference shares are expressly excluded.

The Board of Directors may decide to substitute treasury shares for shares to be issued under this resolution.

The issues decided by virtue of this delegation must be carried out within a time period of 26 months from 31 July 2007.

The same Meeting, in its sixteenth resolution, delegated to the Board of Directors the powers to issue various marketable securities as mentioned above, with cancellation of pre-emption rights.

The Board of Directors may decide to substitute treasury shares for shares to be issued under this resolution. The same General Meeting, in its nineteenth resolution, authorised the Board of Directors, within the framework of delegations provided by the fifteenth and sixteenth resolutions, to increase the number of shares to be issued within the provisions of Article L.225-135-1 of the Commercial Code and Article 155-4 of the Decree of 23 March 1967, up to 15% of each issue and at the same price as adopted for the initial issue and within the global limit provided by the sixteenth resolution, when the Board of Directors notes excess demand.

DELEGATION TO THE BOARD OF DIRECTORS TO ISSUE SHARES REPRESENTING THE SHARE CAPITAL OF THE COMPANY AS A RESULT OF THE ISSUE, BY CONTROLLED COMPANIES, OF MARKETABLE SECURITIES GIVING, IN TIME, ACCESS TO THE COMPANY'S SHARE CAPITAL OR THE ALLOCATION OF DEBT SECURITIES

The same Combined General Meeting of 31 July 2007, in its sixteenth resolution, in view of the issue of shares and marketable securities giving access to the capital of the Company which shall give right to marketable securities that may be issued, by companies where Rémy Cointreau holds directly or indirectly more than half the share capital, subject to the approval of the Board of Directors of Rémy Cointreau, delegates to the Board of Directors the necessary powers to proceed with the issue of capital securities in Rémy Cointreau to which these marketable securities give the right, and this up to a total nominal ceiling of a capital increase of €30,000,000, in common with the fifteenth and sixteenth resolutions.

In this context, Rémy Cointreau shareholders do not have a pre-emption right to these marketable securities issued by these companies.

The issues decided by virtue of this delegation must be carried out within a time period of 26 months from 31 July 2007.

AUTHORISATION FOR THE BOARD OF DIRECTORS TO PROCEED WITH THE ISSUE OF SHARES, SECURITIES OR VARIOUS MARKETABLE SECURITIES AND FREELY SETTING THE ISSUE PRICE

The Combined General Meeting of 31 July 2007, in its twentieth resolution, authorised the Board of Directors to issue all shares (except for preference shares) and marketable securities giving access to the share capital within a limit of 10% of the share capital and within the ceiling set by the sixteenth resolution, and setting the issue price in the event of a call for capital without the pre-emption right to subscribe, at an issue price different from that used in respect of issues authorised by virtue of the sixteenth resolution, which may not be less, at the discretion of the Board of Directors, of either (a) the weighted average price based on the volume of shares traded in the 20 trading days preceding the setting of the issue price or (b) the weighted average price based on the volume traded on the trading day preceding the setting of the issue price, in both these cases possibly reduced by a maximum discount of 5% and subject to the amount to be received for each share being at least equal to the nominal value. Issues of preference shares and marketable securities giving access immediately or in time to preference shares are expressly excluded

The current authorisation is valid for a period of 26 months with effect from 31 July 2007.

AUTHORISATION FOR THE BOARD OF DIRECTORS TO PROCEED WITH THE ISSUE OF SHARES, SECURITIES OR VARIOUS MARKETABLE SECURITIES GIVING ACCESS TO THE SHARE CAPITAL WITHIN A LIMIT OF 10% OF THE SHARE CAPITAL, WITH A VIEW TO REMUNERATING TRANSFERS IN KIND

The Combined General Meeting of 27 July 2006, in its twenty first resolution, authorised the Board of Directors, with a facility to sub-delegate to any person approved by law and where Article L. 225-148 of the Commercial Code does not apply, to proceed with all issues of shares or marketable securities giving access to capital (with the exception of preference shares), up to 10% of the share capital at the time of issue, independent of the maximum limit of increases set by the twentieth resolution of the same Meeting and the fifteenth, sixteenth and nineteenth resolutions of the Combined General Meeting of 28 July 2005, with a view to remunerating transfers in kind to the Company and comprising capital securities or marketable securities giving access to capital.

The present authorisation is valid for a period of 26 months from 27 July 2006. The renewal of this authorisation will be proposed at the next Combined General Meeting, setting the 10% limit against the maximum limits established by the fifteenth and sixteenth resolutions of the Combined General Meeting of 31 July 2007.

AUTHORISATION FOR THE BOARD OF DIRECTORS TO INCREASE THE NUMBER OF SECURITIES TO BE ISSUED IN THE EVENT OF EXCESS DEMAND)

The Combined General Meeting of 31 July 2007, in its nineteenth resolution, authorised the Board of Directors, within the framework of delegations provided by the fifteenth, sixteenth and seventeenth resolutions, to increase the number of shares to be issued within the provisions of Article L. 225-135-1 and R.225-118 of the Commercial Code, within 30 days following the subscription, up to 15% of each issue and at the same price as adopted for the initial issue and within the global limit provided by the fifteenth resolution, when the Board of Directors notes excess demand.

The present authorisation is valid for a period of 26 months from 31 July 2007.

SUMMARY TABLE OF DELEGATIONS CURRENTLY VALID GIVEN TO THE BOARD OF DIRECTORS FOR SHARE CAPITAL INCREASE TRANSACTIONS

Description of delegation	Date of General Meeting	Amount of authorisation	Duration of the validity of the authorisation	Use of the delegation during the year
Allocation of free shares	28 July 2005	limited to 2% of the share capital	38 months	Granting of 91,100 shares
Increase of share capital by incorporation of reserves profits or premiums	27 July 2006	€70,000,000	26 months	€140,800 resulting from the granting of 88,000 free shares
Increase in share capital for transfer in kind	27 July 2006	limited to 10% of the share capital	26 months	Nil
Allocation of options to subscribe to shares	31 July 2007	limited to 3% of the share capital	38 months	Nil
Issue of marketable securities giving access to capital with maintained pre-emption rights to subscribe	31 July 2007	€30,000,000 (overall nominal amount for these transactions)	26 months	Nil
Issue of marketable securities giving access to capital with cancelled pre-emption rights to subscribe	31 July 2007	€30,000,000 (overall nominal amount for these transactions)	26 months	Nil
Issue of shares, securities or marketable securities and freely setting the issue price	31 July 2007	limited to 10% of the share capital	26 months	Nil
Increase in the number of shares to be issued in the event of excess demand	31 July 2007	limited to 15% of each issue within a limit of €30,000,000	26 months	Nil

SECURITIES NOT REPRESENTATIVE OF THE CAPITAL

On 24 June 2003, Rémy Cointreau issued seven year senior loan notes of €175 million. This loan was fully redeemed on 14 June and 2 July 2007. The Company also issued, on 5 January 2005, seven year senior loan notes of €200 million. The features of these two are described in Note **11.3** to the consolidated financial statements and Note **2.6** to the parent company financial statements of Rémy Cointreau at 31 March 2008.

OTHER SECURITIES GIVING ACCESS TO CAPITAL

Nil.

OTHER CONVERTIBLE LOAN NOTES

Nil.

AUTHORISATION TO ISSUE SECURITIES GIVING ACCESS TO CAPITAL

The Combined General Meeting of 26 August 1998 authorised the Board of Directors to grant, on one or more occasions during a period of five years, to employees or management of the Company and the companies or GIE covered by Article 208-4 of the law on commercial companies (Article L.225-180 of the Commercial Code), options carrying the right to subscribe for new shares in the Company that may represent up to 3% of the share capital of Rémy Cointreau.

The Board of Directors' meetings of 28 April and 7 December 1999 and 30 May 2000, granted all the corresponding options. The number of options outstanding at 31 March 2008 was 85,798.

The Combined General Meeting of 24 August 2000 authorised the Board of Directors to grant, in accordance with the same conditions as previously discussed, options giving the right to subscribe to new shares in the Company, up to a maximum of 3% of the share capital of Rémy Cointreau. The Board of Directors meetings of 1st March 2001 and 8 March 2002 allocated in full the corresponding options. The number of options outstanding at 31 March 2008 was 232,790.

The Combined General Meeting of 21 September 2001 authorised the Management Board to grant, within the same terms and conditions as previously, options giving right to subscribe to new shares or to purchase shares in the Company up to a maximum of 3% of the share capital of Rémy Cointreau. The Board meetings of 8 March 2002 and 16 September 2003 allocated 634,500 options including 287,000 options to purchase shares in the Company. At 31 March 2008, the number of available options to subscribe to shares was 194,133.

The table of outstanding option plans is included in the Special Report in respect of options to subscribe for or to purchase shares.

MOVEMENT IN SHARE CAPITAL

Dates	Description	Number of new shares issued	Share premium (francs)	Share premium (euros)	Share capital (francs)	Share capital (euros)	Number of shares
21/03/91	Capital increase	374,582 FF 100 each	contribution: 377,403,520	-	127,758,200	-	1,277,582
16/12/91	Contribution in kind 10 for 1 share split Bonus issue of 6 new shares for every 10 existing shares	-	-	-	204 413 120	-	20 441 312
	Contribution in kind resulting from the merger-absorption of Rémy & Associés	9,182,533 FF 10 each	merger: 1,467,318,152	-	296,238,450	-	29,623,845
31/03/94	Capital increase by conversion of bonds and by exercise of share subscription options	94,400 actions FF 10 each	issue: 12,390,000	-	297,182,450	-	29,718,245
		10,868 actions FF 10 each	issue: 1,467,180	-	297,291,130	-	29,729,113
31/03/95	Capital increase by conversion of bonds and by exercise of share subscription options	1,019,200 actions FF 10 each	issue: 133,770,000	-	307,483,130	-	30,748,313
		5,743 actions FF 10 each	issue: 775,305	-	307,540,560	-	30,754,056
31/03/96	Capital increase by conversion of bonds	6,080,368 actions FF 10 each	issue: 798,048,300	-	368,344,240	-	36,834,424
4/12/96	Capital increase following the payment of dividends in shares	1278,989 actions FF 10 each	issue: 127,272,195.39	-	381,134,130	-	38,114,413
31/03/98	Capital increase by exercise of share subscription options	10,753 actions FF 10 each	issue: 1,070,031.03	-	381,241,660	-	38,124,166
31/03/00	Capital increase by exercise of share subscription options	58 064 actions FF 10 each	issue: 4,803,202.52	-	381,822,300	-	38,182,230
30/05/00	Capital increase following the conversion of share capital into euros by transfer from available reserves	-				61,091,568	38,182,230
30/06/00	Capital increase by exercise of share subscription options	198,332		2,518,696.16		61,408,899.20	38,380,562

Dates	Description	Number of new shares issued	Share premium (francs)	Share premium (euros)	Share capital (francs)	Share capital (euros)	Number of shares
13/10/00	Capital increase by exercise of share subscription options	78,659		1,082,396.96		61,534,753.60	38,459,221
	and by the payment of dividends in shares	867,048		26,540,339.28		62,922,030.40	39,326,269
19/12/00	Capital increase by transfer in kind	5,000,000		162,000,000.00		70,922,030.40	44,326,269
31/03/01	Capital increase by exercise of share subscription options	51,331		738,739.46		71,004,160.00	44,377,600
	Capital increase following the conversion of OCEANE securities	21		879.90		71,004,193.60	44,377,621
31/03/02	Capital increase by exercise of share subscription options	82,105		1,154,348.38		71,135,561.60	44,459,726
31/03/03	Capital increase by exercise of share subscription options	120,215		1,624,950.23		71,327,905.60	44,579,941
31/03/04	Capital increase by exercise of share subscription options	199,908		2,759,676.45		71,647,758.40	44,779,849
31/03/05	Capital increase by exercise of share subscription options	272,812		4,254,831,72		72,084,257.60	45,052,661
31/03/06	Capital increase by exercise of share subscription options	702,116		15,317,755.73		73,207,643.20	45,754,777
31/03/06	Capital increase following the conversion of bonds	30,032		598 640,58		73 255 694,40	45,784,809
	of OCEANEs	2,262		94 777,80		73 259 313,60	45,787,071
	Cancellation of shares within the framework of a repurchase agreement	280,927		7 163 638,50		72 809 830,40	45,506,144
31/03/07	Capital increase following the exercise of share subscription options	493,658		10 699 185,77		73 599 683,20	45,999,802
13/09/07	Capital increase following the exercise of share subscription options	117,246		2,700,654.65		73,787,276.80	46,117,048
	and the payment of dividends in shares	142,739		6,822,924.20		-	46,259,787
20/11/07	Capital increase by deduction from reserves following the allocation of free shares	88,000		-		74,156,459.20	46,347,787
31/03/08	Capital increase following the exercise of share subscription options	211,006		4,755,625.60		74,494,068.80	46,558,793

No significant movement occurred in the capital following the increase by contribution in kind on 19 December 2000, with the exception of Arnhold and S. Bleichroeder, LLC that held 11.05% of the share capital and 7.03% of the voting rights and Fidelity Investments International that held 4.73% of the share capital and 3.01% of the voting rights at 31 March, 2008.

1.3 ANALYSIS OF SHAREHOLDERS AND VOTING RIGHTS

VOTING RIGHTS, NUMBER OF SHAREHOLDERS, DETAILS OF SHAREHOLDERS HOLDING 1% OR GREATER AND THE NATURE OF THEIR HOLDING, SHAREHOLDERS' PACTS, SHARES HELD BY EMPLOYEES AND TREASURY SHARES

Share capital ownership at 31 March 2008

Shareholders	Situation at 31/03/2008			Situation at 31/03/2007			Situation at 31/03/2006		
	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights
Orpar	19.927.541	42.80	54.37	19.831.197	43.11	54.68	19.831.197	43.58	54.82
Récopart	6.614.747	14.21	17.39	6.582.767	14.31	17.48	6.291.589	13.83	17.13
Arnhold and S.Bleichroeder. LLC [1]	5.143.660	11.05	7.03	5.443.582	11.83	7.50	6.343.891	13.94	8.77
Fidelity Investments International [1]	2.204.314	4.73	3.01	-	-	-	-	-	-
Rémy Cointreau (treasury shares)	4.705	0.01	-	25 000	0.05	-	24 700	0.05	-
Public	12.663.826	27.20	18.20	14.117.256	30.70	20.34	13.014.767	28.60	19.28
Total	**46.558.793**	**100.00**	**100.00**	**45.999.802**	**100.00**	**100.00**	**45.506.144**	**100.00**	**100.00**

(1) Number of shares declared by Arnhold and Bleichroeder, LLC on 25 February 2008 and by Fidelity Investments International on 19 December 2007. At 31 July 2008, Arnhold and Bleichroeder, LLC declared that they held, at 27 June 2008, 6,593,101 shares corresponding to 14,16% of the share capital and 9% of the voting rights.

There are shares with double voting rights. The number of shares with double voting rights at 31 March 2008 was 26,568,756. The principal shareholders, Orpar and Récopart, hold such rights as indicated in the above table.

The employee savings plan represents 0.88% of the share capital of Rémy Cointreau. It is the only form of collective shareholding by Rémy Cointreau employees.

The Company is aware of the existence of the following concert relationship and shareholders' agreement between Orpar and the shareholders of Récopart:

- In accordance with Article 13.1 of Récopart's bylaws, shareholders holding category B shares, of which 99.99% are held by Orpar, are entitled to submit to the Supervisory Board candidates for two positions on the Management Board. As a result, two executive officers from Orpar, namely Mr. François Hériard Dubreuil and Mr. Marc Hériard Dubreuil, were appointed as Chairman and Member of the Management Board of Récopart, respectively. The aim of this provision is to ensure that the shareholders of Récopart and of Orpar act in concert with respect to the exercise of voting rights attached to the 6,614,747 Rémy Cointreau shares held by Récopart.
- In addition, Orpar holds a purchase option on the Rémy Cointreau shares owned by Récopart. Orpar may exercise this option if a third party submits an offer with a view to acquiring control of Rémy Cointreau. The shareholders' agreement will expire on 27 June 2011, unless explicitly extended for one or more successive periods of five years.

Board Members' shares and voting rights ownership at 31 March 2008

Directors	Shares	%	Shares with double voting rights	Voting rights	%
Mrs Dominique Hériard Dubreuil	2,466	0.00	2,466	4,932	0.01
Mr. François Hériard Dubreuil	100	0.00	10	110	0.00
Mr. Marc Hériard Dubreuil	100	0.00	10	110	0.00
Mr. Brian Ivory	100	0.00	0	100	0.00
Mr. Patrick Duverger	523	0.00	523	1,046	0.00
Mr. Xavier Bernat	100	0.00	0	100	0.00
Mr. Jean Burelle	100	0.00	0	100	0.00
Mr. Jacques–Etienne de T'Serclaes	500	0.00	0	500	0.00
Mr. Gabriel Hawawini	100	0.00	0	100	0.00
Mr. Tim Jones	100	0.00	0	100	0.00
Total	**4,189**	**0.00**	**2,989**	**7,178**	**0.01**

It is noted that Orpar, a director, held, on the same date 19,927,541 shares, being 42.80% of the share capital and 39,758,738 voting rights, being 54.37% of the voting rights.

The Company holds 4,705 treasury shares acquired as part of the sales contract with a repurchase agreement signed on 24 March 2005 with a view to serving share purchase options exercised. The features of the share repurchase programme authorised by the General Meeting of 31 July 2007 are described in the current chapter.

The options (share subscription options) and the maximum potential dilution are referred to in the notes to the financial statements.

CHANGES IN THE SHARE CAPITAL DURING THE LAST THREE YEARS

During the course of the 2005/06 financial year, the conversion of 2,262 OCEANE 3.5% bonds, 2001/2006, the conversion of 30,032% bonds, 1991/2006, the exercise of 702,116 options to subscribe for shares and the cancellation of 280,927 shares purchased under the contract for sale with a repurchase agreement of 24 March 2005 led to an increase in capital of €1,175,056 and a reduction in capital of €449,483.20, resulting in share capital of €72,809,830.40. At closing, Orpar held more than one-third of the share capital and more than half the voting rights, Récopart held more than 10% of the share capital and more than 15% of the voting rights. Arnhold and S. Bleichroeder LLC held more than 10% of the share capital and more than 5% of the voting rights.

During the course of 2006/07, the share capital increased by €789,852.80 to €73,599,683.20, as a result of the exercise of 493,658 options. At closing, Orpar held more than one third of the share capital and more than half the voting rights. Récopart held more than 10% of the share capital and more than 15% of the voting rights. Arnhold and S. Bleichroeder LLC held more than 10% of the share capital and more than 5% of the voting rights.

During the course of 2007/08, the share capital increased by €894,385.60 to €74,494,068.80, as a result of the exercise of 328,252 share subscription options, the exercise of the 20% share dividend payment option resulting in the issue of 142,739 shares and the distribution of 88,000 free shares. At closing, Orpar held more than one-third of the share capital and more than half the voting rights. Récopart held more than 10% of the share capital and more than 15% of the voting rights. Arnhold and S. Bleichroeder LLC held more than 10% of the share capital and more than 5% of the voting rights. Fidelity Investments International held more than 4% of the share capital and more than 3% of the voting rights.

PERSONS THAT CONTROL THE COMPANY AND DETAILS OF THEIR SHAREHOLDINGS

At 31 March 2008, Orpar was 79.75% owned by Andromède, which is controlled by the Hériard Dubreuil family.

At 31 March 2008, Orpar held 19,927,541 shares in Rémy Cointreau, or 42.80% of its share capital, giving it 39,758,738 of the voting rights, or 54.37% of the voting rights.

The Company conforms to the corporate governance in force and takes into account the recommendations of the Viénot and Bouton reports. The Board of Directors comprises, notably, a significant proportion of independent directors and has its own internal regulations.

1.4 RÉMY COINTREAU SHARE PRICE PERFORMANCE

Rémy Cointreau shares are only listed on the Euronext Paris (ISIN code: FR0000130395) and are eligible for (Euronext Paris' deferred settlement service).

RÉMY COINTREAU SHARE PRICE PERFORMANCE OVER THE LAST 18 MONTHS

(in €)	Trading volume	Average price	High price	Low price	Trading value (€ millions)
December 06	4,188,570	47.37	50.10	45.00	200.88
January 07	2,580,869	49.88	52.35	47.86	128.96
February 07	2,443,076	52.42	54.45	47.70	127.53
March 07	2,015,981	50.48	52.39	47.90	101.30
April 07	1,695,962	51.76	54.60	49.72	87.81
May 07	1,203,297	52.49	54.03	51.04	63.16
June 07	1,987,702	52.93	56.00	49.31	105.77
July 07	1,640,264	55.95	57.88	51.05	91.38
August 07	1,997,159	50.60	54.35	47.47	101.96
September 07	1,220,544	50.56	53.35	48.04	61.42
October 07	1,752,390	51.51	53.05	48.79	90.01
November 07	2,002,160	50.98	54.94	48.30	101.90
December 07	1,401,388	48.40	49.80	47.20	67.67
January 08	4,283,523	42.23	49.24	32.86	173.45
February 08	3,807,716	40.47	43.92	37.39	153.25
March 08	2 307,939	40.88	43.34	38.00	94.15
April 08	3,151,156	41.87	44.78	38.30	130.08
May 08	2,041,333	40.25	42.50	37.31	82.15
June 08	2,513,096	37.41	40.41	33.75	93.46

At 31 March 2008, Rémy Cointreau's market capitalisation amounted to €1,983.41 million.

1.5 SHARE BUYBACK PROGRAMME

SPECIAL REPORT ON THE SHARE BUYBACK PROGRAMME AUTHORISED ON 31 JULY 2007

In accordance with Article L.225-209 of the Commercial Code, the current report is to inform the General Meeting of the share purchases that have been made within the share buyback programme authorised by the General Meeting of 31 July 2007.

