



RÉMY COINTREAU

FINANCIAL REPORT
2006 | 2007

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FINANCIAL REPORT 2006 | 2007

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PROFILE OF RÉMY COINTREAU

1.1 HISTORY

The 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.

THE TABLE BELOW SUMMARISES THE KEY DATES AND EVENTS IN THE HISTORY OF RÉMY COINTREAU:

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: Death of André Renaud and succession by his son-in-law, André Hériard Dubreuil.

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.

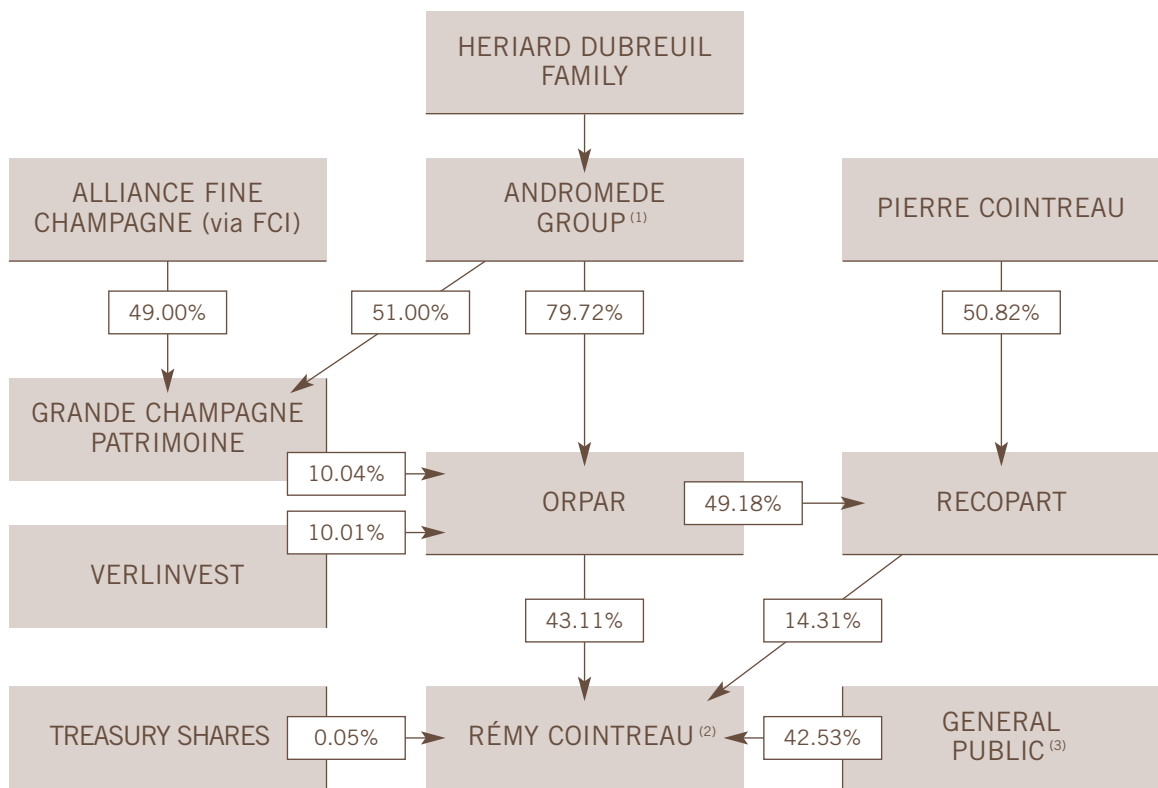
2005: Disposal of Bols Polish operations to CEDC.

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.

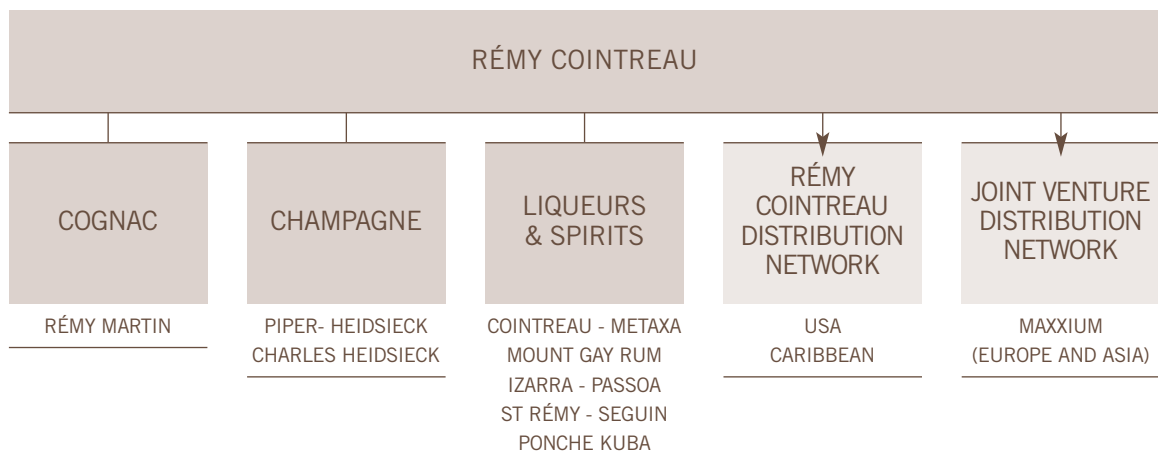
1.2 OWNERSHIP STRUCTURE AND ORGANISATION CHART AT 31 MARCH 2007 (% OF CAPITAL)



(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 13.94%.



Rémy Cointreau 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.

In respect of the 2006/07 financial year, the Group's turnover was €785.9 million with a current operating profit of €153.8 and a net margin of 19.6%. The net loss for the year was €23 million after recording a provision for €241 million as compensation for the termination of the Maxxium contract, which will be paid in 2009.

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 40% of the shares comprise the free float, and ultimate control of 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" negative prospects by Moody's.

1.3 STRATEGY

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

The strategy is based on:

- our international brands,
- focusing communication and marketing investment on key brands and markets,
- innovative policies on consumption trends,
- increased exposure, as close as possible to consumers, and
- optimising the distribution network.

Rémy Cointreau is confident in the strong potential of the value strategy adopted by the Group. Against the current economic background, which is very different from that in 1999, it has decided to take back full control of its distribution. The Group will leave Maxxium in March 2009. This strategic decision will enable Rémy Cointreau to adopt new distribution alternatives for priority markets such as Asia.

1.4 ORGANISATION

Rémy Cointreau has operating divisions covering three product divisions (Cognac, Champagne, and Liqueurs and Spirits), and two distribution networks:

- its own network, including direct subsidiaries (US and Caribbean) as well as agents in Hungary, Poland and Russia for Rémy Martin and Piper-Heidsieck, and in France for Charles Heidsieck, and

- the Maxxium joint venture network.

The Group thus has as its final customer either the Maxxium subsidiaries, or wholesalers and specialist distributors in the US and other markets where Rémy Cointreau has its own distribution subsidiaries or independent agents. Distribution to the final consumer is mainly carried out by integrated chains or by specialist wholesalers with a total of 25,000 accounts.

1.5 SEASONALITY OF BUSINESS

Group sales are split 45% in the first half of the financial year (1 April - 30 September) and 55% in the second half (1 October - 31 March).

SECTOR REVIEW

1.6 COGNAC

The Cognac division was the most important to the Group in terms of turnover (44% of the total) and contributed 57% of current operating profit in 2006/07.

The flagship brand of this sector, managed by CLS Rémy Cointreau, is Rémy Martin.

Rémy Martin cognacs are solely produced from Petite Champagne and Grande Champagne eaux-de-vie. 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.

Turnover of the Cognac division in 2006/07:
€347.6 million.

Geographical analysis:

Americas	52%
Asia and others	30%
Europe	18%

Source: Rémy Cointreau.

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, and the two most prestigious are "Grande Champagne" and "Petite Champagne".

The "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 average age of 2 years,
- VSOP ("Very Superior Old Pale"), with a minimum average age of 4 years,
- QSS ("Qualité Supérieure Supérieure"), with a minimum average age of 6 years,
- QS ("Qualité Supérieure"), covering all the VSOP and QSS labels.

XO ("Extra Old") is included in the QSS category.

The Group's major geographic markets are the US, its principle market, Europe and Asia.

Industry geographic analysis, expressed as percentages of total shipments in volume, is as follows:

	March 2007	March 2006
Americas	40%	43%
Europe	33%	34%
Asia and others	27%	23%

Source: BNIC (*Bureau National Interprofessionnel du Cognac*).

Competitive ranking:

Rémy Martin is the No. 2 Cognac company in volume of cases sold. Its market share slightly declined in 2006/07 from 15.2% to 14.8% with, however, a clear recovery over the last six months (from 14.3% to 14.8%).

Source: BNIC.

In 2006/07, Rémy Martin confirmed its strategy based on the higher quality segment, which is the brand's core business. It realised 89% of shipments in volume in this segment, compared with 45% for other industry participants. This was also reflected in very good performances in terms of market share in the top QSS segment (from 27.5% to 31.1%) and Extra (from 7.5% to 8.5%).

Source: BNIC.

With 1.8 million cases, Rémy Martin ranks second among the four major Cognac companies, which together account for 8.3 million cases, out of an overall total of 12.2 million cases in this sector.

1.7 LIQUEURS AND SPIRITS

The Liqueurs division of Rémy Cointreau represented 27% of Group turnover and 36% of current operating profit in 2006/07.

The Group's Liqueurs and Spirits operations are carried out by production subsidiaries based in France, with the principal site in Angers, and in Greece and Barbados. The key brands in the portfolio are Cointreau (46% of divisional turnover in the 2006/07 financial year), Metaxa (22%), Saint Rémy Brandy (10%), Passoa (10%) and Mount Gay Rum (9%).

The Group operates in very high-volume spirit categories, facing competition from local producers and international participants. Rum, brandy and vodka have experienced very strong growth over the past few years. For this reason the Group's strategy has been to focus its marketing investment on a defined number of targeted markets and on higher potential niche markets.

Liqueurs and Spirits division turnover in 2006/07:
€209.3 million.

Geographic analysis:

Europe	54%
Americas	37%
Asia and others	9%

Source: Rémy Cointreau.

International spirits category in Europe, excluding former USSR (9 litre cases):

'000 (9L/case)	2006 Est.	2005	2004
Vodka	408,794	402,593	395,978
Other Flavoured Spirits	64,804	66,380	67,389
Brandy	45,580	45,916	47,152
Scotch Whisky	40,494	42,494	43,091
Liqueurs	39,002	40,333	40,813
Gin/Tequila/Others	25,832	26,872	27,462
Rum / Cane	21,666	21,431	20,701
Other Whisky	9,890	10,237	10,213
Cognac / Armagnac	3,909	4,364	4,366
Total	690,519	692,487	690,224

Source: (c) Copyright 2006 - The IWSR.

1.8 CHAMPAGNE

The Champagne division represented 16% of Group turnover and 7% of current operating profit in 2006/07.

The division is primarily based in Reims in the heart of France's Champagne region.

Turnover of the Champagne division in 2006/07:
€126.0 million.

Geographic analysis:

Europe	73%
Americas	14%
Asia and others	13%

Source: Rémy Cointreau.

Rémy Cointreau is one of the principal producers of champagne in volume terms, with average sales of 9.9 million bottles over the last three years. The Group's leading brand in terms of volume and market share is Piper-Heidsieck. Piper-Heidsieck is also a leading brand in France, Germany, Belgium, Japan, Belgium, the UK and the US in the higher market segment of "*Grandes Marques*". Piper-Heidsieck ranks third among export brands. 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.

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 (32,000 hectares in 2005) 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 unlikely that total champagne production can exceed 360 million bottles per year.

The price of grapes was deregulated in 1990. However, a general agreement is put in place within the industry every five years to moderate the inflationary tendencies arising from the limit on production volumes.

Geographic analysis of Champagne sales in 2006:

Champagne's major markets are France (56%), the UK (11%), the US (7%) and Germany (4%).

(Source: CIVC 2006).

Competition:

Over the 12 months of the 2006/07 calendar year, the Piper-Heidsieck and Charles Heidsieck brands recorded 5% volume growth in all these markets, in line with the growth for the category (moving annual average).

1.9 PARTNER BRANDS

Partner brands distributed by Rémy Cointreau USA and Rémy Cointreau's own subsidiaries (excluding Maxxium) represented 13% of consolidated turnover and 1% of current operating profit in 2006/07.

This business primarily consists of distributing third-party brands in German duty-free markets and in the US with the distribution of wines and The Famous Grouse and The Macallan Scotch whiskies. These partner brands contribute to strengthening the Rémy Cointreau portfolio and optimising the distribution costs in their respective markets.

Geographic analysis of sales of Partner brands in 2006/07:

Scotch whisky	47%
Wines	38%
Others	15%

Source: Rémy Cointreau.

1.10 DISTRIBUTION

The distribution structure comprises the Maxxium joint-venture and Rémy Cointreau's own network.

■ Maxxium was established in August 1999 with two other partners, The Edrington Group and Beam Global Brands. This was expanded in May 2001 with the arrival of Vin & Sprit, owners of Absolut vodka. Rémy Cointreau currently owns 25% of Maxxium.

Maxxium, with its large and diversified portfolio of wines and spirits, is well-placed to offer a quality sales and marketing service to local customers and distributors.

Based in Amsterdam, Maxxium employs 2,029 people in 32 countries in Europe, Asia, Canada and South America.

Currently, Maxxium is one of the three leading distribution groups in Canada, the UK, Germany,

the Netherlands, Spain, Sweden, China, Australia and New Zealand (source: Rémy Cointreau). This network has an extended commercial presence covering over 70 markets worldwide.

In November 2006, Rémy Cointreau notified Maxxium of its decision to leave the joint-venture distribution agreement by 30 March 2009. The Group estimates that during this two year notice, the distribution of its products will be undertaken by Maxxium as normal and that the deadline is sufficient to ensure the smooth changeover of the distribution from 31 March 2009.

The network directly controlled by Rémy Cointreau mainly covers the following countries:

- US,
- Caribbean.

In order to ensure the presence of its teams in these markets, in 2006 Rémy Cointreau opened a representative office in Moscow and a logistics platform in Shanghai.

In some markets, Rémy Cointreau's products are still distributed by agents as part of distribution contracts. This is notably the case in Hungary and Poland where the Rémy Cointreau brands are distributed by the CEDC group and specifically for certain brands in Russia (Rémy Martin, Piper-Heidsieck) or in France (Charles Heidsieck).

With these different distribution channels, Rémy Cointreau ensures the promotion of its products through different points of sale such as supermarkets, specialist outlets, cafés, hotels, bars and restaurants, and duty-free shops.

1.11 SUMMARY OF SALES VOLUMES

	March 2007	March 2006	March 2005
Cognac	1,727	1,715	1,742
Liqueurs and Spirits	4,259	4,100	4,185
Champagne	832	822	812
Partner brands	1,238	1,642	1,479
Total	8,056	8,279	8,219

This data is presented on a comparable basis. Operations sold or in the process of disposal have been restated in the 2005 and 2006 comparative figures.

1.12 SUMMARY OF TURNOVER AND OPERATING PROFIT

By sector (€m)	March 2007	March 2006	Change	March 2005
Turnover				
Cognac	347.6	322.5	7.8%	312.2
Liqueurs and Spirits	209.3	212.4	(1.5%)	203.4
Champagne	126.0	122.2	3.1%	116.4
Partner brands	103.0	123.5	(16.6%)	101.7
Total	785.9	780.6	0.7%	733.7

Current operating profit				
Cognac	87.2	75.9	14.8%	68.0
Liqueurs and Spirits	55.3	49.9	10.9%	44.6
Champagne	10.1	9.6	4.3%	8.3
Partner brands	1.2	4.1	(69.4%)	2.8
Total	153.8	139.5	10.2%	123.7

Analysis by geographic area (€m)	March 2007	March 2006	Change	March 2005
Turnover				
Europe	274.4	281.4	(2.5%)	284.9
Americas	370.4	374.3	1.0%	325.9
Asia and others	141.1	124.9	13.0%	122.9
Total	785.9	780.6	0.7%	733.7

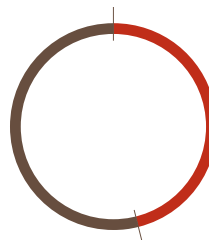
RÉMY COINTREAU'S TURNOVER
BY GEOGRAPHIC AREA IN 2006/07



AMERICAS: 47%
EUROPE: 35%
ASIA & OTHERS: 18%

Source: Rémy Cointreau.

RÉMY COINTREAU'S TURNOVER
BY NETWORK IN 2006/07



OWN
NETWORK: 54%
MAXXIUM: 46%

Source: Rémy Cointreau.

1.13 DELIVERY COMMITMENTS

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

1.14 EXCEPTIONAL EVENTS AFFECTING OPERATIONS

There is currently no exceptional event likely to substantially affect the results, operations, net assets or financial position of Rémy Cointreau or its Group.

1.15 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 has an active policy of following up the filing of trademarks in their category and markets, and takes all necessary steps to combat counterfeiting, particularly in Asia and in Eastern Europe, as well as any unfair competition. An integrated legal team permanently monitors the Group's intellectual property rights all over 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.

During the year just ended, Rémy Cointreau 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 group lawyers with responsibility for the 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 the information, having verified its reliability. The best anti-counterfeiting practices are shared with other major groups in wine and spirits and this 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.

1.16 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.

1.17 SUPPLY AND SUBCONTRACTING

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

■ In Champagne, 95% of Rémy Cointreau's supplies depend on medium term contracts of 3, 5, 6, 9 years and over, entered into with the principal co-operatives in the region and many thousands of growers. This contractual arrangement, which covers approximately 1,000 hectares of the 32,000 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 2006 (around 12% of the total) was done under conditions that ensured a level of supply for the next three years in harmony with its development. The renewal of contracts expiring in 2007 is in progress and represents 7% of the total.

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

The establishment of this partnership is mainly via the co-operative. Alliance Fine Champagne (AFC), is the result of a merger in February 2005 between the Champaco and Prochacoop co-operatives, bringing together a total of 1,200 members that operate a little less than 70% of the vineyards of the leading two vintages. Two types of contracts formalise the relationship between AFC and the Rémy Cointreau Group via CLS Rémy Cointreau:

■ Collective contracts, concerning around 1,000 members, that specify the volume of the new harvest to be delivered to the co-operative. 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 have received qualitative certification of the brand authorising it to be accepted into stock by AFC. The price is agreed at the time of acceptance into stock by contract and this is increased by the actual storage and finance costs incurred by the co-operative.

■ Individual contracts concern around 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 to AFC purchase commitments and the management of three-year contracts with the distillers.

Pursuant to the Financial Security Law of 1 August 2003, Rémy Cointreau has consolidated since 1 April 2003, both the 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.

■ The Group's Liqueurs and other Spirits do not suffer from significant supply or production constraints.
■ The Group's top ten suppliers represent 58% 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,
 - Greece for Metaxa, and
 - Australia for Saint Rémy brandy.

Subcontracting represents 18% of total volume of Group brands. In addition, logistic operations have been outsourced since April 2005 to a specialist service provider, which manages Rémy Cointreau deliveries from storage platforms located in Angers and Reims.

1.18 THE GROUP'S PRINCIPAL ESTABLISHMENTS

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 (on the edge of Cognac)

A 15,000 m² complex used for ageing (storehouse, fermenting room, pre-finishing, laboratory, and offices). A packaging complex of 20,800 m².

- Cognac site

Office complex and ageing storehouse of approximately 18,500 m².

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 m².

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

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

The units owned by the Group are spread across three sites:

- Boulevard Henri Vasnier site (Reims)

A complex comprising offices, visitor and reception areas, fermenting areas and cellars over an area of 24,000 m².

- Allée du Vignoble site (Reims)

A complex comprising offices, reception areas, fermenting areas, workshops and cellars over an area of 144,000 m².

- Chemin Vert site (Reims)

A complex comprising a storage area for finished products as well as cellars and caves.

The boulevard Henry Vasnier sites and a part of Chemin Vert (storage part of finished goods), are in the process of disposal. All the administrative and industrial operations will be brought together during 2008 on the site at Allée du Vignoble.

5) **Barbados** (Liqueurs & Spirits)

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

6) **Distribution**

- Rémy Cointreau USA Inc, with its head office in

rented premises in New York, ensures the distribution of Group brands and partner brands in the US.

■ Rémy Caribbean, a division of Mount Gay Distilleries, based in Barbados, ensures the distribution of Group brands and partner brands in the Caribbean, with the exception of Puerto Rico, Martinique and Guadeloupe.

■ The representative office in Moscow and the logistics platform in Shanghai, strengthen Rémy Cointreau's presence in those two key markets.

1.19 INVESTMENT POLICY

Capital expenditure:

The Group considers that the level of investment required to maintain and develop the production and administrative units is between €20-€25 million per annum.

Major investment in progress:

■ A significant €7.6 million project is ongoing in Cognac. It relates to the product manufacturing process, the installation of new casks and the upgrading of three cellars, to be finished within three years (completion forecast for 2008). It is also planned to reorganise workshops to optimise production flows. This project was launched at the end of 2005 and should be completed before 2008.

■ Three significant projects are ongoing for the Champagne division on the Allée du Vignoble site and these follow the disposals in progress of the sites at Boulevard Henry Vasnier and a part of Chemin Vert. The total cost estimated to date is €7 million and relates to:

- construction of new administrative offices,
- expansion of the fermenting room, and
- construction of a bottle turning room.

■ A €4.3 million investment project relating to rum ageing cellars in Barbados, which began in 2004, has been fully operational since March 2007.

1.20 WORKFORCE AND MOVEMENT OVER THE LAST THREE YEARS

Group workforce

At the end of March 2007, the Group's workforce totalled 1,219 people compared with 1,346 in March 2006. This 10% reduction was mainly due to:

- the disposal of distribution operations in Hungary in April 2006 (62 employees), and
- the optimisation of the organisation of the four sites in France for the Cognac, Liqueurs and Spirits division.

Analysis of workforce by geographic area:

	March 2007	%	March 2006	%	March 2005	%
France	860	71	928	69	980	53
Europe (exc. France)	38	3	102	8	531	29
Americas	304	25	312	23	329	18
Asia	17	1	4	-	4	-
Total	1,219		1,346		1,844	

Analysis of workforce by division:

	March 2007	%	March 2006	%	March 2005	%
Cognac, Liqueurs & Spirits	731	60	788	59	901	49
Champagne	184	15	194	14	220	12
Distribution	256	21	307	23	667	36
Holding	48	4	57	4	56	3
Total	1,219		1,346		1,844	-

Analysis of workforce by position and professional category:

	March 2007	%
Operations (Production, Ageing, Supply Chain)	652	54
Sales	154	13
Marketing	134	11
Finance	112	9
IT Systems	41	3
Human Resources and Legal	52	4
General Services	50	4
General Management	24	2
Total	1,219	-

Permanent and contract French workforce by gender:

(in %)	Men	Women
France	61	39
Europe (exc. France)	62	38
Americas and Asia	60	40
Total average	61	39

This analysis has remained stable over the last three years.

Permanent and contract French workforce by professional category:

In France, the workforce can be analysed by professional category as follows, with a slight proportionate increase in the number of managers:

	Workforce	%
Managers	223	26
Supervisors	228	26
Employees	80	9
Workers	332	39
Total	862	-

1.21 HUMAN RESOURCES POLICY

The 2006/07 financial year was marked by the implementation of a reorganisation plan within CLS Rémy Cointreau. True to its ethos of social dialogue, Rémy Cointreau was able to complete this, on an entirely voluntary basis, by reconciling both the ambitious cost reduction objectives and the expectations of its employees. In particular a collective agreement for early retirement was signed with all the trade unions concerned.

In addition, in anticipation of a change in employment and expertise, Rémy Cointreau took a forward-looking approach, formalised by an agreement, thus demonstrating its involvement and the commitment of personnel representatives.

To promote corporate responsibility, Rémy Cointreau has stepped up its efforts in the area of alcohol risk prevention. In another area, Rémy Cointreau has since 2007 changed its health insurance contracts so that they qualify as "responsible contracts" with regard to recent legal requirements.

In respect of human resources development, Rémy Cointreau has revised its annual performance process. In agreement with managers, the approach now includes a self-assessment phase and places greater importance on professional development. This change has given a greater sense of belonging and involvement to everyone concerned.

Rémy Cointreau deliberately encourages internal mobility. The Group proposes and creates individual professional career paths that are inter-functional, thus accelerating the development of its personnel's skills.

In line with its premium strategy and its new commercial scale internationally, the Group took action in 2007 to establish ambitious and innovative training, designed to better understand customer and consumer expectations in its principal markets.

RISKS OF THE ISSUER

1.22 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 Maxxium, the US distribution subsidiary and exclusive foreign agents. 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.

The sales option is restricted to the resale of an option 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.

It should be noted that 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 2007, net commercial flows covered by currency were:

In millions	USD	AUD	CAD	JPY	GBP	NZD
Total net position	324.3	13.2	19.1	2 243.9	18.5	4.4
Position covered	275.0	12.0	16.5	2 000.0	15.0	3.0
Open position	49.3	1.2	2.6	243.9	3.5	1.4
Average rate of collection of the net position	1.301	1.672	1.487	144.489	0.687	1.935
Average market rate	1.281	1.680	1.455	149.590	0.680	1.962

It should be noted that the overall USD position includes HKD, as HKD surpluses are automatically sold for USD (ie an equivalent of USD 36.0 million).