Between 31 July 2007 and 30 June 2008, the Company acquired 389,130 shares and sold 307,242. It also transferred 82,795 shares to serve share purchase options.

These transactions were carried out:

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

The Company acting through an investment services provider, acquired 299,130 of its own shares during the year at an average weighted price of €44.55 per share.

The Company acting through an investment services provider, sold 307,242 of its own shares during the year at an average weighted price of €45.23 per share.

2. As part of a contract for sale with a repurchase agreement signed on 24 March 2005 between the Company and Barclays Capital, the Company repurchased 90,000 shares on 17 and 26 September 2007, 20 December 2007 and 30 May 2008. 82,795 shares were used to serve share purchase options.

The table below summarises the final position of transactions carried out in the period 31 July 2007 to 30 June 2008:

Percentage of treasury shares held directly or indirectly	0.00%	
Number of securities held at the start of the programme	25,112	
		Average price
Number of securities purchased since the start of the programme:		
- as part of a liquidity contract:	299,130	€44.55
- as part of the exercise of the resolutive clause:	90,000	
Number of securities sold since the start of the programme as part of a liquidity contract:	307,242	€45.23
Number of securities transferred since the start of the programme:	82,795	€27.67
Number of securities cancelled since the start of the programme:	0	
Number of securities held at 31 May 2007:	24,205	
Book value of portfolio:	€744,453	
Market value of portfolio:	€744,453	

TRANSACTIONS CARRIED OUT BY THE COMPANY DURING THE YEAR

Transactions carried out during the financial year or on the maturity of derivatives

Date of transaction	Intermediary	Purchase/Sale	Number of shares	Transaction price (in €)	Total (in €)	Underlying derivative transactions
17/09/2007		Resolutive clause	20,000	27.67	553,400	Exercise of the resolutive clause included in the contract for the share sale concluded on 24/03/2005 - See declaration posted on line on 2/10/2007
26/09/2007		Resolutive clause	15,000	27.67	415,050	See declaration posted on line on 3/10/2007
20/12/2007		Resolutive clause	40,000	27.67	1,106,800	See declaration posted on line on 21/12/2007
30/05/2008		Resolutive clause	15,000	27.67	415,050	See declaration posted on line on 4/06/2008

OUTSTANDING DERIVATIVE PRODUCTS

Date of transaction dd/mm/yyyy	Intermediary	Purchase/Sale	Purchase/ Future options	Maturity	Exercise price (€)	Premium	Organised markets/ principal to principal	Comments
24/03/2005	-	Resolutive clause		15/09/13	27.67			194,000 securities remaining
24/03/2005		Resolutive clause		23/12/14	28.07			37,503 securities
24/03/2005		Purchase	Purchase options	23/12/14	28.07	10.25	Principal to principal	224,497 securities

- As part of the sales contract with a repurchase agreement concluded on 24 March 2005, the Company has the right to repurchase 231,503 securities and purchase options for 224,497 securities to finally cover 456,000 options. At 30 June 2008, the Company held 7,205 shares to serve the exercise of share purchase options.
- As part of a liquidity contract, the Company held no shares at 31 March 2008 and held 17,000 at 30 June 2008.
- No treasury shares are held indirectly by the Company.

ANALYSIS OF TREASURY SHARES HELD BY OBJECTIVE

Shares held by the Company are fully allocated to stimulating the secondary market or as liquidity for the Rémy Cointreau share by an investment services provider via a liquidity contract that conforms to the AFEI charter recognised by the Autorité des Marchés Financiers.

DESCRIPTION OF THE PRINCIPAL FEATURES OF THE BUYBACK PROGRAMME SUBMITTED FOR APPROVAL BY THE GENERAL MEETING OF 16 SEPTEMBER 2008 AS PART OF THE THIRTEENTH RESOLUTION

- Securities concerned: shares issued by Rémy Cointreau SA.
- Maximum to be purchased by the Company: 10% of shares comprising the share capital.
- Maximum number of shares that may be acquired by the Company: 4,180,174 shares may be purchased, taking into account treasury shares, the sale of shares with a repurchase agreement and the purchase of options to purchase shares.
- Maximum unit price: €60
- Objectives:

- to allow an investment services provider to buy and sell shares in the Company via a liquidity contract that conforms to the AFEI charter recognised by the Autorité des Marchés Financiers;

- to cancel the shares, as part of a capital reduction, subject to the adoption of the fifteenth resolution submitted to the current General Meeting, and whose object is to authorise their cancellation;

- to cover the obligations in respect of marketable securities giving access to capital;

- to grant the shares in accordance with the terms and conditions provided by law, notably as part of a profit sharing plan, to service options to purchase shares, as part of a business savings plan or to be used to grant free shares to employees and executives in accordance with Articles L.225-197-1 and subsequent of the Commercial Code

- to purchase and retain shares to be used subsequently in exchange or as payment for acquisitions, in accordance with market practices permitted by the Autorité des Marchés Financiers and within the law; and

- to implement every market practice that is permitted by the Autorité des Marchés Financiers and, more generally, carry out every transaction that conforms to the regulations in force.

- Duration of programme: until the General Meeting called to consider the financial statements for the year ended 31 March 2009 and no later than 18 months from 16 September 2008.

2. CORPORATE GOVERNANCE

2.1 MANAGEMENT BOARD AND SUPERVISORY BOARD

Principal offices held at present or in the course of the past five years by members of the Board of Directors and Management Board.

CORPORATE GOVERNANCE OF THE COMPANY

Since 7 September 2004, the Company has been governed by a Board of Directors. The Board of Directors elected on the same day to split the functions of Chairman of the Board and Chief Executive Officer. The Company conforms to the corporate governance in force and takes into account the recommendations of the Viénot and Bouton reports.

COMPOSITION OF THE BOARD OF DIRECTORS

Chairman

Mrs. Dominique Hériard Dubreuil
French national, 61 years old.
Date first appointed: 7 September 2004.
Date appointment expires: AGM to consider the financial statements for the year 2008
Professional address: Rémy Cointreau - 21, boulevard Haussmann - 75009 Paris, France

Mrs Dominique Hériard Dubreuil is a Public Relations graduate of IRPCS and has been a director of the Company since December 1991. She was notably Chairman of the Board of Directors of Rémy Cointreau from 1998 to 2000 and subsequently Chairman of the Management Board from 2000 to 2004. She is a member of the MEDEF Executive Committee. Mrs Dominique Hériard Dubreuil is a Knight Officer of the Legion of Honour and of the National Order of Merit.

Principal appointment outside the Company:

Managing Director of Andromède SAS.

Other appointments:

Director of Orpar SA.
Chairman of the Board of Directors of Vinexpo Overseas SAS.
Director of Vinexpo SAS.
Director of Baccarat SA.
Director of Stora Enso Oyj.

Appointments within the Rémy Cointreau Group:

Chairman of E. Rémy Martin & C° SAS
Director of Unipol BV
Supervisory Director of Rémy Cointreau Nederland Holding NV
Director of Rémy Concord Ltd
Director of Rémy Pacifique Ltd
Chairman of Rémy Cointreau Amérique Inc

Previous functions and terms of office (held during the last five years and now terminated)

Chairman of the Management Board of Rémy Cointreau SA.
Chairman of the Board of Directors of E. Rémy Martin & C° SA.
Director and Deputy Managing Director of Andromède SA.
Member of the Supervisory Board of Piper-Heidsieck.
Compagnie Champenoise SA.
Director of CLS Rémy Cointreau SA.
Chairman of the Board of Directors of GIE Rémy.
Cointreau Services.
Chairman of Rémy Cointreau Services SAS.
Chairman and CEO of Vinexpo Americas SA.
Director of Botapol Holding BV.
Director of Rémy Finance BV.
Director of CEDC.

DIRECTORS

Mr. François Hériard Dubreuil
French national, 60 years old.
Date first appointed: 7 September 2004.
Date appointment expires: AGM to consider the financial statements for the year 2009
Professional address: Orpar - 123, avenue des Champs Elysées - 75008 Paris, France.

Mr. François Hériard Dubreuil holds a Masters' Degree in Science from the University of Paris and an MBA from INSEAD. He has been a director of the Company since 1991. He was notably Chairman of Rémy Martin from 1984 to 1990 and Chief Executive Officer of Rémy Cointreau from 1990 to 2000, then Chairman of the Supervisory Board from 2000 to 2004. Mr. François Hériard Dubreuil is a member of the INSEAD French Council and a director of the INSEAD Foundation.

Principal appointment outside the Company:

Chairman and CEO of Orpar SA.

Other appointments:

Managing Director of Andromède SAS.
Chairman of the Management Board of Récopart SA.
Vice-chairman and Deputy Managing Director of Oeneo SA.
Chairman of Financière de Nonac SAS.
Chairman of Grande Champagne Patrimoine SAS.
Vice-chairman of Dynasty Fine Wines Group Ltd.
Director of Shanghai Shenma Winery Co Ltd.

Previous functions and terms of office (held during the last five years and now terminated)

Chairman of the Supervisory Board of Rémy Cointreau SA.
Director and Deputy Managing Director of Andromède SA.

Mr. Marc Hériard Dubreuil
French national, 56 years old.
Date first appointed: 7 September 2004.
Date appointment expires: AGM to consider the financial statements for the year 2010.
Professional address: Orpar - 123, avenue des Champs Elysées - 75008 Paris, France.

Mr. Marc Hériard Dubreuil is a graduate of ESSEC and has been a director of the Company since December 1991, after beginning his professional career with General Foods and Leroy Somer. He has notably been Chairman of Rémy Martin and Rémy & Associés, then Chief Executive Officer of Rémy Cointreau from 1990 to 2000.

Principal appointment outside the Company:

Chairman and CEO of Oeneo SA.

Other appointments:

Managing Director of Andromède SAS
Vice-chairman, Deputy Managing Director and Director of Orpar SA
Member of the Managing Board of Récopart SA
Chairman of LVLF SAS
Manager of Trinity Concord International Ltd
Director of TC Holding Limited.

Previous functions and terms of office (held during the last five years and now terminated)

Vice-chairman of the Supervisory Board of Rémy Cointreau SA.
Director and Deputy Managing Director of Andromède SA.
Manager of SARL Marchadier Investissement.

Mr. Patrick Duverger
French national, 69 years old.
Date first appointed: 7 September 2004
Date appointment expires: AGM to consider the financial statements for the year 2008
Professional address: 8, rue des Bouleaux -78450 Chavenay, France

Mr. Patrick Duverger is a former student of Ecole Polytechnique and an engineer who graduated from the Ecole des Mines. He was notably the Chief Executive Officer of Société Générale from 1997 until his retirement in 2000. He has been a director of the Company since October 1998.

Principal appointment outside the Company:

Director of Soparexo.

Previous functions and terms of office (held during the last five years and now terminated):

Member of the Supervisory Board of AVIVA France.
Director of AVIVA Participations.
Director of Faurecia.

Sir Brian Ivory
British citizen, 59 years old.
Date first appointed: 7 September 2004
Date appointment expires: AGM to consider the financial statements for the year 2008.
Professional address: 12, Ann Street - Edinburgh EH4 1PJ - Scotland

Sir Brian Ivory is a chartered accountant and holds a Master of Arts Degree from the University of Cambridge. He has been a director of a number of listed companies in the United Kingdom since 1978, including currently The Scottish American Investment Company plc and Retec Digitel plc. Sir Brian Ivory has been a director of Orpar, Rémy Cointreau SA parent company, since January 2003. He has been a director of the Company since November 1991.

Principal appointment outside the Company:
Chairman of The Scottish American Investment Company plc.

Other appointments:

Director of Orpar.
Chairman of National Galleries of Scotland.
Chairman of Retec Digital plc.
Director of Synesis Life Ltd.
Director of Insight Investment Management Ltd.

Previous functions and terms of office (held during the last five years and now terminated):

Director of HBOS plc.
Director of Bank of Scotland.
Director of Halifax plc.
Director of Marathon Asset Management Ltd.

Mr. Xavier Bernat
Spanish national, 54 years old.
Date first appointed: 7 September 2004.
Date appointment expires: AGM to consider the financial statements for the year 2008.
Professional address: Chupa Chups S.A. - WTC Almeda Park 2, Pl. de la Pau - S/N 08940 Cornellá, Barcelona, Spain

Mr. Xavier Bernat holds a BA from ESADE in Barcelona and an MBA from IESE in Barcelona. He began his career in 1972 with Chupa Chups SA, becoming its Chief Executive Officer in 1991, then Chairman and Chief Executive Officer from 1998 to 2006. He became a member of the Supervisory Board of the Company in March 2003.

Principal appointment outside the Company:

Chairman and CEO of Milpins SA.

Other appointments:

Director of Calidalia SA.
Director of Abundium.
Director of Conway SA.
Senior advisor of Perfetti van Melle.

Previous functions and terms of office (held during the last five years and now terminated):

Chairman and CEO of Chupa Chups SA.

Mr. Jean Burelle
French national, 69 years old.
Date first appointed: 3 June 2005.
Date appointment expires: AGM to consider the financial statements for the year 2010.
Professional address: Burelle SA - 1, rue François 1er - 75008 Paris, France.

Mr. Jean Burelle is a graduate of the Federal Institute of Technology in Zurich and holds an MBA from Harvard. He was notably Chairman and Chief Executive Officer of Compagnie Plastic Omnium from 1987 to 2001 and a director of the French-German and French-American Chambers of Commerce for several years. He has been Chairman and Chief Executive Officer of Burelle SA since 2001. He was appointed Chairman of MEDEF International in November 2005. Mr. Jean Burelle is a Knight of the Legion of Honour and a Knight Officer of the National Order of Merit. He has been a director of the Company since June 2005.

Principal appointment outside the Company:

Chairman and CEO of Burelle SA.

Other appointments:

Deputy Managing Director and Director of Sogec 2.
Honorary Chairman and Director of Compagnie Plastic Omnium.

Director of Essilor International and Chairman of the Directors' Committee.
Chairman of MEDEF International.
Member of the Supervisory Board of Soparexo (SCA).
Member of the Supervisory Board of Banque Jean-Philippe Hottinger & Cie (SCA).
Chairman of Harvard Business School Club de France.
Permanent representative of Burelle Participations within the Board of Directors of Sycovest 1.
Member of the Supervisory Board of EM Lyon (AESCRA).

Previous functions and terms of office (held during the last five years and now terminated):

Member of the Supervisory Board of Lapeyre.
Chairman of Sycovest 1.

Mr. Jacques-Etienne de T'Serclaes

French national, 61 years old
Date first appointed: 27 July 2006
Date appointment expires: AGM to consider the financial statements for the year 2009
Professional address: 14 rue des Sablons - 75116 Paris, France.

Mr. Jacques-Etienne de T'Serclaes, chartered accountant, graduated from ESSCA and Harvard Business School (OPM). He has wide-ranging experience in audit as well as in the retail and consumer sector.

As Senior Partner with PricewaterhouseCoopers (1990-2005) he headed up the Global Retail and Consumer practice worldwide, and was Chairman of the Supervisory Board of PwC Audit France. Previously he spent seven years within the Euromarché group (acquired by Carrefour) where he was Managing Director. Since 2006, Mr. de T'Serclaes has joined Advent International Global Private Equity as Operating Partner.

Principal appointment outside the Company:

Operating Partner: Advent International Global Private Equity.

Other appointments:

Director of Gifts In Kinds International (USA).
Member of the Supervisory Board of Altran Technologie S.A.
Director of Banimmo (Belgium).

Previous functions and terms of office (held during the last five years and now terminated):

Chairman of the Supervisory Board of PricewaterhouseCoopers Audit.
Director of Euro-India Centre.

Monsieur Gabriel Hawawini

French national, 60 years old
Date first appointed: 27 July 2006
Date appointment expires: AGM to consider the financial statements for the year 2009
Professional address: INSEAD, boulevard de Constance - 77305 Fontainebleau.

Mr. Gabriel Hawawini, holds a degree in Chemical Engineering from the University of Toulouse and a doctorate in Economics and Finance from New York University. He has been a professor at INSEAD since 1982, and the Henry Grunfeld Chaired Professor of Investment Banking. He was the Dean at INSEAD between 2000 and 2006. Mr. Hawawini has lectured in New York universities, particularly Columbia. He is the author of 13 books and over 75 articles. Mr. Gabriel Hawawini is a Knight Officer of the Legion of Honour.

Principal appointment outside the Company:

Director of Vivendi Universal.

Other appointments:

Chairman of the European Foundation for Management Development Accreditation Commission.

Previous functions and terms of office (held during the last five years and now terminated):

Director of Mastrad.
Director of Cerestar.
Director of The Indian School of Business.
Director of Accenture (Energy Advisory Board).
Director of European Foundation for Management Development.

Mr. Tim Jones

British national, 63 years old.
Date first appointed: 31 July 2007.
Date appointment expires: AGM to consider the financial statements for the year 2010.
Professional address: 8 Kirkwick Avenue, Harpenden ASL 2QL, United Kingdom.

Mr. Tim Jones is a Doctor of Philosophy (PhD) and holds an MBA. He was a manager in the oil industry for a number of years and subsequently Chief Executive Officer of Lloyd's Register for seven years. He has been a Director of Orpar, the parent company of Rémy Cointreau, since 15 January 2003.

Principal appointment outside the Company:

Director of Double Dragon Underwriting, Ltd and InnovOx, Ltd.

Other appointments:

Member of the Royal Society of Chemistry.

Previous functions and terms of office (held during the last five years and now terminated):

Deputy Chairman of Education and Learning in Wales.

ORPAR

Société anonyme (Public Limited Company) with a share capital of €68,022,176.
Date first appointed: 27 July 2006.
Date appointment expires: AGM to consider the financial statements for the year 2009.
Registered office: Ancienne rue de la Champagne, Rue Joseph Pataa, 16100 Cognac, France

Permanent representative:

Mr. Xavier Izarn, French national, 55 years old.
Professional address: Orpar - 123, avenue des Champs Elysées - 75008 Paris, France

Function in the Company represented:

Chief Financial Officer.

Mr. Xavier Izarn is a graduate of École Supérieure de Commerce of Le Havre and has a Masters in applied economics from Paris IX-Dauphine University. He has been European Chief Financial Officer in various international groups, such as Tyco Fire & Security, Chubb, Exide Technology and has also held a number of offices within these groups.

Other appointments:

Chairman of SAS Oeneo Bouchage.
Chairman of SAS Seguin Moreau.
Director of Sibel.

Previous functions and terms of office (held during the last five years and now terminated):

Chairman of CEAC.
Chairman and CEO or Director until 2003 of several Chubb Group subsidiaries.

Number of independent Board Directors: 5.

Mr. Xavier Bernat, Mr. Jean Burelle, Mr. Patrick Duverger, Mr. Jacques Etienne de T'Serclaes, Mr. Gabriel Hawawini.

The Management Board is regularly informed of the independence of each of its members.

Number of members elected by employees: the Company does not have any employee members.

Number of shares that must be held by each member: 100.

HONORARY CHAIRMAN

Mr. Pierre Cointreau
The Board of Directors on 27 July 2006 appointed Mr. Pierre Cointreau as Honorary Chairman of the Company.

French national, 87 years old.

Professional address: Cointreau SA - BP 79 - Carrefour Molière - 49181 St Barthélémy d'Anjou, France

Mr. Pierre Cointreau has been an industrialist and an entrepreneur since 1950. He is a former socioeconomic adviser, a former member of the Economic and Social Council of the Pays de Loire region and the Honorary Chairman of the Chamber of Commerce of Angers and of the Anjou Trade Show. Mr. Pierre Cointreau is the Honorary Mayor of the town of Montreuil sur Loire. He is the Chairman of the Supervisory Board of Récopart, which holds 14.21% of Rémy Cointreau SA, and was a director of the Company from December 1991 to July 2006. Mr. Pierre Cointreau is a Knight Officer of the Legion of Honour and of the National Order of Merit.

Principal appointment outside the Company:

Chairman of the Supervisory Board of Récopart SA.

Other appointments:

Chairman of Cointreau SASU.
Chairman of Izarra SASU.

Previous functions and terms of office (held during the last five years and now terminated):

Member of the Supervisory Board of Rémy Cointreau from December 2000 to September 2004.
Director of Rémy Cointreau from September 2004 to July 2006.
Chairman of the Board of Directors of Cointreau SA.
Chairman of the Board of Directors of Izarra SA.
Director of CLS Rémy Cointreau.
Director of GIE Rémy Cointreau Services.

CENSOR

Mr. Jürgen Reimnitz
German national, 77 years old.
Date appointed by the Board of Directors: 27 July 2006.
Date appointment expires: 27 July 2009.
Professional address: Commerzbank AG - Kaiserplatz - D 60261 Frankfurt Am Maine, Germany.

Mr. Jürgen Reimnitz is a graduate of the Commerzbank Administration College. He has held various positions within Commerzbank in Spain, France, the US and Germany. He was a member of the Management Board of Commerzbank from 1973 to 1995 and was subsequently a member of its Advisory Committee until 2002. He held various positions as a member of the Central Capital Market Committee of the Bundesbank from 1976 to 1994. Mr. Reimnitz was a director of the Company from 16 December 1991 to 26 July 2006.

Principal appointment outside the Company:
Chairman of the Supervisory Board of Air Liquide Deutschland GmbH (Düsseldorf).

Other appointments:
Chairman of the Finance Committee of the International Chamber of Commerce (ICC), Paris.
Vice-chairman of ICC Germany, Cologne.
Director of Bongrain S.A.
Member of the Advisory Committee of Fitch International (London, New York).
Member of the UN Investment Committee, New York.