The financial instruments outstanding at 31 March 2007 were:

- cover relating to turnover achieved but not yet settled at 31 March 2007 (exchange swaps), and
- cover set up for the 2007/08 financial year.

The hedge contracts set up for 2007/08 will provide the Group with a guaranteed floor rate of €/USD 1.345 on 88.0% of its net exposure.

At 31 March 2007, the market value of the foreign exchange instruments portfolio was €7.6 million (optional instruments only).

Sensitivity of operating profit to movements in exchange rates:

Rémy Cointreau's exposure primarily relates to the US dollar and correlated currencies. After taking into account hedges implemented for the 2007/08 financial year, changes in the US dollar exchange rate would have the following impact on current operating profit:

Reference €/USD exchange rate	1.30	
Lower/higher rate assumptions	1.25	1.35
Change in current operating profit (€ millions)	6.0	(9.0)

1.23 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 2007, the financial debt was analysed as follows:

(€ millions)	2007
Fixed rate	375.5
Variable rate	201.6
Accrued interest, not mature	5.6
Total	582.7

The variable rate debt was covered by contracts whose maturities did not exceed three financial years. These hedges are described in Note 9 to the consolidated financial statements.

After taking into account financing facilities and hedges established at 31 March 2007, a 1% increase in interest rates would increase the cost of the Group's financial debt by €0.5 million. A 1% decrease in interest rates would reduce the cost of the Group's financial debt by €1.6 million.

Sensitivity is calculated on the nominal value of the debt covered by a cap up to the limit guaranteed by the hedging instrument.

3-month Euribor reference rate: 3.924%

At 31 March 2007, the market value of outstanding interest rate instruments, which includes purchases of caps and two purchases of floors, was €3.4 million.

1.24 LIQUIDITY RISK

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

(€ millions)	Bonds	Banking syndicate	Special entities	Total
30/06/07	4.0	-	50.2	54.2
29/08/07	-	-	4.6	4.6
30/06/08	2.3	-	-	2.3
01/07/10	175.0	-	-	175.0
07/06/10	-	34.0	-	34.0
07/06/11	-	466.0	-	466.0
15/01/12	200.0	-	-	200.0
Total	381.3	500.0	54.8	936.1
Use at 31/03/07	381.3	30.0	49.9	411.3

At 31 March 2007, unused confirmed credit lines amounted to €470 million.

1.25 FINANCING POLICY

At 31 March 2007, the Group had no significant specific financing linked to its assets.

1.26 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. 1576/89 and regulation CEE No. 1014/90 taken for its application. The raw materials, processes authorised, sales denominations, minimum alcohol content and labelling rules 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.

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

In addition, it is of the greatest importance to the Group to protect its industrial property rights worldwide. Therefore, the Group is extremely vigilant regarding brand defence, registration and renewal, either by direct implementation by internal specialist lawyers in modern brand management procedures, or through intellectual property consultants whose skills are internationally recognised. 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.

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

There 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.

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 Group objectives. If necessary, the team may request the assistance of international lawyers recognised for their expertise in specific commercial legal areas. The legal department strives to only initiate litigation processes if all possibilities of reaching out-of-court settlements have proved unsuccessful.

The Group’s policy in terms of insurance is detailed in paragraph 1.28 of this Reference Document.

OTHER RISKS

CUSTOMER/COUNTRY RISKS:

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

Rémy Cointreau has historically had very little exposure to customer risk. In addition, having the Maxxium network as its main customer 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 custom 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 treated in the chapter on exchange rate exposure.

SIGNIFICANT SEASONALITY OF OPERATIONS:

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 annual results.

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.

1.27 INDUSTRIAL AND ENVIRONMENTAL RISKS

Rémy Cointreau's operations are based on permanent industrial and food safety requirements, which have always been linked to complying with regulations and environmental protection.

The QSE (Quality, Safety and Environment) Committee for France meets on a regular basis to fulfil objectives, ensure that good practices are passed on from site to site, follow up on actions implemented and on QSE objectives and to standardise QSE indicators between all sites.

Within the framework of its duties, the QSE committee has updated the QSE Policy by suggesting three priority courses of actions:

- certification according to ISO 14001 environmental standard of all French production sites,
- systematic implementation of HACCP⁽¹⁾ and traceability plans, with regular assessment by an external organisation, and
- regular internal testing and assessment of systems and practices that guarantee the safety of people and goods.

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

Following up on action implemented in previous years, the Group's three objectives are as follows:

1) To continue with the policy of environmental certification:

Rémy Cointreau has always promoted an ambitious certification policy for its production sites.

The ISO 14001 annual audits at the Angers and Cognac sites did not detect any anomalies and thus call for no comment. This guarantees compliance with environmental management systems on those two sites.

The co-ordination of ISO 14001 indicators on all Rémy Cointreau's sites also enables the Group to guarantee permanent compliance with environmental regulations, optimise waste management and recycling and control water and energy consumption.

2) To continue to implement the HACCP standard:

In parallel with these actions, all Rémy Cointreau's sites have also implemented the HACCP standard guaranteeing the food safety of the products and of their conception methods. This implementation is regularly audited and evaluated by certifying organisations.

In order to guarantee effectiveness and the continued application of the HACCP standard, the Angers, Cognac and Reims sites will roll out the ISO 22000⁽²⁾ standard within the next two years.

(2) ISO 22000: standard for the certification of HACCP plans for a production site, recognised internationally.

3) To guarantee the safety of the sites and risk management:

Rémy Cointreau continues to implement a policy of QSE investment at all its production sites which, for example, in France are subject to approval by the Prefect.

In order to fulfil safety and environmental requirements aimed at reducing industrial risks, nearly €2.5 million has been invested in numerous Safety/Environmental actions, such as the early implementation of the Atex⁽³⁾ Directive, strengthening fire safety with, for example, a thirty year update of fire sprinklers, workstation improvements and various actions relating to fire protection of premises.

(3) ATEX: "Atex" European Directive 1999/92/CE pertaining to explosive atmospheres (description of safety requirements for equipment and personnel).

With regard to the Cognac site, which is currently classified as Seveso high threshold due to the storage of eaux-de-vie, a Safety Management System (SMS) is now fully operational. This year, the emphasis was put on safety, with the creation of a new study on dangers, implementation of an evacuation plan and new warning sirens in the cellars.

A local Information and Dialogue Committee was also established this year to encourage the exchange of information with local public bodies (government, local authorities and neighbours).

Every quarter, the performance of SGS is reviewed as part of environmental security for the site. The annual management review facilitates an updating of the prevention policy for major accidents and sets objectives for accident prevention.

4) to save energy and water resources; to reduce rejects and waste:

Among its QSE investments, Rémy Cointreau continues to implement a range of actions aimed at protecting the environment, in respect of the Group's Sustainable Development Policy. Major objectives primarily include the optimisation of water and energy consumption, emission reduction and waste management and recycling.

The Group carried out a Carbon Test at the Reims site, within the framework of actions related to energy resource saving and reduction of any impact on the environment. After the Cognac, Angers and Paris sites, the Carbon Test, carried out with the model benchmark by ADEME, enabled the Group to precisely quantify all greenhouse gas emissions and prove that its emissions are very low, due to the nature of its operations. It also contributed to the application of good environmental practices on all sites.

In relation to waste, selective waste recycling is now the rule in all industrial and administrative sites. Today, over 90% of waste is sorted and reused.

Through a QSE policy integrated in its Sustainable Development policy and associated for several years with the Global Compact Charter⁽⁴⁾, Rémy Cointreau is today fully able to fulfil the increasing civil society and public authority expectations with respect to food safety and industrial and environmental risks.

(4) Global Compact Charter is a good conduct charter in the field of human rights, labour rights and the environment launched in 2000 by Kofi Annan, UN Secretary-General.

1.28 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 enabled the prevention and safety audit to be performed 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, in close partnership with the Group Risk Manager who is in charge, in particular, of prevention.

These policies have the following features:

Insurances	Guarantees and limits
Material Damage and Loss of Profit	<p>The industrial operations of the Group are covered as part of an international programme from France.</p> <p>Material damage is covered in the form of “All risks except”.</p> <p>This programme was taken out for a multi-year period, and operates under Difference in Conditions and Difference in Limits of local policies.</p> <p>The damages related to contamination or pollution are covered under this programme.</p> <p>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.</p> <p>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.</p>
General Civil Liability (operations and products)	<p>This is a multi-year contract, which operates under Difference in Conditions and Difference in Limits (DIC/DIL) of local policies.</p> <p>This programme guarantees the Group is covered for all tangible and intangible damage likely to be caused to third parties.</p> <p>Cost of withdrawal of products delivered are also covered.</p> <p>In the US, local policies have been subscribed to that cover employer civil liability as well as motor insurance civil liability.</p>
Transport	<p>The programme was taken out on an annual basis and covers transport risks of €10,000,000 per claim.</p> <p>This limit corresponds to the maximum risk during transportation.</p> <p>This programme provides cover for all merchandise in the Group’s business transporters from every point in the world to every point in the world, by every means of transport.</p>
Public Liability policy for senior executives	<p>This programme is contracted each year. The level of the guarantee limit varies according to identified risks and is discounted.</p>

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

The Group suffered no significant loss in the 2006/07 financial year where the losses were not recovered under its insurance cover.

The total insurance premiums, excluding collective insurance of personnel, for the 2006/07 financial year did not exceed 0.24% 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.

MANAGEMENT REPORT

2.1 INTRODUCTION

REPORT OF THE BOARD OF DIRECTORS TO THE COMBINED GENERAL MEETING OF 31 JULY 2007

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 2007 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, two revisions to the bylaws as a result of legislative changes, the reduction in share capital by cancellation of treasury shares held by the Company, the renewal of the delegation to increase share capital with maintained or cancelled pre-emption rights, as well as the delegations authorising your Board to allocate options to subscribe for or purchase shares, or to increase the number of securities to be issued in the event of excess demand and, lastly, a delegation of authority to your Board of Directors to reduce the share capital.

2.2 OPERATING REPORT

Key figures and highlights (€ millions)	31/03/07 ⁽¹⁾	31/03/06 ⁽¹⁾	Total variation	Organic ⁽²⁾ variation
Net sales	785.9	780.6	+0.7 %	+3.8%
Current operating profit	153.8	139.5	+10.2 %	+20.0%
as % of net sales	19.60%	17.90%		20.7%
Other operating income and expenses	(243.4)	(18.2)		
Operating profit	(89.6)	121.3		
Net financial expenses	(37.3)	(63.2)		
Income tax	50.1	(13.3)		
Share of profit of associates	10.2	8.5		
Net profit/(loss) from continuing operations	(66.6)	53.3		
Profit net of tax from discontinued operations	45.2	20.6		
Net profit/(loss)	(23)	77.8		
Earnings per share:				
Earnings/(loss) per share of continuing operations	(1.46)	1.18		
Net earnings/(loss) per share	(0.5)	1.72		
Number of shares ('000)	45,567	45,320		

(1) After reclassification of profit from discontinued operations.

(2) The organic performance was determined after restating the effect of currency movements and changes in Group structure.

Changes in Group structure at 31 March 2007:

The following transactions, which were initiated at 31 March 2006, were completed during the year:

- Disposal in April 2006 of a number of Italian liqueurs, Dutch spirits and liqueurs (Lucas Bols),
- Disposal in July of Cognac de Luze.

In addition, the distribution company Bols Hungary Kft was sold in July 2006.

The profit from ordinary activities as well as the gain on disposal are presented on the line "profit net of tax from discontinued operations".

Turnover to 31 March 2007 was €785.9 million, a 0.7% increase on current exchange rates and 3.8% on a comparable basis. Group brands, which represent 87% of sales, grew by 3.9% on a published basis and 6.8% on a comparable basis.

By geographic area, growth in turnover benefited from the vigour of the Asian markets and the US for Group brands. The decline in turnover relative to the termination of certain distribution contracts for third party products affected Europe and the US. Organic growth of Group brands was 1.7% in Europe, 7.2% in the US and 17.3% in Asia and the rest of the world.

Current operating profit was €153.8 million, an increase of 10.2% despite the unfavourable evolution of currencies over the period. On a comparable basis organic growth for the year was 20%.

Exchange rate €/USD	12 months 03/07	12 months 03/06
Average accounting rate	1.28	1.22
Average rate of collection of hedged dollars	1.30	1.23

Segment analysis:

Net sales by activity (€ millions)	March 2007	March 2006	Total variation	Organic variation	%
Cognac	347.6	322.5	+7.8%	+12.0%	44.2
Liqueurs & Spirits	209.3	212.4	(1.5)%	+0.4%	26.6
Champagne	126.0	122.2	+3.1%	+4.4%	16.0
Sub-total Group brands	682.9	657.1	+3.9%	+6.8%	86.9
Partner brands	103.0	123.5	(16.6)%	(12.7)%	13.1
Total net sales	785.9	780.6	+0.7%	+3.8%	100.0

Net sales by geographical region (€ millions)	March 2007	March 2006	Total variation	Organic variation	%
Europe	274.4	281.4	(2.5)%	(2.6)%	34.9
Americas	370.4	374.3	(1.0)%	+3.8%	47.1
Asia and other	141.1	124.9	+13.0%	+17.9%	18.0
Total net sales	785.9	780.6	+0.7%	+3.8%	100.0

Current operating profit (€ millions)	March 2007	March 2006	Total variation	Organic variation	%
Cognac	87.2	75.9	+14.8%	+28.0%	56.7
Margin %	25.1%	23.5%			
Liqueurs & Spirits	55.3	49.9	+10.9%	+15.1%	36.0
Margin %	26.4%	23.5%			
Champagne	10.1	9.6	+4.3%	+19.3%	6.5
Margin %	8.0%	7.9%			
Sub-total Group brands	152.6	135.4	+12.6%	+22.6%	99.2
Margin %	22.3%	20.6%			
Partner brands	1.3	4.1	(69.4)%	(65.8)%	0.8
Margin %	1.2%	3.3%			
Total	153.8	139.5	+10.2%	+20.0%	100.0
<i>Net margin %</i>	<i>19.6%</i>	<i>17.9%</i>			

Organic growth is determined after restating the effect of currency movements and changes in Group structure.

Movement in current operating profit in € millions

Exchange rate effect (net of hedging)	(13.7)
Price increases	13.3
Level of business and product mix	25.6
Marketing expenditure	(4.4)
Net effect of costs and other operating income and expenses	(6.6)
Total	14.2

These results reflect the Group's premium strategy built around the following:

- dynamic management of the product mix,
- regular price increases, and
- selective advertising and promotional expenditure.

Cognac - Divisional turnover was €347.6 million, an increase of €25 million, with organic growth of 12%.

Rémy Martin benefited from the sustained growth in top of the range qualities (18% volume growth) and the buoyancy of major markets such as the US, China and Russia, a market in which the Rémy Martin brand doubled its volume during the year.

The contribution to current operating profit was €87.2 million with a net margin up 1.6 points to 25.1%. Marketing expenditure increased and supported the growth of the Rémy Martin brand with new advertising campaigns in the US and China.

General expenses allocated to the division take into account the new operating expenses of the Shanghai logistics platform that opened in Autumn 2006 as well as the increased costs of the sales force in the US.

Growth in divisional current operating profit was 14.8%. Organic growth was 28%.

Liqueurs and Spirits - Divisional turnover was €209.3 million. The growth in volume sales of approximately 4% was only partly reflected in the increase in turnover (organic growth of 0.4%), which was nominally penalised by the decline in transfer prices (neutral in profitability) for sales to Maxxium.

Cointreau achieved excellent results in markets such as the US where it has already established its new, more contemporary image. The other brands benefited from growth in their core regional markets whether it was Passoa (France, and Benelux), Metaxas (Greece and Central Europe), Saint Rémy or Mount Gay (US and the Caribbean).

Marketing expenditure for the division remained at a high level and was partly reallocated to "on-trade" action which provides selective support to building brands.

Divisional profit grew by 10.9% to €55.3 million representing a net margin of 26.4% and organic growth in current operating profit of 15.1%.

Champagne - Divisional turnover was €126 million, a 3.1% increase over the previous year. Growth was 4.4% at constant exchange rates for the division and 7.3% for Piper-Heidsieck and Charles Heidsieck.

The good performance of Piper-Heidsieck was particularly marked in Japan and the UK whereas Charles Heidsieck's growth came mainly from France and the US.

Current operating profit was €10.1 million representing organic growth of 19.3% compared with the previous year. As a percentage of turnover, current operating profit grew modestly to 8%.

These good results for the champagne business support the strategic direction taken by the division, particularly in the discontinuation of secondary brands and the refocusing carried out over the last two years on Piper-Heidsieck and Charles Heidsieck.

Partner brands - Following the termination of various distribution contracts in Europe (duty-free in Germany) and the US (wines), divisional turnover was, at constant exchange rates, down by 12.7% to €103 million. In the US, the Scotch whiskies and the Californian wines continued to grow while the initial results of the distribution of the Russian vodka, Imperia, were encouraging.

The contribution to operating profit, after allocation of distribution and central costs, was €1.3 million.

For the entire Group, the published current operating profit represented 19.6% of turnover, a significant 1.7 point growth over the 17.9% achieved in the previous year. At comparable exchange rates, the **current operating profit** represents 20.7% of turnover, a 2.8 point improvement that confirms the relevance of the strategic decisions taken to refocus the Rémy Cointreau business.

In respect of the Group's own brands, current operating profit represented 22.3% of turnover, a 3.1 point increase on a comparable exchange rate basis.

Maxxium - On 23 November 2006, Rémy Cointreau announced the cancellation of the Maxxium distribution agreement with effect from 30 March 2009. This decision was motivated by Rémy Cointreau's desire to take back full control of its distribution, particularly in Asia where Maxxium is unable to meet the challenges of developing the Group's brands whilst benefiting fully from the growth in this part of the world.

Pursuant to the joint venture agreement, Rémy Cointreau must pay Maxxium contractual compensation for cancelling the distribution agreement by 30 March 2009 at the latest. This compensation, estimated at €241 million, was the subject of a provision recorded under other operating income and expenses. This heading contained a charge in the previous year for a reorganisation whose principal measure related to early retirements funded by the business.

Taking into account these factors there was an operating loss of €89.6 million compared with a profit of €121.3 million the previous year.

Financial charges were €37.3 million, a significant improvement over the previous year:

(€ millions)	2007	2006
Effect of application of IAS 32/39	0.4	(5.1)
•Amortisation of charges related to refinancing	(1.8)	(6.0)
Other financial debt costs	(35.8)	(53.0)
Net cost of financial debt	(37.2)	(64.1)
Other financial income and expenses	(0.1)	0.9
Financial charges	(37.3)	(63.2)

These are due to:

- the effect of the application of IAS 32/39 which became marginal following the repayment of the OCEANE bonds in April 2006,
- the non-recurrence of the amortisation of deferred charges on the syndicated credit note in the previous year, and
- a significant decline in the other costs of financial debt reflecting the combined effect of the fall in the Group's average debt and the average cost of the debt.

Loss from continuing operations after tax was €66.6 million compared with a profit of €53.3 million the previous year. The line "income tax" takes into account the capitalisation of the tax loss generated by the deductibility of the Maxxium compensation.

Profit net of tax from discontinued operations, comprises, for the various operations concerned,

the operating profit after tax for the year and the net gain or loss on disposal, as follows:

	2007	2006
Polish operations	-	17.3
Bols, Italian liqueurs and Dutch spirits	33.6	1.5
Cognac de Luze	5.8	(0.2)
Bols Hungary	7.1	2.0
Clés des Ducs	(1.3)	-
Total	45.2	20.6

The disposal of the group comprising Bols liqueurs, the Italian liqueurs and the Dutch spirits was finalised in April 2006. This transaction generated a disposal gain of €28.6 million and a reduction in Group debt of approximately €150 million taking into account the vendor credit set up for a maximum period of 7 years.

The disposal of Bols Hungary and Cognac de Luze were finalised during the Summer of 2006.

The disposal of Clés des Ducs armagnac was in progress at the year end. The corresponding assets were reclassified as assets to be sold and valued at market price. This is the last significant disposal realised under the plan to refocus Rémy Cointreau's business.

Taking into account these various factors, the Group's net loss was €23 million compared with a profit of €77.8 million the previous year. Excluding the Maxxium compensation and the operations sold, profit for the year was €96.5 million, a 69% increase compared with €57.2 million the previous year.

CONSOLIDATED BALANCE SHEET

The following table sets out the key figures and movements in the Group's financial position.

(€ millions)	31/03/07	31/03/06
Non-current assets	1 024.7	1 004.4
Inventories	841.7	852.4
Trade and other receivables	245.6	243.1
Trade and other payables	(310.4)	(300.4)
Current income tax	19.1	(12.6)
Net operating assets	796.0	782.5
Assets held for sale	17.4	138.5
Net financial debt	(562.1)	(771.5)
Deferred taxes net	(122.8)	(158.5)
Financial instruments	11.0	5.0
Provisions for liabilities and charges	(311.7)	(84.9)
Minority interests	1.6	3.2
Shareholders' equity	(854.1)	(918.7)
Total assets	2 204.9	2 365.7
Capital employed	905.5	928.8
Cash flow		
Operating activities	98.5	102.3
inc. gross operating profit (EBITDA ⁽¹⁾)	176.2	162.8
inc. change in working capital	13.9	0.4
inc. outflows on financial expenses and income tax	(86.8)	(68.2)
Investing activities	132.4	24.0
inc. purchase of non-current assets	(25.8)	(20.7)
inc. purchase of investments	(3.5)	(8.9)
inc. net effect of discontinued operations	160.7	44.3
Financing activities	(244.1)	(147.8)
inc. dividend paid	(50.0)	(45.0)
inc. variation in borrowings	(205.4)	(112.5)
Translation adjustment on cash and cash equivalents	2.2	(0.5)
Movement in cash and cash equivalents	(11.0)	(22.0)

(1) being current operating profit + amortisation and depreciation + share-based payments + dividends received from.

Non-current assets, including associate companies, amounted to €1,024.7 million. The principal changes compared with the previous year were:

- a net increase in other financial assets that includes both the vendor credit granted as part of the Bols disposal and the change in the value of the CEDC securities received as part consideration for the disposal of the Polish operations, and
- an increase in the Group's shareholding in the Dynasty Fine Wines Group from 26.27% to 27.03%.

Net operating assets were stable at €800 million.

Capital employed, excluding intangible assets and related deferred tax liabilities, amounted to €905.5 million compared with €928.8 million at 31 March 2006. On this basis, current operating profit represents 17% of **capital employed (ROCE)** compared with 15% for the previous year.

Net financial debt of the Group was €562.1 million, a decline of €209.4 million compared with 31 March 2006, inclusive of €160.7 million in respect of the proceeds of disposals collected during the year.

Taking into account the repayment of the OCEANE bonds during the year and the maturity of drawings, the financial debt can be analysed as follows:

(€ millions)	03/07	03/06	Variation
Long-term financial debt	403.5	376.2	27.3
Short-term financial debt	179.2	426.9	(247.7)
Cash and cash equivalents	(20.6)	(31.6)	11.0
Total	562.1	771.5	(209.4)

At 31 March 2007, the long-term financial debt comprised mainly:

- bonds of €175 million issued in June 2003 for a 7 year duration, and,
- bonds of €200 million issued in January 2005 for a 7 year duration.

Shareholders' equity amounted to €854.1 million, a reduction of €64.6 million compared with the previous year, due to the provision for the exit penalty from Maxxium.

Movement in consolidated cash flow

Gross operating profit was €176.2 million, an increase of 8.2%.

The movement in **working capital requirements** of continuing operations was a positive €13.9 million due mainly to improved supplier credit and other operating liabilities.

Financial costs and tax flows amounted to €86.8 million and include the settlement of tax disputes during the year and an adjustment for the payments on account in the previous year.

In total, **net cash flows generated by operations** amounted to €98.5 million. The decline compared with the previous year is due mainly to the movement in tax payments.

Capital expenditure was €25.8 million (€20.7 million in 2006) and covered the standard renewal of equipment. The increase compared with the previous year is due to investments made for eaux-de-vie storage.

Acquisition of securities comprises €3.5 million for the acquisition of securities in the Dynasty Fine Wines Group.

Cash flows of operations sold comprises €160.7 million of net proceeds of operations sold in the year.

The Group paid a dividend in July 2006 of €1.10 per share representing €50 million in total.

Cash and cash equivalents fell by €11 million to €20.6 million.

2.3 FINANCIAL REPORT RÉMY COINTREAU SA

Profit on ordinary activities before tax was €65.6 million. The increase of €51.8 million compared with the previous year arises mainly from the reduction in the writedown of investments in subsidiaries recorded in that year and the improvement in net financial income.

Services invoiced to subsidiaries amounted to €16.1 million, compared with €15.7 million the previous year.

These services related mainly to royalties on sales, where the rate of remuneration applicable to production subsidiaries was increased this year from 2.2% to 2.4% of their turnover.

Head office costs, net of transfers of charges, amounted to €21.3 million, a reduction of €3.9 million.

This movement is due to the following main factors:

- compensation and negotiating costs for brand disposals of €1.2 million committed in the previous year,
- reduction of €1.4 million in the amortisation of costs related to a loan following the repayment of the OCEANE bonds and the repayment of the subordinated perpetual securities, and
- release of a provision of €1 million.

Dividends received from subsidiaries in the year were €95.1 million compared with €86.5 million.