Previous functions and terms of office (held during the last five years and now terminated:

Member of the Supervisory Board of Rémy Cointreau from December 2000 to September 2004.
Director of Rémy Cointreau from September 2004 to July 2006.
Chairman of the Board of Directors of Merrill Lynch Investment Managers KAG (Frankfurt).
Chairman of the Board of Directors of Mercury World Bond Funds (Luxembourg).
Chairman of Merrill Lynch International Investment Funds (Luxembourg).
Member of the Supervisory Board of Bongrain SA.

CHIEF EXECUTIVE OFFICER AND EXECUTIVE COMMITTEE

On 7 September 2004, the Board of Directors elected to split the positions of Chairman of the Board and Chief Executive Officer in accordance with Article L. 225-51-1 of the Commercial Code. Mr. Jean-Marie Laborde was appointed as Chief Executive Officer on 7 September 2004 and reappointed for a period of 3 years on July 2007.

Mr. Jean-Marie Laborde, 60 years old, a French national, holds a Masters' Degree in Economics from the University of Bordeaux and an MBA from the Institut Supérieur des Affaires (HEC/ISA). Mr. Jean-Marie Laborde was notably Chairman and Chief Executive Officer of Ricard from 1984 to 1996 and Chairman and Chief Executive Officer of Moët et Chandon from 1996 to 2003. He subsequently became General Manager of the wine division of

Worms & Cie. He joined the Rémy Cointreau Group in September 2004. Mr. Jean-Marie Laborde is a member of a number of professional organisations. He is a Knight of the Legion of Honour, a Knight of the National Order of Merit and a Knight Officer of the Order of Arts and Humanities.

Principal appointment outside the Company:

Director of Maxxium Worldwide BV.

Other appointments:

Chairman of Rémy Cointreau Services SAS.
Chairman of Mount Gay Distilleries Ltd.
Director of Rémy Cointreau Amérique.
Director of Cointreau Corporation.
Supervisory Director of Rémy Cointreau Nederland Holding BV.
Legal representative of E. Rémy Martin & C° SAS, Director of Financière Rémy Cointreau SA/NV.
Legal representative of Rémy Cointreau SA, Chairman of RC ONE SAS.
Legal representative of Rémy Cointreau SA, Chairman of Seguin & Cie SAS.
Director of Finadvance.

Previous functions and terms of office (held during the last five years and now terminated):

Chief Executive Officer of the Worms & Cie wine and properties division.
Chairman of Antonin Rodet.
Chairman and CEO of Moët & Chandon.

The Chief Executive Officer is assisted by an Executive Committee comprising the following members:

- Mr. Jean-François Boueil, Group Human Resources Manager,
- Mr. Hervé Dumesny, Group Finance Director,
- Mr. Damien Lafaurie, Market Operations Manager,
- Mr. Christian Liabastre, Strategy and Brand Development Manager,
- Mr. Patrick Marchand, Group Operations Manager.

THE GROUPS' DIRECTORS HAVE HAD NO CONVICTIONS FOR FRAUD, NO DIRECTOR HAS BEEN PARTY TO BANKRUPTCY, NO ASSETS OF THE COMPANY HAVE BEEN IMPOUNDED OR LIQUIDATED AND NO DIRECTOR RECEIVED ANY OFFICIAL INCRIMINATION OR PUBLIC PENALTY NOR STATUTORY BAR TO ACT OR TO INTERVENE IN THE CONDUCT OF THE COMPANY'S BUSINESS.

To the best of Rémy Cointreau's knowledge:

- There were no convictions for fraud over the last five years against any members of the Board of Directors or the Chief Executive Officer;

- Neither the Chief Executive Officer nor any members of the Board of Directors have been party, over the past five years, to a bankruptcy, nor were assets impounded or liquidated while being a member of an administrative, management or supervisory body or as Chief Executive Officer;

- No official incrimination and/or public penalty were incurred against any members of the Board of Directors or the Chief Executive Officer by statutory and regulatory authorities, including designated professional bodies. Thus, neither the Chief Executive Officer nor any members of the Board of Directors were subject to any statutory bar to act or to intervene in the management or the conduct of the business of an issuing company over the past five years.

NATURE OF ANY FAMILY RELATIONSHIP

Messrs. François and Marc Hériard Dubreuil are Mrs Dominique Hériard Dubreuil's brothers.

SHAREHOLDINGS IN THE COMPANY:

Orpar, a Director, holds 42.80% of the share capital and 54.37% of the voting rights of the Company.

ABSENCE OF ANY POTENTIAL CONFLICTS OF INTERESTS

To the best of Rémy Cointreau's knowledge, there are no potential conflicts of interests between the duties toward the issuer and the private interests and/or other duties of any members of the Board of Directors or the Chief Executive Officer.

SERVICE CONTRACTS BINDING MEMBERS OF THE ADMINISTRATIVE AND GOVERNING BODIES

Neither the Chief Executive Officer nor any members of the Board of Directors are bound to Rémy Cointreau nor to any of its subsidiaries by a service contract providing for the granting of benefits at the end of such contracts. There exists an agreement for business management and assistance concluded with Orpar, the principal shareholder and Director of Rémy Cointreau, whose remuneration conditions are disclosed in the Special Report of the Statutory Auditors.

OPERATION OF THE CORPORATE BODIES AND EXECUTIVE MANAGEMENT

The Chief Executive Officer reports to the Board of Directors.

The Board of Directors currently comprises 11 members. Board members are appointed for three years. A third, or as close as possible to a third of Board members is renewed annually, so that the whole Board has been renewed at the end of a three year period.

Any member exceeding 85 years of age at the start of a financial year is deemed to have resigned from office effective at the end of the next Annual General Meeting to consider the financial statements of the financial year then ended. However, his/her term of office may be renewed from one year to the next, as long as the number of Board members aged more than eighty five years of age does not exceed one-third of the number of serving members.

Between 1st April 2007 and 31 March 2008, the Board of Directors met seven times. The average attendance rate was 82.86%.

The members of the Board of Directors are informed, at the time they take up their appointment, of the legal and regulatory provisions in force in respect of Directors trading in the Company's shares.

COMMISSIONS ESTABLISHED WITHIN THE BOARD OF DIRECTORS

The four committees established within the Board of Directors are mentioned in the report of the Chairman of the Board of Directors to the Combined General Meeting.

2.2 STATUTORY AUDITORS - APPOINTMENTS AND FEES

CURRENT APPOINTMENTS

Principal Statutory Auditors

Practice	Ernst & Young et Autres 41, rue Ybry 92576 Neuilly sur Seine	Auditeurs & Conseils Associés 33, rue Daru 75008 Paris
Represented by	Marie-Laure Delarue	François Mahé
Date first appointed	22/09/88	26/09/90
Date appointment renewed	27/07/06	03/09/02
Date appointment expires	AGM to consider the financial statements for the year 2012	AGM to consider the financial statements for the year 2008

Alternate Statutory Auditors

Incumbent	Auditex Tour Ernst & Young Faubourg de l'Arche 92037 La Défense	Geneviève Dionis du Séjour
Date first appointed	27/07/06	03/09/02
Date appointment expires	AGM to consider the financial statements for the year 2012	AGM to consider the financial statements for the year 2008

FEES PAID TO THE STATUTORY AUDITORS

Fees paid to the Statutory Auditors and members of their network for 2008 amounted to €895 thousand, analysed as follows:

	Ernst & Young et Autres				Auditeurs & Conseils Associés			
		Amount	%	%		Amount	%	%
(€ thousands)	2008	2007	2008	2007	2008	2007	2008	2007
Audit								
Statutory audit, review of individual and consolidated financial statements	780	807	99	98	106	96	96	97
- Rémy Cointreau SA	216	200	-	-	92	87	-	-
- Fully consolidated subsidiaries	564	607	-	-	14	9	-	-
Ancillary assignments	5	19	1	2	4	3	4	3
- Rémy Cointreau SA	-	-	-	-	4	-	-	-
- Fully consolidated subsidiaries	5	19	-	-	-	3	-	-
Sub-total	785	826	100	100	110	99	100	100
Other services								
Other services	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-
Total	785	826	100	100	110	99	100	100

3. REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

Dear Shareholders,

In compliance with Article L. 225-37 of the Commercial Code, we report to you within this document on:

- conditions of preparation and organisation of the duties of your Board of Directors,
- internal control procedures established by the Company, and
- limitations your Board of Directors has imposed on the powers of the Chief Executive Officer.

3.1 CONDITIONS OF PREPARATION AND ORGANISATION OF THE DUTIES OF THE BOARD OF DIRECTORS

INTERNAL REGULATIONS

During the meeting of 7 September 2004, the Board of Directors elected to organise directors' information in such a way that all directors, either representing the majority shareholder or independent, have access to the same information. On this occasion, the Board reasserted that it is the sole authority with decision-making powers on matters that have not been delegated to the Chief Executive Officer.

In compliance with these principles, at a meeting on 8 December 2004, the Board elected to set out clearly its internal rules and its relationship with Executive Management.

The Board of Directors updated its internal rules on 5 December 2005 and 5 June 2007. The update was necessitated by legal amendments.

The current report comprises clauses on the Board's internal regulations.

COMPOSITION OF THE BOARD

It should be noted that Rémy Cointreau's Board of Directors currently comprises 11 members and that at least 30% of them should be, if possible, independent members. There were five independent members during the 2007/08 financial year. A list of all Board Members, as well as their other appointments can be found in this "Corporate Governance" chapter.

The choice of independent members is subject to preliminary recommendations from the "Nomination - Remuneration" Committee. The Board of Directors is regularly updated on the independence of the members. The criteria selected in this respect are reviewed at least once a year. Generally, a director is considered independent when he/she does not have a relationship of any kind with the Company, the Group or its management that may affect his/her freedom of judgment.

All Board members have profound and multidisciplinary experience of the business world and international markets. They were evaluated throughout the year as they participated in Board and Committee meetings. This evaluation is formalised at the end of the year after a summary of responses from every director and a questionnaire mainly covering the organisation of the Board, the methods by which it is informed, the content of its work and the quality of discussions during its meetings, with both the Chief Executive Officer and the managers of the Executive Committee.

TRANSPARENCY RULES

On appointment, then on a regular basis while they hold office, directors are given the Guide published by the French Financial Market Authority (AMF) which is aimed at directors of a listed company. It details their personal obligations with respect to holding Company shares.

Directors must hold their shares under nominative form or deposit the shares issued by the Company, its subsidiaries, the company of which it is a subsidiary or other subsidiaries of the Company, and shares which are owned by the directors themselves, by spouses from whom they are not physically separated or by minors.

Each director must hold a minimum of 100 shares.

The directors, the Chief Executive Officer and the members of the Executive Committee have been informed of the new provisions introduced in that respect by Article L.621-18-2 of the Monetary and Financial Code and by articles directly concerning the General Regulations of the Autorité des Marchés Financiers. Directors now must directly declare to the Autorité des Marchés Financiers, within five days following the transaction, any acquisition, disposal, subscription or exchange of capital securities of the Company, as well as all transactions carried out on related financial instruments. In addition to Board members and the Chief Executive Officer, this rule applies to all individuals or corporate entities related to them in accordance with applicable regulations. This also applies to transactions carried out by their spouses from whom they are not physically separated, by minors, by any other relative living in their house for at least a year at the date of the transaction in question or by any legal entity whose governance is under the responsibility of one of the abovementioned individuals, which is directly or indirectly controlled by one of these individuals, which was established for his/her own benefit or of which the majority of economic benefits flow to these individuals.

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

Directors must inform the Board of Directors, as soon as they are made aware of any conflict of interest or potential conflict of interest and abstain from taking part in deliberations and corresponding votes. In the case of a permanent conflict of interest, the director must resign.

FREQUENCY OF MEETINGS

It should be noted that the Extraordinary General Meeting of 7 September 2004 decided to modify the method of management of the Company with the creation of a Board of Directors.

Article 16-1 of the bylaws provides that the Board of Directors meets as often as required in the interests of the Company. Thus, the Board of Directors met seven times during the financial year.

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

20 April 2007:

- Redemption of the two bond issues posted to the balance sheet; request made to bondholders to waive certain commitments attached to the said bonds in order to consider the distribution of dividends.

Attendance rate: 82%.

5 June 2007:

- Approval of the Company's financial statements for the 2006/07 financial year; report by the "Audit and Finance" Committee;
- Examination and approval of Group consolidated financial statements at 31 March 2007; comparative examination with budget commitments;
- Examination and approval of management planning documents referred to in Articles L. 232-2 and L. 232-3 of the Commercial Code;
- Notice of the Annual General Meeting and Extraordinary General Meeting; setting of the agendas, approval of the Board of Directors' reports and draft resolutions and powers;
- Noting of the number and value of shares issued since 1st April 2006 following the exercise of share subscription options; modification of the share capital and bylaws accordingly.

Attendance rate: 90%.

22 June 2007:

- Information on the approval of the 2006/07 financial statements of Maxxium Worldwide BV;
- Waiver by the bondholders' general meeting of 15 June 2007 of the application of the covenants attached to the 5.20% loan, enabling the payment of dividends as a result;
- Results of the two 6.50% and 5.20% bond issue redemption offers; and
- Early redemption of the 6.50% bond issue.

Attendance rate: 63%.

31 July 2007:

- Reappointment of Mr. Jean-Marie Laborde as Chief Executive Officer; powers.

Attendance rate: 73%.

13 September 2007:

- Noting of the number and value of shares issued as a result of the 20% share payment option of the 2006/07 dividend; noting of the number and value of shares issued between 1 April 2007 and 31 August 2007 following the exercise of share subscription options;
- Modification of the share capital and bylaws accordingly; and
- Information on the early redemption of the 6.50% €175 million bond issue.

Attendance rate: 100%

20 November 2007:

- Examination and approval of the interim consolidated financial statements at 30 September 2007; comparative examination with budget commitments; report of the "Audit and Finance" committee;
- Examination and approval of the projected management and analysis report referred to in Articles L. 232-2 and L. 232-3 of the Commercial Code;
- Noting of the number and value of shares issued following the free share allocation of 11 October 2005; share capital increase by capitalisation of reserves; modification of the share capital and bylaws accordingly;
- Capital increase of Rémy Cointreau Services SAS, a subsidiary of Rémy Cointreau SA, as part of the legal restructuring of Mount Gay Distilleries and the financing of US operations by its subsidiary Financière Rémy Cointreau NV;
- Free share allocation plan; report of the "Nomination-Remuneration" Committee; and
- Examination of the medium-term plan; Group strategic options and priorities.

Attendance rate: 82%.

28 March 2008:

- Progress report on Group operations since the start of the financial year and consolidated profit forecasts at 31 March 2008;
- Identification of risks within the Group;
- Examination and approval of the 2008/09 budget; and
- Creation of the Singapore Hub.

Attendance rate: 90%.

NOTIFICATION OF MEETINGS TO BOARD MEMBERS

The schedule of Board meetings for the following year was agreed among the directors at the meeting of the Board of Directors in July. The members of the Board will then be called to each meeting by letter, approximately 15 days in advance. They may also be informed by telegram, fax, electronic mail or even orally.

The Statutory Auditors are regularly called to meetings of the Board of Directors to consider the half-year and full year financial statements.

DIRECTORS' FEES

The total amount of directors' fees proposed to a vote by the shareholders was subject to a regular study of the practices adopted by French groups of a similar scale and international dimension to Rémy Cointreau.

Directors' fees are allocated by the Board of Directors on the following bases:

- a fixed share defined on an annual basis;
- a variable share commensurate with each director's attendance at Board meetings, as well as committees;
- a fixed share may also be allocated to the Chairman of the Board and to Committee Chairmen.

In addition, the Board of Directors may grant exceptional remuneration for specific assignments entrusted to members of the Board. This type of remuneration is subject to legal provisions on regulated agreements. No such remuneration was paid during the financial year.

Members of the Board of Directors are also reimbursed all expenses incurred in the course of their duties, subject to supporting documents being produced.

In the event an individual, who is linked by an employment contract to the Company or to any other company controlled by or controlling the Company, is appointed Chairman of the Board, the provisions of this contract corresponding, if applicable, to compensation or benefits due or likely to be due as a result of the termination or change of these duties, or subsequently to these duties, are subject to legal provisions on regulated agreements. The same provisions apply on the appointment of the Chief Executive Officer or Deputy Chief Executive Officer. A deferred compensation commitment of the Company for the benefit of the Chief Executive Officer was amended to comply with the new provisions of the Law of 21 August 2007. This commitment is now subject to the beneficiary fulfilling performance conditions, to be assessed in the light of those of the Company.

BOARD OF DIRECTOR'S INFORMATION

All necessary documents and information for Board members are made available to them prior to the Board meetings and their various committees.

In respect of Board meetings, documents and information are subject to a major financial and commercial analysis that comprises, in a very detailed manner, all corporate data that provides a profound understanding by Board members of the operations, results and prospects for the Rémy Cointreau Group.

The provision of preliminary and regular information for directors is fundamental to the performance of their duties. Therefore, the Chairman of the Board of Directors verifies that the Executive Management provides, continuously and without limits, all strategic and financial information necessary for them to perform their duties under the best possible conditions.

On the basis of information provided, directors can request any explanation or information they deem necessary.

Apart from Board meetings, directors regularly receive all significant information relating to the Company and the Group, in particular monthly operating reports compared with budget, and are warned of any event or development that may have a significant impact on operations or on information previously communicated to the Board.

They are specifically sent press releases published by the Company as well as key press articles and financial analysis reports.

Directors may meet main Group managers without the Executive Management being present, on condition that they have made such a request to the Chairman of the Board of Directors who will then inform the Executive Management.

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

LOCATION OF MEETINGS

The meetings of the Board of Directors take place in Paris, at the administrative head office, or in Cognac at the Company's registered office. However, the Board may hold a meeting in another location, in France or in another country, at the Chairman's request.

Pursuant to Article L. 225-37 of the Commercial Code, Article 16-5 of the bylaws and Article 2 of internal regulations, the meetings of the Board of Directors may be held by videoconferencing and/or teleconferencing. The technical resources used must facilitate a visual identification of the directors and guarantee their actual participation.

Participation by videoconferencing is forbidden in respect of approval of the parent company statements and consolidated financial statements, as well as Company and Group management reports.

In the event that the Chairman of the Board notes that the videoconferencing system does not operate correctly, the Board may deliberate and/or carry on with the meeting with those members who are in attendance, as long as quorum conditions are fulfilled.

Any technical incident affecting the meeting will be noted in the minutes of the meeting, including breakdown and restoration of videoconferencing participation.

A director participating in a meeting by means of videoconferencing, who would not be deemed present due to equipment malfunction, may grant power of attorney to a director attending the meeting after informing the Chairman of the Board. This director may also grant power of attorney before the meeting by specifying that this would solely become effective in the event of a videoconferencing system malfunction that would prevent him being deemed present.

The Board of Directors' meeting of 5 December 2005 integrated in its internal rules the amendments to Article L. 225-37 of the Commercial Code made by Law No. 2005-842 of 26 July 2005. The Extraordinary General Meeting of 27 July 2006, in its seventeenth resolution, modified in the same way Article 17.5 of the previous bylaws (Article of 16.5 of the new).

During the financial year, the Board meetings of 20 April and 22 June 2007 used videoconferencing facilities. Seven and four directors respectively attended these meetings as a result of this means of participating.

COMMITTEES ESTABLISHED WITHIN THE BOARD OF DIRECTORS

Four committees were created within the Board of Directors.

The Board defines their composition and function. Each committee must include at least one independent director. The Board nominates one member of each committee as Chairman.

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

Within the framework of their functions, these committees may interview Group executives and statutory auditors after having informed the Chairman of the Board. The Board may grant committees one or several functions, on the request of these committees. Committee members' remuneration would then be established by the Board. Committees report their findings to the Board.

Committees do not interact directly with Executive Committee members, but one of the members of the Executive Committee attends committee meetings relevant to his/her function. He/she then prepares and communicates all documents necessary for the committee to perform its duties. The Audit & Finance Committee may request interviews with the Statutory Auditors without the attendance of an executive management member.

The Chairman of the Board and the Chief Executive Officer (unless matters are of personal concern to him), may attend all committee meetings.

"Audit & Finance" Committee

Chairman: Mr. Patrick Duverger.
Members: Mr. Marc Hériard Dubreuil.
Mr. Xavier Izarn.
Mr. Jacques-Etienne de T'Serclaes.
Present: Mr. Jürgen Reimnitz, Censor.

Number of independent members: 2.

This committee met twice, on 4 June and 16 November 2007. The attendance rate was 100%. Some of its work was carried out in the presence of the Statutory Auditors, the Group Financial Controller, Group Treasurer and Group Tax Manager, when the following was discussed:

- review of the annual financial statements at 31 March 2007 and forecasts at 31 March 2008;
- internal control and internal audit;
- assessment of the Rémy Cointreau share price
- exchange rate and interest rate risk management policy;
- brand valuation; and
- financial and tax policy

"Development and Marketing Strategy" Committee

Chairman: Mrs. Dominique Hériard Dubreuil.
Members: Mr. Xavier Bernat.
Mr. Gabriel Hawawini.
Sir Brian Ivory.
Mr. Håkan Mogren, replaced by Mr. Tim Jones as of 28 March 2008.

Number of independent members: 2.

This committee combines the previous Development Strategy and Marketing Strategy committees. It met on 20 November 2007 and on 28 March 2008. Its work primarily involved the Group's distribution strategy.

Attendance rate: 100%.

"Ethics, Environment and Sustainable Development" Committee

Chairman: Mr. Gabriel Hawawini.
Members: Mrs. Dominique Hériard Dubreuil.
Mr. Jean Burelle

Number of independent members: 2.

"Nomination and Remuneration" Committee

Chairman: Sir Brian Ivory.
Members: Mrs. Dominique Hériard Dubreuil.
Mr. François Hériard Dubreuil.
Mr. Jean Burelle.

Number of independent members: 1.

This committee met on 4 June, 2 July, 23 October, 19 November 2007 and 27 March 2008. The attendance rate was 75% for the first three meetings and 100% for the last two. It discussed the following:

- review of the Group's free share allocation policy;
- 2007/08 salary policy;
- succession plan;
- review of supplementary pension plans;
- profit-sharing plan; and
- human resources summary.

Each committee reports its findings to the Board of Directors.

APPROVAL OF REGULATED AGREEMENTS BY THE BOARD OF DIRECTORS

During the year just ended, the Board of Directors approved the following decisions:

- Additional clause to the treasury agreement of 14 December 2004 between Rémy Cointreau and Orpar, changing the interest rate and terms and conditions of future revisions;
- Modification with effect from 1st April 2008 of the tax grouping scheme;
- Modification of the royalty rates invoiced to the production subsidiaries by Rémy Cointreau SA for the years 2007/08 and 2008/09; and
- Transfer to E. Rémy Martin et Cie of the entire share capital of Seguin et Cie, prior to the absorption of Seguin into Rémy Martin.

Minutes of the Meetings

The minutes of the Board meetings were prepared at the end of every meeting and issued in draft form to the members at the time of the next meeting, during which they were approved.

3.2 INTERNAL CONTROL PROCEDURES

At the request of the Chairman of the Board of Directors and the Chief Executive Officer, the Finance Department collated the results of the work conducted in respect of internal control procedures - carried out during the financial year as well as in previous years - to support the preparation of a report. Once prepared, the final version of the report was submitted to the Audit and Finance Committee.

INTERNAL CONTROL: DEFINITION, OBJECTIVES AND SCOPE

The Group defines internal control as a procedure that aims to improve the control of its operations, operational efficiency of its transactions and the use of its resources.

It aims to ensure in particular:

- the application of instructions and the directions set out by the Executive Management;
- the correct operation of the Company's internal procedures, notably those concerning the safeguarding of its assets;
- conformity with existing laws and regulations; and
- the reliability of accounting and financial information.

Defined by the Executive Management and controlled by the Board of Directors, the system is implemented by managers and all personnel. The system that has been established can only provide reasonable assurance and not an absolute guarantee as to the achievement of Group objectives.

This process applies to the Company, whose responsibility it is to ensure that similar and suitable systems are implemented by its consolidated subsidiaries.

INTERNAL CONTROL COMPONENTS

Group organisation

The effectiveness of internal control is closely linked to the control environment. At Rémy Cointreau, general management has established a clear and appropriate organisation as well as a human resources policy reflecting its integrity in respect of aspirations, respect for the law, the environment and people.

Rémy Cointreau is organised in three operating sectors: Cognac, Champagne and Liqueurs and Spirits, and two distribution networks, including one created from 100% subsidiaries and the other shared with three other partners.

In order to encourage an exchange of best practices and cross-group control of its operations, the Group has chosen a matrix organisation, ensuring the effectiveness and responsiveness of a group on a human scale with an international presence. Functional management provide their expertise to operating management, taking into account their specific local features. In order to provide clarity, regularly updated hierarchical organisation charts are available on the Group's intranet. In addition, this process is completed through delegation of responsibilities which specify the duties of the principal executives.

The organisation is enhanced by a human resources policy based on ability, knowledge and the aspirations of its people. The Group is committed to a recruitment policy that improves the professionalism of its staff and attracts talent, as well as to a policy that develops skills which will maintain a high degree of expertise in its workforce.

Ethical values, codes of conduct and operational procedures have been defined by each of the Group's Operational Departments, enabling each employee to understand the various stages in the operation of the organisation's procedures.

In addition, the organisation is currently updating its IT systems to more recent and, consequently, more efficient ERP solutions, in order to meet the Group's ambitions for future development. Procedures are implemented periodically to guarantee continuing operation in the event of a disaster, as well as data and IT application protection and back up.

Risk management

In order to ensure the achievement of its objectives and the continuous development of its operations, Rémy Cointreau has established a means of identifying and analysing the principal risks. This also enables it to ensure that it has management procedures to cover these risks, as well as the major ones described in the chapter 5.2 on the Management Report. In respect of the areas where highly specific knowledge is required, such as centralised treasury management or management of the security of IT systems, the Group calls on external experts for assistance in documenting the procedures and summarising the risks.

The description of risk management would not be complete without mentioning the various players in internal control and the current procedures within Rémy Cointreau.

Control procedures

Every Group business or operation has its own reference documentation. This comprises charters, codes, standards, procedures and rules of best practice. These set out the manner in which a procedure, action or a check must be carried out and are an integral part of internal control. They are based on the following principal areas of expertise:

- Purchasing

Relations with suppliers are regulated by an ethics contract that refers to the UN Global Compact Charter. It provides assurance to the Group that its suppliers adhere to the same values of respect for human rights, the environment and fundamental social principles. In addition, the code that guides purchasing ensures that good practices are adopted by all Rémy Cointreau buyers, avoiding, whenever possible, any adverse trend that may damage the interests of the Group.

- Safety and quality

All production standards and rules issued by operations management are held in a unique database. Their application is regularly reviewed as part of the ISO 9000/2000 and ISO 14001 certifications, thus guaranteeing consumers a high level of quality and safety as well as respect for the production site environment. This is completed with a Quality/Safety/Environment charter defining the Group's three priorities which are product excellence, employee and consumer safety and protection of the environment.

- IT systems

In respect of the safety of IT systems, the Group uses external consultants to assist it in reviewing all the procedures of its major units, including those abroad. In addition, a backup plan for the IT data of the Group's principal sites in France was successfully established to comply with the specifications that defined performance objectives.

- Central management of funding and treasury

The charter for managing exchange rate risk sets out the principles that must be followed in order to ensure the greatest safety in this area. This document is completed with a summary of the risks of the principal procedures managed by the Group's Treasury department.

- Consolidation of financial statements and reporting

Rémy Cointreau has a set of principles and standards to enable the production of reliable financial information. The comparability of data is guaranteed by unique definitions and by valuation principles, as well as the processing of accounting and financial data for budget processes (three versions), updates of the budget and monthly closings. The calendar for the financial and accounting processes detail the reporting dates for information and its distribution enables senior management to manage their priorities. The availability of these rules on the Group intranet should guarantee that it is consistently updated and ensure that all financial personnel are in possession of the same information.

- Information and communication systems

The timely delivery and communication of relevant information to all Group players to enable them to perform their duties as clearly and confidently as possible rests with the following two principal mechanisms:

- Departmental meetings, organised periodically by the various Group players, whose task is to deliver and exchange operational information, share points of view, set priorities and co-ordinate action plans.
- Technical databases which are combined on the Group's intranet. They are available 24/7 anywhere in the world and enable the various players to consult information needed to correctly fulfil their duties. Specialist tools have also been put into place to communicate the latest available data in real time.

- Permanent monitoring of internal control

Internal control is implemented by Operational Departments which report to the Executive Committee.

Work is carried out on a regular basis to monitor the operation of their procedures, either by dedicated internal teams or specialist external organisations, to ensure the internal control system put in place is efficient. The findings of this work form the basis of a report, a summary of which is sent to site managers.

The Internal Audit Department actively participates in monitoring internal control procedures. It carries out ad hoc assignments to verify the Group's principles and standards are applied correctly.

During the financial year ended 31 March 2008, Internal Audit implemented its programme based on the following two main themes: risk management and internal control and the Group's exit from the Maxxium distribution network.

In the initial stage of its plan, Internal Audit participated in drawing up a summary of Group risks, which was entrusted to a well known external audit practice. It also established an intranet website dedicated to this theme, in which, in particular, self-assessment questionnaires linked to the control of financial procedures were formalised. It also ensured the quality of the financial documentation procedures prepared by the Group's major production companies.

In the second stage of its plan, Internal Audit carried out 13 assignments that covered approximately 75% of the turnover achieved by the Maxxium distribution network.

The results of all this work were disclosed to the Statutory Auditors.

INTERNAL CONTROL PLAYERS

The respective roles of the principal internal and external players involved in internal control are the following:

Executive Committee

Its task is to set the direction for the internal control procedures it wishes to establish and to provide the resources necessary to implement them.

Board of Directors

The Board of Directors - through the intermediary of the "Audit and Finance" Committee - requests that the Executive Committee report the main features of the internal control procedures implemented to the Board. The "Audit and Finance" Committee pays particularly attention to the establishment and application of procedures and good practices that guarantee the reliability, reporting and treatment of accounting and financial information. It also ensures that the annual audit programme covers the major risks identified by the Group, as detailed in this document, whether they are of an operational or financial nature.

Financial management

Its principal task is to monitor the financial activities of the markets' operational management. It establishes the rules for consolidation and management and ensures the definition and promotion of tools, procedures and good practices in areas such as management accounting and consolidation, funding and treasury, taxation, financial communication and IT systems.

Internal Audit

Internal Audit operates across the Group as well as in the shared distribution network and, where appropriate, in third parties in the event of subcontracting, both in distribution and production. Internal Audit within the financial management department reports to the Executive Committee, the management of the unit concerned and, where appropriate, to the management of the shared distribution network. Each year, the internal audit department presents a summary of the completion of the audit programme and the main findings of its assignments to the Audit & Finance Committee. Their assignments are planned following approval by the Executive Committee and the Audit & Finance Committee. They are prepared as a function of specific risks, related to a specific operation, on the basis of several criteria. Apart from these audit assignments, the internal auditors' role is to promote internal control procedures for the Group's operating and financial activities.

Market management

The assignment is to implement, in all subsidiaries, internal control procedures in accordance with the objectives set out by the Executive Committee.

Legal management

Legal management, other than its function as corporate secretary, assists companies in significant legal matters and sets up insurance cover guaranteeing, notably, risks regarded as strategic such as general civil liability "products" and "operations", damage to assets and subsequent loss of profit and the transportation of goods. The Group works closely with an insurance broker with worldwide coverage and all the policies were subscribed to with the best known insurance companies.

INTERNAL CONTROL IN RESPECT OF THE PREPARATION OF FINANCIAL AND ACCOUNTING INFORMATION

The reference document used in drawing up this section is the "Application guide relating to internal control of accounting and financial information published by issuers" of the AMF Reference Framework. This approach comes within a process of continuous improvement of the established internal control system.

Scope and objectives

The internal control procedures in relation to preparing and processing financial and accounting information apply to the parent company and all the subsidiaries included in the consolidated financial statements.

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

- respect for laws and regulations and the correct application of instructions and directions set by Group management in the process of preparing accounting and financial information;
- the reliability of information used in the preparation of financial and accounting information as well as published information; and
- the preservation of assets.

ACCOUNTING AND FINANCIAL ORGANISATION GUIDANCE PROCEDURE

Organisation

The process of preparing financial and accounting information is assured by Group Financial Management. It supervises the management of accounting, finance and taxation, monitoring function, funding and Treasury department, IT information management and financial communication. Each one of these co-ordinates the internal control of a financial nature in their own area.

In addition, the presence of a financial controller at each level of the matrix organisation enhances this.

Financial and accounting procedures

The Group has created an intranet portal dedicated to the management principles and accounting standards adopted by the Group and whose application is mandatory for all subsidiaries. This portal also provides subsidiaries with the Group's chart of accounts, instructions on how to use the consolidation package, a list of companies included in the consolidation scope and the exchange rates in force. It also ensures the consistency of data processing and its conformity to IFRS.

At every closing, the instructions cover key dates in the calendar as well as matters that require specific attention to enable the various group companies to be well-prepared, so that the required information is communicated within the timeframe and that the appropriate checks are carried out in advance of the preparation process of the financial and accounting information.

Other than the documents presented above, the Group has monthly closings. Those before the half year or full year closing serve as pre-closing to identify and anticipate the different possibilities of treating specific and non-recurring transactions. The latter are explained to the Statutory Auditors for validation at the preliminary meetings for the closing.

IT systems organisation and safety

The Information Systems Department has established procedures aimed at ensuring the continuity of accounting data processing. Thus, certain equipment has been duplicated so that back up automatically takes over in the event of sudden failure. This system is completed by periodic IT activity recovery exercises in the event of a major disaster.

In respect of data retention and protection, access to accounting and financial data is secured by individually granted rights that are non-transferable and password protected. Each day, all data is backed up and a copy of the backup file is retained in a secure location other than the IT operation site. Batch data processing work is also programmed in a specific sequence, with systems that alternate the principal users in case of an incident. This procedure also applies to IT programmes developed by the Group.

In addition, other automatic control systems have been established, such as double entry locking, data entry thresholds, automatic reconciliation and limited access to crucial transactions.

STATUTORY AUDITORS

As part of the half year and full year closings, the Statutory Auditors proceed with differing reviews:

- preliminary reviews that may relate to internal control of the process of preparing financial and accounting information;
- reviews of all the financial and accounting data prepared by Group companies; and
- a review of the consolidated financial statements prepared by the Financial Department.

This approach enables the Statutory Auditors to certify the consistency, the true and fair view of the consolidated financial statements and the parent company financial statements. The analysis of their work is presented to Group Financial Management as well as to the Audit Committee.

PROCESSES CONTRIBUTING TO THE PREPARATION OF ACCOUNTING AND FINANCIAL INFORMATION

Account supply operating processes

All the initial accounting production processes are subject to specific procedures as well as validation, authorisation and recognition rules. Thus, procurement is carried out within a fully secured framework, with a list of pre-selected suppliers and previously negotiated terms and conditions. Order forms are required for all purchases exceeding a given threshold and investment projects approved by the Executive Committee must be duly documented, justified and authorised before they are implemented.

Closing process and preparation of the consolidated financial statements

The period closing process is subject to specific instructions, which provide detailed schedules, exchange rates to be used, consolidation scopes and particular matters to be monitored. These instructions are sent to all companies, thereby ensuring compliance with deadlines, certainty that the same closing specifications are used, harmonisation of data reporting and better co-ordination between the various Group entities.

Procedures for validating the various stages of the consolidation process have also been put in place. Their main objective is to validate the following:

- Correct application of accounting standards and principles;
- Accuracy of the restatement of certain corporate data;
- Identification, reconciliation and elimination of inter-segment transactions (inventory margins, dividends, etc.);
- Correct calculation of deferred taxation;
- Correct analysis and explanation of movements in net positions, both at parent company and consolidated levels; and
- Consistency between management and accounting information.

Financial communication procedure

The persons responsible for financial communication draw up a schedule summing up all the Group's obligations in terms of accounting and financial communication. This timetable specifies the nature of each piece of information as well as the person in charge of its writing or preparation. Once the information is available, a proof-reading procedure assesses its reliability and accuracy, whether it is of an accounting nature or not (workforce size and volumes). Compliance with the laws and regulations in force both on the nature of information and on the required deadlines and the principle of providing the same information to all shareholders is ensured by the Legal Department.

3.3 LIMITATIONS ON THE POWERS OF THE CHIEF EXECUTIVE OFFICER

On 7 September 2004, the Board elected to split the positions of Chairman of the Board and Chief Executive Officer. Consequently, general management is the responsibility of the latter. On 31 July 2007, the Board of Directors reappointed the Chief Executive Officer for a further term of three years.

The Chief Executive Officer represents the Company in its relationships with third parties. He has been entrusted with the most wide-ranging powers to act in any circumstances in the name of the Company, on condition that his actions comply with the objects of the Company and that they are not specifically assigned to shareholders' meetings or to the Board of Directors.

In a purely internal measure, which cannot be imposed on third parties, the Chief Executive Officer shall seek the approval of the Board before committing the Company to transactions that go beyond the framework of normal management decisions, particularly in respect of:

- granting sureties, pledges and guarantees, except under the conditions provided below;
- making acquisitions, transferring property titles or exchanging goods or property and making investments of more than €10,000,000 per transaction;
- concluding any investment or business agreement in common with other companies, whether they are French or foreign;
- granting to any already registered company a contribution in cash, in kind, in property or in enjoyment in excess of €10,000,000 per transaction;
- making the Company a party to any economic grouping or other, businesses, partnerships, in France or abroad, by means of creation or by assisting in their creation, by subscribing or contributing cash or benefits in kind, by purchasing shares, rights of ownership or other securities, and generally, under any form and for an amount in excess of €10,000,000;
- transferring ownership of investments for amounts in excess of €10,000,000 per transaction;
- granting loans, credit and advance payments to corporate bodies outside the Rémy Cointreau Group for an amount in excess of €10,000,000 per borrower, and
- signing any loan or obtaining credit facilities, with or without pledges or other securities on Group assets, for an amount in excess of €46,000,000 during one financial year.

In addition, the Board of Directors on 3 June 2005 authorised for one year the Chief Executive Officer to grant sureties, pledges and guarantees up to an overall maximum amount of €46,000,000. Any commitment exceeding this overall limit requires specific approval from the Board.

The Board of Directors also authorised the Chief Executive Officer to grant sureties, pledges and guarantees to the tax and customs authorities without limitations.

These authorisations were renewed for one year by the Board of Directors' meeting on 6 June 2006, 5 June 2007 and 4 June 2008.

The Chief Executive Officer has also established an Executive Committee whose composition was submitted for approval by the Board. The task of this Executive Committee is to continually assist the Chief Executive Officer with operational matters, both in terms of decision-making and implementation. The members of the Executive Board are listed in Chapter 2.1 of this report.

3.4 REPORT OF THE STATUTORY AUDITORS ON THE REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS ON INTERNAL CONTROL

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

To the Shareholders,

In our capacity as statutory auditors of Rémy Cointreau, and in accordance with article L.225 235 of the French Company Law (Code de Commerce), we report to you on the report prepared by the President of your company in accordance with article L.225-37 of the French Company Law (Code de Commerce) for the year ended March 31, 2008.

It is for the President to give an account, in his report, notably of the conditions in which the duties of the board of directors are prepared and organized and the internal control procedures in place within the company.

It is our responsibility to report to you our observations on the information set out in the President's report on the internal control procedures relating to the preparation and processing of financial and accounting information.

We performed our procedures in accordance with professional guidelines applicable in France. These require us to perform procedures to assess the fairness of the information set out in the President's report on the internal control procedures relating to the preparation and processing of financial and accounting information. These procedures notably consisted of:

- obtaining an understanding of the objectives and general organization of internal control, as well as the internal control procedures relating to the preparation and processing of financial and accounting information, as set out in the President's report;
- obtaining an understanding of the work performed to support the information given in the report.

On the basis of these procedures, we have no matters to report in connection with the information given on the internal control procedures relating to the preparation and processing of financial and accounting information, contained in the President of the board's report, prepared in accordance with article L.225-37 of the French Company Law (Code de Commerce).

Neuilly-sur-Seine and Paris, July 29, 2008

The Statutory Auditors

Auditeurs et Conseils Associés **Nexia international**	**Ernst & Young et Autres**
Francois Mahé	Marie-Laure Delarue

4. REPORT OF THE CHAIRMAN OF THE BOARD TO THE ANNUAL GENERAL MEETING

4.1 FINANCIAL REPORT - RÉMY COINTREAU SA

Profit on ordinary activities before tax was €97.1 million. The increase of €31.5 million compared with the previous year arises mainly from increased dividends received from subsidiaries.

Services invoiced to subsidiaries amounted to €15.6 million, compared with €16.1 million the previous year.

These services related mainly to royalties on sales, where the rate of remuneration applicable to production subsidiaries was maintained at the same level this year.

Head office costs, net of transfers of charges, amounted to €27.4 million, an increase of €4.2 million, of which €2.8 million in expenses related to the early redemption of bond issues (accelerated amortisation of bond issue expenses and negotiation costs).

Dividends received from subsidiaries in the year were €139.1 million compared with €95.1 million in the previous financial year.

Net financial expenses increased by €8.9 million to €32.7 million, compared with €23.8 million last year.

This movement included €5.1 million compensation for the early redemption of the 6.5% €175 million loan issue of 24 June 2003 and €1.9 million in respect of compensation paid to bondholders of the €200 million issue of 15 January 2005.

Exceptional expenses were €2.9 million, primarily comprising losses on financial asset disposals.

The €12.7 million income tax received corresponds to the reversal of the tax saving permanently acquired following the tax grouping scheme restatements.

Taking into account these factors, net profit for the year was €106.9 million.

As part of an internal reorganisation of the Rémy Cointreau Group, carried out at the start of the financial year, the Group's Treasury department role within the Company was transferred to a Group subsidiary, resulting in a reduction in the Company's other payables and financial debt item.

Bonds declined by €189.7 million, of which €175 million were due to the full redemption of the loan of 24 June 2003 and €7.6 million to the partial redemption of the €200 million loan of 15 January 2005.

4.2 COMPOSITION AND HOLDERS OF THE SHARE CAPITAL AT 31 MARCH 2008

At 31 March 2008, after the Board of Directors had noted the various changes that had occurred during the year to the share capital, and disclosed in Chapter 1.3 of the current report, the share capital amounted to €74,494,068.80, divided into 46,558,793 shares with a nominal value of €1.60 each.

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

- Orpar held over one-third of the share capital and over half the voting rights in your Company at 31 March 2008,
- Récopart held on the same day, over 10% of the share capital and over 15% of the voting rights in your Company, and
- Arnhold and S. Bleichroeder, LLC, held on the same day, over 10% of the share capital and over 5% of the voting rights in your Company.

The employee savings plan represents 0.88% of the share capital of Rémy Cointreau. It is the only form of collective shareholding by Rémy Cointreau employees.