The reduction in net **financial expenses** was €12.8 million as it fell from €35.2 million last year to €22.4 million this year. This favourable movement arose from the restructuring of the debt carried out in the previous year and disposals of financial assets in the year.

Exceptional income was €110.2 million, comprising:

- the release of the provision created previously for the subordinated perpetual securities of €45.1 million, pursuant to the finance law that set the conditions to exit the subordinated perpetual securities, and which corresponds to the level of their taxation at maturity, and
- the net income from disposal of shareholdings in the year of €65 million.

Taking into account these factors, **net profit for the year** was €175.6 million.

2.4 GROUP EXCEPTIONAL EVENTS AND LITIGATION OR RISKS

Group companies are defendants in action taken by their usual suppliers as part of their business (agent, service provider or advertising agency). None of this litigation carries an underlying risk that could be considered as significant for Rémy Cointreau, either in business terms or financially.

The major demands of these companies are less than €10 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.

2.5 RECENT DEVELOPMENTS AND MAJOR EVENTS AFTER THE YEAR END AND THE DATE OF THE PRESENT REPORT

Events after the year end:

At the date of approval of the financial statements by the Board of Directors, Rémy Cointreau had sold in the market all the CEDC securities it held at 31 March 2007. This disposal, which amounted to US \$67 million, will result in financial income of some €4.2 million in the year to 31 March 2008.

On 1 June 2007, Rémy Cointreau notified its intention to repay early the €175 million bonds issued on 24 June 2003. This repayment will be completed on 2 July 2007.

In June 2007, Rémy Cointreau extended the maturity of its syndicated credit for one year up to €466 million. The final repayment date is now 6 June 2012 for €466 million and remains set at 7 June 2010 for €34 million. This extension was granted free of commission.

The disposal in progress of Clés des Ducs should be completed during Summer 2007.

Recent developments:

The seasonality of the Group is marked by a traditionally weak level of business in April and May (less than 10% of annual turnover).

2.6 FUTURE PROSPECTS

Against a background that remains structurally sensitive to short-term exchange rate movements and to international trade Rémy Cointreau intends to benefit fully from the good performance of the wine and spirits sector and the buoyancy of the principal markets where the Group has a presence.

In 2007/08, Rémy Cointreau thus intends to continue and support the strategy which was begun three years ago with the following priorities:

- continue its price increase and movement up market policy,
- enhance its distribution in expanding markets, and
- optimise marketing expenditure.

Against this background, Group management has an objective of significant growth in current operating profit at comparable exchange rates.

2.7 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 relies on the product teams and on the R&D teams and their skills. Brands as prestigious as Rémy Martin Cognacs, Cointreau liqueur, Piper and Charles Heidsieck champagnes and Mount Gay rum, require a significant involvement in research and development in order to maintain an exceptional top of the range quality that has been recognised for a number of decades.

The Group's ambition to develop value creation is consistent with its clearly defined commitment.

Research and development expenditure is written off as incurred by all companies concerned. This department comprises seven people and has a budget of €0.6 million.

2.8 SOCIAL AND ENVIRONMENTAL CONSEQUENCES OF OPERATIONS

During the year, Rémy Cointreau confirmed its responsible behaviour through its actions and developments. It also confirmed its corporate commitment in a very tangible manner by combining its economic objectives with its corporate and environmental ethics.

As a follow up to its initial sustainable development commitments, Rémy Cointreau's corporate and environmental policy today takes into account the following three major challenges in order to:

- guarantee the premium nature of its products, based on a constant demand for quality, by selecting suppliers who respect the corporate and environmental commitments of the Group and the leading distribution networks that use ethical marketing based on responsible consumption,
- preserve the specific and traditional production methods, by maintaining its expertise and implementing reasoned winemaking, and
- develop the international scale of its brands by meeting the needs and cultural values of its consumers.

This policy remains based on seven major commitments:

- develop farming methods that respect the environment,
- involve our suppliers in our corporate and environmental approach,
- manage the Quality/Security/Environment of our production sites,
- promote communication and the responsible consumption of our products, targeting our customers and partners,
- implement practices that guarantee social equity and the professional development of staff,
- invest continuously to guarantee the quality and safety of products, and
- contribute to sustainable development in regions where Rémy Cointreau has a presence.

At the same time, as a signatory to the Global Compact Charter, Rémy Cointreau continues to promote good practice of this global commitment in the fields of human rights, working conditions, the environment and the war against corruption.

Rémy Cointreau is a member of the Association "*Forum des Amis du pacte mondial en France*" and is committed to respecting and sharing the obligations of the Charter with its employees and partners. Thus the concept of corporate and environmental responsibility is not only communicated within the business but also beyond its immediate circle, among its customers as well as its suppliers.

THE SEVEN THEMES OF RÉMY COINTREAU'S CORPORATE AND ENVIRONMENTAL RESPONSIBILITY ARE

WINEMAKING:

Reasoned winemaking: a turning point

In preparing its "Charter for the Environment and Water Quality", Rémy Cointreau has publicly committed to ten steps towards a responsible and sustainable approach to winemaking, based on four themes:

- grass cover and reduction of herbicides,
- optimisation of the use of vine protection products,
- water and energy consumption and sorting of waste, and
- personnel training.

An evaluation of the Group's practices was facilitated this year by using self-diagnostic tools and these will shortly assist Rémy Cointreau's vineyards to obtain the "reasoned winemaking" certification in accordance with the regional standards of the Champagne and Charentes districts.

At the same time, the Charter is being widely distributed across the winemaking sector to make winemakers aware of changes to their farming practices and to encourage them to take steps towards preserving their environment. To this end, Rémy Cointreau is committed to support the recycling of wine residues produced in the Charentes region, through its investment in a major local methane plant reprocessing these wine residues to produce energy.

SUPPLIER RELATIONS:

Continuous dialogue with all Rémy Cointreau's partners

Suppliers are directly involved in Rémy Cointreau's corporate and environmental approach. The commitments of the Global Compact Charter are included in every new contract between Rémy Cointreau and its suppliers. A serious breach of these principles could lead to a break in the relationship.

An independent body objectively assesses adherence to these commitments and evaluates the nature and character of every Rémy Cointreau third party supplier.

Using the results of these audits, Rémy Cointreau assists and supports its suppliers' corporate and environmental responsibility by compiling, in conjunction with them, personalised progress reports that are monitored regularly.

Consequently, Rémy Cointreau communicates the practical and ethical requirements for working conditions and the environment beyond its immediate circle.

Rémy Cointreau's buyers are made aware of sustainable management and supply practices. For example, Seguin Moreau, Rémy Cointreau's barrel maker, supplies the Group with casks and barrels made from sustainably managed forests (PEFC

approved/European Programme for Certified Forests). Rémy Cointreau is a strong supporter of Seguin Moreau's initiative to invest in a reforestation programme called "Oaks for life", which is part of a shared drive for the sustainable management of forests.

In addition, the renewal of Rémy Cointreau's work attire was an opportunity to request the "Citizen Fibre" label which guarantees good corporate and environmental conditions are followed when producing the fabric.

QUALITY/SECURITY/ENVIRONMENT:

Assured, comprehensive and cohesive

The creation of the QSE Charter (Quality/Security/Environment) applied across the Rémy Cointreau Group facilitated a clear formalisation of medium-term objectives and main principles in order to:

- guarantee "zero defect" in the area of food safety and the quality of our top of the range products,
- have HACCP (food safety) plans evaluated or certified annually for all our production sites,
- guarantee the traceability of our products at all times,
- implement precise measures to reduce our environmental impact,
- obtain the ISO 14001 certification for all our French production sites,
- prevent risks related to the nature of our products and our operations, and
- ensure the protection of people and assets.

The application of these principles, which were revised this year so that they are standard for all sites, is based on the Quality/Safety/Environment indicators. Today, every production site has the same tools, the same calculation methods and the same validation indicators, which provide an objective and measurable level of clarity to the steps taken by everyone involved.

Personnel safety is also an ongoing concern and Rémy Cointreau has new resources to prevent and deal with risks, particularly those related to fire. All employees receive regular safety training to constantly improve attitudes and adopt appropriate work methods.

Environmental challenges are also an integral part of Rémy Cointreau's priorities. Initiated at the Angers site in 2005, the Rémy Cointreau Carbon Report was completed this year for all French sites. This tool, developed by ADEME, showed that Rémy Cointreau's greenhouse gas emissions (GES) are very low. Nevertheless specific action was taken, for example by using combined inter-site transport and a video-conferencing system to eliminate a number of trips.

Reducing waste is encouraged as well as improving water and energy consumption.

Waste sorting is the responsibility of everyone and the aim of all Group sites is to develop recycling options.

MARKETING AND SALES ETHICS:

Ethical marketing beyond reproach in its principles and transparency

In constantly seeking to exceed its commitments,

Rémy Cointreau has produced a new Charter for Responsible Communication. This Charter was prepared with the sales and marketing management in order to gain visibility and consistency. Due to the Charter, Rémy Cointreau intends to reaffirm its marketing ethics and to meet four objectives:

- express its commitments in all communication,
- use its influence on its partners,
- monitor the concrete application of its commitments, and
- be transparent in its performance in this area.

With the aid of the Responsible Communications Committee, it was necessary to call on everyone to ensure that the principles of this Charter were implemented.

Rémy Cointreau also has the necessary communication tools to advocate responsible consumption of its products, by associating responsibility and pleasure under the heading "Responsible, pleasurable consumption". Breathalysers and blood alcohol scales are available in cases and are in the colours of the brand.

With the support of Entreprise et Prévention, the professional association that brings together the major wine and spirits businesses, the Rémy Cointreau sites were also equipped with breathalyser terminals.

HUMAN RESOURCES:

Accessible to everyone: the essential element of our human resources policy

This year, every Rémy Cointreau employee benefited from a Personalised Social Summary aimed at enabling everyone to objectively judge the quality of Rémy Cointreau's corporate policy in the area of supplementary pensions, profit sharing, corporate savings plans, etc.

At all sites, open dialogue has enabled people to uncover the tools and resources of the salary policy and to improve the annual interview and evaluation process to ensure that all employees are fairly treated. In conjunction with this approach, these tools are used to optimise people's careers depending on the markets and the needs of the business. Together they influence Rémy Cointreau's training and recruitment policy. This policy is becoming increasingly international and general training modules for key markets have been put in place. This creative approach involves a marketing strategy and the cultural fundamentals of the key markets for the Group's brands.

The recruitment policy has also developed internationally to meet the challenges of key markets. A forward-looking approach to employment is an area of major progress for Rémy Cointreau. An agreement was concluded to encourage employees to adapt to an economic background that is becoming increasingly competitive and international.

Rémy Cointreau's employees are aware of, informed and trained in all aspects of sustainable development. A number of steps have been taken, including one on eco-design of products to encourage the use of recyclable materials.

In respect of health issues, a voluntary policy of work accident prevention has been adopted. All Group employees have been trained to prevent risks and a commission of inquiry is established following any accident in order to recommend corrective action.

In addition, an anti-tobacco plan was adopted. The Opale group, responsible for preventing alcohol-related risks within the business environment, continued its work in this area.

FOOD SAFETY AND RESEARCH:

Enhance food safety and explore new fields of research

During the past year the rollout of the worldwide traceability process for products sold by Rémy Cointreau has been completed. It facilitates immediate recognition of the product's logistics history, from the production site to the distributor.

The labelling system ensures an optimum degree of security for the consumer and plays a vital part in the war against counterfeiting.

As a result, Rémy Cointreau has considerably strengthened its resources in its battle with, for example, the completion of field enquiries and the creation of specific analytical tools to identify counterfeiting

Simultaneously, Rémy Cointreau continued to fund the research undertaken by CNRS in Poitiers on vine wood diseases in the Charentes vineyards. Thus, the Group seeks a tangible answer to the winemaking industry's concerns.

The conclusions of this research will form part of the sustainable management of vineyards, by identifying and encouraging preventative measures as a high priority in winemaking practices.

LOCAL DIALOGUE AND DEVELOPMENT:

Human and scientific initiatives

Again this year, Rémy Cointreau was heavily involved in the "Second Chance Foundation". At the Reims and Cognac sites, Group employees provided voluntary support, advice and the means for people with difficulties in their life to choose new training projects or a business start-up. This involvement, together with help from the local associations, contributes to economic and sustainable development in areas where Rémy Cointreau is present.

In the Charentes region, Rémy Cointreau has a longstanding, loyal relationship and an historic partnership with Alliance Fine Champagne, a co-operative that brings together Rémy Cointreau's winemaking partners.

At the same time, Rémy Cointreau began to develop a close relationship with the regional higher education bodies (Grandes Ecoles, Universities, etc.) in the areas of sustainable development and corporate and environmental responsibility. These new relationships are cultivated through conferences and debates followed by visits to Rémy Cointreau's production sites.

Rémy Cointreau is effective in implementing a corporate and environmental policy that respects the Group's historic values and should ensure its longevity whilst guaranteeing that its operations are socially acceptable.

Year after year, and in line with its Global Compact commitments, Rémy Cointreau instils the ethical requirements that it has always adopted in the area of working conditions and environmental protection, beyond its own immediate circle. Thus Rémy Cointreau reconfirms its commitment to the Charter and to its corporate and environmental responsibility to reinforce, again, its reputation and attraction to all its stakeholders.

At the date of the current report, Rémy Cointreau has not received any notification stating that it has contravened any regulations relating to the environment. To its knowledge, at the date of the current report, Rémy Cointreau is not involved in any administrative or legal procedure.

The production and sale of Group products are subject, in France and abroad, to regulations that are specific to alcoholic drinks, particularly in respect of the production, packaging and marketing of these products. The Group has for all aspects of its business, all the necessary authorisations to operate, and has not encountered, in this respect, specific constraints likely to significantly affect its operations.

At the date of the current report, neither Rémy Cointreau, nor any of its subsidiaries were involved, nor are involved, in a judicial procedure relating to a problem of liability due to product defects which has given or is likely to give rise to a legal decision against it.

2.9 COMPOSITION AND HOLDERS OF THE SHARE CAPITAL AT 31 MARCH 2007 - ITEMS LIKELY TO BE SIGNIFICANT IN THE EVENT OF A PUBLIC TAKEOVER OFFER

2.9.1

At 31 March 2007, after the Board of Directors noted the various changes that occurred during the year to the share capital and disclosed in Chapter 5.3 of the present report, the share capital amounted to €73,599,683.20, divided into 45,999,802 shares with a nominal value of €1.60 each.

In accordance with Article L. 233-13 of the Commercial Code, please note that:

- Orpar held over one-third of the share capital and over half the voting rights in your Company at 31 March 2007,
- 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.

2.9.2.

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 5.3 of the current Annual Report, with a 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 5.3 of the present report;
- with the exception of 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 the failure to respect the provisions concerning the crossing of the threshold of 1% of the share capital or 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 bylaws rules;
- revisions to the bylaws of the Company 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 5.2 of the current Annual Report. Note 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.

The principal risks to which the Company is exposed and the use of derivative financial instruments are described in Chapter 1.

FINANCIAL STATEMENTS

REMY COINTREAU GROUP CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT AT 31 MARCH, IN MILLIONS OF EUROS

	notes	2007	2006	2005
Revenues	15	785.9	780.6	733.7
Cost of sales		(368.6)	(381.7)	(341.6)
Gross profit		417.3	398.9	392.1
Distribution costs	16	(192.5)	(190.7)	(193.5)
Administrative expenses	16	(81.1)	(80.2)	(84.9)
Other income (expenses) from operations	16	10.1	11.5	10.0
Operating profit on ordinary activities	15	153.8	139.5	123.7
Provisions for impairment		-	-	(3.1)
Other operating income (expenses)	18	(243.4)	(18.2)	12.3
Operating profit (loss)		(89.6)	121.3	132.9
Finance costs		(37.2)	(64.1)	(54.9)
Other financial income and expenses		(0.1)	0.9	(0.4)
Net financial expenses	19	(37.3)	(63.2)	(55.3)
Profit (loss) before tax		(126.9)	58.1	77.6
Income tax (expense) income	20	50.1	(13.3)	(23.1)
Share of profit of associates	5	10.2	8.5	7.4
Profit (loss) from continuing operations		(66.6)	53.3	61.9
Profit (loss) from discontinued operations	21	45.2	20.6	(6.6)
Net profit (loss) for the year		(21.4)	73.9	55.3
of which: attributable to minority interest		1.6	(3.9)	5.5
net profit - Group share		(23.0)	77.8	49.8
Earnings per share - Group share (euros)				
basic		(0.50)	1.72	1.13
diluted		(0.50)	1.70	1.13
Earnings per share from continuing operations (euros)				
basic		(1.46)	1.18	1.40
diluted		(1.46)	1.16	1.40
Number of shares used for the calculation				
basic	11.2	45,657,049	45,320,286	44,247,047
diluted	11.2	45,657,049	45,893,565	51,496,870

CONSOLIDATED BALANCE SHEET

AT 31 MARCH, IN MILLIONS OF EUROS

	notes	2007	2006	2005
Brands and other intangible assets	3	628.1	629.6	922.7
Property, plant and equipment	4	171.9	180.5	195.6
Investments in associates	5	127.2	123.6	113.6
Other investments	6	97.5	70.7	7.6
Deferred tax assets	20	13.0	12.3	13.0
Non-current assets		1,037.7	1,016.7	1,252.5
Inventories	7	841.7	852.4	845.9
Trade and other receivables	8	245.6	243.1	239.7
Income tax receivables		30.8	11.0	6.9
Derivative financial instruments	9	11.1	6.9	8.9
Cash and cash equivalents	10	20.6	31.6	53.6
Assets held for sale	2	17.4	204.0	
Current assets		1,167.2	1,349.0	1,155.0
Total assets		2,204.9	2,365.7	2,407.5
Share capital		73.6	72.8	72.1
Share premium		650.2	639.5	630.7
Treasury shares		(0.9)	(0.7)	(0.6)
Consolidated reserves		162.3	127.3	119.9
Translation reserve		(8.1)	2.0	(3.0)
Net profit - Group share		(23.0)	77.8	49.8
Equity - Group share		854.1	918.7	868.9
Minority interests		(1.6)	(3.2)	19.4
Total equity	11	852.5	915.5	888.3
Long-term borrowings	12	403.5	376.2	746.4
Provisions for staff benefits	23	22.2	24.5	27.1
Long-term provisions for risks and charges	13	256.2	26.3	24.1
Deferred tax liabilities	20	135.8	170.8	282.4
Total non-current liabilities		817.7	597.8	1,080.0
Short-term borrowings and accrued interest	12	179.2	426.9	170.0
Trade and other payables	14	310.4	300.4	244.1
Income tax payables		11.7	23.6	3.0
Short-term provisions for risks and charges	13	33.3	34.1	19.4
Derivative financial instruments	9	0.1	1.9	2.7
Liabilities directly related to assets held for sale	2	-	65.5	-
Current liabilities		534.7	852.4	439.2
Total liabilities and equity		2,204.9	2,365.7	2,407.5

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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 1 April 2004	71.6	626.4	(10.5)	170.1	-	857.6	13.5	871.1
Net profit for the year	-	-	-	49.8	-	49.8	5.5	55.3
Actuarial losses on retirement obligations	-	-	-	(7.3)	-	(7.3)	-	(7.3)
Associated tax effect	-	-	-	2.0	-	2.0	-	2.0
Earnings taken directly to equity	-	-	-	(5.3)	-	(5.3)	-	(5.3)
Translation differences	-	-	-	-	(3.0)	(3.0)	0.4	(2.6)
Total expenses and income recognised directly in equity	-	-	-	44.5	(3.0)	41.5	5.9	47.4
Share-based payments	-	-	-	(0.8)	-	(0.8)	-	(0.8)
Capital increase	0.5	4.3	-	-	-	4.8	-	4.8
Transactions on treasury shares	-	-	9.9	-	-	9.9	-	9.9
Dividends	-	-	-	(44.1)	-	(44.1)	-	(44.1)
Balance at 31 March 2005	72.1	630.7	(0.6)	169.7	(3.0)	868.9	19.4	888.3
Impact of first-time application of IAS 32 and IAS 39	-	-	-	5.2	-	5.2	(8.0)	(2.8)
Balance at 1 April 2005	72.1	630.7	(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 gain on retirement obligations	-	-	-	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	1.1	15.3	-	-	-	16.4	-	16.4
Cancellation of shares	(0.4)	(7.2)	-	-	-	(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 ⁽¹⁾	-	-	-	(2.6)	-	(2.6)	-	(2.6)
Changes in consolidation scope	-	-	-	-	-	-	(10.7)	(10.7)
Balance at 31 March 2006	72.8	639.5	(0.7)	205.1	2.0	918.7	(3.2)	915.5
Net profit (loss) for the year	-	-	-	(23.0)	-	(23.0)	1.6	(21.4)
Change in value of hedging instruments	-	-	-	4.9	-	4.9	-	4.9
Actuarial gain on retirement obligations	-	-	-	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	0.8	10.7	-	-	-	11.5	-	11.5
Transactions on treasury shares	-	-	(0.2)	-	-	(0.2)	-	(0.2)
Dividends	-	-	-	(50.0)	-	(50.0)	-	(50.0)
Balance at 31 March 2007	73.6	650.2	(0.9)	139.3	(8.1)	854.1	(1.6)	852.5

(1) Impact of the harmonisation of accounting policies on agreements with distillers.

CONSOLIDATED CASH FLOW STATEMENT

AT 31 MARCH, IN MILLIONS OF EUROS

	notes	2007	2006	2005
Operating profit on ordinary activities		153.8	139.5	123.7
Adjustment for depreciation and impairment charges		13.2	14.3	15.9
Adjustment for share-based payments		3.3	1.7	0.8
Dividends received from associates	5	5.9	7.3	7.8
EBITDA		176.2	162.8	148.2
Change in inventories		(0.8)	31.4	32.7
Change in trade receivables		(4.9)	(23.9)	4.3
Change in trade payables		9.0	5.9	(20.0)
Change in other receivables and payables		10.6	(13.0)	8.6
Change in working capital requirement		13.9	0.4	25.6
Cash generated from operations		190.1	163.2	173.8
Other operating income and expenses		(6.9)	(2.5)	(4.5)
Net financial expenses		(43.6)	(43.6)	(41.4)
Net income taxes paid		(43.2)	(24.6)	(28.5)
Other operating cash flows		(93.7)	(70.7)	(74.4)
Net cash flow from operating activities – continuing operations		96.4	92.5	99.4
Impact of discontinued operations		2.1	9.8	25.0
Net cash flow from operating activities		98.5	102.3	124.4
Purchases of non-current assets	3/4	(25.8)	(20.7)	(23.8)
Purchases of investment securities	5/6	(3.5)	(8.9)	-
Proceeds from sale of non-current assets		1.2	11.1	18.6
Proceeds from sale of investment securities	6	4.3	-	-
Net cash flow from other investments	6	(0.2)	(1.8)	(0.5)
Net cash flow from (used in) investing activities - continuing operations		(24.0)	(20.3)	(5.7)
Impact of discontinued operations		156.4	44.3	(11.0)
Net cash flow from (used in) investing activities		132.4	24.0	(16.7)
Capital increase	11	11.5	9.5	4.8
Treasury shares	11	(0.2)	(0.1)	8.8
Increase in borrowings		141.5	-	200.0
Repayment of borrowings		(346.9)	(112.5)	(286.6)
Dividends paid to shareholders of the parent company		(50.0)	(45.0)	(44.1)
Other cash flows from financing activities		-	0.3	-
Net cash flow from financing activities – continuing operations		(244.1)	(147.8)	(117.1)
Impact of discontinued operations		-	-	(5.2)
Net cash flow from financing activities		(244.1)	(147.8)	(122.3)
Translation differences on cash and cash equivalents		2.2	(0.5)	0.1
Change in cash and cash equivalents		(11.0)	(22.0)	(14.5)
Cash and cash equivalents brought forward	10	31.6	53.6	68.1
Cash and cash equivalents carried forward	10	20.6	31.6	53.6

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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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 stated below were approved by the Board of Directors on 5 June 2007 pursuant to a recommendation from the audit committee following their meeting on 4 June 2007. They will be submitted for shareholder approval at the shareholders' general meeting of 31 July 2007.

1 ACCOUNTING POLICIES

Rémy Cointreau has a 31 March year end. The consolidated financial statements have been 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 international accounting policies applicable within the European Union as at 31 March 2007.

These international accounting standards were applied with retroactive effect to the transition balance sheet as at 1 April 2004, the transition date, except for certain optional or mandatory exemptions required under 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 the publication of the financial statements for the 6 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 state these assets at fair value on the transition date was not applied;
- Employee benefits: deferred actuarial differences under French GAAP on the transition date were recognised;
- Translation of the financial statements of foreign subsidiaries: translation reserves relating to the consolidation of subsidiaries in foreign currencies were cancelled on 1 April 2004 with a corresponding entry to retained earnings brought forward;
- Share-based payments: Rémy Cointreau Group does not apply IFRS 2 relating to share-based payments to stock option plans opened before 7 November 2002, the date prior to which application is optional.

IAS 32 and IAS 39 were first implemented with effect from 1 April 2005 without adjustment to the figures for the year ended 31 March 2005 pursuant to the

option available under IFRS 1. The effect of this change in accounting policy was recorded within equity at 1 April 2005. The information for the years ended 31 March 2006 and 31 March 2007 is not comparable with the year ended 31 March 2005 given that the latter has not been adjusted.