4.3 ITEMS LIKELY TO BE SIGNIFICANT IN THE EVENT OF A PUBLIC TAKEOVER OFFER

Pursuant to Article L. 225-100-3 of the Commercial Code, we inform you of the items likely to be significant on the event of a public takeover offer:

- the structure of the Company's share capital is disclosed in Chapter 1.3 of the current Annual Report and makes reference to a concert party and shareholders' agreement which have today been brought to the Company's attention;

- the direct or indirect investments known by the Company are also described in Chapter 1.3 of the current report;

- with the exception of the double voting rights allocated, pursuant to Article 23.2 of the bylaws, to fully paid shares that have been held in nominative form for at least four years, in the name of the same shareholder, no shares carry specific privileges;

- there is no restriction in the bylaws on the exercise of voting rights except for a failure to respect the provisions regarding crossing the 1% share capital or the voting rights or any multiple of this percentage, provided by Article 8.2 of the bylaws;

- the rules for the appointment and dismissal of members of the Board of Directors are the legal and bylaw rules;

- revisions to the Company's bylaws are carried out in accordance with the law and regulations;

- the various delegations and authorisations granted by the Annual General Meeting to the Board of Directors, notably concerning the issue and repurchase of shares, are disclosed in Chapter 1.2 of the current Annual Report. It should be noted that, in this respect, the authorisations and the delegations of authority and powers granted to the Board of Directors can only be implemented pursuant to Article L. 233-32 of the Commercial Code and in the event that the securities of the Company are targeted by a public offer in the circumstances made applicable by Article L. 233-33 of the Commercial Code;

- shareholding and distribution agreements entered into with Maxxium Worldwide B.V. may cease if control in this company changes, as defined in those agreements.

The principal risks to which the Company is exposed and the use of derivative financial instruments are described in Chapter 1.

4.4 SHAREHOLDERS - OPTION PLANS - FREE SHARE ALLOCATIONS

SPECIAL REPORT OF THE BOARD OF DIRECTORS ON OPTIONS AND FREE SHARES GRANTED (ARTICLE L. 225-184 OF THE COMMERCIAL CODE)

In accordance with the provisions of Article L.225-184 of the Commercial Code, we inform you that no options to subscribe or purchase Rémy Cointreau shares were granted during the 2007/08 financial year:

Share subscription or purchase plans in effect during the 2007/08 financial year

	Plan No.7	Plan No.8	Plan No.9	Plan No.10	Plan No.11	Plan No.12	Plan No.13
Date of Extraordinary General Meeting	26/08/98	26/08/98	26/08/98	24/08/00	24/08/00 et 21/09/01	21/09/01	07/09/04
Date of Management Board or Board of Directors' meeting	28/04/99	07/12/99	30/05/00	01/03/01	08/03/02	16/09/03	08/12/04
Total number of options allocated	289,300	499,100	131,280	1,016,600	659,500	287,000	262,000
- of which number of options that can be subscribed to by Directors	119,576	127,900	61,960	200,000	275,000	180,000	40,000
- Number of Director beneficiaries	10	10	9	5	5	5	1
Total number of beneficiaries	66	85	28	150	43	25	30
Date options can be exercised	28/04/99	07/12/99	30/05/00	01/03/03	08/03/06	16/09/07	24/12/08
Date options expire	27/04/09	06/12/09	29/05/10	28/02/11	07/03/12	15/09/13	23/12/14
Subscription or share price	12.20	16.36	18.85	27.10	25.00	27.67	28.07
Favourable discount	2.250	3.060	3.530	5.080	0.000	0.000	0.000
Number of options lapsed	4,700	3,400	-	34,000	8,500	27,000	35,000
Number of options exercised at 31 March 2008	259,325	452,717	113,740	749,810	456,867	70,295	-
Remaining balance	25,275	42,983	17,540	232,790	194,133	189,705	227,000

Options exercised by directors during the financial year

Beneficiary	Plan date	Total number of options	Exercise price	Average exercise price
Dominique Hériard Dubreuil	07/12/1999	10,000	16.36	48.66
Dominique Hériard Dubreuil	30/05/2000	5,270	18.85	48.66
Dominique Hériard Dubreuil	01/03/2001	40,000	27.10	48.66
Dominique Hériard Dubreuil	08/03/2002	75,000	25.00	48.66
Dominique Hériard Dubreuil	16/09/2003	36,000	27.67	48.66

Options exercised by the ten employees who exercised the largest number of options during the financial year

Company granting the options	Plan date	Total number of options	Exercise price	Average exercise price
Rémy Cointreau	01/03/2001	56,000	27.10	50.51
Rémy Cointreau	08/03/2002	99,500	25.00	50.82
Rémy Cointreau	16/09/2003	14,000	27.67	49.65

It should be noted that Rémy Cointreau SA did not employ any personnel in the 2007/08 financial year.

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

Free shares granted to members of governance bodies and executive management relating to Rémy Cointreau's share capital

In accordance with the provisions of Article L.225-197-1 to L. 225-197-5 of the Commercial Code, we inform you that the Chief Executive Officer of the Company was granted the following free Rémy Cointreau shares during the 2007/08 financial year:

Shares granted during the year to directors

Beneficiary	Company granting the shares	Date of allocation	Number of shares	Date of final allocation	Date shares may be traded
Jean-Marie Laborde	Rémy Cointreau	20/11/2007	19,000	20/11/2009	20/11/2011

Shares vested during the year to directors

Beneficiary	Company granting the shares	Date of allocation	Number of shares	Date of final allocation	Date shares may be traded
Jean-Marie Laborde	Rémy Cointreau	11/10/2005	20,000	11/10/2007	20/11/2009

In applying the Law of 30 December 2006 on the retention of free shares by directors during their term of office, the Board of Directors' meeting of 4 June 2008 decided that 25% of the free shares allocated to the Chief Executive Officer may not be sold during his term of office.

Shares granted during the year to the ten highest paid group employees that are not directors, where the number of shares is the greatest

Company granting the shares	Date of allocation	Number of shares	Date of final allocation	Date shares may be traded
Rémy Cointreau	20/11/2007	53,000	20/11/2009	20/11/2011

Shares vested during the year to the ten highest paid group employees that are not directors, where the number of shares is the greatest

Company granting the shares	Date of allocation	Number of shares	Date of final allocation	Date shares may be traded
Rémy Cointreau	11/10/2005	50,000	11/10/2007	20/11/2009

The main features of free share allocations are detailed in the chapter on general information on the share capital.

Shares and voting rights held by members of the Board of Directors are disclosed in the chapter on general information on the share capital.

4.5 DIRECTORS' REMUNERATION

PRINCIPLES AND RULES GOVERNING DIRECTORS' AND SENIOR EXECUTIVES' REMUNERATION

Rémy Cointreau's overall remuneration policy strives to be attractive, to attract and ensure the loyalty of top performing managers, as well as competitive to remain in line with market practices.

Overall remuneration of Executive Committee members is based on objectives attached to each remuneration item. Overall remuneration thus comprises a fixed share, a variable bonus and the potential granting of free shares.

Basic remuneration is linked to the nature of each position, the contribution of the position to Company results and the performance of the incumbent. This aspect of remuneration is based on remuneration surveys subscribed to and provided by expert partners.

A variable bonus is expressed as a percentage of basic salary. It is linked to the achievement of objectives set on the basis of the Company's strategy. Between 50% and 60% of this bonus is linked to collective quantitative objectives, corresponding to the Company's performance criteria. Other objectives are linked to the scope of responsibility of each executive Committee member. The maximum value of the bonus is also comparable with market practices.

The objective of allocating free shares is to associate the Company's senior executives with shareholders' concerns and commit them to the success of medium-term plans and strategies. The final vesting of shares is subject to employment and performance conditions.

Setting the various aspects of senior executive's remuneration is organised as part of a thinking process managed by the "Nomination and Remuneration" Committee, which draws up recommendations to be validated by the Board of Directors.

	Fixed remuneration		Variable remuneration		Benefits in kind		Directors' fees	
	2007	2006	2007	2006	2007	2006	2007	2006
Board of Directors								
Dominique Hériard Dubreuil							62,000	49,000
François Hériard Dubreuil							37,000	24,000
Marc Hériard Dubreuil							37,000	24,000
Pierre Cointreau							8,000	24,000
Patrick Duverger							30,000	30,000
Brian Ivory							30,000	29,000
Jurgen Reimnitz							8,000	24,000
Guy Le Bail							8,000	24,000
Xavier Bernat							24,500	24,000
Hakan Mogren							24,000	24,000
Jean Burelle							24,500	18,000
Jacques Etienne de T'Serclaes							16,500	-
Gabriel Hawawini							16,500	-
Xavier Izarn							16,500	-
Chief Executive Officer								
Jean-Marie Laborde	542,322	511,013	403,681	341,862	6,056	5,883		

In respect of the 2007/08 financial year, companies controlling Rémy Cointreau paid the following remuneration to:

Dominique Hériard Dubreuil: €205,521, François Hériard Dubreuil: €206,101, Marc Hériard Dubreuil: €206,101. The parts of the variable remuneration, including the exercise of options for Rémy Cointreau shares, amounted to: Dominique Hériard Dubreuil: €253,303. Directors did not benefit from benefits in kind from companies controlled by Rémy Cointreau.

In 2006/2007, companies controlling Rémy Cointreau paid the following remuneration to: Dominique Hériard Dubreuil: €207,498, François Hériard Dubreuil: €207,882, Marc Hériard Dubreuil: €207,677. The parts of the variable remuneration, including the exercise of options for shares in a company controlling Rémy Cointreau, amount to: Dominique Hériard Dubreuil: €13,500, François Hériard Dubreuil: €232,370, Marc Hériard Dubreuil: €203,767.

The Chief Executive Officer benefits from a bonus calculated on his basic fixed salary, which varies between 0 and 120%, of which 60% is a function of quantitative criteria based on Group results and 60% qualitative criteria based on individual performance. In addition, the Group's Chief Executive Officer would receive additional redundancy compensation for an amount equal to a year and a half of his last annual gross remuneration, in the event his departure is instigated by his employer.

Conditions of performance linked to this compensation were examined by the Board of Directors on 4 June 2008. This meeting authorised the commitment to deferred compensation corresponding to 18 months of gross remuneration (fixed and variable) that would be due by the Company to Mr. Jean-Marie Laborde, Chief Executive Officer, in the event his departure is instigated by his employer. This compensation is subject to compliance with performance conditions measured by the rate of achievement, over the past three years, of the Chief Executive Officer's individual annual objectives, used as a basis for the calculation of the variable share of his remuneration. If this rate is less than 50%, no compensation shall be paid. If this rate is between 50% and 75%, the compensation is proportional to the value of this rate. Compensation shall be paid in full if the rate exceeds 75%. These provisions are submitted for approval to the Annual General Meeting of 29 July 2008 in order to comply with Law No. 2007-1223 of 21 August 2007.

The Group's Chief Executive Officer, as well as Dominique Hériard Dubreuil, François Hériard Dubreuil and Marc Hériard Dubreuil benefit from additional retirement benefits, taken out with an insurance company, of between 8-15% of their last annual remuneration, depending on whether they are employees or senior executives of the Group and on their age upon leaving the Company. This commitment is evaluated and recognised under retirement commitments.

4.6 OTHER

INFORMATION ON TRANSACTIONS WITH MEMBERS OF GOVERNANCE BODIES

See the Statutory Auditors' Special Report for the financial year ending 31 March 2008 for regulated agreements concluded during previous financial years, whose execution was continued during the financial year.

No transactions outside the ordinary activities of the Company and outside normal conditions were concluded with shareholders holding voting rights in excess of 10%, other than those covered in the above report.

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

None.

5. RÉMY COINTREAU SA FINANCIAL STATEMENTS

5.1 BALANCE SHEET

AS AT 31 MARCH, IN MILLION OF EUROS

ASSETS	notes	2008	2007	2006
Intangible fixed assets		32.4	32.4	32.4
Tangible fixed assets		-	-	-
Equity investments		1,640.9	1,394.1	1,349.5
Receivables relating to equity investments		-	2.9	5.1
Other long-term investments		-	-	-
Loans		-	-	0.8
Other financial assets		2.9	3.4	2.9
Total fixed assets	**2.1/2.2**	**1,676.2**	**1,432.8**	**1,390.7**
Other receivables	2.3	20.1	609.7	610.3
Marketable securities		-	-	10.7
Cash		1.5	-	5.0
Total current assets		**21.6**	**609.7**	**626.0**
Prepaid expenses		-	1.4	1.8
Deferred charges	2.4	2.5	6.4	8.2
Unrealised translation losses		-	-	0.5
Total assets		**1,700.3**	**2,050.3**	**2,027.2**

LIABILITIES AND SHAREHOLDERS' EQUITY	notes	2008	2007	2006
Share capital		74.5	73.6	72.8
Share issue, merger and transfer premium		664.5	650.2	639.5
Legal reserve		7.4	7.3	7.2
Regulated reserves		-	-	-
Other reserves		-	-	-
Retained earnings		157.9	37.7	27.9
Net profit for the year		106.9	175.6	59.9
Regulated provisions			-	45.1
Shareholders' equity	**2.5**	**1,011.2**	**944.4**	**852.4**
Subordinated perpetual securities		-	-	3.2
Convertible bonds		-	-	341.9
Provisions for liabilities and charges	2.9	4.6	5.7	7.4
Other bonds	2.6	196.9	386.6	390.2
Other borrowings	2.7	100.8	417.2	294.4
Borrowings and amounts due to financial institutions	2.7	219.6	134.4	0.5
Borrowings		**517.3**	**938.2**	**685.1**
Trade payables		0.1	0.1	0.1
Tax and social security liabilities		-	0.1	0.4
Amounts due to fixed asset suppliers		-	-	-
Other operating liabilities		167.1	161.8	136.7
Operating liabilities		**167.2**	**162.0**	**137.2**
Deferred income		-	-	-
Unrealised translation gains		-	-	-
Total liabilities and equity		**1,700.3**	**2,050.3**	**2,027.2**

5.2 INCOME STATEMENT

AS AT 31 MARCH, IN MILLION OF EUROS

	notes	2008	2007	2006
Services provided	3.1	15.6	16.1	15.7
Depreciation, amortisation and provisions written back, charges transferred		0.2	1.7	1.9
Other income		0.1	0.2	-
Total operating income		**15.9**	**18.0**	**17.6**
Purchases and external costs		23.0	21.0	23.3
Taxes and duties		0.1	0.1	-
Wages and salaries		-	-	-
Social security charges		-	-	-
Charges for depreciation and amortisation of fixed assets		4.0	1.8	3.2
Charges to provisions for liabilities and charges		-	-	0.3
Other expenses		0.3	0.3	0.3
Total operating expenses		**27.4**	**23.2**	**27.1**
Operating profit (loss)		**(11.5)**	**(5.2)**	**(9.5)**
Financial income from equity investments		139.1	95.1	86.5
Income from investment securities and equity investments		2.5	0.2	0.3
Other interest income		5.1	9.9	13.9
Provisions written back and charges transferred		0.1	1.6	0.6
Exchange gains		0.1	-	-
Net gains on disposals of marketable securities		0.2	0.2	0.5
Total financial income		**147.1**	**107.0**	**101.8**
Charges for depreciation, amortisation and impairment		-	1.9	35.2
Interest and similar expenses		37.8	33.7	43.3
Exchange losses		0.4	0.6	-
Net charges on disposals of marketable securities		0.3	-	-
Total financial expenses		**38.5**	**36.2**	**78.5**
Net financial income	3.2	**108.6**	**70.8**	**23.3**
Profit on ordinary activities before tax		**97.1**	**65.6**	**13.8**
Exceptional income on revenue transactions		0.3	-	-
Exceptional income on capital transactions		16.0	593.8	-
Exceptional provisions written back and charges transferred		0.7	127.7	64.1
Total exceptional income		**17.0**	**721.5**	**64.1**
Exceptional expense on revenue transactions		0.7	8.1	-
Exceptional expense on capital transactions		19.2	601.0	-
Exceptional depreciation, amortisation and provisions		-	2.2	18.0
Total exceptional expenses		**19.9**	**611.3**	**18.0**
Net exceptional income (expense)	3.3	**(2.9)**	**110.2**	**46.1**
Corporate income tax	3.4	12.7	(0.2)	-
Net profit		**106.9**	**175.6**	**59.9**

5.3 CASH FLOW STATEMENT

AS AT 31 MARCH, IN MILLIONS OF EUROS

	2008	2007	2006
Net profit	106.9	175.6	59.9
Depreciation, amortisation and provisions	**4.0**	**6.0**	**56.7**
Operating	-	-	0.3
Financial	-	1.9	35.2
Exceptional	-	2.3	18.0
Deferred charges	4.0	1.8	3.2
Depreciation, amortisation and provisions written back	**(1.1)**	**(130.6)**	**(67.2)**
Operating	(0.2)	(1.4)	(0.4)
Financial	(0.1)	(1.5)	(0.6)
Exceptional	(0.8)	(127.7)	(66.2)
(Gains) losses on disposals	**3.1**	**7.3**	**(0.5)**
Sale proceeds	(16.0)	(593.7)	(1.1)
Net book value of assets sold	19.1	601.0	0.6
= Operating cash flow	**112.9**	**58.3**	**48.9**
A - Sources			
Operating cash flow	112.9	58.3	48.9
Disposals of intangible fixed assets	-	-	-
Disposals of tangible fixed assets	-	-	-
Disposals or reductions in financial assets	16.0	593.7	1.1
Reduction in receivables relating to equity investments	4.0	4.1	2.1
Capital increase and share premium	8.0	11.5	9.6
Long- and medium-term borrowings	100.0	133.3	420.0
Total	**240.9**	**800.9**	**481.7**
B - Uses			
Dividends	48.2	50.0	45.0
Acquisitions of fixed assets:	266.0	567.1	-
Intangible fixed assets	-	-	-
Tangible fixed assets	-	-	-
Financial assets	-	567.1	0.5
Increase in receivables relating to equity investments	0.6	0.5	3.5
Repayment of borrowings	186.6	334.9	422.8
Deferred charges	-	-	1.6
Bond redemption premiums	-	-	
Reduction in shareholders' equity	-	3.2	25.1
Total	**501.4**	**955.7**	**498.5**
A - B = Change in working capital	**(260.5)**	**(154.8)**	**(16.8)**
Analysis of change in working capital			
Increase/decrease in trade payables	-	-	0.4
Increase/decrease in advance payments on orders	-	-	-
Increase/decrease in other current assets/liabilities including bank overdraft facilities	(260.5)	(154.8)	(17.2)
Total	**(260.5)**	**(154.8)**	**(16.8)**

5.4 FIVE-YEAR FINANCIAL SUMMARY

AS AT 31 MARCH, IN MILLIONS OF EUROS

	2004	2005	2006	2007	2008
1. Share capital at year end					
Share capital	71.7	72.1	72.8	73.6	74.5
Number of shares in issue	44,779,849	45,052,661	45,506,144	45,999,802	46,558,793
Maximum number of shares to be created through the conversion of bonds	6,863,723	6,863,723	6,831,429	-	-
2. Results for the year					
Services provided	17.8	15.2	15.7	16.1	15.6
Profit before tax, depreciation, amortisation and provisions	(8.6)	54.1	51.5	51.1	97.2
Corporate income tax	15.3	-	-	(0.2)	12.7
Net profit (loss)	(22.6)	(23.4)	59.9	175.6	106.9
Dividends	44.8	45.6	50.1	55.2	55.9
3. Earnings per share (€)					
Profit after tax, but before depreciation, amortisation and provisions	0.2	1.2	1.1	1.1	2.0
Net profit (loss)	(0.5)	(0.5)	1.3	3.8	2.3
Net dividend per share	1.0	1.0	1.1	1.2	1.3
4. Employees					
Number of employees	-	-	-	-	-
Total payroll	-	-	-	-	-
Staff benefits (social security and other benefits)	-	-	-	-	-
Profit sharing (included in total payroll)	-	-	-	-	-

(1) Subject to approval at the AGM.

5.5 NOTES TO THE FINANCIAL STATEMENTS

Page

111 1. ACCOUNTING PRINCIPLES AND VALUATION METHODS

111 2. NOTES TO THE BALANCE SHEET
111 2.1 Fixed assets
111 2.2 Amortisation, depreciation and provisions
112 2.3 Maturity analysis of receivables
112 2.4 Maturity analysis of deferred charges
112 2.5 Shareholders' equity
112 2.6 Other bonds
113 2.7 Other borrowings
114 2.8 Maturity analysis of debt
114 2.9 Provisions
114 2.10 Accrued income
114 2.11 Accrued expenses

115 3. NOTES TO THE INCOME STATEMENT
115 3.1 Analysis of services provided
115 3.2 Financial income from equity investments
115 3.3 Exceptional income and expense
115 3.4 Corporate income tax
115 3.5 Tax group

116 4. OTHER INFORMATION
116 4.1 Related party transactions
116 4.2 Off-balance sheet commitments
116 4.3 Sale of own shares
116 4.4 Stock options
116 4.5 Coverage of stock option plans

117 5. POST-BALANCE SHEET EVENTS

118 6. LIST OF SUBSIDIARIES AND EQUITY INVESTMENTS AT 31 MARCH 2008

1. ACCOUNTING PRINCIPLES AND VALUATION METHODS

The financial statements have been prepared in accordance with the provisions of the French Commercial Code and French Accounting Regulatory Commission (CRC) standard 99-03 of 29 April 1999 relating to the revised French chart of accounts.

The main accounting principles and valuation methods used are as follows:

a. Investments are recorded at acquisition cost or transfer value less, where applicable, any provisions required to bring them to their fair value. Fair value is determined using a number of criteria, including notably net assets, unrealised capital gains and future earnings potential.

b. Receivables and liabilities are recorded at face value. Any such items that are denominated in foreign currency are translated at the closing rate for the year. Where applicable, a provision for doubtful debts is recorded on receivables to cover the risk of any non-collection.

c. The difference arising from the valuation of foreign currency-denominated receivables and liabilities, using the closing rate, is taken to the balance sheet as an unrealised foreign currency translation gain or loss.

d. Interest-rate hedging instruments are recorded in off-balance sheet commitments.