The group decided not to apply the amendment to IAS 1 - *Disclosures on the capital*, and IFRS 7 - *Financial instruments: disclosures*, prior to the mandatory application for financial years starting on or after 1 January 2007. Likewise for the interpretations IFRIC 8 - *Scope of application of IFRS 2*, applicable for financial years starting on or after 1 May 2006, and IFRIC 9 - *Reassessment of embedded derivatives*, applicable for financial years starting on or after 1 June 2006. However, the Group does not perform any transactions that fall within the scope of these last two interpretations.

The Group adopted the amendment to IAS 19 - *Employee benefits*, which resulted in changes being made to the corresponding notes to the financial statements. The Group also adopted IFRIC 4 - *Determining whether an arrangement contains a lease*. This application has no impact on the consolidated financial statements.

None of the standards and interpretations published by the IASB and IFRIC since 31 March 2006 has a material impact on the financial statements of Rémy Cointreau Group.

Pursuant to the application of IFRS 5, the financial statements for the years ended 31 March 2006 and 31 March 2005 (income statement and cash flow statement) used as comparatives in this document were subject to subsequent reclassifications in respect of discontinued activities.

1.1 USE OF ESTIMATES

Preparation of the financial statements in accordance with International Financial Reporting Standards required placing reliance on 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 the discounting of 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 obligations and other post-employee 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, rate of 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 option plans:

The 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 the payment of compensation in the event of disputes with third parties, requires the Group's management to estimate the degree of probability associated with this risk and also the outcome of negotiations, transactions or legal proceedings that are or may be conducted with the third parties concerned.

1.2 BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and all material entities when Rémy Cointreau controls directly or indirectly more than 50% of voting rights or over which it exercises effective control, even in the case of certain special purpose entities in which it does not own any of the capital (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 prevailing rate of exchange on the transaction date. At the end of the reporting period, foreign currency assets and liabilities are netted off and translated at the closing rate of exchange. 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 Eurozone, whereas production and other costs are incurred mainly within this zone. For this reason, the consolidated operating profit has significant exposure to changes in foreign exchange rates. The Group frequently uses derivative instruments, particularly options, to hedge this currency risk.

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

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

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

More details about derivative instruments are provided in note 1.10.d.

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 installation 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 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 above.

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
Still, barrels and vats	35 to 50 years
Plant, equipment and tooling	3 to 15 years
Computer equipment	3 to 5 years
Other non-current assets	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 2007, the following assumptions were used:

- pre-tax discount rates ranging from 8.7% to 10.8%;
- growth rate to infinity of 2%.

When recent transactions involving similar assets have taken place, 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. These 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.

Finish 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) Shares measured in accordance with the fair value option

When shares in Bols Sp.z.o.o. were sold in August 2005, the Group received shares in CEDC, a company listed on the NASDAQ and the Warsaw stock exchange, that are valued at fair value through profit or loss. Changes in fair value are recorded in net financial income or expenses, as are gains and losses on disposal.

This investment is valued by the Group at market value to ensure that its liquidity is managed with maximum efficiency. Market value is monitored daily and reported to the Group Finance Director.

d) 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 and in net financial income and expenses in respect of the change in time 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 (notes 9.4 and 9.5).

e) Loans and borrowings

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

- subordinated perpetual notes (TSDI), that 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;
- amounts drawn down on credit lines negotiated with a banking syndicate;
- amounts drawn down on unconfirmed credit lines.

The perpetual subordinated notes were assigned to a debt securitisation fund (*Fonds Commun de Créance - FCC*) in May 1996, but pursuant to the requirements of IAS 27, IAS 32 and IAS 39, this fund is consolidated as a special purpose vehicle. Therefore, in Rémy Cointreau's consolidated balance sheet, the subordinated perpetual notes were eliminated and replaced by the borrowings of the debt securitisation fund.

As required by IAS 32 and IAS 39, the OCEANE is recognised in two parts:

- a debt component stated at the present value of the debt at the market rate on the issue date;
- an equity component, being the difference between the nominal value of the instruments and the value assigned to the debt component, and corresponds to the value of the embedded conversion option on the issue date.

Issue costs relating to the OCEANE are apportioned between the two components on a pro rata basis.

The equity component has not been re-measured since the date of issue, regardless of changes in the value of the Rémy Cointreau shares. The debt component is recognised in accordance with the effective interest rate method, which takes into account the potential redemption premium on the OCEANE.

Financial resources other than the OCEANE, including the borrowings of the debt securitisation fund, 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.

f) Commitment to buy out minority interests

IAS 39 requires commitments to buy out minority shareholders to be reported on the balance sheet. The Rémy Cointreau Group had such a commitment in respect of its 50% stake in the Polish company Bols Sp.z.o.o. This commitment was valued at €50.9 million when IAS 32 and IAS 39 were applied for the first time on 1 April 2005. However, Bols Sp.z.o.o. having since been sold, this commitment no longer appears in the financial statements prepared since that date.

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 among short-term borrowings.

1.12 DEFERRED TAX

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

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

included in the income tax expense of 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 amortised by reference to the probability that these losses will be utilised.

In the interim consolidated financial statements, the income tax expense is estimated by applying the estimated effective tax rate for the full year to the pre-tax profit. This calculation is performed entity by entity.

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 an obligation 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 obligations.

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 the termination of employment contracts.

Actuarial gains and losses for defined benefit plans arising since 1 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 the prices charged to the customers. 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.

Capital employed comprises:

- intangible non-current assets (excluding brands and distribution rights);
- property, plant and equipment;
- inventories;
- trade and other receivables (excluding items relating to VAT and excise duties);
- net of trade and other payables (excluding items relating to VAT and excise duties);
- net of provisions for 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) Geographical segments

The secondary segment reported is the geographical segment. The breakdown of revenues by geographical 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 geographical 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 1 April 2005.

At each period end, Rémy Cointreau shares held via the liquidity account and the net gains or losses during the year on share transactions conducted by Rothschild & Cie Banque are deducted from 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. Amounts are expensed as "Administrative expenses" and 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 deducted from equity 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 deducted from equity and increased to reflect:

- 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.

- the total number of shares that would be issued if OCEANE holders exercised their conversion rights.

Diluted earnings per share are calculated after adjusting for the post-tax reduction in interest expense that would arise on conversion of the OCEANE.

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 qualifies as discontinued operations at the balance sheet date based on the criteria stipulated in IFRS 5, assets and liabilities directly attributable to the outstanding disposal transaction and which will be transferred on the actual sale are reclassified in "Assets held for sale" or "Liabilities held for sale" in respect of the current period only.

When a company or activity that represents a major and distinct business line or geographic region have been sold during the period or are classified as assets held for sale:

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

■ all income statement lines of this company or activity up to the sale date are reclassified in “Profit (loss) from discontinued operations” for the period in which the sale takes place. 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 post-tax gain or loss on the disposal after transaction costs is also recorded in “Profit (loss) from discontinued operations”. In the cash flow statement, a distinction is made between the proceeds received from the sale net of transaction costs, which are recorded as cash flow from investing activities, and any impact of the deconsolidation of cash held by the entity sold, which is recorded as 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 COOPERATIVES

Since 1 April 2003, Rémy Cointreau has consolidated the two brandy ageing cooperatives, Prochacoop and Champaco, as special purpose entities. On 28 February 2005, these cooperatives merged to become Alliance Fine Champagne (AFC), which is consolidated using the full method for the scope of operations relating to Rémy Cointreau.

In April 2005, CLS Rémy Cointreau transferred to Alliance Fine Champagne its brandy purchase commitments and the direct management of three-year supply agreements between itself and the distillers. Based on an analysis of the procedures defined for the management of these contracts and the price formula applied on delivery, it was considered that risks and rewards stemming from the ownership of the spirits inventories held by the distillers were transferred to Alliance Fine Champagne (therefore CLS Rémy Cointreau) upon the spirits passing the qualitative tests performed by Rémy Cointreau and the distiller subscribing to shares in the cooperatives in respect of its delivery commitments.

Accordingly, purchase commitments transferred to Alliance Fine Champagne have been recorded as inventories and the corresponding liability under trade payables with effect from 1 April 2005. This was done after restatement to comply with Group accounting policies.

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 and financial 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 BUSINESS SOLD DURING THE YEAR

2.1.1 SALE OF A SERIES OF LIQUEURS AND SPIRITS BRANDS (LUCAS BOLS)

On 11 April 2006, Rémy Cointreau signed a sale contract with an investment fund for the disposal of a series of brands essentially comprising the Italian liqueurs (Galliano and Vaccari), the Bols liqueurs, the Bols gins, Bokma, Hartevelt and other Dutch liqueurs. Together, these brands assumed the name of Lucas Bols BV. For accounting purposes, this sale was backdated to 1 April 2006.

The sale transaction resulted in the disposal of certain brands, securities and inventories. The sale consideration of €158.5 million was settled in cash and was accompanied by a loan to the buyer for a principal amount of €50.0 million. This buyer’s loan bears interest and includes an early repayment clause at the borrower’s option that determines the repayment amount. The impact of the sale is shown in note 21.

Income statement items relating to the operations sold were previously reclassified line-by-line in "Profit (loss) from discontinued operations" for the years ended 31 March 2006 and 31 March 2005. The corresponding balance sheet items (mainly brands recognised on acquisitions and related deferred tax and inventories) were reclassified in assets and liabilities held for sale in the balance sheet for the year ended 31 March 2006.

2.1.2

SALE OF COGNAC DE LUZE

On 25 July 2006, Rémy Cointreau finalised the sale of the Cognac de Luze brand to a local company in the Cognac sector. This transaction, which included the sale of Cognac de Luze inventories, was settled in cash, the total consideration being €8.3 million. For accounting purposes, this sale was backdated to 30 June 2006. The impact of the sale is shown in note 21.

The following items were reclassified:

Income statement (€ millions)	2006	2005
Revenues	17.7	14.6
Gross profit	9.1	9.4
Distribution costs	(6.8)	(5.7)
Operating profit on ordinary activities	2.3	3.7
Net financial income	0.1	-
Income tax expense	(0.4)	(0.7)
Net profit	2.0	3.0

Segment data by business segment (€ millions)	Revenues		Operating profit on ordinary activities	
	2006	2005	2006	2005
Cognac	(0.1)	(0.1)	(0.4)	-
Liqueurs and spirits	(7.5)	(6.6)	(2.0)	(2.3)
Champagne	-	-	(0.1)	-
Partner brands	(10.1)	(7.9)	0.2	(1.4)
Total	(17.7)	(14.6)	(2.3)	(3.7)

Segment data by geographical segment (€ millions)	Revenues	
	2006	2005
Europe	(17.7)	(14.6)
Total	(17.7)	(14.6)

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 held for sale". Liabilities directly associated with these items are also reclassified in "Liabilities directly related to assets held for sale". The assets cease to be depreciated or amortised as from the date of reclassification. Reclassified assets are reduced to their estimated realisable value if this is less than the carrying amount:

At 31 March 2007, such items concerned:

- Two property complexes with a total carrying amount of €12.6 million put up for sale following the decision to combine the Group's champagne operations at a single site in Reims (France). These two properties are covered by commitments to sell signed in June 2006 and December 2006;
- An industrial site currently used in the production of St Rémy brandy in Machecoul (France) put up for sale as part of the restructuring measures initiated during the previous financial year. A commitment to sell covering part of the land was signed in March 2007. The site has a carrying amount of €1.3 million;

Income statement items relating to the operations sold were previously reclassified line-by-line in "Profit (loss) from discontinued operations" for the years ended 31 March 2006 and 31 March 2005. The corresponding balance sheet items (mainly inventories) were reclassified in assets held for sale in the balance sheet for the year ended 31 March 2006.

2.1.3

SALE OF BOLS HUNGARY

On 12 July 2006, Rémy Cointreau completed the sale of the distribution company Bols Hungary Kft to Central European Distribution Corporation (CEDC) for a cash settlement of €15.4 million. The impact of the sale is shown in note 21.

Income statement items relating to the operations covered by the sale were reclassified line-by-line in "Profit (loss) from discontinued operations" for the years ended 31 March 2006 and 31 March 2005.

■ Armagnac inventories pertaining to the activity involving the Clés de Ducs brand that was in the process of being sold at the balance sheet date. Given the intended sale, an inventory impairment of €1.9 million was recorded in “Profit (loss) from discontinued operations”.

All the items presented in these lines at 31 March 2006 were actually sold during the year ended 31 March 2007 (see note 2.1).

(€ millions)	2007	2006
Items relating to the sale of Lucas Bols:	-	-
Brands and distribution rights	-	188.2
Share of 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 brand	3.5	-
Reims property assets	12.6	-
Machecoul industrial site	1.3	-
Total assets	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 2005	960.1	14.8	23.1	998.0
Additions	-	0.8	0.6	1.4
Disposals and items scrapped	-	-	(0.7)	(0.7)
Reclassified as assets held for sale	(208.5)	(5.4)	-	(213.9)
Changes in consolidation scope	(128.2)	-	(1.8)	(130.0)
Other movements	-	-	0.3	0.3
Translation differences	0.6	0.4	-	1.0
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
Accumulated amortisation and impairment at 31 March 2005	52.5	7.5	15.3	75.3
Charge for the year	0.1	0.1	1.9	2.1
Disposals and items scrapped	-	-	(0.6)	(0.6)
Reclassified as assets held for sale	(25.7)	-	-	(25.7)
Changes in consolidation scope	(23.5)	-	(1.3)	(24.8)
Translation differences	-	0.2	-	0.2
Accumulated amortisation and impairment at 31 March 2006	3.4	7.8	15.3	26.5
Charges for the year	0.0	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
Carrying amount at 31 March 2005	907.6	7.3	7.8	922.7
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

“Other” largely consists of software licenses and leasehold rights.

Amounts disclosed under “Reclassified as assets held for sale” are explained in note 2.2. “Changes in consolidation scope” relate to the sale of Bols Sp.z.o.o. in 2006 and Bols Hungary KFT in 2007 (note 2.1.3).

4 PROPERTY, PLANT AND EQUIPMENT

(€ millions)	Land	Buildings	Other	In progress	Total
Cost at 31 March 2005	42.3	120.1	187.3	5.2	354.9
Additions	0.1	0.4	7.5	11.6	19.6
Disposals and items scrapped	(0.8)	(9.7)	(30.4)	-	(40.9)
Changes in consolidation scope	(0.2)	(4.4)	(12.4)	(0.6)	(17.6)
Other movements	-	0.8	6.8	(7.7)	(0.1)
Translation differences	0.1	0.3	0.5	0.2	1.1
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 held 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
Accumulated depreciation and impairment at 31 March 2005	1.1	44.3	113.9		159.3
Charge for the year	0.5	3.1	8.9	-	12.5
Disposals and items scrapped	-	(3.2)	(27.1)	-	(30.3)
Changes in consolidation scope	-	(0.8)	(5.4)	-	(6.2)
Other movements	-	(0.4)	1.1	-	0.7
Translation differences	-	-	0.5	-	0.5
Accumulated depreciation and impairment at 31 March 2006	1.6	43.0	91.9	0.0	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 held for sale	(0.2)	(12.1)	(5.0)	-	(17.3)
Changes in consolidation scope	-	0.0	(0.6)	-	(0.6)
Other movements	-	-	-	-	0.0
Translation differences	-	(0.1)	(0.7)	-	(0.8)
Accumulated depreciation and impairment at 31 March 2007	1.4	33.4	90.0	0.0	124.8
Carrying amount at 31 March 2005	41.2	75.8	73.4	5.2	195.6
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

For the year ended 31 March 2007:

- The additions of €24.5 million mainly comprise industrial capital expenditure on the Group's various production facilities in Cognac, Angers and Reims. This amount includes subsidies received of €0.5 million;
 - The amounts reclassified as assets held for sale are explained in note 2.2;
 - "Changes in consolidation scope" relate to the sale of Bols Hungary KFT as described in note 2.1.3 (for 2006, this line concerned the sale of Bols Sp.z.o.o.).
- These fixed assets are unencumbered.

5 INVESTMENTS IN ASSOCIATES

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

(€ millions)	Maxxium	Dynasty	Avandis	Total
At 31 March 2005	77.9	32.1	3.6	113.6
Dividends paid ⁽¹⁾	(3.4)	(3.9)	-	(7.3)
Net profit for the year	4.4	4.1	-	8.5
Reclassified as assets held for sale	-	-	(3.6)	(3.6)
Additions	-	8.8	-	8.8
Other	-	0.2	-	0.2
Translation differences	0.3	3.1	-	3.4
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

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

5.1 MAXXIUM

5.1.1 GENERAL DESCRIPTION

Maxxium BV, a distribution joint venture, was founded on 1 August 1999 based on a strategic distribution agreement between Rémy Cointreau SA, The Edrington Group and Beam Global Brands. Swedish-based Vin & Sprit, which owns the Vodka Absolut brand, joined the venture 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 main exception of the United States, the Caribbean and some Eastern Europe 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

During fall 2006, the Swedish government announced its intention to privatise Vin & Sprit. At this stage, it is not possible to assess the impact that this sale might have on Maxxium's valuation.

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.

Maxxium BV's partners are both suppliers and shareholders of Maxxium BV. Revenues earned by Rémy Cointreau from Maxxium's distribution companies or customers managed by them accounted for 46.1% of total revenues for the year ended 31 March 2007 (2006: 43.1%; 2005: 42.5%).

The summary figures below relate to Rémy Cointreau's financial year, i.e. the year ended 31 March.

Summary income statement (€ millions)	2007	2006	2005
Revenues	1,882.0	1,493.6	1,287.5
of which, Rémy Cointreau products ⁽¹⁾	499.6	440.7	401.9
Operating profit on ordinary activities	60.0	28.6	18.4
Net profit	32.2	22.5	10.9

(1) Data for the years ended 31 March 2006 and 2005 have been restated to reflect the brands sold (see note 2.1).

Breakdown of revenues by geographical region (€ millions)	2007	2006	2005
Europe	1,142.6	833.3	764.9
Americas	98.1	80.8	56.2
Asia and rest of world	641.3	579.5	466.4
Total	1,882.0	1,493.6	1,287.5

Summary balance sheet (€ millions)	2007	2006	2005
Non-current assets	300.7	298.2	284.8
Working capital	213.4	145.3	184.9
Net assets	514.1	443.5	469.7
Financed by:			
Borrowings	189.7	126.9	169.8
Equity	324.4	316.6	299.9
Total	514.1	443.5	469.7

Period-end headcount	2007	2006	2005
Maxxium	2,029	1,979	1,602

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

The financial impact of ongoing transactions between Maxxium BV and Rémy Cointreau is set out in note 25 regarding 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 SA 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 to cover this indemnity (notes 13 and 18). At 31 March 2007, the provision stood at €241 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.

The consolidation of the Maxxium joint venture using the equity method remains perfectly justified at 31 March 2007 as:

- up to 30 March 2009, Rémy Cointreau continues to exercise significant influence over Maxxium;
- the withdrawal of Rémy Cointreau from the capital will take place only after 30 March 2009.

At 31 March 2007, Rémy Cointreau's management estimates that, given current transactions and based on the various scenarios envisaged, the Maxxium BV shares are unlikely to depreciate in value.

5.2 DYNASTY

Dynasty group 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.

In the year ended 31 March 2005, Rémy Cointreau's 33% stake in the Sino-French joint venture Dynasty Winery Ltd was converted into a 23.86% equity interest in Dynasty Fine Wines Limited, which was floated on the Hong Kong stock exchange. This conversion gave rise to a dilution gain of €13.7 million. At 31 March 2005, Rémy Cointreau held 297 million shares.

During the year ended 31 March 2006, Rémy Cointreau purchased 30 million additional shares from a third party for €8.8 million representing a further equity interest of 2.41%. This transaction generated goodwill on acquisition of €5.5 million, which was posted to "Investments in associates".

In February 2007, Rémy Cointreau purchased 9.5 million additional shares from a third party for €3.1 million representing a further equity interest of 0.76%. This transaction generated goodwill on acquisition of

€2.0 million, which was posted to "Investments in associates".

At 31 March 2007, 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 HKD3.32 (31 March 2006 and 2005: 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 conversion into euros. The figures have been adjusted for Rémy Cointreau's financial year ended 31 March for purposes of the equity consolidation.

Summary income statement (€ millions)	2006	2005	2004
Revenues	108.8	103.6	76.0
Operating profit on ordinary activities	14.8	25.1	21.2
Net profit	11.2	19.6	15.7
Summary balance sheet (€ millions)	2006	2005	2004
Fixed assets	37.4	35.2	19.6
Working capital	27.6	27.5	7.2
Net assets	65.0	62.7	26.8
Financed by:			
Borrowings net of cash and cash equivalents	(74.6)	(83.4)	(20.2)
Equity	139.6	146.2	47.0
Total	65.0	62.7	26.8

5.3 AVANDIS CV

Avandis CV was a joint venture operating in the Netherlands in association with two local partners that produce Dutch liqueurs and spirits. This 33.33% equity interest was first reclassified in "Assets held for sale" prior to being sold as part of the transaction described in note 2.1.1.

6 OTHER INVESTMENTS

(€ millions)	2007	2006	2005
Non-consolidated equity investments	5.3	5.3	5.3
CEDC shares	46.0	53.7	-
Value of security on CEDC shares	-	7.2	-
Advance payments for pension and retirement schemes	0.5	0.6	0.3
Seller's loan	41.7	-	-
Loans to non-consolidated equity investments	1.0	1.2	1.1
Liquidity account excluding Rémy Cointreau shares	2.2	1.9	-
Other	0.8	0.8	0.9
Total	97.5	70.7	7.6

6.1 NON-CONSOLIDATED EQUITY INVESTMENTS

(€ millions)	% interest	2007	% interest	2006	% interest	2005
Dettling & Marmot (Switzerland)	25.0%	1.0	25.0%	1.0	25.0%	1.0
Ducs de Gascogne SA (France)	30.1%	1.1	30.1%	1.1	30.1%	1.1
Tianjin Dypt Holding Ltd (China)	0.2%	0.6	0.2%	0.6	0.2%	0.3
Caves Allianca SA (Portugal)	5.4%	0.8	5.4%	1.1	5.4%	1.3
Revico (France)	5.0%	0.3	-	-	-	-
Transmed (France)	9.6%	0.0	7.0%	0.0	7.0%	0.0
Destilerias de Vilafranca SA (in liquidation)	100.0%	1.5	100.0%	1.5	100.0%	1.6
Total		5.3		5.3		5.3

During the year ended 31 March 2007, Rémy Cointreau purchased a 5% equity interest in Revico (France). This company recycles residues from the distillation of brandies.

In addition, Rémy Cointreau held bonds in Transmed (France) that were converted into shares, which are fully covered by a provision. This transaction generated a net loss of €0.8 million, which was posted to "Other financial income and expenses".

6.2 CEDC SHARES

As part of the sale of the Polish business to CEDC during the year ended 31 March 2006, Rémy Cointreau received 1,691,419 CEDC shares. This company is listed on NASDAQ and the Warsaw stock exchange.

During the first half of the year ended 31 March 2007, CEDC's shares were subject to a stock split that resulted in the number of shares being increased to 2,537,129. In December 2006, Rémy Cointreau embarked on the gradual sale of these shares. At 31 March 2007, the Group held 2,103,383 CEDC shares that were listed at \$29.11 each (31 March 2006: \$25.63, after the stock split). As described in note 1.10 c), the shares are valued at each period end at market value and the change in value compared with the acquisition date is recorded in "Other financial income and expenses", as are any gains and losses on the sale of these shares.

7 INVENTORIES

7.1 BREAKDOWN BY INVENTORY CATEGORY

(€ millions)	2007	2006	2005
Goods for resale and finished products	89.8	78.6	84.2
Raw materials	71.4	69.3	84.5
Ageing wines and eaux-de-vie	677.0	696.1	668.2
Other	6.9	13.0	13.3
At cost	845.1	857.0	850.2
Provision for impairment	(3.4)	(4.6)	(4.3)
Carrying amount	841.7	852.4	845.9

In connection with this transaction, Rémy Cointreau had obtained guarantees, similar in nature to put options, concerning CEDC's share performance in the event of a sale. These guarantees, which had been valued at the grant date and then at 31 March 2006 (at €7.2 million) expired during the year ended 31 March 2007. Their value was reversed from "Other financial income and expenses" and income of €0.8 million was recognised in respect of the exercise of one of the guarantees.

6.3 SELLER'S LOAN

As part of the "Lucas Bols" transaction (note 2.1), 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 of 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 11.1.2).

7.2 ANALYSIS OF THE CHANGE

(€ millions)	Cost	Impairment	Carrying amount
Balance at 31 March 2006	857.0	(4.6)	852.4
Change	1.2	1.0	2.2
Reclassified as assets held for sale	(5.5)	0.1	(5.4)
Net impact of the deconsolidation of companies sold	(1.4)	-	(1.4)
Translation differences	(6.2)	0.1	(6.1)
Balance at 31 March 2007	845.1	(3.4)	841.7

8 TRADE AND OTHER RECEIVABLES

(€ millions)	2007	2006	2005
Trade receivables	175.3	183.6	181.7
Tax and social security receivables (excluding income tax)	18.7	16.2	20.4
Sundry prepaid expenses	8.7	8.1	10.3
Other receivables	42.9	35.2	27.3
Total	245.6	243.1	239.7
of which, provision for doubtful receivables	(4.1)	(3.2)	(6.8)

The provision for doubtful receivables is established on a case-by-case basis and is measured based on the bad debt risk.