2. NOTES TO THE BALANCE SHEET

2.1 FIXED ASSETS

(€ millions)	Cost brought forward	Increase	Decrease	Cost carried forward
Intangible fixed assets	32.4	-	-	32.4
Equity investments	1,396.2	266.0	19.2	1,643.0
Other	6.3	-	3.4	2.9
Total	**1,434.9**	**266.0**	**22.6**	**1,678.3**

The business goodwill recorded as an asset on the balance sheet arises from the merger with RC Pavis and has no legal protection.

The increase in equity investments corresponds to the capital increase staged by the subsidiary Rémy Cointreau Services SAS.

The decrease in equity investments corresponds to the withdrawal from the capital of Rémy Suisse as a result of the company being wound up and the sale of shares in Seguin & Cie to a Group subsidiary.

The increase and decrease in other investments reflect loans granted to Group companies.

Under a liquidity agreement that the company entered into with a financial institution, the organiser's sole objective is to promote the liquidity of the Company's shares and the regularity of their listings on the market. At the year end, no company shares were held in connection with this agreement.

The cash balance on this account at the year end was placed in a money market instrument with a value of €2.7 million.

In connection with its obligation to cover the stock options granted to certain employees, during the year the Company bought back some of its own shares that it had sold under the March 2005 sales and repurchase agreement. At the end of the year, the value of such shares held by the Company was €0.1 million.

2.2 AMORTISATION, DEPRECIATION AND PROVISIONS

(€ millions)	Cost brought forward	Increase	Decrease	Cost carried forward
Equity investments	2.1	-	-	2.1
Other	-	-	-	-
Total	**2.1**	**-**	**-**	**2.1**

2.3 MATURITY ANALYSIS OF RECEIVABLES

(€ millions)	Gross	Less than 1 year	More than 1 year
Fixed assets			
Receivables relating to equity investments	-	-	-
Other financial assets	2.9	2.9	-
Current assets			
Other receivables	20.1	20.1	-
Prepaid expenses	-	-	-
Total	**23.0**	**23.0**	-

As part of an internal reorganisation within Remy Cointreau Group that took place at the start of the year, responsibility for centralisation of the Group's internal financing requirements that had been entrusted to the company was taken back by a Group subsidiary, thereby reducing the amount of "Other receivables" and "Borrowings" recorded by the Company.

No receivables or payables were transferred as a result of this reorganisation.

2.4 MATURITY ANALYSIS OF DEFERRED CHARGES

(€ millions)	Gross	Less than 1 year	More than 1 year
Borrowing issue costs	2.5	0.8	1.7
Total	**2.5**	**0.8**	**1.7**

The costs are amortised over the term of the borrowings.

2.5 SHAREHOLDERS' EQUITY

2.5.1 BREAKDOWN OF SHARE CAPITAL

Share capital comprises 46,558,793 fully paid-up shares with a nominal value of €1.60 per share.

During the year, 558,991 new shares were issued in respect of the following operations:

- dividend payments entitling shareholders to subscribe to 142,739 new shares;
- exercises of subscription options entitling holders to 328,252 new shares;
- allocation of bonus shares via the issue of 88,000 Company shares as a deduction from reserves

2.5.2 CHANGE IN SHAREHOLDERS' EQUITY

(€ millions)	31 March 2007	Earnings appropriation	Other movements	31 March 2008
Share capital	73.6	0.2	0.7	74.5
Share issue and merger premium	650.2	6.8	7.5	664.5
Legal reserve	7.3	0.1	-	7.4
Other reserves	-	-	-	-
Retained earnings	37.7	120.3	(0.1)	157.9
Profit for the year	175.6	(175.6)	106.9	106.9
Regulated provisions	-	-	-	-
Total	**944.4**	**(48.2)**	**115.0**	**1,011.2**

2.6 OTHER BONDS

At 31 March 2007, "Other bonds" mainly comprised the following two borrowings:

- €175 million of bonds issued on 24 June 2003, bearing interest at 6.5% and redeemable at par on 1st July 2010;
- €200 million of bonds issued on 15 January 2005, bearing interest at 5.2% and redeemable at par on 15 January 2012.

During the year ended 31 March 2008, the following transactions were recorded:

- Pursuant to one of the clauses relating to the two bonds, having not allocated the asset disposal proceeds for the year ended 31 March 2007 to transactions authorised in the 365 days following receipt of the disposal proceeds, Rémy Cointreau was required to offer the bondholders early redemption of their securities. The option, which ran from 10 May 2007 to 8 June 2007, resulted in the redemption of 17,115 bonds in the case of the €175 million line and 7,632 bonds in the case of the €200 million line. These bonds were redeemed at par (€1,000 for both borrowings), plus accrued interest.

■ As announced on 1st June 2007, Rémy Cointreau redeemed the €175 million bond early on 2 July 2007. On the redemption date, 157,885 bonds with a par value €1,000 each were outstanding and the early redemption premium, in accordance with the issue terms and conditions, amounted to €32.5 per bond, i.e. €5.1 million, recognised in net financial income. The redemption amount thus totalled €163.0 million plus accrued interest of €5.1 million. This redemption was financed essentially by further drawdowns on the syndicated bank line.

■ Lastly, pursuant to another clause relating to the €200 million bond restricting the capacity to pay a dividend in the event of a loss being made, Rémy Cointreau compensated the bondholders (the so-called "waiver") at a total cost of €2.5 million, recognised in net financial income.

2.6.1 €200 MILLION BOND ISSUED ON 15 JANUARY 2005

This 7-year bond is redeemable at par on maturity and bears interest at 5.2% payable every six months. Since 8 June 2007, the outstanding par value stands at €192.4 million (being 192,368 bonds with a par value of €1,000 each).

This bond is not secured.

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

■ before 15 January 2008, in the event of a capital increase, whether for the general public or privately placed, redemption at 105.2% on a proportional basis of up to 35% of the total par value of the bond issued,

■ at any time before 15 January 2009, redemption at par plus a premium equal to the higher of the following two amounts:

- 1% of the principal amount redeemed,

- an amount equal to the difference between: (a) the present value on the redemption date at 102.6% plus interest calculated over the period from the redemption date to 15 January 2009 and (b) the principal amount of the bond. The discount rate used is the Bund interest rate on the redemption date plus 50 basis points,

■ from 15 January 2009, under any circumstances, redemption of all or part of the bonds at 102.6% up to 15 January 2010 exclusive, 101.3% from 15 January 2010 to 15 January 2011 exclusive and at par from 15 January 2011.

■ the bond issue agreement also provides every bondholder with the right to request redemption of the bonds held at 101% in the event of:

- the sale or transfer of all or a substantial part of Rémy Cointreau's assets,

- approval by the shareholders of a liquidation or voluntary winding up plan for the issuer, or

- Orpar and Recopart together holding less than one third of the voting rights in the issuer and another person or group obtaining more than one third of the voting rights in the issuer or Orpar and Recopart being unable to appoint the majority of the Board of Directors for two consecutive years,

■ at any time at par, but in full, in the event of a material change in the tax regime applicable to payments made by the issuer on the bonds subsequent to the issue date.

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

2.7 OTHER BORROWINGS

At 31 March 2008, Rémy Cointreau had access to a €500 million syndicated loan entered into on 7 June 2005. The agreement provides for a revolving credit facility of €500 million, of which €466 million expires on 7 June 2012 and €34 million on 7 June 2010.

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

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

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

This facility is not subject to any security.

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

Period	Ratio A
From date of signing to 30/09/2006	Ratio A < 4.50
From 01/10/2006 to 30/09/2007	Ratio A < 4.00
From 01/10/2007 to 30/09/2008	Ratio A < 3.75
From 01/10/2008 to maturity	Ratio A < 3.50

At 31 March 2008, ratio A stood at 2.54 (2007: 3.28; 2006: 3.91).

2.8 MATURITY ANALYSIS OF DEBT

(€ millions)	Gross	Less than 1 year	1 to 5 years	More than 5 years
Other bonds	196.9	4.5	192.4	-
Borrowings and amounts due to financial institutions	219.6	89.6	130.0	-
Other borrowings	100.8	100.8	-	-
Trade payables	0.1	0.1	-	-
Tax and social security liabilities	-	-	-	-
Other	167.1	167.1	-	-
Total	**684.5**	**362.1**	**322.4**	-

2.9 PROVISIONS

(€ millions)	Regulated provisions	Provisions for liabilities and charges	Provisions for depreciation	Total
Opening balance	-	5.7	2.1	7.8
Charges	-	-	-	-
Write-backs	-	1.1	-	1.1
Closing balance	-	**4.6**	**2.1**	**6.7**

	Charges	Write-backs
Operating	-	0.2
Financial	-	0.1
Exceptional	-	0.7
Corporation tax	-	0.1
Total	-	**1.1**

Write-backs of provisions for liabilities and charges correspond mainly to provisions for restructuring and tax risks as a result of the settlement of related charges during the year.

2.10 ACCRUED INCOME

There was no accrued income at 31 March 2008.

2.11 ACCRUED EXPENSES

(€ millions)	2008
Bonds	2.2
Borrowings and amounts due to financial institutions	0.7
Other borrowings	0.4
Trade payables	0.1
Tax and social security liabilities	-
Other	0.7
Total	**4.1**

3. NOTES TO THE INCOME STATEMENT

3.1 ANALYSIS OF SERVICES PROVIDED

Services provided totalled €15.6 million and essentially comprised services rendered to all Rémy Cointreau Group subsidiaries and sub-subsidiaries.

The breakdown by geographic region was as follows:

(€ millions)	
France	14.7
International	0.9

3.2 FINANCIAL INCOME FROM EQUITY INVESTMENTS

Financial income from equity investments came to €139.1 million and related to dividends received from subsidiaries.

3.3 EXCEPTIONAL INCOME AND EXPENSE

(€ millions)	2008
Net losses on withdrawal from/sale of equity investments	(3.2)
Other	0.3
Total	**(2.9)**

3.4 CORPORATE INCOME TAX

A) Corporate income tax analysis

(€ millions)	Profit before tax	Corporate income tax	Net profit
Profit on ordinary activities	97.1	-	97.1
Net exceptional income (expense)	(2.9)	12.7	9.8
Net profit	**94.2**	-	**106.9**

The corporation tax income above corresponds to the tax saving generated under the group tax regime, as the parent company.

B) Change in tax losses

(€ millions)	Base	Tax rate	Tax amount
Loss for the year	(34.1)	-	-
Deferred capital allowances	-	-	-
Losses carried forward	(34.1)	-	-
Unutilised losses carried forward	(320.0)	-	-

The loss for the year arises mainly from the deduction for tax purpose of dividends received from subsidiaries and write-backs of provisions previously not deductible for tax purposes.

C) Increase and reduction in future tax liability

(€ millions)	Base	Tax rate	Tax amount
Reductions	-	-	-
Non-deductible provisions at 31 March 2008	-	34.4	-

3.5 TAX GROUP

Rémy Cointreau elected to form a tax grouping with effect from 1st April 1993 for Group companies as provided for in Article 223A of the French General Tax Code.

The tax allocation agreement stipulates that the tax charge is borne by the companies within the tax grouping as if no such grouping existed, after applying any tax losses brought forward.

The following companies are included in the tax grouping:

Rémy Martin, Seguin, Izarra, Cointreau, Piper Heidsieck C.C., Champagne P&C Heidsieck, Champagne F. Bonnet, Safec, Grands Vignobles de la Marne, Grands Vignobles de l'Aube, Rémy Cointreau Services SAS, Tequisco (formerly Financière Rémy Cointreau), CLS Rémy Cointreau and Société Nouvelle des Domaines Rémy Martin.

4. OTHER INFORMATION

4.1 RELATED PARTY TRANSACTIONS

(€ millions)	Amounts concerning: related parties	equity investments
Investments:		
Other equity investments (gross)	1,638.8	4.3
Receivables relating to equity investments	-	-
Receivables:		
Other receivables	16.8	-
Liabilities:		
Borrowings	100.4	-
Other liabilities	29.2	-
Financial income:		
Income from equity investments	139.1	-
Interest	3.6	-
Financial expense:		
Interest	4.0	-
Operating income	15.6	-
Operating expenses	21.3	-
Exceptional expenses	3.2	-

4.2 OFF-BALANCE SHEET COMMITMENTS

A) Financial commitments

The Company's commitments at the year end were as follows:

(€ millions)	2008
Various guarantees on financing lines	12.3
Guarantees for 25% of Maxxium's debt (1)	40.4

(1) Rémy Cointreau has guaranteed one quarter of the bank borrowings of Maxxium BV, as have each of the other three partners in the distribution joint venture. The guarantee is capped at €62.5 million.

B) Contingent liabilities relating to asset disposals

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

The guarantees granted that have not lapsed at 31 March 2008 are as follows:

Sale transaction	Transaction date	Nature of unlapsed guarantee	Maturity	Maximum amount (€ millions)
Lucas Bols	11 April 2006	Tax liabilities	11 October 2012	
(joint guarantee with DELB BV)		General guarantees		100.0
		Franchise		2.6

4.3 SALE OF OWN SHARES

At 31 March 2008, no shares were held in the liquidity account. The loss of €0.1 million earned on the shares by the manager of the liquidity account during the year ended 31 March 2008 was recorded in net financial income.

4.4 STOCK OPTIONS

Information relating to stock options and to the allocation of bonus shares is provided in the management report.

4.5 COVERAGE OF STOCK OPTION PLANS

In March 2005, Rémy Cointreau sold 602,430 of its own shares with a repurchase option.

Following the repurchase by the Company of 280,927 shares on 14 February 2006, 321,503 shares were outstanding under this contract as at 31 March 2007.

The sale with repurchase option will enable Rémy Cointreau to meet its commitments to cover stock options granted to certain members of staff (284,000 shares under plan no. 12 and 37,503 shares under plan no. 13) as required under the provisions of Article L.225-179 of the French Commercial Code, which stipulates that, as from the end of the vesting period, the Company must be in a position to deliver the shares to its employees. This measure was authorised by the French Financial Markets Authority (AMF) on 8 March 2005.

Rémy Cointreau supplemented the coverage of stock option plan no. 13 by acquiring 224,497 options on its own shares.

During the year, the Company bought back 75,000 shares to cover the stock options granted under plan no. 12, of which 70,295 were exercised. The Company held the remaining 4,705 shares in treasury at 31 March 2008.

5. POST-BALANCE SHEET EVENTS

There are no events that are likely to have a material impact on the financial statements for the year ended 31 March 2008.

5.6 LIST OF SUBSIDIARIES AND EQUITY INVESTMENTS AT 31 MARCH 2008

Company (in thousands of currency or euros)	Currency	Share capital (currency)	Other shareholders' equity (currency)	Share of capital held %	Net book value of capital held (euros)
A) French companies					
Rémy Martin & Cie	EUR	6,725	169,950	100%	381,708
Téquisco	EUR	10,000	3,722	100%	10,000
Cointreau	EUR	4,037	94,320	100%	89,103
Piper Heidsieck C.C.	EUR	32,115	42,127	100%	326,280
Ducs de Gascogne	EUR	1,002	2,071	30%	1,144
Rémy Cointreau Services	EUR	453,216	460,901	92%	831,700
Other French subsidiaries	EUR	-	-	-	2,129
Total French companies					**1,642,064**
B) Foreign companies					
Other foreign subsidiaries	EUR	-	-	-	988
Total foreign companies					**988**
Total cost (A+B)					**1,643,052**
Total net value					**1,640,921**

Provisions for impairment (euros)	Dividends received (euros)	Net revenue for last financial year (currency)	Net profit (currency)	Year-end date	Loans and advances granted (euros)
-	-	13,993	67,784	31/03/2008	-
-	-	-	629	31/03/2008	-
-	-	-	46,549	31/03/2008	-
-	139,066	1,358	14,688	31/03/2008	-
-	-	13,458	1	31/12/2007	-
-	-	-	14,070	31/03/2008	-
2,129	-	-	-	-	-
2,129					
2	-	-	-	-	-
2					
2,131	**139,066**				

5.7 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2008

To the Shareholders of Rémy Cointreau,

In performance of the assignment entrusted to us by your General Meetings, we hereby present our report for the year ended 31 March 2008 on:

- The audit of the financial statements of Rémy Cointreau as attached to this report,
- The basis for our opinion, and
- The specific verifications and information required by law.

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

1. OPINION ON THE FINANCIAL STATEMENTS

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

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company at 31 March 2008 and the results of its operations for the year ended, in accordance with the accounting rules and principles applicable in France.

2. JUSTIFICATION OF ASSESSMENTS

In accordance with the requirements of article L.823-9 of the French Company Law (Code de Commerce) relating to the justification of our assessments we draw the following items to your attention:

First paragraph of the notes to the financial statements details the accounting principles and method relating to the approach used by the Company for tracking the value of equity investments. As part of our assessment of the accounting rules and principles followed by the Company, we have verified the validity of the approach used and we have satisfied ourselves that it has been correctly applied.

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

3. SPECIFIC VERIFICATIONS AND INFORMATIONS

We also performed the specific verifications required by law in accordance with professional standards applicable in France.

We have no matters to report regarding:

- the fair presentation and the conformity with the financial statements of the information provided in the Board of Directors' management report and in the documents addressed to the shareholders with respect to the financial position and the financial statements,

- the fair presentation of information given in the Board of Directors' management report in respect of remunerations and benefits granted to the relevant directors and any commitments made in their favour in connection with, or subsequent to, their appointment, termination or change in function.

In accordance with the French Law, we have ensured that the required information concerning the names of the principal shareholders has been properly disclosed in the management report of the Board of Directors.

Neuilly-sur-Seine and Paris, June 5, 2008

The Statutory Auditors

Auditeurs & Conseils Associés
Nexia international

Francois Mahé

Ernst & Young et Autres

Marie-Laure Delarue

SPECIAL REPORT OF THE STATUTORY AUDITORS ON CERTAIN RELATED PARTY TRANSACTIONS

To the Shareholders of Rémy Cointreau,

In our capacity as your Company's Statutory Auditors, we hereby present our report on regulated agreements.

1. DURING THE YEAR

In accordance with Article L.225-40 of French Company Law (Code de Commerce), we have been advised of certain contractual agreements which were authorised by your Board of Directors.

We are not required to ascertain whether any other contractual agreements exist but to inform you, on the basis of the information provided to us, of the terms and conditions of the agreements we have been made aware of. It is not our role to comment as to whether they are beneficial or appropriate. It is your responsibility, under the terms of article R.225-31 of the French Company Law, to evaluate the benefits resulting from these agreements prior to their approval.

We have conducted our work in accordance with French professional standards. These standards require that we perform the necessary procedures to verify that the information provided to us is consistent with the documentation from which it has been extracted.

1.1 SEGUIN ET CIE EQUITY CESSION TO REMY MARTIN ET CIE

Person concerned : Mrs Dominique Hériard Dubreuil, Chairman of the Board of Directors of Rémy Cointreau SA and Chief Executive Officer of E. Rémy Martin Et C°.

The meeting of the Board of Directors of March 28, 2008 authorized the disposal of all the Seguin Et C° equity held by Rémy Cointreau SA to Rémy Martin Et C°.

The selling price amounted to €6,567,796 and was estimated on the basis of the current value of Seguin Et C° net assets. This operation generated a capital loss of €1,065,652 for Rémy Cointreau SA.

1.2 CASH MANAGEMENT AGREEMENT WITH FINANCIERE REMY COINTREAU SA/NV

Persons concerned :

- M. Jean-Marie Laborde, Chief Executive Officer of Rémy Cointreau SA, Permanent representative of Rémy Martin Et C° member of the Board of Directors of Financière Rémy Cointreau SA /NV.

- Mrs Dominique Hériard Dubreuil, Chairman of the Board of Directors of Rémy Cointreau SA, Chief Executive Officer of E. Rémy Martin Et C°, member of the Board of Directors of Financière Rémy Cointreau SA /NV.

The meeting of the Board of Directors of March 27, 2007, authorized the conclusion of a cash management agreement between Financière Rémy Cointreau SA/NV and various subsidiary companies of the Rémy Cointreau group. This agreement was signed on April 23, 2007 and enforced on April 24, 2007.

Financière Rémy Cointreau SA/NV, centralizing company, handles the management of the financial transactions of the centralized companies, notably consisting in insuring the coordination of all the cash needs and surpluses of the group worldwide.

- Fixed forward advances granted by subsidiary companies to Financière Rémy Cointreau SA/NV bear interest based on EURIBOR rate as applicable for a loan of a comparable duration.

- Fixed forward loans granted by Financière Rémy Cointreau SA/NV to subsidiary companies bear interest based on EURIBOR rate plus a margin corresponding to the margin of the syndicated loan granted to the group by a banking union. This margin is renegotiable.

- Advances granted in the form of daily loans by the subsidiary companies to Financière Rémy Cointreau SA/NV bear interest based on EONIA rate as applicable for a loan of a comparable duration.

- Daily loans granted by Financière Rémy Cointreau SA/NV to subsidiary companies bear interest based on EONIA rate plus a margin corresponding to the margin of the syndicated loan granted to the group by a banking union. This margin is renegotiable.

Interests are calculated and accrued monthly on the last day of the month.

On March 31, 2008, advances granted by Rémy Cointreau SA to Financière Rémy Cointreau SA/NV amounted to €15,400,000 and fixed forward loans granted by Financière Rémy Cointreau SA/NV to Rémy Cointreau SA amounted to €100,000,000.

For the year ended March 31, 2008, the net amount of interests invoiced by Financière Rémy Cointreau SA/NV to Rémy Cointreau was €3,452,037.

1.3 ASSISTANCE AGREEMENT WITH FINANCIERE REMY COINTREAU SA/NV.

Persons concerned : M. Jean-Marie Laborde and Mrs Dominique Hériard Dubreuil.

The meeting of the Board of Directors of March 27, 2007, authorized the conclusion of a services agreement concerning exchange rate management with Financière Rémy Cointreau NA/BV and various other subsidiary companies in the Rémy Cointreau group. This agreement was signed on April 23, 2007 and enforced on April 24, 2007.

This agreement states that subsidiary companies in the Rémy Cointreau group transfer to Financière Rémy Cointreau NA/BV the foreign currency debts they have with other companies of the Rémy Cointrea group or with the Dutch company Maxxium Worldwide BV.

Financière Rémy Cointreau NA/BV bears the foreign exchange risk and invoices to the various subsidiary companies the exchange gains or losses relative to their own operations plus a charge corresponding to its expenses incurred by the management of the risks, increased by 5%.

During the financial year ended March 31, 2008 Rémy Cointreau SA did not transfer any foreign currency debt to Financière Rémy Cointreau NA/BV and no interests were invoiced.

1.4 GUARANTEE WITH FINANCIERE REMY COINTREAU SA/NV

Persons concerned : M. Jean-Marie Laborde and Mrs Dominique Hériard Dubreuil.

The meeting of the Board of Directors of March 27, 2007, authorized the guarantee given by Rémy Cointreau SA in favour of Financière Rémy Cointreau NA/BV for all the sums which would be due to the latter by the company Champagnes P&C Heidsieck, subsidiary of Rémy Cointreau SA.

1.5 ASSISTANCE AGREEMENT WITH FINANCIERE REMY COINTREAU SA/NV

Persons concerned : M. Jean-Marie Laborde and Mrs Dominique Hériard Dubreuil.

The meeting of the Board of Directors of March 27, 2007, authorized the conclusion of an assistance agreement with Financière Rémy Cointreau SA/NV. This agreement was signed on March 30, 2007 for a duration of 3 years from April 1st, 2007 and is renewable by tacit agreement.

Financière Rémy Cointreau SA/NV acted for Rémy Cointreau SA providing assistance and advice regarding brands development strategy, public relations, finances and trading.

Annual fees are fixed at €75,000 VAT excluded, and can be review by mutual agreement at the end of each financial year.

During the financial year ended on 31 March 2008, the total charges invoiced by Rémy Cointreau SA to Financière Rémy Cointreau SA/NV amounted to €75,000.

1.6 COMMITMENT OF DEFERRED ALLOWANCE IN FAVOUR OF M. JEAN-MARIE LABORDE

Person concerned : M. Jean-Marie Laborde.

The meeting of the Board of Directors of June 4, 2008, decided the modalities of fixation of the deferred compensation due to Mr. Jean-Marie Laborde in case of end of duties at the company initiative. These modalities, decided in accordance with article L.225-42-1 of French Company Law (Code de Commerce), subordinate the payment of a 18-month maximum allowance of his gross salary to the achievement of annual individual objectives.

2. AGREEMENTS APPROVED DURING PRIOR YEARS THAT WERE EXECUTED DURING THE YEAR

Pursuant to article R.225-30 of French Company Law, we were informed that the following agreements, approved in prior years, were executed during the year.

2.1 MANAGEMENT AGREEMENT WITH ORPAR

The meeting of the Board of Directors of 13 December 2000 authorized the signing of an endorsement to the management and general support agreement signed on 7 December 1999 with ORPAR. This agreement provides for an annual flat fee of €1,829,388.24 excluding taxes, plus an amount equivalent to 1/1000 of consolidated sales.

During the financial year ended 31 March 2008, the total charge (excluding taxes) borne by Rémy Cointreau SA amounts to €2,647,188.

2.2 CASH MANAGEMENT AGREEMENT BETWEEN REMY COINTREAU AND ORPAR

A cash management agreement was signed on 14 December 2004 between Rémy Cointreau SA and ORPAR defining modalities of management of their cash surpluses.

This agreement foresees an increase or a decline in the rate of the 0.60% margin used for the invoicing of the interests. The Board of Directors of June 5, 2007 authorized the signature of an endorsement to this agreement to lower the margin to 0.525% in order to take into account conditions of the syndicated loan applicable to Rémy Cointreau SA.

This endorsement, signed on July 4, 2007, also plans an automatic revision of the margin on March 31st and September 30th of every year in case of modification of the conditions of the syndicated loan applicable to Rémy Cointreau SA.

The advances granted by ORPAR to Rémy Cointreau SA in accordance with this agreement amounted to €425,330 on March 31, 2008. The total amount of interest paid by Rémy Cointreau to ORPAR was €47,353.

2.3 MARKETING AND MANAGEMENT SUPPORT AGREEMENT WITH THE COMPANIES OWNING THE BRANDS

Rémy Cointreau SA provides assistance and advice regarding brand development strategy, public relations, finances, trading and other various technical expertise for the companies CLS Rémy Cointreau SA and Champagnes P&C Heidsieck.

The payment for these services is calculated on the basis of the costs born by Rémy Cointreau SA, increased by 5%. The invoicing is realized by Rémy Cointreau SA in the course of the year on the basis of a temporary percentage of the projected turnover of these companies.

The Board of Directors of March 27, 2007 authorized the modification of these agreements to fix the rate of temporary payment for these agreements at 2.40% of the turnover, excluding taxes, of the beneficiaries. These agreements, signed on March 30, 2007, are applicable from April 1st, 2007 for an initial duration of 3 years and are annually renewable by tacit agreement. They cancel and replace any previous written or oral agreements between companies.

The assistance agreement concluded with CLS Rémy Cointreau also includes the application of a commission equal to 0.25% of the turnover VAT excluded realized by CLS Rémy Cointreau with the distribution of the Mount Gay rum and third products of the Rémy Cointreau group.

The Board of Directors of March 28, 2008 authorized an adjustment of the rate of payment applicable to subsidiaries for the financial year 2007/2008 at 2.42%.

Amounts resulting from the application of these agreements which were charged by Rémy Cointreau SA to subsidiaries during the financial year 2007/2008 are as follows:

	Amount (excl. Taxes)
CLS Rémy Cointreau	€11,660,370
Champagnes P&C Heidseick	€2,656,809

The Board of Directors of March 28, 2008 authorized the conclusion of an endorsement to these agreements to carry the rate of temporary payment for these agreements to 2.51% of the turnover VAT excluded of the beneficiaries for the financial year 2008/2009.

2.4 AGREEMENT WITH THE COMPANIES HERMAN JOERSS AND REMY COINTREAU USA

The Board of Directors of March 27, 2007 authorized the conclusion of assistance agreements with the companies Herman Joerss GMBH and Rémy Cointreau USA, in brand development strategy, public relations, finances, trading and various technical expertise.

The annual profit for Rémy Cointreau SA is calculated by the application of a rate of 0.25% on the turnover, taxes excluded, realized by the companies on the distribution of products and third party products of the Rémy Cointreau group.

These agreements, signed on March 30, 2007, are applicable from April 1st, 2007 for an initial duration of 3 years and are annually renewable by tacit agreement. They cancel and replace any previous written or oral agreements between the parts.

Amounts resulting from the application of these agreements which were charged by Rémy Cointreau SA to subsidiaries during the financial year 2007/2008 are as follows:

	Amount (excl. Taxes)
Rémy Cointreau USA	€804,760
Hermann Joerss GMBH	€17,295

2.5 GUARANTEES GIVEN BY REMY COINTREAU IN FAVOUR OF GROUP COMPANIES TAKING PART IN ASSET DISPOSALS IN THE NETHERLANDS

As part of the disposals of the intangible and tangible assets relating to the brands Bols, Bokma and other local brands, Pisang Ambon, Galliano and Vaccari, Rémy Cointreau gave, on the one hand, a general guarantee that its subsidiary, DELB BV, would fulfil its obligations under the hire purchase agreement, and on the other hand, gave guarantees that it would bear all settlement differences between Group companies taking part in the asset disposal operation under the guarantee payment agreement, from the moment that the buyer will meet his seller credit payments obligations.

These guarantees given by Rémy Cointreau SA will end on October 11, 2012.

2.6 AGREEMENT BETWEEN REMY COINTREAU AND MAXXIUM WORLDWIDE B.V.

The Supervisory Board meeting of June 10, 2003 authorised entering into a variety of loans and guarantees in favour of Maxxium Worldwide B.V. The different options under these agreements are reviewed each year and approved by the Board of Directors meeting. Board of Directors meeting of November 2, 2005 approved the following conditions:

- A shareholder loan granted in favour of Maxxium Worldwide B.V. by Rémy Cointreau for a maximum principal amount of €15 million. This €15 million credit line was not used during the year.
- Rémy Cointreau gave a guarantee on Maxxium Worldwide B.V. for a maximum principal amount of €62.5 million to cover payments obligations to certain lenders in respect of a loan of €240 million. This guarantee is linked by a subordination agreement to the credit agreement entered into by Maxxium Worldwide B.V.
- A guarantee in favour of Maxxium Worldwide B.V. for a maximum principal amount of €17,500,000 to cover the obligations of Maxxium Worldwide B.V. to certain banks under a guarantee given by this company in favour of its subsidiaries for which these banks granted a loan. This guarantee is linked by a subordination agreement to the credit agreement entered into by Maxxium Worldwide B.V on behalf of its subsidiaries.

2.7 GUARANTEE GIVEN IN FAVOUR OF THE SUBSIDIARY SHANGAI RENTOURMA INTERNATIONAL TRADING CO

The meeting of the Board of Directors of November 30, 2006 authorized the guarantee given by Rémy Cointreau SA in favour of the subsidiary Shangai Rentourma International Trading Co, up to K€ 15,000.

Neuilly-sur-Seine and Paris, June 5, 2008

The Statutory Auditors

Ernst & Young et Autres	**Auditeurs et Conseils Associés** **Nexia international**
Marie-Laure Delarue	Francois Mahé

CHAPTER 3

RESOLUTIONS SUBMITTED TO THE COMBINED GENERAL MEETING OF 16 SEPTEMBER 2008

Page		
126	1	COMMENTARY ON THE RESOLUTIONS
131	2	STATUTORY AUDITORS REPORTS

RESOLUTIONS

COMBINED GENERAL MEETING OF 16 SEPTEMBER 2008

1. COMMENTARY ON THE RESOLUTIONS SUBMITTED TO THE COMBINED GENERAL MEETING OF 16 SEPTEMBER 2008

Approval of the parent company and consolidated financial statements

Your Board of Directors, after considering its report and the report of the Company's Statutory Auditors, propose that you approve firstly the Parent Company financial statements for the year ended 31 March 2008 which disclose a profit of €106,875,406.24, then the consolidated financial statements at the same date which disclose a profit of €98 351 000.

Allocation of 2007/08 profit

Your Board of Directors, after noting the financial statements for the year ended 31 March 2008, disclose the following:

- Profit for the year:	€106,875,406.24
- balance brought forward:	€157,942,066.00
Total amount distributable:	**€264,817,472.24**

and propose the following allocation:

- allocation to the legal reserve	€89,438.56
- distribution of a dividend of €1.30 per share:	€60,526,430.90
- balance carried forward:	€204,201,602.78
Total :	**€264,817,472.24**

Pursuant to Article 117 (iv) -I-1 of the General Tax Code, individuals who are tax resident in France may opt for a fixed deduction in full settlement of income tax at the rate of 18%. This option is irrevocable for the payment concerned. Such an option results in the loss of the 40% reduction, the fixed annual deduction and the loss of the right to a tax credit provided by Article 200 (vii) of the General Tax Code for this dividend as well as for every other dividend subject to income tax in the same year.

In the event of the Company retaining some of its own shares at the time of payment, the amount of unpaid dividends in respect of these shares, will be added to "balance carried forward".

In accordance with the law, it is noted that the net dividends during the last three years and related tax credits and the dividend distributed eligible for the above reduction for shareholders residing in France, were as follows:

Year	2004/2005	2005/2006	2006/2007
Net dividend per share	€1.00	€1.10	€1.20
Eligible dividend distributed	€1.00	€1.10	€1.20

Pursuant to Articles L. 232-18 to L. 232-20 of the Commercial Code and Article 27 of the bylaws, we propose that the General Meeting decides to grant every shareholder for fifty per cent (50%) of the dividend payable under the current resolution, an option of payment of this in cash or shares.

The issue price of the new shares, the subject of the present option, will be equal to 90% of the average quoted on the 20 trading days preceding the day of the decision to pay the dividend less the net dividend pursuant to Article L. 232-19 of the Commercial Code. The Board of Directors will have the facility to round the price thus determined to the nearest cent.

Every shareholder may elect for one or other mode of payment but this election applies to the total of the dividend for which the election is made, which is 50% of the dividends to which they are entitled. Shareholders, wishing to elect for payment of the dividend in shares of 50% of the dividends to which they are entitled, must request this from their financial intermediary in the period 19 September 2008 to 3 October 2008 by 5pm at the latest. At the end of this timeframe, the dividend can only be paid in cash.

For shareholders who elect to receive a cash payment, the dividend will be payable from 8 October 2008 after the expiry of the election period. The fraction of the dividend for which the election of payment in shares was not granted, that is eighty per cent (80%) of the dividend distributed, will be paid in cash with effect from the same date.

If the dividend entitlement does not correspond to an exact number of shares, the shareholder may subscribe to the immediately lower number of shares together with the balance in cash.

The new shares will be subject to the provisions of the law and the bylaws and will be effective from 1st April 2008, the start of the current financial year.

We propose to grant all powers to the Board of Directors in accordance with Article L. 232-20 of the Commercial Code to take all steps necessary to implement the distribution of the dividend in shares, and notably to set the issue price of the shares issued in accordance with the terms provided, to note the number of shares issued and the increase realised in share capital, to revise, as a result, the bylaws of the Company, to take all steps to ensure the successful completion of the transaction and, in general, to do everything useful and necessary.

Agreements covered by article l. 225-38 of the commercial code

The agreements authorised and concluded in prior years and in force during this year as well as the agreements authorised during the year have been given to the Statutory Auditors to enable them to prepare their special report. We would ask you to approve their terms and conditions.

Aligning the commitments for deferred remuneration payable to the chief executive officer with the provisions of article l. 225-42-1 of the commercial code

The law of 21 August 2007 completed Article L. 225-42-1 of the Commercial Code in respect of remuneration compensation and benefits due or likely to be due as a result of cessation or change in the functions of the Chairman, Chief Executive Officer and Deputy Chief Executive Officer of listed companies.

Currently these commitments by a Company are forbidden if they are not subordinate to compliance with performance conditions by the beneficiary, evaluated in regard to those of the Company where, in the case of Rémy Cointreau, he/she holds a position in general management.

Since July 2005 these commitments have been subject to the regulated agreements procedure, but now, the authorisation of the Board must be made public and the approval of the General Meeting must be the subject of a specific resolution by the beneficiary. This is the fifth resolution to be submitted.

It is noted that the following are excluded from this legal requirement: non-competition compensation, defined benefit retirement commitments and collective and compulsory retirement and assurance.

The law applies to commitments given with effect from 22 August 2007, and also to commitments outstanding at that date which must be aligned with the law within 18 months after that date and before 22 February 2009.

The Board of Directors on 4 June 2008 authorised, subject to performance conditions, the commitments for deferred compensation of 18 months gross remuneration (fixed and variable) that will be due to Jean-Marie Laborde, Chief Executive Officer in the event of a cessation of his functions. The performance conditions are the following: average performance over the last three years of the Company where Mr Laborde acted as Chief Executive Officer measured by the rate of achievement of the Chief Executive Officer's individual annual objectives, used as a basis for the calculation of the variable share of his remuneration. If this average rate is between 50-75%, the compensation is proportional to the value of this rate. Compensation will be paid in full if the rate exceeds 75%. If the rate is less than 50%, no compensation shall be paid.

Having considered the special report of the Statutory Auditors, we request that you approve the commitment to deferred compensation undertaken by the Company for the benefit of the Chief Executive Officer and which is also discussed in Chapter 4 of the current report .

Renewal of the terms of office of two directors and appointment of a new director

The terms of office of Mrs Dominique Hériard Dubreuil and Sir Brian Ivory expire at the close of the Meeting and we request that you renew these for a period of three years. Information in respect of these Directors is available in the current annual report.

In addition, we request that you appoint Mr. Patrick Thomas as a new member of the Board of Directors.

Mr. Patrick Thomas, 61 years old, a French national, is a graduate from Ecole Supérieure de Commerce in Paris. He spent 16 years with the Pernod Ricard group which he left in 1989 as Chief Executive Officer of Pernod Ricard UK. He then acted as Chief Executive Officer of Hermès International from 1989 to 1997, Chairman of the Lancaster Group from 1997 to 2000 and Chairman of William Grant & Sons from 2000 to 2003. He rejoined Hermès International in 2003 where he acts as Manager.

As a result, we do not propose to reappoint Mr. Xavier Bernat and Mr. Patrick Duverger whose terms of office expire.

Reappointment of a principal statutory auditor and appointment of a new substitute statutory auditor

We request that you reappoint the principle Statutory Auditors, the Company Conseils Associés, represented by Mr. Olivier Juramie, for a period of six years, which is until the close of the Annual General Meeting called to approve the financial statements for the year ended 31 March 2014.

In addition, we propose to appoint as a replacement for Mrs Geneviève Dionis, who has resigned, Mr. Olivier Lelong, Statutory Auditor member of the Compagnie Régionale de Paris, residing at 33, rue Daru 75008 Paris, as substitute Statutory Auditor for the period of office of the principal Statutory Auditor, which is until the close of the Annual General Meeting called to approve the financial statements for the year ended 31 March 2014.

Attendance fees

We propose to set at €320,000 the fees paid to members of the Board of Directors in respect of 2008/09 which is in line with practices adopted by many French groups operating internationally and of a similar size to our Group.

Purchase and sale by the company of its own shares

We propose that you authorise the Board of Directors, for a maximum of 18 months with effect from the day of the current Meeting, to purchase shares in the Company, up to 10% of the share capital on the day of the decision by the Board of Directors which, by way of indication, on the basis of the current share capital, corresponds to a maximum of 4,180,174 shares, taking into account the treasury shares held by the Company at 31 March 2008, sales with repurchase options and the purchase of options to purchase shares.

The share buyback programme is designed to carry out the following transactions in descending order of priority:

- stimulate the secondary market or provide liquidity for the Rémy Cointreau share by an investment services provider via a liquidity contract that conforms to the AFEI charter recognised by the Aut<orité des Marchés Financiers. It should be noted that such a liquidity contract was given to Rothschild & Cie Banque with effect from 15 November 2005. This is renewable by tacit agreement;
- cancel as part of a reduction in share capital, subject to the adoption of the nineteenth resolution submitted to the current General Meeting and having as its object the authorisation of this cancellation, the shares in order to improve the return on equity and the earnings per share;
- cover the obligations in respect of debt securities giving access to capital;
- grant the shares in accordance with the terms and conditions provided by law, notably as part of a profit-sharing plan, to service options to purchase shares, as part of a business savings plan or to be used to grant free shares to employees and executives in accordance with Articles L. 225-197-1 and subsequent of the Commercial Code;
- purchase shares and retain them to be used subsequently in exchange or as payment for acquisitions, in accordance with market practices permitted by the Autorité des Marchés Financiers and within the law; and
- implement all market practices permitted by the Autorité des Marchés Financiers and, more generally, to carry out all transactions in accordance with the regulations in force.

The purchase of these shares, as well as their sale or transfer, may be carried out within the law and regulations at any time, including the period of a public offer, subject to periods of abstention provided by Article 631-6 of the General Regulation of the Autorité des Marchés Financiers or other legal or regulatory requirements, by all means, on or off-market, including by a public offer or block transactions, sale with a repurchase agreement, and by recourse to all derivative financial instruments, notably option transactions, with the exclusion of the sale of options to sell and to the extent that the last means do not lead to a significant increase in the volatility of the share price. The maximum amount of capital that may be acquired or transferred in the form of blocks of shares may be the total of the authorised share purchase programme. Payment can be made in any form.

It is proposed to set the maximum purchase price at €60 per share. The maximum amount that the Company is liable to pay as a result is €250,810,440, excluding trading costs.

It should be noted that during the 2004/05 financial year the Company sold 602,430 shares with a repurchase agreement. In order to maintain a perfect hedge for its share acquisition plans and to partly manage the dilution related to the exercise of one of these subscription option plans, the latter sale carried a resolutive clause. This transaction was completed by the purchase on 24 March 2005 by the Company of 224,497 purchase options from Barclays Capital Securities Ltd. The overall effect of the transaction enabled Rémy Cointreau to meet the exercise of a maximum of 826,927 options to subscribe for or purchase shares.

In this respect, on 1st March 2006, Rémy Cointreau purchased 280,927 shares from Barclay's Capital Securities Ltd, to limit the dilutive effect arising from an option plan to subscribe for shares. Using the delegation of powers granted by the Extraordinary General Meeting of 28 July 2005 in its fifteen resolutions the Board of Directors on 28 April 2006 decided to reduce the share capital by the cancellation of these 280,927 shares, pursuant to the terms of the above mentioned sale and repurchase contract.

During 2007/08, Rémy Cointreau purchased 75,000 shares from Barclay's Capital Securities Ltd, at a price of €27.67, for a total of €2,075,250. This purchase is to service the 70,295 options to purchase shares arising from the plan of 16 September 2003, which totalled €1,945,062.65.

At 31 March 2008, the Company held 4,705 treasury shares.

This authorisation ends, with immediate effect, the authority given by the Combined General Meeting, in ordinary session, of 31 July 2007 in its tenth resolution.

Authorisation to reduce the share capital by cancellation of treasury shares held by the company

The resolution, as proposed, is in respect of the possibility that the Board of Directors cancels shares, in accordance with Article L.225-209 of the Commercial Code, which were purchased by the Company under the authorisation to be given by the Meeting in the tenth resolution or which had been acquired under previous authorisations for the Company to trade in its own shares.

It is designed to enable the Board of Directors to reduce the capital as a result of this cancellation. In accordance with the law, this cannot be applied to more than 10% of the capital in a period of 24 months.