9 DERIVATIVE FINANCIAL INSTRUMENTS

The Group uses derivative 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 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 revenues and margins.

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

(€ millions)	2007	2006	01/04/05	2005 ⁽¹⁾
Assets				
Derivatives on interest rates	3.4	2.9	0.2	-
Derivatives on exchange rates	7.7	4.0	10.1	8.9
Total	11.1	6.9	10.3	8.9
Liabilities and equity				
Derivatives on interest rates	-	0.6	5.3	-
Derivatives on exchange rates	0.1	1.3	2.4	2.7
Total	0.1	1.9	7.7	2.7

(1) As the first-time application of IAS32/39 took effect only on 1 April 2005, this data is not comparable.

For the years ended 31 March 2007 and 2006 and 1 April 2005, the data represents the market value of the various instruments at the period end date.

9.2 DERIVATIVE INSTRUMENTS ON INTEREST RATES

The instruments held in the portfolio at 31 March 2007 relate only to interest rate hedges on the syndicated loan. At 31 March 2006 and 2005, the portfolio also included instruments relating to the subordinated perpetual notes (TSDI) that matured on 16 May 2006.

(€ millions)	2007	2006	01/04/05	2005 ⁽¹⁾
Assets				
Purchases of caps	3.4	2.9	0.2	-
Purchases of floors	0.0	-	-	-
Total	3.4	2.9	0.2	-
Liabilities and equity				
FRAs	-	-	0.1	-
Sales of floors	-	-	0.3	-
Interest rate swaps relating to TSDI	-	0.6	4.9	-
Total	-	0.6	5.3	-

(1) As the first-time application of IAS32/39 took effect only on 1 April 2005, this data is not comparable.

Derivative financial instruments on interest rates held in the portfolio at 31 March 2007 comprised the following:

(€ millions)	Nominal value	Qualified as hedge	Initial value	Market value
Purchases of caps				
Maturing in June 2007	200.0	no	0.2	0.3
Maturing in March 2008	200.0	yes	0.8	2.2
Maturing in March 2009	150.0	yes	0.5	0.9
Total	350.0		1.5	3.4
Purchases of floors				
Maturing in September 2008	50.0	yes	0.2	-
Maturing in December 2008	50.0	yes	0.1	-
Total	100.0		0.3	-

9.3 DERIVATIVE INSTRUMENTS ON EXCHANGE RATES

The Group uses options to hedge 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.

(€ millions)	Nominal value ⁽¹⁾	Qualified as hedge	Initial value	Market value
Put options and tunnel options				
USD/EUR	250.0	yes	3.9	6.1
AUD/EUR	11.0	yes	0.1	0.0
CAD/EUR	16.0	yes	0.2	0.4
GBP/EUR	16.0	yes	0.5	0.5
JPY/EUR	1 900.0	yes	0.3	0.6
Total			5.0	7.6

(1) Expressed in millions of currency units.

(€ millions)	Nominal value ⁽¹⁾	Qualified as hedge	Nominal value at guaranteed exchange rate
(Sale) purchase short-term currency swaps on commercial transactions			
USD/EUR	(41.6)	no	(31.2)
AUD/EUR	(2.3)	no	(1.4)
CAD/EUR	2.4	no	1.6
JPY/EUR	(458.9)	no	(2.9)
GBP/EUR	4.4	no	6.4
NZD/EUR	0.2	no	0.1
HKD/USD	100.8	no	9.7
Total			(17.8)
Purchase (sale) currency swaps on financing activities			
HKD/EUR	10.6	no	1.0
AUD/EUR	2.4	no	1.5
CHF/EUR	0.0	no	0.0
GBP/EUR	0.0	no	0.0
USD/EUR	(66.0)	no	(49.6)
Total			(47.1)

(1) Expressed in millions of currency units.

9.4 EQUITY SWAP

The equity swap agreement that Rémy Cointreau SA signed with a financial institution on 31 October 2001 expired on 8 November 2006. At 31 March 2006, the agreement covered 210,000 shares (2005: 210,000 shares). Rémy Cointreau paid interest at a variable interest rate in addition to any capital losses based on the reference share price of €20.52 and received dividends on the shares. On expiry, the financial institution received the full amount of the capital gain on the 210,000 shares.

A net interest charge of €0.1 million was recorded for the year in net financial expenses.

9.5 OTHER DERIVATIVES

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

10 CASH AND CASH EQUIVALENTS

(€ millions)	2007	2006	2005
Marketable securities	0.1	10.8	26.4
Current accounts with associates	1.1	3.6	6.2
Cash at bank	19.4	17.2	21.0
Total	20.6	31.6	53.6

11 EQUITY

11.1 SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

	Number of shares	Treasury shares	Total number of shares	Share capital	Share premium	Treasury shares
At 31 March 2005	45,052,661	(30,000)	45,022,661	72.1	630.7	(0.6)
Exercise of stock options	702,116	-	702,116	1.1	15.3	-
Conversion of bonds	30,032	-	30,032	0.0	0.6	-
Conversion of OCEANE bonds	2,262	-	2,262	-	0.1	-
Sale with repurchase option and cancellation of shares purchased	(280,927)	-	(280,927)	(0.4)	(7.2)	-
Change in liquidity account	-	5,300	5,300	-	-	(0.4)
Net capital gain on liquidity account transactions	-	-	-	-	-	0.3
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)

11.1.1 SHARE CAPITAL AND SHARE PREMIUM

At 31 March 2007, the share capital consisted of 45,999,802 shares with a nominal value of €1.60 per share.

Between 1 April 2006 and 31 March 2007, 493,658 shares were issued in connection with the stock options granted to certain employees.

11.1.2 TREASURY SHARES

At 31 March 2007, 25,000 shares were held in a liquidity account established in November 2005 (note 1.18). These shares were valued at €1.3 million and were deducted from equity. Post-tax gains of €0.1 million earned on the shares by the manager of the liquidity account during the year ended 31 March 2007 were also recorded in equity.

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

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

	March 2007	March 2006	March 2005
Average number of shares (basic)			
Average number of shares in issue	45,862,049	45,344,986	44,867,924
Average number of treasury shares	(25,000)	(24,700)	(620,877)
Total used for calculating basic earnings per share	45,657,049	45,320,286	44,247,047
Average number of shares (diluted)			
Average number of shares in issue	45,657,049	45,320,286	44,247,047
Dilution effect from the exercise of options ^{(1) (3)}	-	573,279	416,132
Dilution effect from the OCEANE ⁽²⁾	-	-	6,833,691
Total used for calculating diluted earnings per share	45,657,049	45,893,565	51,496,870

(1) The Rémy Cointreau share price used as reference when calculating the shares that could be issued in the future as a result of the exercise of options was €37.44 for 2006 and €28.42 for 2005.

(2) For March 2006, the dilution effect from the OCEANE has an impact on net financial expenses of €10.3 million (after tax) that is taken into account when calculating the diluted earnings per share.

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

11.3 STOCK OPTION PLANS AND SIMILAR SCHEMES

11.3.1 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).

Plan start date	Plan no.	Term	Type ⁽¹⁾	Number of options granted	Exercise price in euros	Lapsed options	Options exercised at 31 March 2006	Options exercised during the year	Average exercise price	Outstanding options at 31 March 2007
28 April 1999	7	10 years	S	289,300	12.2	4,700	231,484	13,730	47.38	39,386
7 December 1999	8	10 years	S	499,100	16.36	3,400	337,550	87,487	45.34	70,663
30 May 2000	9	10 years	S	131,280	18.85	-	61,565	40,305	45.32	29,410
1 March 2003	10	8 years	S	1,016,600	27.1	34,000	466,450	155,760	45.24	360,390
8 March 2006	11	6 years	S	659,500	25.00	8,500	113,500	196,376	45.96	341,124
16 September 2007	12	6 years	P	287,000	27.67	23,000	-	-	-	264,000
24 December 2008	13	6 years	P	262,000	28.07	30,000	-	-	-	232,000
Total				3,144,780		103,600	1,210,549	493,658	45.61	1,336,973

(1) S = Subscription, P = Purchase

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

11.3.2 BONUS SHARE ISSUES

A bonus share scheme (2005 plan) covering 96,500 shares was agreed by the Board of Directors meeting of 11 October 2005 under an authorisation given by the extraordinary general meeting of 28 July 2005. The right vesting period is two years and the final allocation is subject to Group performance criteria as of 31 March 2007. After taking into account cancellations, 89,000 allocations remained outstanding at 31 March 2007.

A bonus share scheme (2006 plan) covering 97,000 shares was agreed by the Board of Directors meeting of 12 October 2006 under an authorisation given by the extraordinary general meeting of 28 July 2005. The right vesting period is two years and the final allocation is subject to Group performance criteria as of 31 March 2008. After taking into account cancellations, 95,500 allocations remained outstanding at 31 March 2007.

11.3.3 CALCULATION OF THE CHARGE FOR THE YEAR

In accordance with IFRS 2, plans 12 and 13 and the 2005 and 2006 plans are valued for accounting purposes. The valuation assumptions and resulting values are as follows:

	Plan 12	Plan 13	Plan 2005 ⁽²⁾	Plan 2006 ⁽²⁾
Volatility ⁽¹⁾	33%	28%	-	-
Dividend payout	3.6%	3.6%	-	-
Risk-free rate	4.2%	3.6%	-	-
Turnover rate	2.4%	3.4%	5.0%	5.0%
Value per option (€)	9.11	8.00	34.74	38.16

(1) Assumptions are based on historic data.

(2) The 2005 and 2006 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 and 2006 plans).

The charge amounted to €3.3 million for the year ended 31 March 2007 (2006: €1.7 million; 2005: €0.8 million).

11.4 DIVIDENDS

In July 2006, Rémy Cointreau SA distributed a dividend of €1.10 per share for the year ended 31 March 2006, amounting to a total of €50.0 million.

The dividend that will be proposed to the shareholders' general meeting of 31 July 2007 for the year ended 31 March 2007 is €1.20 per share, amounting to a total of €55.2 million before taking into account treasury shares. Shareholders will be given the option that 20% of the dividend, €0.24 per share, be paid in shares.

11.5 MINORITY INTERESTS

(€ millions)	2007	2006	2005
Minority interests of Mount Gay Distilleries	0.8	0.7	0.5
Interest of Takirra Invest Corp BV in Botapol Holding & Bols Sp.z.o.o.	-	-	18.3
Other entities linked to Takirra Invest Corp	(2.4)	(3.9)	0.5
Other	-	-	0.1
Total	(1.6)	(3.2)	19.4

The minority interests in the Polish entities held by Takirra Investment Corp. NV were removed from the balance sheet following the sale of these businesses to CEDC during the year ended 31 March 2006. At the time of the transaction, provisions for outstanding disputes were established in the retained entities held as joint ventures with Takirra Investment Corp. NV.

12 BORROWINGS

12.1 BREAKDOWN OF GROSS BORROWINGS

12.1.1 BREAKDOWN BY TYPE

(€ millions)	2007			2006			2005 ⁽¹⁾		
	Long term	Short term	Total	Long term	Short term	Total	Long term	Short term	Total
TSDI (debt securitisation fund units)	-	-	-	-	11.9	11.9	28.3	-	28.3
OCEANE	-	-	-	-	331.6	331.6	325.0	-	325.0
Other convertible bonds	-	-	-	-	-	-	0.6	-	0.6
Bonds	372.9	2.6	375.5	375.5	2.0	377.5	384.6	2.1	386.7
Drawdowns on syndicated bank line	30.0	-	30.0	-	-	-	-	-	-
Drawdowns on unconfirmed credit lines	-	103.3	103.3	-	-	-	-	-	-
Other borrowings and overdrafts	-	1.8	1.8	-	1.4	1.4	-	0.7	0.7
Issue costs for syndicated loan	(0.8)	(0.3)	(1.1)	(1.1)	(0.4)	(1.5)	-	-	-
Accrued interest not yet due	-	5.5	5.5	-	18.0	18.0	-	26.6	26.6
Total - Rémy Cointreau SA	402.1	112.9	515.0	374.4	364.5	738.9	738.5	29.4	767.9
Finance leases	-	0.1	0.1	-	0.1	0.1	-	0.2	0.2
Other borrowings and overdrafts	1.4	16.2	17.6	1.8	12.7	14.5	7.9	11.4	19.3
Accrued interest not yet due	-	0.1	0.1	-	0.6	0.6	-	-	-
Borrowings of special purpose entities	-	49.9	49.9	-	49.0	49.0	-	129.0	129.0
Total - subsidiaries	1.4	66.3	67.7	1.8	62.4	64.2	7.9	140.6	148.5
Gross borrowings	403.5	179.2	582.7	376.2	426.9	803.1	746.4	170.0	916.4

(1) As the first-time application of IAS32/39 took effect only on 1 April 2005, this data is not comparable.

12.1.2 BREAKDOWN BY RATE TYPE

(€ millions)	2007			2006			2005		
	Long term	Short term	Total	Long term	Short term	Total	Long term	Short term	Total
Fixed rate	372.9	2.6	375.5	375.5	333.6	709.1	710.2	2.1	712.3
Variable rate	30.6	171.0	201.6	0.7	74.7	75.4	36.2	141.3	177.5
Accrued interest not yet due	-	5.6	5.6	-	18.6	18.6	-	26.6	26.6
Gross borrowings	403.5	179.2	582.7	376.2	426.9	803.1	746.4	170.0	916.4

(€ millions)	2007			2006			2005		
	Long term	Short term	Total	Long term	Short term	Total	Long term	Short term	Total
TSDI	-	-	-	-	11.9	11.9	28.3	-	28.3
Drawdowns on syndicated bank line	30.0	-	30.0	-	-	-	-	-	-
Drawdowns on unconfirmed credit lines	-	103.3	103.3	-	-	-	-	-	-
Other	0.6	67.7	68.3	0.7	62.8	63.5	7.9	141.3	149.2
Total variable-rate borrowings	30.6	171.0	201.6	0.7	74.7	75.4	36.2	141.3	177.5

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 9.

12.1.3 BREAKDOWN BY CURRENCY

(€ millions)	2007			2006			2005		
	Long term	Short term	Total	Long term	Short term	Total	Long term	Short term	Total
Euro	403.5	166.9	570.4	376.2	420.7	796.9	745.6	162.5	908.1
US dollar	-	7.7	7.7	-	6.2	6.2	-	6.7	6.7
Hong Kong dollar	-	4.6	4.6	-	-	-	-	-	-
Polish zloty	-	-	-	-	-	-	0.8	0.6	1.4
Other	-	-	-	-	-	-	-	0.2	0.2
Gross borrowings	403.5	179.2	582.7	376.2	426.9	803.1	746.4	170.0	916.4

12.1.4 BREAKDOWN BY MATURITY (€ millions)

Before 31 March 2008	179.2
Before 31 March 2009	1.9
Before 31 March 2010	(1.8)
Before 31 March 2011	173.9
Before 31 March 2012	229.5
Total	582.7

At 31 March 2007, confirmed credit lines not drawn down totalled €470 million (2006: €500.0 million; 2005: €418.8 million).

12.2 NET BORROWINGS

(€ millions)	2007			2006			2005 ⁽¹⁾		
	Long term	Short term	Total	Long term	Short term	Total	Long term	Short term	Total
Gross borrowings	403.5	179.2	582.7	376.2	426.9	803.1	746.4	170.0	916.4
Cash and cash equivalents	-	(20.6)	(20.6)	-	(31.6)	(31.6)	-	(53.6)	(53.6)
Net borrowings	403.5	158.6	562.1	376.2	395.3	771.5	746.4	116.4	862.8

(1) As the first-time application of IAS32/39 took effect only on 1 April 2005, this data is not comparable.

12.3 TSDI

Rémy Cointreau issued €304.9 million of subordinated perpetual securities ("TSDI") on 16 May 1991. The annual interest rate applicable until 16 May 2006 is 6-month EURIBOR plus 1%. The securities were repackaged at the time of issue as part of an agreement with a third party. Under this agreement, the third party undertook to redeem the securities from the subscribers after 15 years and to waive the right to interest from the start of the sixteenth year in exchange for an initial payment by the company of €82.9 million. Due to these clauses, the securities were

recorded at the time of issue as a liability on the balance sheet at their net amount of €222.0 million. In Rémy Cointreau's accounts, the amount of €82.9 million is written down each year on an actuarial basis as a reduction in the liability with a corresponding reduction in financial expenses.

In May 1996, these securities were restructured and sold at their current value to a *Fond Commun de Créance* ("FCC" - debt securitisation fund) that received the interest income up to 15 May 2006. At the time of the restructuring, interest rate swaps were entered into for both Rémy Cointreau and the FCC (note 9).

With effect from 1 April 2005, as a result of the first-time application of IAS32/39, the FCC has been consolidated as a special purpose entity. The FCC's liability is thus recognised with a corresponding entry to eliminate the balance on the securities.

The TSDI matured on 15 May 2006.

Following introduction of Article 23 of the 2006 French Finance Act, codified into Article 238 bis-01 bis of the French general tax code, which stipulates that only the last three years preceding the maturity date of the TSDI are taxable on the instrument's maturity, Rémy Cointreau had a tax liability at 31 March 2007 of €16.3 million that had been recognised in previous financial years..

12.4 OCEANE

By virtue of the authorisation granted by the shareholders' combined general meeting of 24 August 2000, the meeting of the Board of Directors of 13 December 2000 approved the issue of 6,896,551 bonds totalling €300 million with the option to convert into and/or exchange for new and/or existing shares (OCEANEs). Each bond has a par value of €43.50.

The bonds were issued at par. They have a term of five years and 61 days commencing on 30 January 2001 and bear interest at 3.50% per annum payable on 1 April each year. On maturity on 1 April 2006, in the event of non-conversion, the bonds were redeemable at €48.53 each including a redemption premium of 11.56% of the par value.

At the time of the first-time application of IAS32/39 on 1 April 2005, the OCEANEs were recognised as two separate components:

- equity of €29.7 million, i.e. €29.1 million net of issue costs;
- debt, discounted from the issue date to 1 April 2005, of €316.2 million.

Since the issue date, Rémy Cointreau has redeemed 62,837 OCEANEs and 2,285 have been converted or exchanged, including 2,262 during March 2006. No other conversions were made on maturity of the instrument on 1 April 2006 and the OCEANEs were redeemed for a total (including the redemption premium) of €331.6 million.

12.5 OTHER CONVERTIBLE BONDS

At 31 March 2005, 1,877 convertible bonds from a 1991 issue remained outstanding, representing a debt of €0.6 million. These bonds matured on 21 March 2006 giving rise to the issue of 30,032 new shares.

12.6 BONDS

12.6.1

€175 MILLION BOND ISSUED ON 24 JUNE 2003

A €175 million 7-year bond was issued on 24 June 2003, with a 6.5% coupon payable every six months. Upon maturity, this bond is redeemable at par.

This bond is not secured.

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

- At any time before 1 July 2007, redemption at par plus a premium equal to the higher of the following two amounts:

(i) 1% of the principal amount redeemed,

(ii) an amount equal to the difference between: (a) the present value on the redemption date at 103.25% plus interest calculated over the period from the redemption date to 1 July 2007, and (b) the par value. The discount rate used is the Bund interest rate on the redemption date plus 50 basis points.

- From 1 July 2007, under any circumstances, redemption of all or part of the bonds at 103.25% up to 1 July 2008, at 101.625% up to 1 July 2009 and at par up to 1 July 2010.

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

(i) the sale or transfer of all or a substantial part of Rémy Cointreau's assets,

(ii) approval by the shareholders of a liquidation or voluntary winding up plan for the issuer, or

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

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

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

12.6.2

€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.

This bond is not secured.

The funds were raised to refinance the OCEANEs maturing on 1 April 2006.

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

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

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

- (i) 1% of the principal amount redeemed,
- (ii) 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 provides every bondholder with the right to request redemption of the bonds held at 101% in the event of:

- (i) the sale or transfer of all or a substantial part of Rémy Cointreau's assets,
- (ii) approval by the shareholders of a liquidation or voluntary winding up plan for the issuer, or
- (iii) Orpar and Recopart together holding less than

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

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

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

12.6.3 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:

(€ millions)	2007			2006			2005		
	Long term	Short term	Total	Long term	Short term	Total	Long term	Short term	Total
Centaure employee savings plan	2.3	4.0	6.3	6.3	3.4	9.7	9.6	2.1	11.7

12.7 SYNDICATED BANK LINE

At 31 March 2005, Rémy Cointreau had access to a €500 million syndicated loan signed on 10 June 2003 for a five-year term. This agreement was terminated in May 2005 and replaced by a new agreement on 7 June 2005. The new agreement provides for a revolving credit facility of €500 million for an initial term of five years. In May 2006, the agreement was extended until 7 June 2011 in respect of €466 million, the balance of €34 million still being due 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 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 facility commission 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 contract, Rémy Cointreau undertakes to comply with the following financial ratios calculated at 30 September and 31 March each year:

Period	Ratio A
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 2007, ratio A stood at 3.28 (2006: 3.91).

12.8 ACCRUED INTEREST NOT YET DUE

(€ millions)	2007	2006	2005 ⁽¹⁾
Interest on the TSDI (debt securitisation fund units)	-	1.8	10.3
Interest on the OCEANEs	-	10.4	10.4
Interest on bonds	5.3	5.6	5.7
Other	0.3	0.8	0.2
Total accrued interest not yet due	5.6	18.6	26.6

(1) As the first-time application of IAS32/39 took effect only on 1 April 2005, this data is not comparable.

12.9 LIQUIDITY RISK

At 31 March 2007, Rémy Cointreau had access to confirmed funding totalling €936.1 million with the following maturities:

(€ millions)	Bonds	Syndicated bank line	Resources special purpose entities	Total
30 June 2007	4.0	-	50.2	54.2
29 August 2007	-	-	4.6	4.6
30 June 2008	2.3	-	-	2.3
1 July 2010	175.0	-	-	175.0
7 June 2010	-	34.0	-	34.0
7 June 2011	-	466.0	-	466.0
15 January 2012	200.0	-	-	200.0
Total	381.3	500.0	54.8	936.1
Utilised at 31 March 2007	381.3	30.0	49.9	411.3

12.10 INTEREST RATE HEDGES AND SENSITIVITY

Given the financing available and existing hedges at 31 March 2007, a 100bp (1%) increase in interest rates would increase the Group's financial expenses by €0.5 million. A 100bp (1%) fall in interest rates would reduce financial expenses by €1.6 million.

13 PROVISIONS FOR RISKS AND CHARGES

13.1 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 held 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

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

"Other" comprises provisions raised in respect of trade and tax disputes.

13.2 MATURITY

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

(€ millions)	2007	2006	2005
Long-term provisions (or maturity unknown)	256.2	26.3	24.1
Short-term provisions	33.3	34.1	19.4
Total	289.5	60.4	43.5

14 TRADE AND OTHER PAYABLES

(€ millions)	2007	2006	2005
Trade payables - eaux-de-vie suppliers	77.3	69.3	12.5
Other trade payables	109.1	109.4	98.9
Customer advances	0.2	0.2	0.8
Taxes payable (other than income tax)	42.4	35.7	41.9
Excise duties payable	0.2	1.1	16.3
Advertising charges payable	32.8	29.8	31.5
Miscellaneous deferred income	0.5	4.9	3.4
Other liabilities	47.9	50.1	38.9
Total	310.4	300.4	244.1

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 Highland Distillers scotch, Imperia vodka and a portfolio of wines in the United States.

15.1.1 BREAKDOWN OF REVENUES AND OPERATING PROFIT ON ORDINARY ACTIVITIES

(€ millions)	Revenues			Operating profit on ordinary activities		
	2007	2006	2005	2007	2006	2005
Cognac	347,6	322,5	312,2	87,2	75,9	68,0
Liqueurs et spiritueux	209,3	212,4	203,4	55,3	49,9	44,6
Champagne	126,0	122,2	116,4	10,1	9,6	8,3
Marques partenaires	103,0	123,5	101,7	1,2	4,1	2,8
Total	785.9	780.6	733.7	153.8	139.5	123.7

There are no intra-segment sales.

15.1.2

BREAKDOWN OF THE BALANCE SHEET

At 31 March 2007 (€ millions)	Cognac	Liqueurs and spirits	Champagne	Partner brands	Not allocated	Total
Non current assets	306.1	287.7	195.2	11.0	237.7	1 037.7
Current assets	634.3	99.1	265.5	67.5	51.7	1 118.1
Derivative financial instruments	-	-	-	-	11.1	11.1
Assets held for sale	-	-	-	-	17.4	17.4
Cash and cash equivalents	-	-	-	-	20.6	20.6
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 allocated ⁽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	034.5	1 106.5
Derivative financial instruments	-	-	-	-	6.9	6.9
Assets held 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 held 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).

At 31 March 2005 (€ millions)	Cognac	Liqueurs and spirits	Champagne	Partner brands	Not allocated ⁽¹⁾	Total
Non current assets	296.6	295.1	219.8	1.3	439.7	1 252.5
Current assets	597.2	109.4	255.4	48.8	81.7	1 092.5
Derivative financial instruments	-	-	-	-	8.9	8.9
Cash and cash equivalents	-	-	-	-	53.6	53.6
Total assets	893.8	404.5	475.2	50.1	583.9	2,407.5
Equity	-	-	-	-	888.3	888.3
Borrowings and accrued interest	-	-	-	-	916.4	916.4
Provisions for risks and charges	13.2	8.8	8.0	1.0	39.6	70.6
Deferred and current tax liabilities	-	-	-	-	285.4	285.4
Trade and other payables	77.9	62.2	43.0	15.2	45.8	244.1
Derivative financial instruments	-	-	-	-	2.7	2.7
Total liabilities and equity	91.1	71.0	51.0	16.2	2,178.2	2,407.5
Brands and other intangible assets not included in the base for the calculation of "return on capital employed" (ROCE)	236.3	247.1	128.8	9.8	-	622.0
Base for the calculation of ROCE	566.4	86.4	295.4	24.1	-	972.3

(1) Also includes the line-by-line impact of entities sold during the years ended 31 March 2007 and 31 March 2006.

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 revenues 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 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%

At 31 March 2005 (€ millions)	Capital employed	Operating profit on ordinary activities	%
Cognac	566.4	68.0	12.0%
Liqueurs and spirits	86.4	44.6	51.6%
Champagne	295.4	8.3	2.8%
Partner brands	24.1	2.8	11.6%
Total	972.3	123.7	12.7%

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		
	2007	2006	2005	2007	2006	2005
Cognac	14.8	11.0	8.2	5.9	5.2	6.5
Liqueurs and spirits	5.8	6.5	11.2	4.3	4.8	5.6
Champagne	4.7	2.5	3.5	2.8	4.1	3.5
Partner brands	0.5	0.7	0.9	0.2	0.2	0.3
Total	25.8	20.7	23.8	13.2	14.3	15.9

15.2

GEOGRAPHICAL REGIONS

15.2.1

BREAKDOWN OF REVENUES

Revenues (€ millions)	2007	2006	2005
Europe	274.4	281.4	284.9
Americas	370.4	374.3	325.9
Asia and rest of world	141.1	124.9	122.9
Total	785.9	780.6	733.7

Revenues are broken down according to the region of destination of the goods sold.

15.2.2

BREAKDOWN OF THE BALANCE SHEET

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

At 31 March 2007 (€ millions)	Europe	Americas	Asia and rest of world	Not allocated	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 held 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 world	Not allocated	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 held 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 held for sale	65.5	-	-	-	65.5
Total liabilities and equity	606.7	37.8	0.7	1,720.5	2,365.7
At 31 March 2005 (€ millions)	Europe	Americas	Asia and rest of world	Not allocated	Total
Non current assets	1 198.9	20.9	32.7	-	1 252.5
Current assets	969.5	122.9	0.1	-	1 092.5
Derivative financial instruments	-	-	-	8.9	8.9
Cash and cash equivalents	-	-	-	53.6	53.6
Total assets	2,168.4	143.2	32.8	62.5	2,407.5
Equity	-	-	-	888.3	888.3
Borrowings and accrued interest	-	-	-	916.4	916.4
Provisions for risks and charges	70.6	-	-	-	70.6
Deferred and current tax liabilities	284.5	0.7	0.2	-	285.4
Trade and other payables	216.2	27.6	0.3	-	244.1
Derivative financial instruments	-	-	-	2.7	2.7
Total liabilities and equity	571.3	28.3	0.5	1,807.4	2,407.5

16 ANALYSIS OF OPERATING EXPENSES BY TYPE

(€ millions)	2007	2006	2005
Personnel costs	(105.7)	(105.1)	(106.9)
Advertising and promotion expenses	(129.6)	(130.2)	(129.9)
Depreciation, amortisation and impairment of fixed assets	(13.2)	(14.3)	(15.9)
Other costs	(85.5)	(78.4)	(80.8)
Costs allocated to inventories and production cost	60.4	57.1	55.1
Total	(273.6)	(270.9)	(278.4)
Of which:			
Distribution costs	(192.5)	(190.7)	(193.5)
Administrative expenses	(81.1)	(80.2)	(84.9)
Total	(273.6)	(270.9)	(278.4)

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)	2007	2006	2005
Wages, salaries and social security	(98.7)	(99.6)	(103.9)
Pensions and other retirement benefits	(2.4)	(1.5)	(1.5)
Employee profit sharing	(1.3)	(2.3)	(0.7)
Share-based payments	(3.3)	(1.7)	(0.8)
Total	(105.7)	(105.1)	(106.9)

17 NUMBER OF EMPLOYEES

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

(full-time equivalents)	2007	2006	2005
France	860	928	980
Europe (excluding France)	38	102	531
Americas	304	312	329
Asia and rest of world	17	4	4
Total	1,219	1,346	1,844
Of which, activities sold in:			
Hungary	-	57	-
Poland	-	-	345
Total	-	57	345

18 OTHER OPERATING INCOME AND EXPENSES

(€ millions)	2007	2006	2005
Capital gains on asset disposals	-	-	1.5
Maxxium indemnity (and related charges)	(241.6)	-	-
Site restructuring, closure and transfer plans	1.8	(18.2)	(2.3)
Additional tax assessments (other than income tax)	(3.6)	-	-
Dilution gain on Dynasty, net of expenses	-	-	13.1
Total	(243.4)	(18.2)	12.3

The terms under which the Maxxium indemnity was evaluated 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 adjusted at 31 March 2007.

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 FINANCE COSTS BY TYPE OF FINANCING

(€ millions)	2007	2006	2005 ⁽¹⁾
TSDI	(0.2)	(1.4)	(4.9)
OCEANE bonds	0.1	(26.0)	(18.1)
Bonds	(23.4)	(23.7)	(15.5)
Syndicated loan and unconfirmed lines	(8.4)	(6.4)	(10.5)
Finance costs of special purpose entities	(5.8)	(5.1)	(4.1)
Other finance costs	0.1	(0.4)	(0.1)
Impact of interest rate hedges, excluding TSDI	0.4	(1.1)	(1.7)
Total	(37.2)	(64.1)	(54.9)

(1) As the first-time application of IAS32/39 took effect only on 1 April 2005, this data is not comparable.

Borrowings are described in note 12.

Given the average net borrowings of €619.9 million for the year ended 31 March 2007, the average interest rate is 5.99% (2006: €798.6 million and 8.00%).

19.2 OTHER FINANCIAL INCOME AND EXPENSES

(€ millions)	2007	2006	2005
Change in fair value of CEDC shares	(6.0)	0.2	-
Profit on sale of CEDC shares	1.8	-	-
Interest on seller's loan	1.7	-	-
Currency (losses) and gains	1.5	(0.8)	(1.1)
Other financial income and expenses	0.9	1.5	0.7
Other financial income and expenses	(0.1)	0.9	(0.4)

The change in fair value of CEDC shares corresponds to the change in value of the CEDC shares received on the sale of Bols Sp.z.o.o. and the change in value of the guarantees relating to this transaction (see note 6.2). 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.

Currency losses and gains from operations are recognised in gross profit in accordance with the procedures described in note 1.4.

20 INCOME TAX

20.1 INCOME TAX EXPENSE

(€ millions)	2007	2006	2005
Current tax (expense) income	(7.2)	(42.6)	(21.6)
Deferred tax (expense) income	57.3	29.3	(1.5)
Income tax (expense) income	50.1	(13.3)	(23.1)
Effective tax rate	n/s	-22.9%	-29.8%

At 31 March 2007, deferred tax comprised the capitalisation of the tax loss from the French tax consolidation as a result of the Maxxium indemnity. Excluding the Maxxium indemnity, the tax rate for Rémy Cointreau Group is -23.4%.

20.2 TAX REGIME

Rémy Cointreau has opted for the group tax regime for certain subsidiaries, in which it holds an 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 SOURCE OF DEFERRED TAX

(€ millions)	2007	2006	2005
Breakdown by type			
Retirement provisions	6.4	6.9	8.1
Regulated provisions	(7.9)	(22.1)	(33.4)
Other provisions	6.1	13.8	6.0
Brands	(165.4)	(167.6)	(254.6)
Non-current assets	(16.2)	(17.0)	(22.2)
Inventory margins	9.9	8.7	7.0
OCEANE redemption premium	-	11.8	9.7
Losses carried forward	63.8	-	-
Other timing differences	(19.5)	7.0	10.0
Net deferred assets (liabilities)	(122.8)	(158.5)	(269.4)
Breakdown by tax group			
France tax group	(79.8)	(134.4)	(167.0)
USA tax group	1.0	-	(0.6)
Netherlands tax group	(55.4)	(33.9)	(111.8)
Other	11.4	9.8	10.0
Net deferred assets (liabilities)	(122.8)	(158.5)	(269.4)
Deferred tax assets	13.0	12.3	13.0
Deferred tax liabilities	(135.8)	(170.8)	(282.4)
Net deferred assets (liabilities)	(122.8)	(158.5)	(269.4)

20.4 TAX LOSSES AND CAPITAL LOSSES CARRIED FORWARD

At 31 March 2007, the tax losses carried forward totalled €189.4 million, including €184.5 million on the French tax consolidation due to the Maxxiium indemnity. The potential tax saving arising from the use of these losses is €64.8 million (2006: €1.5 million), including €63.5 million for the French tax consolidation

20.5 TAX RECONCILIATION

In 2007, the tax income amounted to €50.1 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)	2007	2006	2005
Theoretical tax charge	43.7	(20.0)	(27.1)
Actual tax charge	50.1	(13.3)	(23.1)
Difference	6.4	6.7	4.0
Permanent differences between consolidated profit and taxable income	(4.6)	(1.4)	3.9
Impact of TSDI	-	22.1	-
Use of tax losses or timing differences not previously recognised	1.5	0.8	0.5
Unrecognised tax losses of subsidiaries	-	(0.2)	(0.1)
Difference in tax rates for foreign subsidiaries	5.0	(0.2)	4.8
Adjustment to the tax charge of prior years	4.5	(14.4)	(5.1)
Total	6.4	6.7	4.0

21

NET PROFIT AFTER TAX FROM DISCONTINUED OPERATIONS

(€ millions)	2007	2006	2005
Polish activities			
Net profit for the year (before tax)	-	0.6	14.7
Income tax for the year	-	(0.1)	(3.1)
Provision for impairment of assets sold	-	-	(23.5)
Tax effect	-	-	11.2
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	2.8
Income tax for the year	-	(0.6)	(0.8)
Provision for impairment of assets sold	-	-	(25.7)
Tax effect	-	-	14.4
Gain (loss) on sale (before tax)	9.3	(7.2)	-
Tax effect	24.3	2.2	-
Cognac de Luze			
Net profit (loss) for the year (before tax)	0.2	(0.4)	0.7
Income tax for the year	(0.1)	0.1	(0.3)
Gain (loss) on sale (before tax)	6.1	-	-
Tax effect	(0.4)	-	-
Bols Hungary			
Net profit (loss) for the year (before tax)	-	2.4	3.7
Income tax for the year	-	(0.4)	(0.7)
Gain (loss) on sale (before tax)	8.7	-	-
Tax effect	(1.6)	-	-
Armagnac activity			
Provision for impairment of assets sold	(1.9)	-	-
Tax effect	0.6	-	-
Total	45.2	20.6	(6.6)

The transactions related to discontinued operations are described under note 2.

22 RETIREMENT PROVISIONS

22.1 DEFINED BENEFIT PENSION COMMITMENTS

(€ millions)	2007	2006	2005
Actuarial liability brought forward	(28.1)	(134.6)	(123.6)
Normal expense	(1.2)	(1.9)	(2.1)
Interest on actuarial liability	(0.9)	(5.9)	(6.0)
Changes to pension benefits	-	0.7	-
Reductions in pension benefits	1.1	-	1.3
Pensions paid	0.6	6.5	6.4
Actuarial gains and (losses)	0.9	(5.4)	(11.4)
Cost of prior year services	(1.0)	1.5	-
Closure of pension scheme ⁽¹⁾	1.0	110.2	-
Other (including transfers)	(0.2)	0.6	1.0
Actuarial liability carried forward ⁽²⁾	(27.8)	(28.3)	(134.4)
Value of dedicated assets brought forward	4.5	106.4	99.6
Yield	0.3	6.3	5.9
Contributions received	0.5	3.3	3.5
Changes to pension benefits	-	-	(0.5)
Reductions in pension benefits	-	-	-
Pensions paid	(0.4)	(5.9)	(5.9)
Actuarial gains and (losses)	0.3	5.9	3.7
Closure of pension scheme ⁽¹⁾	-	(111.2)	-
Value of dedicated assets carried forward	5.2	4.8	106.3
Dedicated assets for the liability	(22.6)	(23.5)	(28.1)
Cost of past services not recognised (income) / expense	0.9	(0.4)	1.3
Other	-	-	-
Retirement obligations	(21.7)	(23.9)	(26.8)
Liabilities	(22.2)	(24.5)	(27.1)
Assets	0.5	0.6	0.3

(1) At the end of 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 €27.8 million, €27.1 million is not financed and €6.1 million is partially financed

22.2 COST FOR THE YEAR

(€ millions)	2007	2006	2005
Normal expense	1.2	2.1	2.3
Interest on actuarial liability	0.9	5.7	5.9
Forecast yield on investments	(0.3)	(6.3)	(5.9)
Depreciation of other items not recognised	0.2	0.3	0.6
Impact of reductions in benefits	(2.4)	(1.3)	(1.2)
Expense for the year	(0.4)	0.5	1.7
Pensions paid	(0.2)	(0.6)	(0.2)
Net expense for the year	(0.6)	(0.1)	1.5
Actuarial assumptions			
Average discount rate	4.60%	3.90%	4.50%
Average salary increase	2.80%	2.80%	2.90%
Expected period of working service	8 to 14 years	8 to 13 years	6 to 10 years
Forecast yield on investments	4.50%	4.50%	5.70%
Increase in medical costs	5.50%	5.20%	5.20%

22.3 ACTUARIAL GAINS AND LOSSES

(€ millions)	2007	2006	2005
Movements for the year	1.2	0.6	(7.3)
of which, differences between actual and forecast	0.3	0.7	-

22.4 BREAKDOWN OF PRESENT VALUE OF BENEFITS BY TYPE OF SCHEME

(€ millions)	2007	2006	2005
End of career bonus	(6.6)	(6.8)	(7.6)
Additional pension payments	(15.5)	(15.2)	(120.7)
Long-service awards	(0.6)	(0.7)	(0.6)
Pensioners' medical costs	(5.1)	(5.6)	(5.5)
Total	(27.8)	(28.3)	(134.4)

22.5 ANALYSIS OF DEDICATED INVESTMENTS

At 31 March 2007, the assets underlying the liability were held by insurance firms that invests them together with their general assets.

23 OFF-BALANCE SHEET ITEMS 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)	2007	2006	2005
Purchase commitments - non-current assets	5.0	5.0	0.5
Leasing commitments - offices	16.3	19.9	8.4
Leasing commitments - equipment	1.4	1.5	2.3
Purchase commitments - brandies	-	17.5	57.3
Purchase commitments - wine (champagne)	15.9	14.6	13.1

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

The brandy 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 2007 is as follows:

(€ millions)	Total	2008	Further out
Purchase commitments - non-current assets	5.0	5.0	-
Leasing commitments - offices	16.3	3.0	13.3
Leasing commitments - equipment	1.4	0.9	0.5
Purchase commitments - wine (champagne)	15.9	-	15.9

23.2 DEPOSITS AND OTHER SIMILAR GUARANTEES

(€ millions)	2007	2006	2005
Tax deposits	9.7	10.3	10.5
Agricultural warrants on AFC inventories	48.5	42.5	97.8
Maxxium financing guarantee (25%)	37.2	27.0	34.7
Avandis financing guarantees (33.33%)	-	4.4	7.6
Miscellaneous guarantees on credit lines	12.0	2.5	1.0

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

Rémy Cointreau SA guarantees 25% of the bank borrowings of Maxxium BV, with the three other partners also providing a similar guarantee. The maximum amount of this guarantee is €62.5 million.

The maturity analysis of commitments at 31 March 2007 is as follows:

(€ millions)	Total	2008	Further out
Tax deposits	9.7	9.7	-
Agricultural warrants on AFC inventories	48.5	48.5	-
Maxxium financing guarantee (25%)	37.2	-	37.2
Miscellaneous guarantees on credit lines	12.0	12.0	-

23.3 CONTINGENT LIABILITIES RELATING TO DISPOSAL TRANSACTIONS

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 2007 are as follows:

Sale transaction	Transaction date	Nature of unexpired guarantee	Maturity	Maximum amount (€ millions)
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		26.9
Lucas Bols	11 April 2006	Tax liabilities	11 October 2012	
		General guarantees	11 October 2007	
		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

23.4 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 2009 while the balance (€16 million) has no fixed payment deadline.

23.5 OTHER CONTINGENT LIABILITIES

At 31 March 2007, Rémy Cointreau was involved in various legal proceedings. After examining 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 RELATED COMPANIES

At 31 March 2007, the principal companies related to Rémy Cointreau Group 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 concerns the sale of products to various distribution companies owned by Maxxium BV worldwide.

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

Rémy Cointreau Group also guarantees 25% of Maxxium BV's borrowings (see 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)	2007	2006
Services invoiced by Orpar	2.6	2.7
Current account balance	0.9	1.0
Supplier account balance	-	0.2

24.3 RELATIONS WITH COMPANIES WITH A COMMON SHAREHOLDER OR DIRECTORS

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

(€ millions)	2007	2006
Purchase of non-current assets	4.4	1.4
Other purchases	0.3	1.6
Supplier account balance	(1.6)	0.4
Purchase commitments	2.8	5.4

24.4 MANAGEMENT BODIES

The Group's management bodies comprise:

- Since 7 September 2004, the members of the Board of Directors and the Executive Committee (5 members at 31 March 2007; 6 members at 31 March 2006),
- Prior to this date, the members of the Supervisory Board and the Management Board

(en M€)	2007	2006	2005
Short-term benefits	4.1	3.2	2.9
Post-retirement benefits	0.5	0.5	0.1
Stock options and similar expenses	1.5	1.0	0.4
End-of-contract bonuses	0.2	-	2.3
Total	6.3	4.7	5.7

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

25 POST-BALANCE SHEET EVENTS

By the date on which the financial statements were approved by the Board of Directors, Rémy Cointreau had sold on the open market all the CEDC shares it held at 31 March 2007. The sale proceeds of \$67.0 million will generate financial income of around €4.2 million in the year ended 31 March 2008.

On 1 June 2007, Rémy Cointreau notified its intention to make early redemption of the €175 million bond issued in 24 June 2003. This redemption will take place as from 2 July 2007 in accordance with the issue terms and conditions, whose main redemption procedures are set out in this document in section 12.6.1.

26 LIST OF CONSOLIDATED COMPANIES

At 31 March 2007, the consolidation included 50 companies (56 at 31 March 2006). 48 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	
		March 2007	March 2006
EUROPE			
France			
Rémy Cointreau SA ⁽¹⁾	Holding / Finance	100.00	100.00
Gie Rémy Cointreau Sces	Holding / Finance	95.00	95.00
Rémy Cointreau Sces ⁽¹⁾	Holding / Finance	100.00	100.00
Financière Rémy Cointreau ⁽¹⁾	Holding / Finance	100.00	100.00
RC One ⁽¹⁾	Logistics	100.00	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
Alliance Fine Champagne ⁽²⁾	Cooperative	100.00	100.00
The Netherlands			
Maxxium International BV ⁽³⁾	Distribution	25.00	25.00
RC Nederland Holding BV ⁽⁸⁾	Holding / Finance	100.00	100.00
DELB BV ⁽⁹⁾	Holding / Finance	100.00	100.00
Gedistilleerd en Wijn Groep Nederland BV ⁽⁵⁾	Other	-	100.00
DELB Holding BV ⁽⁴⁾	Holding / Finance	100.00	-
RC Nederland BV ⁽¹⁰⁾	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
Wijnhandel Ferwerda & Tieman BV ⁽⁵⁾	Holding / Finance	-	100.00
Duncan, Gilby & Matheson BV ⁽⁵⁾	Other	-	100.00
Unipol BV	Other	50.00	50.00
Botapol Management BV	Holding / Finance	100.00	100.00
De Bron 1575 BV ⁽⁴⁾	Holding / Finance	100.00	
Other countries			
Hermann Joerss GmbH	Distribution	100.00	100.00
Cointreau Holding	Holding / Finance	100.00	100.00
Rémy Suisse SA	Distribution	100.00	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 ⁽⁴⁾	Holding / Finance	100.00	-

Company	Activity	% interest	
		March 2007	March 2006
AMERICAS			
USA			
Rémy Cointreau USA Inc ⁽⁷⁾	Distribution	100.00	100.00
Remy Cointreau Amérique Inc	Holding / Finance	100.00	100.00
Caribbean			
Mount Gay Distilleries Ltd	Production	94.98	94.98
Bols Latin America NV	Holding / Finance	100.00	100.00
Other countries			
Cointreau Do Brasil Ltda	Production	100.00	100.00
Destileria de Jalisco	Production	100.00	100.00
Rémy de Colombia	Distribution	98.00	98.00
ASIA/PACIFIC			
China			
Dynasty Fine Wines Group Ltd ^{(5) (6)}	Production	27.03	26.27
Rangit Ltd ⁽⁴⁾	Holding / Finance	100.00	-
Shanghai Rentouma Trading Cpy Ltd ⁽⁴⁾	Distribution	100.00	-
Hong Kong			
Rémy Concord	Production	100.00	100.00
Rémy Pacifique Ltd	Distribution	100.00	100.00
Australia			
BPE Pty Ltd	Other	100.00	100.00
DISCONTINUED OPERATIONS			
Rémy Finance BV	Holding / Finance	-	100.00
Avandis CV ⁽³⁾	Production	-	33.33
Pisang Ambon BV	Holding / Finance	-	100.00
Bokma Distillateurs BV	Holding / Finance	-	100.00
Beleggingsmaatschappij Honthorst II BV	Holding / Finance	-	100.00
Erven Lucas Bols Pty. Ltd	Distribution	-	50.00
Bols Hungary Kft	Distribution	-	100.00
Cognacs de Luze	Production	-	100.00
SAP ⁽¹⁾	Production	100.00	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 liquidated.

(6) Rémy Cointreau Group purchased an additional 0.76% equity interest during the year.

(7) Formerly Rémy Amérique Inc. before it changed its name to Rémy Cointreau USA Inc.

(8) Formerly Erven Lucas Bols NV before it changed its name to RC Nederland Holding BV.

(9) Formerly Distilleerderijen Erven Lucas Bols BV before it changed its name to DELB BV.

(10) Formerly Bols Distilleries BV before it changed its name to RC Nederland BV.

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2007

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, 2007.

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.

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.

Provisions for risks and reserves

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 recorded provision relative to the exit of Maxxium and the absence of impairment of Maxxium BV's shares value as at March 31, 2007 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, June 22, 2007

The Statutory Auditors

Auditeurs et Conseils Associés
Nexia international

Francois Mahé

Ernst & Young et Autres

Marie-Laure Delarue

RÉMY COINTREAU SA

FINANCIAL STATEMENTS

BALANCE SHEET

AT 31 MARCH, IN MILLIONS OF EUROS.

ASSETS	Notes	2007	2006	2005
Intangible fixed assets		32.4	32.4	32.4
Tangible fixed assets		-	-	-
Equity investments		1,394.1	1,349.5	1,377.0
Receivables relating to equity investments		2.9	5.1	6.7
Other long-term investments		-	-	-
Loans		-	0.8	0.8
Other financial assets		3.4	2.9	0.6
Total fixed assets	2.1/2	1,432.8	1,390.7	1,417.5
Other receivables	2.3	609.7	610.3	667.7
Marketable securities		-	10.7	26.3
Cash		-	5.0	0.9
Total current assets		609.7	626.0	694.9
Prepaid expenses		1.4	1.8	1.5
Deferred charges	2.4	6.4	8.2	9.9
Bond redemption premium	2.5	-	-	6.7
Unrealised translation losses		-	0.5	0.6
Total assets		2,050.3	2,027.2	2,131.1
LIABILITIES AND SHAREHOLDERS' EQUITY	notes	2007	2006	2005
Share capital		73.6	72.8	72.1
Share issue, merger and transfer premiums		650.2	639.5	630.7
Legal reserve		7.3	7.2	7.2
Regulated reserves		-	-	-
Other reserves		-	-	78.4
Retained earnings		37.7	27.9	17.9
Net profit (loss) for the year		175.6	59.9	(23.4)
Regulated provisions		-	45.1	91.9
Shareholders' equity	2.6	944.4	852.4	874.8
Subordinated perpetual securities	2.7	-	3.2	28.3
Convertible bonds	2.8	-	341.9	342.7
Provisions for liabilities and charges	2.12	5.7	7.4	9.0
Other bonds	2.9	386.6	390.2	392.4
Other borrowings	2.10	417.2	294.4	298.2
Borrowings and amounts due to financial institutions	2.10	134.4	0.5	0.2
Borrowings		938.2	685.1	690.8
Trade payables		0.1	0.1	0.6
Tax and social security liabilities		0.1	0.4	0.9
Amounts due to fixed asset suppliers		-	-	-
Other operating liabilities		161.8	136.7	184.0
Operating liabilities		162.0	137.2	185.5
Deferred income		-	-	-
Unrealised translation gains		-	-	-
Total liabilities and equity		2,050.3	2,027.2	2,131.1

INCOME STATEMENT

AT 31 MARCH, IN MILLIONS OF EUROS.

	notes	2007	2006	2005
Services provided	3.1	16.1	15.7	15.2
Depreciation, amortisation and provisions written back, charges transferred		1.7	1.9	4.4
Other income		0.2	-	-
Total operating income		18.0	17.6	19.6
Purchases and external costs		21.0	23.3	23.5
Taxes and duties		0.1	-	0.2
Wages and salaries		-	-	-
Social security charges		-	-	-
Charges for depreciation and amortisation of fixed assets		1.8	3.2	2.6
Charges to provisions for liabilities and charges		-	0.3	0.1
Other expenses		0.3	0.3	0.2
Total operating expenses		23.2	27.1	26.6
Operating profit (loss)		(5.2)	(9.5)	(7.0)
Financial income from equity investments		95.1	86.5	88.4
Income from investment securities and equity investments		0.2	0.3	0.6
Other interest income		9.9	13.9	15.3
Provisions written back and charges transferred		1.6	0.6	1.1
Exchange gains		-	-	-
Net gains on disposals of marketable securities		0.2	0.5	0.1
Total financial income		107.0	101.8	105.5
Charges for depreciation, amortisation and impairment		1.9	35.2	62.3
Interest and similar expenses		33.7	43.3	40.9
Negative exchange differences		0.6	-	-
Net charges on disposals of marketable securities		-	-	-
Total financial expenses		36.2	78.5	103.2
Net financial income	3.2	70.8	23.3	2.3
Profit (loss) on ordinary activities before tax		65.6	13.8	(4.7)
Exceptional income on revenue transactions		-	-	0.2
Exceptional income on capital transactions		593.8	-	14.0
Exceptional provisions written back and charges transferred		127.7	64.1	1.7
Total exceptional income		721.5	64.1	15.9
Exceptional expense on revenue transactions		8.1	-	6.1
Exceptional expense on capital transactions		601.0	-	12.9
Exceptional depreciation, amortisation and provisions		2.2	18.0	15.6
Total exceptional expense		611.3	18.0	34.6
Net exceptional income (expense)	3.3	110.2	46.1	(18.7)
Income tax	3.4	0.2	-	-
Net profit (loss)		175.6	59.9	(23.4)

CASH FLOW STATEMENT

AT 31 MARCH, IN MILLIONS OF EUROS.