This is an annual authorisation that renews as a result of the fourteenth resolution adopted by the General Meeting of 31 July 2007.

Increase in share capital by incorporation of reserves, profits or premiums

It is proposed in the sixteenth resolution, to renew the authorisation for the Board of Directors, for a period of 26 months, to increase the share capital, or one or more occasions, at times and with the terms and conditions it determines, by incorporation into capital of reserves, profits or premiums followed by the creation and free allocation of shares, or an increase in the nominal value of existing shares, or a combination of both of these two methods.

The increase in capital likely to be carried out under the authorisation may not exceed a nominal amount of €30,000,000 and shall be included in the ceilings set by the terms of the fifteenth and sixteenth resolutions adopted by the Annual General Meeting of 31 July 2007.

The current authorisation renders null and void the authorisation given by the Combined General Meeting of 27 July 2006.

Authorisation to proceed with an increase in capital limited to 10% of the share capital as a consideration for transfers in kind

Decree No. 2004-604 of the 24 June 2004 revised Article L. 225-147 of the Commercial Code by enabling the Extraordinary General Meeting to authorise the Board of Directors, for a maximum period of 26 months, to proceed with all issues of shares or marketable securities giving access to capital (with the exception of preference shares) up to 10% of its share capital at the time of the issue, with a view to remunerating transfers in kind to the Company and comprising capital securities or marketable securities giving access to capital. This delegation enables the Company to avoid a cash outflow for smaller scale acquisitions.

The current authorisation request renews that granted by the Extraordinary General Meeting of 27 July 2006 in its twenty first resolution.

It should be noted that the ceiling of 10% is included in the ceiling provided by the fifteenth and sixteenth resolutions adopted by the Combined General Meeting of 31 July 2007.

This delegation carries a waiver by the shareholders of their pre-emption right to subscribe for shares to which the marketable securities to be issued will carry that right.

Authorisation for the board of directors to allocate free shares to employees and certain senior executives

Article 83 of the 2005 Finance Law instituted a new mechanism for the granting of free shares to employees and certain senior executives which came into force on 1st January 2005. The executives concerned by this law are the Chairman of the Board of Directors, the Chief Executive Officer and, where appropriate, the Executive Officer(s).

This provision, which is substantially based on the current regime for the allocation of options to subscribe for or purchase shares, with which it co-exists, is designed to relaunch employee shareholding.

The shares that will be allocated may be either existing shares required by the Company or shares newly created as part of a capital increase. In this latter case, the capital increase may be by incorporation of reserves or premiums reserved for the beneficiaries of free shares.

The allocation of shares to the beneficiaries will become final at the end of a minimum period of acquisition of two years; the minimum period accepted for the retention of the shares will also be two years.

The number of shares thus allocated may not exceed 2% of the share capital on the day of their allocation by the Board of Directors. The timeframe during which the authorisation may be used by the Board of Directors will be 38 months with effect from today.

Every year, the Annual General Meeting will be informed in a special report prepared by the Board, of shares allocated.

The current request for authorisation renews that granted by the Extraordinary General Meeting of 28 July 2005 in its twenty first resolution.

Authorisation to proceed with a capital increase by the issue of shares reserved for members of a business savings plan

Since the law of 19 February 2001, in respect of employee savings, the Extraordinary General Meeting must, at the time of every decision to increase the capital, consider a proposed resolution designed to issue shares reserved for employees who are members of a business savings plan (BSP)

This requirement, which is of a general nature, is imposed on every company, whether they have a BSP or not and, since the law on financial security of 1st August 2003, for every decision to increase the capital in cash, including deferred.

In addition, the law of 9 December 2004 which ratified the decree of 24 June 2004 concerning the reform of marketable securities, states that where an Extraordinary General Meeting delegates to the Board of Directors the competence to decide on an increase in capital it must also consider a proposed resolution to increase the capital in favour of the employees (Article L. 225-129-6 of the Commercial Code). Such an event avoids the need to call an Extraordinary General Meeting to decide on such a resolution each time the Board of Directors decides to increase the capital.

As a result, the Company is subject to this even though it has no employees, and thus no BSP, and also no group BSP. An increase in capital by the issue of shares reserved for members of a BSP will ultimately occur within subsidiaries that have employees.

In order to retain the full validity of the authorisation granted to the Board of Directors in order to issue shares as a result of the option of a payment in cash or in shares of the dividend of the 2007/2008 year, we are required to present this resolution resulting from a legal requirement with a general application while requesting, as at the Combined General Meeting of 31 July 2007, you to reject this as it cannot apply to our Company.

Authorisation for the board of directors in the event of a public offer for the securities of the company

The Extraordinary General Meeting of 7 September 2004 authorised, in its fifteenth resolution, the Board of Directors to use the delegations to issue and to reduce the capital at the time of a public offer for the securities of the Company, pursuant to Article L. 225-129-3 of the Commercial Code derived from the Decree of 24 June 2004 that introduced reform to marketable securities.

This Article was cancelled by Law No. 2006-387 of 31 March 2006 that transposed the European Directive on public offers. Now, in the event of a public offer, the principle is that laid down by Article L. 233-32 of the Commercial Code, which is the suspension of every delegation granted by a General Meeting before a period of a public offer where its implementation is likely to make the offer fail, except for seeking other offers. This principle corresponds to the transposition into French law of the principle of a duty of neutrality by management during a period of a public offer laid down by Article 9 of the Community Directive on public offers.

The exception to this principle is provided by Article L. 233-33 of the Commercial Code, an Article expressly covered by the resolution proposed, where the delegation granted to the Board of Directors has been given in the 18 months proceeding the day of filing a public offer.

Article L. 233-33 of the Commercial Code is applicable - that is to say that it sets aside the provisions of Article L. 233-32 - in the event of a public offer initiated by an entity having its registered office in a number of states of the European Community that has not made the duty of neutrality of management mandatory during the period of a public offer, for an entity whose registered office is outside the European Community in a country that does not apply equivalent measures of a duty of neutrality on management.

The Extraordinary General Meeting of 31 July 2007, in its twenty second resolution, granted the Board of Directors such an authorisation. The request presented constitutes thus a renewal of this authorisation.

Revision to the bylaws

In the twenty second and twenty fourth resolutions it is proposed to revise the bylaws of the Company as a result of a number of changes primarily arising from the laws of 1st April 2003 and 26 July 2005. This update arises essentially from the object of simplifying the text in order only to mention in the bylaws the sole legal regulatory revisions that by their nature, should be there.

Firstly it concerns the revision of Article 8 of the bylaws relative to the form and transfer of shares. This revision arises from the need to align the bylaws with the said laws. Thus the following are eliminated: the reference in paragraph 8.2 to the bearer shares only (laws of 26 July 2005) and the entire paragraph 8.3 as a result of the cancellation of the last paragraph of Article L. 233-7 of the Commercial Code by the law of 1st August 2003 on the need to declare the crossing of a threshold by the intermediary recorded as a holder of the securities.

Therefore, it concerns the twenty fourth resolution to revise paragraph 23.1, 23.2 and 23.5 of Article 23 of the bylaws relative to General Meetings, in order to bring the text of the Article into line with the legislation and regulatory revisions relative to the notice of the meeting and a vote at the General Meeting, the right to a double vote and a vote at Extraordinary General Meetings.

This concerns the addition of the words “except exceptions provided by law” to paragraph 23.1, third paragraph, and that of the word “freely” to paragraph 23.2, second paragraph, of that of the words “to the degree” to paragraph 23.2, third paragraph and that of the words “votes of” to paragraph 23.5, second paragraph.

Lastly, the voting method in paragraph 23.3 must reflect the possibility to use, at General or Special Meetings, electronic voting.

It is proposed in the twenty third resolution, to change the period of office of the censors stated in Article 21 of the bylaws. Appointed today for a period of three years, the censor(s) of the Company will see their period of office reduced to one year, but renewable without limitations, thus providing the greatest flexibility in the functioning of the office.

You are invited to approve these resolutions, as proposed, by voting.

The Board of Directors

2. STATUTORY AUDITORS' REPORT ON THE SHAREHOLDERS' ANNUAL AND EXTRAORDINARY MEETING OF SEPTEMBER 16, 2008

YEAR ENDED 31 MARCH 2008

To The Shareholders of Rémy Cointreau,

In our capacity as statutory auditors of the company Rémy Cointreau S.A., we hereby present our report on the following operations, upon which you are called to vote.

1. SHARE CAPITAL DECREASE BY CANCELLATION OF THE COMPANY'S OWN SHARES (15TH RESOLUTION)

In compliance with the article L 225-209, al. 7, of the French Commercial Code (Code de Commerce) in respect of the decrease in share capital by means of the cancellation of shares, we hereby report to you on our assessment of the reasons, terms and conditions of the proposed capital reduction.

Our work was conducted in accordance with professional doctrine of the French National Company of Statutory Auditors applicable to this mission. Those procedures consisted in examining the fairness of the reasons and the terms and conditions for the proposed share capital decrease.

This work was carried out as part of the transaction involving the purchase by your Company of its own shares, up to a maximum of 10% of its common stock, pursuant to the terms and conditions set forth in article L 225-209 of the French Commercial Code (Code de Commerce). This purchase authorization is subject to adoption by shareholders in General Meeting under the 13th resolution and will be granted to the Board of Directors until the Annual General Meeting to approve the accounts for the 2008/2009 financial year, a maximum period of 18 months from the date of this meeting.

Your Board of Directors requests that, until the Annual General Meeting to approve the accounts for the 2008/2009 financial year - a maximum period of 18 months from the date of this meeting, you confer all necessary powers to the Board of Directors, to cancel the shares so purchased by the company, pursuant to the share purchase authorization, up to 10% of the share capital for a 24 month period.

We have no comments on the reasons for, the terms and conditions of the proposed share capital decrease, which, you are reminded, may only be performed subject to the prior approval by the shareholders of the purchase by the Company of its own shares (13th resolution).

2. DELEGATION TO PROCEED TO THE ISSUE OF SECURITIES WITH EQUITY COMPONENTS TO PAY CONTRIBUTIONS IN KIND (17TH RESOLUTION).

In compliance with articles L 228-92 of the French Commercial Code (Code de Commerce), we hereby report on the possibility of the issue of securities with equity components to pay contributions in kind granted to the company and constituted of capital shares or securities with equity components, within the limit of 10% of the capital. This operation is submitted to your approval.

Your Board of Directors proposes, on the basis of its report, that it be delegated power to decide, for a period of 26 months, upon the terms and conditions of this issue.

It is the responsibility of your Board of Directors to prepare a report in accordance with articles R 225-113, R 225-114 and R 225-117 of the French Commercial Code (Code de Commerce). Our responsibility is to report on the fairness of the financial position and other information necessary for the resolution given in the Board of Directors' report.

Our work was conducted in accordance with professional doctrine of the French National Company of Statutory Auditors applicable to this mission. These procedures consisted in verifying the Board of Directors' report on the proposed resolution and the methods for determining the share issue price.

As the Board of Directors' report has not yet defined the methods for determining the issue price of the securities we cannot give our opinion on the choice of the elements of calculation of the share issue price.

As the share issue price has not yet been set, we cannot give an opinion on the final terms and conditions of the issue.

In accordance with article R.225-116 of the French Commercial Code (Code de Commerce), we will prepare a supplementary report at the time the share issue is carried out by the Board of Directors.

3. REPORT ON THE ALLOCATION OF BONUS SHARES TO EMPLOYEES AND SOME REPRESENTATIVES (18TH RESOLUTION)

In compliance with articles L 225-197-1 of the French Commercial Code (Code de Commerce) we hereby report on the allocation of bonus shares to employees or definite categories of them and directors of the Company and of certain related groups or companies as defined in article L 225-197-2 of the French Commercial Code (Code de Commerce).

Your Board of Directors proposes that it be authorized to allocate bonus shares, existing or to be created. It is the responsibility of the Board of Directors to prepare a report on the reasons for the proposed resolution. Our responsibility is to report to you our opinion on the information given about this operation.

Our work was conducted in accordance with professional doctrine of the French National Company of Statutory Auditors applicable to this mission. Those procedures consisted in verifying that the methods exposed in the Board of Directors' report are in accordance with legal requirements.

We have no comment to make on the information given in the Board of Directors' report about the resolution.

4.EQUITY ISSUES, WITH NO PRE-EMPTION RIGHTS FOR MEMBERS OF THE CORPORATE SHARE SAVINGS SCHEME (19TH RESOLUTION)

In compliance with articles from L 225-135 onwards of the French Commercial Code (Code de Commerce), we hereby report on the proposed delegation of qualification to the Board of Directors to decide an increase in share capital by common share issue without pre-emption rights, reserved for the members of the share savings scheme of your company or its subsidiary companies in accordance with article L.225-180 of the French Commercial Code (Code de Commerce). The aggregate nominal value of the capital increase under this resolution is capped at €1,400,000.

This capital increase is submitted to your approval in accordance with articles L 225-129-6 of the French Commercial Code (Code de Commerce) from L 3332-18 onwards of the French Labour Code (Code du Travail).

Your Board of Directors proposes, on the basis of its report, that it be delegated qualification to decide, for a period of 26 months, upon the terms and conditions of this issue and to cancel your pre-emption rights. If necessary, it will determine the terms and conditions of this operation.

It is the responsibility of the Board of Directors to prepare a report in accordance with articles R 225-113 and R 225-114 of the French Commercial Code (Code de commerce). Our responsibility is to give an opinion on the fairness of the figures issued from the accounts, on the cancellation of the pre-emption right and other information given in this report.

Our work was conducted in accordance with professional doctrine of the French National Company of Statutory Auditors applicable to this mission. Those procedures consisted in verifying the methods for determining the share issue price.

Subject to any subsequent examination of the terms and conditions of the proposed capital increase, we have no comment to make about the methods of determining the share issue price referred in the report by the Board of Directors.

As the share issue price has not yet been set, we cannot report on the final terms and conditions under which the capital increase will happen. As a result, we cannot report on the cancellation of your pre-emption right which the Board of Directors has proposed and which is subject to your approval.

In accordance with article R 225-116 of the French Commercial Code (Code de Commerce), we will prepare a supplementary report at the time your Board of Directors makes such an issue.

Neuilly-sur-Seine and Paris, June 5, 2008

The Statutory Auditors

Ernst & Young et Autres

Marie-Laure Delarue

Auditeurs et Conseils Associés SA
Nexia international

Francois Mahé

CHAPITRE 4

PERSON RESPONSIBLE FOR THE REFERENCE DOCUMENT AND INFORMATION POLICY

4.1 PERSON RESPONSIBLE FOR THE REFERENCE DOCUMENT

Mr. Jean-Marie Laborde,
Chief Executive Officer of Rémy Cointreau.

4.2 CERTIFICATE OF THE PERSON RESPONSIBLE FOR THE REFERENCE DOCUMENT

"To the best of my knowledge, the information contained in this reference document is accurate and contains no omissions likely to change this view.

I have received a letter from the Statutory Auditors attesting to the completion of their assignment, stating that they have verified the information concerning the financial situation and financial statements provided in the current reference document and have read this document."

The historical information contained in this document was subject to reports by the Statutory Auditors, which appear on page 74 and 124. The report on the consolidated financial statements contains the following observation:

"Without calling into question the opinion expressed above, we would draw your attention to the matter described in note **5.1.2** to the financial statements relating to the consolidation of Maxxium within the Group's consolidated financial statements".

Jean-Marie Laborde,
Chief Executive Officer of Rémy Cointreau

4.3 INFORMATION INCLUDED BY REFERENCE

Pursuant to Article 28 of Commission Regulation (EC) No. 809/2004, the following items are included by reference in this document:

- consolidated financial statements for the 2006/07 financial year, as well as the Statutory Auditors' report relating to them, presented on pages 28 to 75 respectively of the Reference Document filed with the AMF on 3 July 2007;
- consolidated financial statements for the 2004/05 financial year, as well as the Statutory Auditors' report relating to them, presented on pages 32 to 95 respectively of the Reference Document filed with the AMF on 5 July 2006;
- Rémy Cointreau SA company financial statements for the 2006/07 financial year, as well as the Statutory Auditors' report relating to them, presented on pages 76 to 93 respectively of the Reference Document filed with the AMF on 3 July 2007;
- and Rémy Cointreau SA company financial statements for the 2005/06 financial year, as well as the Statutory Auditors' report relating to them, presented on pages 96 to 114 respectively of the Reference Document filed with the AMF on 5 July 2006.

4.4 PUBLICLY AVAILABLE DOCUMENTS

The bylaws, AGM reports, Statutory Auditors' reports and other corporate documents may be viewed at the Company's registered office. Financial information and various information on Company organisation and operations are available on the Group's website: http://www.remy-cointreau.com

The table below lists all documents published between 1st April 2007 and 30 June 2008:

Theme	Date	Available on
Declaration of treasury share purchase and disposal transactions	23/04/07	www.amf-France.org
12 Months Group turnover	17/04/07 30/04/07	www.rem-cointreau.com www.amf-France.org balo.journal.officiel.gouv.fr
Declaration of treasury share purchase and disposal transactions	21/05/07	www.amf-France.org
Group Annual Results	24/06/07	www.remy-cointreau.com www.amf-France.org
Declaration of treasury share purchase and disposal transactions	18/06/07	www.amf-France.org
Reference document	04/07/07	www.rem-cointreau.com
Notice of AGM	25/06/07 26/06/07 12/07/07	balo.journal.officiel.gouv.fr La Tribune La Charente Libre
Interim report on the liquidity contract	10/07/07	www.amf-France.org
Company and consolidated financial statements Statutory Auditors' report	09/07/07	balo.journal.officiel.gouv.fr www.amf-France.org
Declaration of treasury share purchase and disposal transactions	06/07/07	www.amf-France.org
Rémy Cointreau share buy-back programme	17/07/07	www.rem-cointreau.com www.amf-France.org
Q1 Group turnover	18/07/07 17/08/07	www.rem-cointreau.com www.amf-France.org balo.journal.officiel.gouv.fr
Declaration of treasury share purchase and disposal transactions	22/08/07	www.amf-France.org
Declaration of treasury share purchase and disposal transactions	12/09/07	www.amf-France.org
Notice of approval of financial statements	26/09/07	balo.journal.officiel.gouv.fr
Declaration of treasury share purchase and disposal transactions	04/10/07	www.amf-France.org
Group Interim turnover	18/10/07 02/11/07	www.rem-cointreau.com www.amf-France.org balo.journal.officiel.gouv.fr
Publication of subsidiaries' financial statements	07/12/07	balo.journal.officiel.gouv.fr
Declaration of treasury share purchase and disposal transactions	07/11/07	www.amf-France.org
Declaration of treasury share purchase and disposal transactions	05/12/07	www.amf-France.org

Theme	Date	Available on
Group Interim results	27/11/07	www.rem-cointreau.com www.amf-France.org
Certification of Interim financial statements by Statutory Auditors	10/12/07	balo.journal.officiel.gouv.fr
Interim report on the liquidity contract	05/01/08	www.amf-France.org
9 Months Group turnover	18/01/08 31/01/08	www.rem-cointreau.com www.amf-France.org balo.journal.officiel.gouv.fr
Bilan semestriel du contrat de liquidité	05/01/08	www.amf-France.org
Declaration of treasury share purchase and disposal transactions	12/03/08	www.amf-France.org
Declaration of treasury share purchase and disposal transactions	23/04/08	www.amf-France.org
12 Months Group turnover	19/04/08 07/05/08	www.rem-cointreau.com www.amf-France.org balo.journal.officiel.gouv.fr
Declaration of treasury share purchase and disposal transactions	21/05/08	www.amf-France.org
Declaration of treasury share purchase and disposal transactions	18/06/08	www.amf-France.org
Annual consolidated results	30/07/08	www.rem-cointreau.com www.amf-France.org
Notice of AGM	10/08/08	balo.journal.officiel.gouv.fr
Company and consolidated financial statements Statutory Auditors' report	29/07/08	balo.journal.officiel.gouv.fr

RECONCILIATION TABLE

Person responsible	133
Statutory Auditors	91
Selected financial information	6, 10-16, 109
Risk factors	17-21
Information regarding the issuer	74-84
History and evolution of the Company	4
Investments	27, 42-43
Overview of operations	7-10
Organisation chart	
Simplified organisation chart	5
List of subsidiaries	72, 118
Property, plant and equipment	26
Financial position and results	10-16, 101
Cash and capital	15-16, 31-32, 48-54
Research and development, patents and licences	27
Information on trends	28
Profit estimates and forecasts	N/A
Board of Directors and Management Board	
Board of Directors and Executive Officers	86-91
Potential conflicts of interests within administration and management bodies	90
Remuneration and benefits	104-105
Operation of administration and management bodies	
Expiry date of current terms of office	86-91
Group workforce	
Workforce size	22-24
Profit-sharing and stock options	102-103
Employee profit-sharing agreement	N/A
Principal shareholders	
Shareholding and principal shareholders	82
Different voting rights	75, 82
Control of the Company	5, 82
Transactions with associates	71, 121-124
Financial information on the issuers' assets, financial situation and financial results	
Historical financial information	10-16, 109, 133
Rémy Cointreau financial statements	29-73, 109-118
Verification of annual historical financial information	74, 119
Date of the most recent financial information	134-135
Dividend distribution policy	50, 109
Legal and arbitration proceedings	27
Additional information	
Share capital	101
Incorporation and bylaws	76-77
Principal contracts	17
Information from third parties, expert reports and expressions of interest	N/A
Documents available to the public	134-135
Information on investments	44, 118

RÉMY COINTREAU

21 boulevard Haussmann F-75009 Paris
Telephone +33 1 44 13 44 13

The French version of this document is available
on request or via the remy-cointreau.com website
Designed and produced by Agence Marc Praquin