	2007	2006	2005
Net profit (loss)	175.6	59.9	(23.4)
Depreciation, amortisation and provisions	6.0	56.7	80.5
Operating	-	0.3	0.1
Financial	1.9	35.2	62.3
Exceptional	2.3	18.0	15.5
Deferred charges	1.8	3.2	2.6
Depreciation, amortisation and provisions written back	(130.6)	(67.2)	(6.9)
Operating	(1.4)	(0.4)	(0.9)
Financial	(1.5)	(0.6)	(1.1)
Exceptional	(127.7)	(66.2)	(4.9)
(Gains) losses on disposals	7.3	(0.5)	0.0
Sale proceeds	(593.7)	(1.1)	-
Net book value of assets sold	601.0	0.6	-
= Operating cash flow	58.3	48.9	50.2
A - Sources			
Operating cash flow	58.3	48.9	50.2
Disposal of intangible fixed assets	-	-	-
Disposal of tangible fixed assets	-	-	-
Disposals of/reductions in financial assets	593.7	1.1	-
Reduction in receivables relating to equity investments	4.1	2.1	34.1
Capital increase and share premium	11.5	9.6	4.7
Long- and medium-term borrowings	133.3	420.0	510.0
Total	800.9	481.7	599.0
B - Uses			
Dividends	50.0	45.0	44.1
Acquisition of fixed assets:	567.1	-	-
Intangible fixed assets	-	-	-
Tangible fixed assets	-	-	-
Financial assets	567.1	0.5	58.0
Increase in receivables relating to equity investments	0.5	3.5	5.7
Repayment of borrowings	334.9	422.8	561.9
Deferred charges	-	1.6	3.5
Bond redemption premiums	-	-	-
Reduction in shareholders' equity	3.2	25.1	23.8
Total	955.7	498.5	697.0
A - B = Change in working capital	(154.8)	(16.8)	(98.0)
Analysis of change in working capital			
Increase/decrease in trade payables	-	0.4	(0.5)
Increase/decrease in advance payments on orders	-	-	-
Increase/decrease in other current assets/liabilities including bank overdraft facilities	(154.8)	(17.2)	(97.5)
Total	(154.8)	(16.8)	(98.0)

FIVE-YEAR FINANCIAL SUMMARY

AT 31 MARCH, IN MILLIONS OF EUROS.

	2003	2004	2005	2006	2007 ⁽¹⁾
1. Share capital at year end					
Share capital	71.3	71.7	72.1	72.8	73.6
Number of shares in issue	44,579,941	44,779,849	45,052,661	45,506,144	45,999,802
Maximum number of shares to be created through the conversion of bonds	6,926,560	6,863,723	6,863,723	6,831,429	-
2. Results for the year					
Sales excluding taxes	15.1	17.8	15.2	15.7	16.1
Income before tax, depreciation, amortisation and provisions	97.1	(8.6)	54.1	51.5	51.1
Income tax	27.0	15.3	-	-	0.2
Income after tax, depreciation, amortisation and provisions	101.5	(22.6)	(23.4)	59.9	175.6
Dividends	44.6	44.8	45.6	50.1	49.7
3. Earnings per share (€)					
Income after tax, but before depreciation, amortisation and provisions	2.8	0.2	1.2	1.1	1.1
Income after tax, depreciation, amortisation and provisions	2.3	(0.5)	(0.5)	1.3	3.8
Net dividend per share	1.0	1.0	1.0	1.1	1.20
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.

NOTES TO THE FINANCIAL STATEMENTS

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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 of-balance sheet commitments.

2 NOTES TO THE BALANCE SHEET

2.1 FIXED ASSETS

(€ millions)	Gross opening value	Increase	Decreases	Gross closing value
Intangible fixed assets	32.4	-	-	32.4
Equity investments	1,430.1	567.1	601.0	1,396.2
Other	9.9	0.5	4.1	6.3
Total	1,472.1	567.6	605.1	1,434.9

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 mainly relates to the Rémy Cointreau Services shares received following the contribution of Rémy Concord Ltd and Rémy Amérique shares to this company. This exchange was part of the restructuring of the Group's foreign equity investment holdings.

Besides the above-mentioned transaction, the reduction in equity investments also comprises the sale of shares in the Dutch company RFBV.

The increase and decrease in other investments reflect loans granted to Group companies.

During the previous year, the Company signed a liquidity agreement with a financial body. Under this agreement, 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, 25,000 of the Company's shares, valued at €1.3 million, were held under this agreement.

The cash balance on this account at the year end was placed in a money market instrument with a value of €2.1 million.

2.2 AMORTISATION, DEPRECIATION AND PROVISIONS

(€ millions)	Gross opening value	Increase	Decreases	Gross closing value
Equity investments	80.6	1.8	80.3	2.1
Other	1.1		1.1	0
Total	81.7	1.8	81.4	2.1

The decrease in provisions on shares relates to shares sold during the year, some of which had had been written down.

2.3 MATURITY ANALYSIS OF RECEIVABLES

(€ millions)	Gross amount	Less than 1 year	More than 1 year
Fixed assets			
Receivables relating to equity investments	2.9	2.9	-
Other financial assets	3.4	3.4	
Current assets			
Other receivables	609.7	609.7	
Prepaid expenses	1.4	1.4	
Total	617.4	617.4	

“Other receivables” mainly comprises current accounts with Group companies.

2.4 MATURITY ANALYSIS OF DEFERRED CHARGES

(€ millions)	Gross amount	Less than 1 year	More than 1 year
Borrowing issue costs	6.4	1.8	4.6
Total	6.4	1.8	4.6

The costs are amortised over the term of the borrowings.

2.5 BOND REDEMPTION PREMIUM

The redemption premium on the OCEANE convertible bonds was written off on maturity of the borrowing on 1 April 2006.

2.6 SHAREHOLDERS' EQUITY

2.6.1 BREAKDOWN OF SHARE CAPITAL

Share capital comprises 45,999,802 fully paid-up shares with a nominal value of €1.60 per share.

During the year, the exercise of stock options resulted in the issue of 493,658 new shares.

2.6.2 CHANGES IN SHAREHOLDERS' EQUITY

(€ millions)	31 March 2006	Allocation of profit	Other movements	31 March 2007
Share capital	72.8		0.8	73.6
Share issue and merger premiums	639.5		10.7	650.2
Legal reserve	7.2	0.1		7.3
Other reserves	-			-
Retained earnings	27.9	9.8		37.7
Profit for the year	59.9	(59.9)	175.6	175.6
Regulated provisions	45.1		(45.1)	0
Total	852.4	(50.0)	142.0	944.4

2.7 SUBORDINATED PERPETUAL SECURITIES (TSDI)

Rémy Cointreau issued €304.9 million of subordinated perpetual securities on 16 May 1991. The annual interest rate applicable until 16 May 2006, was 6-month EURIBOR plus 1%.

The securities were repackaged at the time of issue as part of an agreement with a third party. Under this agreement, the third party, through a separate agreement entered into with the subscribers to the securities, undertook to redeem the securities from the subscribers after 15 years and to waive the right to interest from the start of the sixteenth year in exchange for an initial payment by the Company of €82.9 million.

Due to these clauses, the securities were recorded at the time of issue as a liability on the balance sheet at their net amount of €222 million.

Interest paid on the nominal amount of the issue less any income generated by the €82.9 million deposit is recorded in earnings every year. This income is treated as an annual payment allocated to repayment of the principal and therefore reduces the amount of the debt accordingly.

In May 1996, these securities were restructured and sold at their current value to a *Fonds Commun de Créances* ("FCC" - debt securitisation fund) that received the interest income up to 15 May 2006.

2.8 CONVERTIBLE BONDS

OCEANE 3.50% 2006

The OCEANE bonds were redeemed on maturity on 1 April 2006.

2.9 OTHER BONDS

"Other bonds" mainly comprises the following two borrowings:

a) €175 million of 7-year bonds issued on 24 June 2003.

This bond, redeemable at par on maturity, bears interest at 6.5%.

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

■ At any time before 1 July 2007, redemption at par plus a premium equal to the higher of the following two amounts:

- (i) 1% of the principal amount redeemed,
- (ii) an amount equal to the difference between: (a) the present value on the redemption date at 103.25% plus interest calculated over the period from the redemption date to 1 July 2007, and (b) the par value. The discount rate used is the Bund interest rate on the redemption date plus 50 basis points.

■ From 1 July 2007, under any circumstances, redemption of all or part of the bonds at 103.25% up to 1 July 2008, at 101.625% up to 1 July 2009 and at par up to 1 July 2010.

■ The bond issue contract also provides every bondholder with the right to request redemption of the bonds held at 101% in the event of:

- (i) the sale or transfer of all or a substantial part of Rémy Cointreau's assets,
- (ii) approval by the shareholders of a liquidation or voluntary winding up plan for the issuer, or
- (iii) Orpar and Recopart SA together holding less than one third of the voting rights in the issuer and another person or group obtaining more than one third of the voting rights in the issuer or Orpar and Recopart being unable to appoint the majority of the Board of Directors for two consecutive years,

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

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

b) €200 million of 7-year bonds issued on 12 January 2005.

This bond is redeemable at par on maturity and bears interest at 5.2%.

The funds raised were used to refinance the OCEANES maturing on 1 April 2006.

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

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

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

- (i) 1% of the principal amount redeemed,
- (ii) 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 provides every bondholder with the right to request redemption of the bonds held at 101% in the event of:

- (i) the sale or transfer of all or a substantial part of Rémy Cointreau's assets,
- (ii) approval by the shareholders of a liquidation or voluntary winding up plan for the issuer, or
- (iii) Orpar and Recopart together holding less than one third of the voting rights in the issuer and another person or group obtaining more than one third of the voting rights in the issuer or Orpar and Recopart being unable to appoint the majority of the Board of Directors for two consecutive years,

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

In the event of the sale of assets and in the absence of the sale proceeds being used for authorised operations,

Rémy Cointreau must, within 365 days starting from the date of receipt of the sale proceeds, offer early redemption of the issue to the extent of the amount of the sale proceeds. Furthermore, the agreement contains certain conventions that may limit the dividend distribution capacity in the event that a loss is made.

These bonds are not secured.

2.10 OTHER BORROWINGS

At 31 March 2007, the confirmed banking facilities available to Rémy Cointreau SA to finance the Group (including those falling due within one year) amounted to €500 million and consisted solely of the syndicated bank line that was renegotiated in June 2005. In May 2006, the facility was extended until 7 June 2011 in respect of €466 million, the balance of €34 million still being due on 7 June 2010

Syndicated bank line

The agreement provides for a revolving credit facility of €500 million for a period of five years. Amounts drawn down bear interest at EURIBOR plus a margin fixed at the outset at 0.675% per annum that may fluctuate as shown in the following table based on the average net debt/EBITDA ratio (ratio A) calculated on

the basis of consolidated data and as defined in the agreement.

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%

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

Period	Ratio A
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 2007, ratio A stood at 3.28

The commitment fee on the unutilised portion is 37.5% of the margin applicable if A is greater than 3.75 and 35% if A is less than 3.75.

This credit line is not secured.

2.11 MATURITY ANALYSIS OF DEBT

(€ millions)	Gross amount	Less than one year	1 to 5 years	More than 5 years
Other bonds	386.6	9.3	377.3	-
Borrowings and amounts due to financial institutions	134.4	104.4	30.0	-
Other borrowings	417.2	417.2	-	-
Trade payables	0.1	0.1	-	-
Tax and social security liabilities	0.1	0.1	-	-
Other	161.8	161.8	-	-
Total	1,100.2	692.9	407.3	-

2.12 PROVISIONS

(€ millions)	Regulated provisions	Provisions for liabilities and charges	Provisions for depreciation	Total
Opening balance	45.1	7.4	81.7	134.2
Charges ⁽¹⁾	2.2	0.1	1.9	4.2
Write-backs ⁽²⁾	(47.3)	(1.8)	(81.5)	(130.6)
Closing balance	0	5.7	2.1	7.8

	Charges	Write-backs
Operating	-	1.4
Financial	1.9	1.5
Exceptional	2.2	127.7
Income tax	0.1	-
Total	4.2	130.6

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.

In accordance with the recommendations of the French tax authorities, the Company recorded a regulated provision. The charge for the year was €2.2 million, which corresponds to the potentially taxable capitalised future interest differential on the subordinated perpetual securities.

Pursuant to Article 23 of the 2006 French Finance Act, codified into Article 238 bis-01 bis of the French General Tax Code, on maturity of the TSDI during the year, the Company wrote back the regulated provision corresponding to the last three years, i.e. €47.3 million, when calculating the income tax charge.

2.13 ACCRUED INCOME

There was no accrued income at 31 March 2007.

2.14 ACCRUED EXPENSES

(€ millions)	2007
Bonds	5.3
Borrowings and amounts due to financial institutions	0.2
Other borrowings	-
Trade payables	0.1
Tax and social security liabilities	-
Other	2.0
Total	7.6

3 NOTES TO THE INCOME STATEMENT

3.1 ANALYSIS OF SERVICES PROVIDED

Services provided totalled €16 million and essentially comprised services rendered to subsidiaries and sub-subsidiaries of Rémy Cointreau Group.

The breakdown by geographic region was as follows:

(€ millions)	
France	14.9
International	1.1

3.2 FINANCIAL INCOME FROM EQUITY INVESTMENTS

Financial income from equity investments came to €95.1 million and related to dividends received from subsidiaries.

3.3 EXCEPTIONAL INCOME AND EXPENSE

(€ millions)	2007
Net gains on sale of equity investments	65.0
Regulated provisions (note 2.12)	45.1
Other	0.1
Total	110.2

3.4 INCOME TAX

A) Income tax analysis

(€ millions)	Income before tax	Tax	Income after tax
Income from ordinary activities	65.6	0.2	65.4
Exceptional income	110.2	-	110.2
Net income	175.8	-	175.6

B) Change in tax losses

(€ millions)	Base	Tax rate	Tax amount
Loss for the year	(51.8)	-	-
Deferred capital allowances	-	-	-
Losses carried forward	(51.8)	-	-
Unutilised losses carried forward	(269.1)	-	-

The loss for the year arises mainly from the deduction for tax purposes of dividends received from subsidiaries and write-backs of provisions previously not deductible for tax purposes.

C) Increase and reductions in future tax liabilities

(€ millions)	Base	Taux	Montant de l'impôt
Reductions			
Non-deductible provisions at 31 March 2007	0	34.4	0

3.5 GROUP TAX REGIME

Rémy Cointreau elected to form a tax grouping with effect from 1 April 1993 for Group companies as provided for in Article 223A of the French General Tax Code.

The tax allocation agreement stipulates that the tax charge is borne by the companies within the tax grouping as if no such grouping existed, after applying any tax losses brought forward.

The following companies are included in the tax grouping:

Rémy Martin, Seguin, Izarra, Sté Armagnacaise de Production, 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, Financière Rémy Cointreau, RC ONE, 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 amount)	1,391.9	4.3
Receivables relating to equity investments	2.8	-
Receivables:		
Other receivables	582.6	-
Liabilities:		
Borrowings	416.2	-
Other liabilities	38.2	-
Financial income:		
Income from equity investments	95.1	-
Interest	20.8	-
Financial expense:		
Interest	13.9	-
Operating income	16.3	-
Operating expenses	19.8	-
Exceptional income	-	-
Exceptional expense	5.6	-

4.2 OFF-BALANCE SHEET COMMITMENTS

A) Financial commitments

The Company's commitments at the year ended were as follows:

(in €m)	2007
Various guarantees on financing lines	12.9
Guarantees for 25% of Maxxium's debt ⁽¹⁾	37.2
Tax guarantees ⁽²⁾	9.7

(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 maximum amount of the guarantee is €62.5 million.

(2) Bank guarantees given to the tax authorities represent guarantees for disputed tax assessments following requests for deferral of payment.

B) Contingent liabilities relating to disposal transactions

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 2007 are as follows:

Sale transaction	Transaction date	Nature of unexpired guarantee	Maturity	Maximum amount
Lucas Bols (jointly with DELB BV)	11 April 2006	Tax liabilities	11 October 2012	
		General guarantees	11 October 2007	
		Total of all guarantees		100.0
		Franchise		2.6

C) Equity swap

The equity swap agreement that Rémy Cointreau SA signed with a financial institution on 31 October 2001 expired on 8 November 2006. At 31 March 2006, the agreement covered 210,000 shares (2005: 210,000 shares).

Rémy Cointreau paid interest at a variable rate in addition to any capital losses based on the reference share price of €20.52 and received dividends on the shares. On expiry, the financial institution received the full amount of the capital gain on the 210,000 shares.

A net interest charge of €0.1 million was recorded for the year in net financial income.

4.3 SALE OF OWN SHARES

At 31 March 2007, 25,000 shares were held in a liquidity account. These shares were valued at €1.3 million. The €0.1 million gain on the shares earned by the manager of the liquidity account 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 of 280,927 shares on 14 February 2006, 321,503 shares are 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.

No options were exercised under these plans during the year.

5 POST-BALANCE SHEET EVENTS

On 1 June 2007, Rémy Cointreau notified its intention to make early redemption of the €175 million bond issued on 24 June 2003. This redemption will take place as from 2 July 2007 in accordance with the issue terms and conditions, whose main redemption procedures are set out in section 2.9 of this document.

There are no other events that are likely to have a material impact on the financial statements for the year ended 31 March 2007.

6 LIST OF SUBSIDIARIES AND EQUITY INVESTMENTS AT 31 MARCH 2007

Companies	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	102,375	100.00%	381,708
Seguin & Cie	EUR	661	5,503	100.00%	7,633
Financière RC	EUR	10,000	3,092	100.00%	10,000
Cointreau SA	EUR	4,037	47,913	100.00%	89,103
Piper Heidsieck C.C.	EUR	32,115	168,245	100.00%	326,280
Ducs de Gascogne	EUR	1,002	2,299	30.00%	1,144
Rémy Cointreau Services	EUR	627,178	(1,404)	90.00%	565,700
Other French subsidiaries	EUR				2,129
Total French companies					1,383,697
B) Foreign companies					
Rémy Suisse	CHF	13,550	851	99.99%	11,515
Other foreign subsidiaries	EUR	-	-	-	988
Total foreign companies					12,503
Total gross value (A+B)					1,396,200
Total net value					1,394,069

(1) Profit after distribution of interim dividend.

Provisions for impairment (euros)	Dividends received (euros)	Net sales for last financial year (currency)	Net profit (currency)	Year-end date	Loans and advances granted (euros)
-	9,010	28,900	(53,061)	31/03/2007	370,999
-	9,000	-	(4,150) ⁽¹⁾	31/03/2007	-
-	-	1,296	868	31/03/2007	26,036
-	34,500	-	(62,505) ⁽¹⁾	31/03/2007	119,954
-	12,000	1,386	(46,355)	31/03/2007	-
-	-	14,074	47	31/12/2006	-
-	-	-	(1,404)	31/03/2007	-
2,129					
2,129	64,510				
-	29,747	-	851	31/03/2007	
2	-	-	-	-	
2	29,747				
2,131	94,257				

STATUTORY AUDITORS' REPORT

GENERAL REPORT ON THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2007

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 2007 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 2007 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 have also considered the approach used to determine the amount of provisions established, relating to the basis for our opinion, we draw the following items to your attention:

Note 1.a of the notes to the financial statements details the accounting principles and method relating to the approach used by the Company for assessing the value of equity investments. As part of our assessment of the accounting rules and principles followed by the Company, we have assessed the validity of the approach used and ensured that the approach has been correctly applied. We also assessed the methods used by the Company to evaluate the depreciations recorded.

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 purchase of investments and controlling interest and 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 22, 2007

The Statutory Auditors

Auditeurs et Conseils Associés
Nexia international

Francois Mahé

Ernst & Young et Autres

Marie-Laure Delarue

SPECIAL REPORT ON CERTAIN RELATED PARTY TRANSACTIONS YEAR ENDED 31 MARCH 2007

To the Shareholders of Rémy Cointreau,

In our capacity as your Company's Statutory Auditors, we hereby present our report on regulated agreements.

1. AGREEMENTS AUTHORISED 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 EQUITY CONTRIBUTION TO REMY COINTREAU SERVICES SAS

Entity: Rémy Cointreau SA

The meeting of the Board of Directors of October 12, 2006 authorized the contribution of assets in exchange of shares in which Rémy Cointreau SA brought to Rémy Cointreau SAS the whole equity it held in Rémy Cointreau Nederland Holding N.V. and Rémy Cointreau Ltd for K€ 563,200.

1.2 RC ONE EQUITY CESSION TO CLS REMY COINTREAU

Entity: Rémy Cointreau SA

The meeting of the Board of Directors of October 12, 2006 authorized the disposal of all the RC ONE equity held by Rémy Cointreau SA to CLS. The selling price amounted to K€ 540.

1.3 AGREEMENT WITH MAXXIUM WORLDWIDE BV

Person concerned: M. Jean-Marie Laborde

The meeting of the Board of Directors of November 30, 2006 authorized an endorsement amending the method of determining dividends as stated in the Shareholders' Agreement dated May 31, 2001, and signed with Maxxium Worldwide BV.

1.4 GUARANTEE GIVEN UN FAVOUR OF THE SUBSIDIARY SHANGAI RENTOURMA INTERNATIONAL TRADING CO

Entity: Rémy Cointreau SA

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.

1.5 AGREEMENT WITH THE FINANCIAL COMPANY REMY COINTREAU SA/NV

Entity: Rémy Cointreau SA

The meeting of the Board of Directors of March 27, 2007, authorized the conclusion of the following agreement, who will be enforced during 2008 accounting period:

- Cash management agreement between Financière Rémy Cointreau SA/NV and various subsidiary companies of the Rémy Cointreau group.
- Services agreement concerning exchange rate management with Financière Rémy Cointreau NA/BV and various other subsidiary companies in the Rémy Cointreau group.
- Assistance agreement with Financière Rémy Cointreau SA/NV.
- Guarantee with Financière Rémy Cointreau SA/NV

1.6

AGREEMENT WITH THE COMPANIES HERMAN JOERSS AND REMY COINTREAU USA

Entity: Rémy Cointreau SA

The meeting of the Board of Directors of March 27, 2007, authorized the assistance agreement with the companies Hermann Joerss and Rémy Cointreau USA. Fees were agreed on a costs plus 5% basis. The cost allocation will be review annually.

2.

AGREEMENTS APPROVED DURING PRIOR YEARS THAT WERE EXECUTED DURING THE YEAR

Pursuant to the article R.225-30 of the 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 a rider 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 to 31 March 2007, the total charge (excluding taxes) borne by Rémy Cointreau SA amounts to €2,626,788.

2.2

CASH MANAGEMENT AGREEMENT BETWEEN REMY COINTREAU AND ORPAR

The cash management agreement signed on 14 December 2004 states that loans granted by ORPAR to Rémy Cointreau through advances via the current account bear interest based on thr Euribor 3 months rate plus a 0.60% margin.

For the year ended March 31, 2007, the total amount of interest paid by Rémy Cointreau to ORPAR was €73,922.

2.3

MARKETING AND MANAGEMENT SUPPORT AGREEMENT WITH THE COMPANIES OWNING THE BRANDS

The Board meeting on 27 March 2007 agreed the amounts arising from the marketing and management support agreements, calculated on the basis of 2.4% of 2006/2007 sales, which were as follows:

	Amount (excl. Taxes)
CLS Rémy Cointreau	€12,036,596
Champagnes P&C Heidseick	€2,653,392

2.4

AGREEMENT BETWEEN REMY COINTREAU AND MAXXIUM WORLDWIDE BV

The Supervisory Board meeting of June 10, 2003 authorised entering into a variety of loans and guarantees in favour of Maxxium Worldwide BV 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 BV by Rémy Cointreau for a maximum principal amount of €15 million. This €15 million credit line was not utilised during the year.
- Rémy Cointreau gave a guarantee on Maxxium Worldwide BV 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 BV.
- A guarantee in favour of Maxxium Worldwide BV for a maximum principal amount of €17,500,000 to cover the obligations of Maxxium Worldwide BV 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.

2.5

ASSISTANCE AND ADVICE AGREEMENT WITH ANTARES

Antares acted for Rémy Cointreau providing assistance and advice regarding the disposals of the Bols and Bokma brands and of other local brands, Pisang Ambon, Galliano and Vaccari.

Fees were fixed, by the meeting of the Board of Directors of February 20, 2006, at 1.1% (excluding VAT) of the net sale price after deduction of the Deloitte Finance success fees of €850,000.

The fees due to Antares relating to this agreement amount to €1,020,000 and were taken in charges during 2007 financial year.

2.6

GUARANTEES GIVEN BY REMY COINTREAU IN FAVOUR OF GROUP COMPANIES TAKING PART OF THE ASSETS DISPOSAL IN 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 one hand, a general guarantee that its subsidiary, DELB, 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.

Neuilly-sur-Seine et Paris, le 22 juin 2007

The Statutory Auditors

Ernst & Young et Autres

Marie-Laure Delarue

Auditeurs et Conseils Associés

Nexia international

Francois Mahé

CORPORATE GOVERNANCE

4.1 MANAGEMENT BOARD AND SUPERVISORY BOARD

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, 60 years old.

Date first appointed: 7 September 2004.

Date appointment expires: AGM to consider the financial statements for the year 2008.

Professional address: REMY 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 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 & Cie 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, 59 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 Chief Executive Officer 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.

Director 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, 55 years old.

Date first appointed: 7 September 2004.

Date appointment expires: AGM to consider the financial statements for the year 2007.

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 Chief Executive Officer of Oeneo SA.

Other appointments:

Managing Director of Andromède SAS.

Vice-Chairman, Deputy Managing Director and Director of Orpar SA.

Member of the Management Board of Récopart SA.
Chairman of LVLFS SAS.

Director of Trinity Concord International Ltd.

Director of TC Holdings 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, 68 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 Faurecia.

Other appointments:

Director of Faurecia.

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.

Sir Brian Ivory

British national, 58 years old.

Date first appointed to the Board of Directors: 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 Digital plc. Sir Brian Ivory has been a director of Orpar, Rémy Cointreau SA parent company, since January 2003. He has been a director of the Company since November 1991.

Principal appointment outside the Company:

Chairman of The Scottish American Investment Company plc.

Other appointments:

Director of Orpar.

Chairman of National Galleries of Scotland.

Chairman of Retec Digital plc.

Director of 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.

Mr. Xavier Bernat

Spanish national, 53 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 SA - 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 & 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. Håkan Mogren

Swedish national, 62 years old.
Date first appointed: 7 September 2004.
Date appointment expires: AGM to consider the financial statements for the year 2007.
Professional address: INVESTOR AB - Arsenalsgatan 8C - SE-103 32 Stockholm, Sweden.

Mr. Håkan Mogren is a Doctor of Science in Biotechnologies. He was notably Chairman of Affibody from 2002 to 2005, Chairman and Chief Executive Officer of Astra AB from 1988 to 1999. He became a member of the Supervisory Board of the Company in March 2003.

Principal appointment outside the Company:

Vice-Chairman of Astrazeneca plc.

Other appointments:

Director of Norsk Hydro ASA.
Director of Danone.
Director of Investor AB.

Previous functions and terms of office (held during the last five years and now terminated)

Chairman of Reckitt Benckiser Plc.
Chairman of The Research Institute of Industrial Economics.
Chairman of Affibody.
Vice-Chairman of Gambro AB.

Mr. Jean Burelle

French national, 68 years old.
Date first appointed: 3 June 2005.
Date appointment expires: AGM to consider the financial statements for the year 2007.
Professional address: BURELLE SA - 1, rue François 1^{er} - 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 and a member of several MEDEF committees. 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 Chief Executive Officer of Burelle SA.

Other appointments:

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 Sparex (SCA).
Member of the Supervisory Board of HR Banque (SCA).
Chairman of Harvard Business School Club of France.
Permanent representative of Burelle Participations within the Board of Directors of Sycovest 1.

Previous functions and terms of office (held during the last five years and now terminated)

Member of the Supervisory Board of EM Lyon (AESCRA).
Member of the Supervisory Board of Lapeyre.
Chairman of Sycovest 1.

Mr. Jacques-Etienne de T'Serclaes

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: 14 rue des Sablons - 75116 Paris, France.

Monsieur Jacques-Etienne de T'Serclaes, expert comptable diplômé de l'ESSCA et de la Harvard Business School (OPM), a eu un long parcours dans l'audit et la distribution/grande consommation.

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 the chairman of the Supervisory Board of PwC Audit France. Previously he spent 7 years within the Euromarché group (acquired by Carrefour) where he was Managing Director. Since 2006, Mr. de T'Serclaes has joined Advent as Operating Partner.

Principal appointment outside the Company:

Operating Partner of Advent International.

Other appointments:

Director of Euro-India Centre.
Director of Gifts In Kinds International (USA).
Member of the Supervisory Board of Altran Technologie SA.

Previous functions and terms of office (held during the last five years and now terminated):

Director of Prigest.
Chairman of the Supervisory Board of PwC Audit.

Mr. Gabriel Hawawini

French national, 59 years old.
Date first appointed: 27 July 2006.
Date appointment expires: AGM to consider the financial statements for the year 2009.
Professional address: INSEAD, boulevard de Constance, 77305 Fontainebleau, France.

Mr. Gabriel Hawawini, holds a degree in Chemical Engineering from the University of Toulouse and a doctorate in Economics and Finance from New York University. He has been a professor at INSEAD since 1982, and the Henry Grunfeld Chaired Professor of Investment Banking. He was a Dean at INSEAD between 2000 and 2006. Mr. Hawawini has lectured in New York Universities, in particular 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:

None.

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 the European Foundation for Management Development.

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, 54 years old.
Professional address: Orpar - 123, avenue des Champs Elysées – 75008 Paris.

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: 6.
Mr. Xavier Bernat, Mr. Jean Burelle, Mr. Patrick Duverger, Mr. Håkan Mogren, 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, 86 years old.

Professional address: Cointreau SA - BP 79 - Carrefour Molière - 49181 St Barthélémy d'Anjou, France.

Mr. Pierre Cointreau has been an industrialist and an entrepreneur since 1950. He is a former socio-economic adviser, a former member of the Economic and Social Council of the Pays de Loire region and the Honorary Chairman of the Chamber of Commerce of Angers and of the Anjou Trade Show. Mr. Pierre Cointreau is the Honorary Mayor of the town of Montreuil sur Loire. He is the Chairman of the Supervisory Board of Récopart, which holds 14.31% 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.
Chairman of Société Armagnacaise de Production 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 Société Armagnacaise de Production SA.

Chairman of the Board of Directors of Rhums Martiniquais Saint James SA.

Chairman of the Board of Directors of Société Martiniquaise de Canne à Sucre SA.

Chairman of the Board of Directors of Izarra SA.

Director of CLS Rémy Cointreau.

Director of CIE Rémy Cointreau Services.

CENSOR

Mr. Jürgen Reimnitz

German national, 76 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 Main, Germany.

Mr. Jürgen Reimnitz is a graduate of the Commerzbank Administration College. He has held various positions within Commerzbank in Spain, France, the US and Germany. He was a member of the Management Board of Commerzbank from 1973 to 1995 and was subsequently a member of its Advisory Committee until 2002. He held various positions as a member of the Central Capital Market Committee of the Bundesbank from 1976 to 1994. Mr. Reimnitz was a director of the Company from 16 December 1991 to 26 July 2006.

Principal appointment outside the Company:

Chairman of the Supervisory Board of Air Liquide Deutschland GmbH (Düsseldorf).

Other appointments:

Chairman of the Finance Committee of the International Chamber of Commerce (ICC), Paris.

Vice-Chairman of ICC Germany, Cologne.

Director of Bongrain SA.

Member of the Advisory Committee of Fitch International (London, New York).

Member of the UN Investment Committee, New York.

Previous functions and terms of office (held during the last five years and now terminated):

Member of the Supervisory Board of Rémy Cointreau from December 2000 to September 2004.

Director of Rémy Cointreau from September 2004 to July 2006.

Chairman of the Board of Directors of Merrill Lynch Investment Managers KAG (Frankfurt).

Chairman of the Board of Directors of Mercury World Bond Funds (Luxembourg).

Chairman of Merrill Lynch International Investment Funds (Luxembourg).

Member of the Supervisory Board of Bongrain SA.

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.

Mr. Jean-Marie Laborde, 59 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 & Cie 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 Antonin Rodet.

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 member of the Board of Directors or the Chief Executive Officer;
- Neither the Chief Executive Officer nor any member 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 member 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 member 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, Director, holds 43.11% of the share capital and 54.68% 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 CONTRACT 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, except for a service providing contract concluded on 21 February 2006 between Rémy Cointreau and Antarès SAS, controlled by Mr. Guy Le Bail, a director of Rémy Cointreau until 27 July 2006. The object of this contract, which was previously approved by the Board of Directors of Rémy Cointreau on 20 February 2006, relates to financial, tax and legal assistance and consultancy services during negotiations on the disposal of the following brands: Bols, Bokma

and other local brands, Pisang Ambon, Galliano and Vaccari which belonged to foreign subsidiaries of Rémy Cointreau. The remuneration conditions of the service providing contract are detailed in the Statutory Auditors' Special Report.

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 1 April 2006 and 31 March 2007, the Board of Directors met eight times. The average attendance rate was 84.86%.

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.

COMMITTEES ESTABLISHED WITHIN THE BOARD OF DIRECTORS

The four committees established within the Board of Directors are mentioned in the report of the Chairman of the Board of Directors to the Combined General Meeting.

4.2

STATUTORY AUDITORS' APPOINTMENTS AND FEES

CURRENT APPOINTMENTS

Principal Statutory Auditors

Practice	Ernst & Young et Autres 41, rue Ibry 92576 Neuilly sur Seine	Auditeurs & Conseils Associés 33, rue Daru 75008 Paris
Represented by	Marie-Laure Delarue	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 2007 amounted to €925 thousand and can be analysed thus:

	Ernst & Young et Autres				Auditeurs & Conseils Associés SA			
	2007	Amount 2006	2007	2006	2007	Amount 2006	2007	2006
Audit								
Statutory audit, review of individual and consolidated financial statements	807	730	98%	81%	96	90	97%	82%
- Rémy Cointreau SA	200	195	-	-	87	80	-	-
- Fully consolidated subsidiaries	607	535	-	-	9	10	-	-
Related assignments	19	126	2%	14%	3	20	3%	18%
- Rémy Cointreau SA	-	-	-	-	-	20	-	-
- Fully consolidated subsidiaries	19	126	-	-	3	-	-	-
Sub-total	826	855	100%	94%	99	110	100%	100%
Other services								
Other	-	50	0%	6%	-	-	0%	0%
Sub-total	-	50	0%	6%	-	-	0%	0%
Total	826	905	100%	100%	99	110	100%	100%

4.3 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.

4.3.1 CONDITIONS OF PREPARATION AND ORGANISATION OF THE DUTIES OF YOUR 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 reassured 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. 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 comprises 11 members and that at least 30% of them should be, if possible, independent members. There were six members during the 2006/07 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 multi-disciplinary 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 above-mentioned 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 eight times during the financial year.

The schedule of Board meetings, the principal points on the agenda and attendance at these meetings were as follows:

28 April 2006:

- Examination of the 2006/07 budget;
- Disposal of Group assets in The Netherlands;
- Approval of the draft charter for the management of exchange rates;
- Noting the number and value of shares issued since 1 April 2005 following the exercise of options. Noting the conversions into shares of the 7.50% 1991-2006 and the 3.50% OCCEANE bonds 2001/06; Reduction in capital by cancellation of 280,927 shares acquired as part of the sale and repurchase contract concluded with Barclays on 24 March 2005; modification as a result of the share capital.

Attendance rate: 90%.

6 June 2006:

- Approval of the Company's financial statements for the 2005/06 financial year; report by the "Audit and Finance" Committee;
- Examination and approval of Group consolidated financial statements at 31 March 2006; 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.

Attendance rate: 80%.

27 July 2006:

- Signature of agreements for the disposal of Bols Hungary and the "Royal Vodka" brand;
- Programme of asset disposals;
- Organisation in China.

Attendance rate: 90%.

12 October 2006:

- Examination of the Group's medium-term plan, strategic options and priorities;
- Maxxium, analysis of the position in China;
- Plan to issue free shares: report of Nomination - Remuneration Committee;
- Disposal of CEDC securities;
- Authorisation of two agreements covered by Article L. 225-38 of the Commercial Code; contract for the transfer in kind by Rémy Cointreau SA to Rémy Cointreau Services the shares in Rémy Cointreau Nederland Holding N.V. and of Rémy Concord Ltd; disposal by Rémy Cointreau SA to CLS Rémy Cointreau of the entire capital of RC One;
- Management of bonds disclosed on the balance sheet.

Attendance rate: 100%.

6 November 2006:

- Distribution in China;
- Maxxium contract.

Attendance rate: 64%.

30 November 2006:

- Examination and approval of interim consolidated financial statements at 30 September 2006; comparative examination with budget commitments; report of the "Audit and Finance" committee;
- Examination and approval of projected management and analysis report referred to in Articles L. 232-2 and L. 232-3 of the Commercial Code;
- Examination of the situation regarding Maxxium;
- Disposal of CEDC securities.

Attendance rate: 100%.

2 February 2007:

- Discussions within Maxxium;
- Organisation of the Group in Asia;
- Restructuring of the Group's foreign shareholdings.

Attendance rate: 73%.

27 March 2007:

- Examination and approval of the 2007/08 budget;
- Authorisation and increase of capital in cash of Rémy Cointreau Services SAS;
- Authorisation of four agreements covered by Article L. 225-38 of the Commercial Code as part of the new treasury organisation within the Group;
- Authorisation of two assistance agreements covered by Article L. 225-38 of the Commercial Code;
- Modification of the royalty rate invoiced to the production companies by Rémy Cointreau SA for the years 2006/07 and 2007/08;
- Repayment of two sets of bonds disclosed on the balance sheet.

Attendance rate: 82%.

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.

BOARD OF DIRECTORS' 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 optimal 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 properly, 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 through 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 the 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 meeting of 2 February 2007 used videoconferencing facilities. Three directors attended these meetings as a result of this participation method

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 1 June and 23 November 2006. The attendance rate was 100%. Some of its work was carried out in the presence of the Statutory Auditors and Group Financial Controller, when the following was discussed:

- review of the annual financial statements at 31 March 2006 and forecasts at 31 March 2007;
- review of the half-year financial statements at 30 September 2006;
- valuation and monitoring of intangible fixed assets;
- management fees;
- application of the IFRS accounting standards;
- internal control procedures;
- exchange rate and interest rate risk management policy;
- Group tax planning;
- intra-group assistance contracts;
- increase value of brands;
- new formula to calculate Maxxium dividends;
- compensation for leaving Maxxium;
- reappointment of Statutory Auditors.

“Development and Marketing Strategy” Committee

Chairman: Mrs Dominique Hériard Dubreuil.
Members: Mr. Xavier Bernat, Mr. Gabriel Hawawini, Sir Brian Ivory, Mr. Håkan Mogren.

Number of independent members: 3.

This committee combines the previous Development Strategy and Marketing Strategy committees. It met on 28 April and 12 October 2006 and on 27 March 2007. The attendance rate was, respectively, 80%, 100% and 60%. It discussed the following:

- review of the Group's major strategic options;
- review of advertising and promotion budgets and the choice of financial investment in brands and markets with the greatest development potential;
- review of innovative strategies for leading brands and related investments;
- analysis of the growth prospects of various product categories in the major spirits markets;
- internet communication strategy.

“Ethics, Environment and Sustainable Development” Committee

Chairman: Mr. Gabriel Hawawini.
Members: Mrs Dominique Hériard Dubreuil, Mr. Jean Burelle,
Present: Mr. Jürgen Reimnitz, Censor.

Number of independent members: 2

This Committee met on 27 April 2006 and 26 March 2007. The attendance rate was respectively 100% and 66%. The Committee discussed the following:

- Group sustainable development policy;
- review of applicable charters within the Group;
- training designed to accompany the publication of the Group's charters;
- communication by Group companies of reports on the implementation of
- Group charters;
- summary of 2006/07 results;
- 2007/08 Outlook.

“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 27 April, 4 July, 12 October 2006, 2 February and 26 March 2007. The attendance rate was 100% for all five meetings. It discussed the following:

- consideration of nominations to the Board of Directors and Executive Committee;
- review of principles and tools to optimise the motivation and remuneration of executives and senior management of the group;
- objectives and remuneration of the Executive Committee;
- corporate plan;
- review of the Group's free share allocation policy;
- summary of the 2006 salary policy;
- review of supplementary pension plans;
- evaluation of the Board of Directors.

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:

- contract for the transfer in kind by Rémy Cointreau SA to Rémy Cointreau Services the shares in Rémy Cointreau Nederland Holding N.V. and of Rémy Concord Ltd; disposal by Rémy Cointreau SA to CLS Rémy Cointreau of the entire capital of RC One;
- modification of Note 6 to the formula to calculate the dividends in the shareholders' Agreement signed on 31 May 2001 with Maxxium Worldwide B.V. (now called Maxxium) ;
- disposal by Rémy Cointreau Services SAS, a subsidiary of Rémy Cointreau SA, to Rémy Cointreau Nederland Holding B.V., of 50% of the shareholding held in that;
- treasury agreement with Financière Rémy Cointreau SA/NV and various other subsidiaries of the Rémy Cointreau Group; agreement for services rendered in respect of foreign exchange activities with Financière Rémy Cointreau SA/NV and various other subsidiaries of the Rémy Cointreau group; Assistance agreement with Financière Rémy Cointreau SA/NV; Agreement of guarantee with Financière Rémy Cointreau SA/NV ;
- assistance agreement with Hermann Joerss GmbH and Rémy Cointreau USA, Inc.;
- modification of the royalty rates invoiced to the production subsidiaries by Rémy Cointreau SA for the years 2006/07 and 2007/08; and
- joint and several guarantees for €15 million given by Rémy Cointreau SA as guarantee for a bank loan granted to the sub-subsidiary Shanghai Rentouma International Trading Co.

Minutes of the Meetings

The minutes of 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.

4.3.2 INTERNAL CONTROL PROCEDURES

DEFINITION OF INTERNAL CONTROL

Internal control: definition and objectives

The Group defines internal control as a process 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 direction set out by the Executive Management;
- the correct operation of internal processes of the Company, notably those concerning the safeguarding of its assets;
- conformity in accordance with existing laws and regulations;
- the reliability of accounting and financial information.

Defined by the Executive Management, controlled by the Board of Directors, the system is implemented by managers and all personnel. The system established can only provide reasonable assurance and not an absolute guarantee as to the achievement of Group objectives.

Internal control environment

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 corresponding to its integrity in respect of aspirations, respect for the law, the environment and people.

Group organisation

Rémy Cointreau is organised into three operating sectors which are 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. This process is completed with the delegation of responsibility specifying the duties of the principal executives.

The Group's human resources policy

The organisation is enhanced by a human resources policy based on ability, knowledge and the aspirations of its men and women. 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.

Risk management

In order to ensure the achievement of its objectives and the continuous development of its operations, Rémy Cointreau has established the means to identify and analyse 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 "Risks of the Issuer" of the Rémy Cointreau presentation and in Chapter 2.8 Corporate and environmental consequences of operations in the Management Report. In respect of areas where very specific knowledge is required, such as centralised treasury management or management of the security of IT systems, the Group calls on external experts to assist in documenting the processes and summarise 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.

Players

Principal internal and external players involved in internal control are the following:

■ The Executive Management

Assisted by the Executive Committee, general management sets the direction for the internal control procedures it wishes to establish and provides the resources required to implement them.

■ The Board of Directors

The Board of Directors – through the intermediary of the “Audit and Finance” Committee – requests that general management report to the Board the main features of the internal control procedures implemented. The “Audit and Finance” Committee pays particular 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.

■ Financial management

Its principal mission 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.

■ Statutory Auditors

The Statutory Auditors - selected for their ability to provide a full and global coverage of Group risks and for their expertise - complete the Group’s Internal Control procedures as external auditors. Their half-year audits as well as their interim audits relate to specific matters and provide the Group with

reasonable assurance of the reliability and accuracy of accounting and financial information produced.

Major reference documents: charters, standards and 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 process, action or a check must be carried out and are an integral part of internal control. They are organised around the following principal areas of expertise:

■ Purchasing

Relations with suppliers are regulated by an ethics contract that makes reference to the Global Compact of the United Nations. 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 and to avoid, 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 environment of production sites. This is completed with a Quality/Safety/Environment charter defining the three Group 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 in the review of all processes of its major units including those abroad. In addition, a backup plan for IT data for the 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 by a summary of the risks of the principal processes 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 the consistency of its updating and ensure that all financial personnel are in possession of the same information.

INTERNAL CONTROL IN RESPECT OF THE PREPARATION OF FINANCIAL AND ACCOUNTING INFORMATION

Scope and objectives

The internal control procedures in relation to the preparation and processing of 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.

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 of the levels of matrix organisation enhances this.

A unique tool used by the Group for reporting and consolidation of the financial statements guarantees the consistency and reliability of data reported by all subsidiaries.

Financial and accounting processes

The Group has prepared a reporting and consolidation manual whose application is mandatory for all subsidiaries. This reference document presents the accounting standards used, defines the Group accounting plan, details the consolidation package, designates the companies included in the consolidation and communicates 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 organise themselves in advance, so that the required information is communicated within the timeframe and that the appropriate checks are carried out upstream 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.

Statutory Auditors

As part of the half year and full year closings, the Statutory Auditors proceed with different forms of review:

- preliminary reviews that may relate to internal control of the process of preparation of 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 Group.

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.

2007/08 Outlook

The Group will continue to improve the quality and documentation of its internal control systems designed to evaluate, over time, the adequacy and effectiveness of its internal control.

4.3.3 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 Executive Officer. Therefore, general management is under the responsibility of the latter.

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 in 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, be they 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 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 a year by the Board of Directors' meeting on 6 June 2006 and 5 June 2007.

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 4.1 of this report.

4.4 REPORT OF THE STATUTORY AUDITORS ON THE REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

YEAR ENDED 31 MARCH 2007

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 31 March 2007.

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, June 22, 2007

The Statutory Auditors

Auditeurs et Conseils Associés SA
Nexia international

Francois Mahé

Ernst & Young et autres

Marie-Laure Delarue

4.5 DIRECTORS' REMUNERATION

2006/07 Financial Year	Duration of office	Fixed remuneration	Variable remuneration including 2005/06 FY bonus	2005/06 FY profit-sharing	Benefits in kind	2005/06 Directors' fees	Total
Board of Directors							
Mrs Dominique Hériard Dubreuil ⁽¹⁾	12 months					24,000	24,000
						⁽²⁾ 25,000	25,000
François Hériard Dubreuil ⁽¹⁾	12 months					24,000	24,000
Marc Hériard Dubreuil ⁽¹⁾	12 months					24,000	24,000
Pierre Cointreau	12 months					24,000	24,000
Patrick Duverger	12 months					30,000	30,000
Brian Ivory	12 months					29,000	29,000
Jurgen Reimnitz	12 months					24,000	24,000
Guy Le Bail	12 months					24,000	24,000
Xavier Bernat	12 months					24,000	24,000
Hakan Mogren	12 months					24,000	24,000
Jean Burelle	10 months					18,000	18,000
Chief Executive Officer							
Jean-Marie Laborde	12 months	511,013	313,650	28,212	6,056	-	858,931
		511,013	313,650	28,212	6,056	294,000	1,152,931

(1) 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.

(2) Jetons de présence payés par une société contrôlée par Rémy Cointreau.

The Chief Executive Officer benefits from a bonus calculated on his basic fixed salary, which varies between 0 and 65% of which 60% is a function of quantitative criteria based on Group results and 40% 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 originates from his employer.

The Group's Chief Executive Officer and three Directors 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.

2005/06 Financial Year	Duration of office	Fixed remuneration	Variable remuneration including 2004/06 FY bonus	2004/05 FY profit-sharing	Benefits in kind	2004/05 Directors' fees	Total
Board of Directors							
Mrs Dominique Hériard Dubreuil ⁽¹⁾	12 months					⁽²⁾ 22,545	22,545
François Hériard Dubreuil ⁽¹⁾	12 months					24,000	24,000
Marc Hériard Dubreuil ⁽¹⁾	12 months					24,000	24,000
Pierre Cointreau	12 months					24,000	24,000
Patrick Duverger	12 months					30,000	30,000
Brian Ivory	12 months					29,000	29,000
Jurgen Reimnitz	12 months					24,000	24,000
Guy Le Bail	12 months					24,000	24,000
Alain Bodin	-					5,000	5,000
Gérard Epin	-					8,000	8,000
Xavier Bernat	12 months					24,000	24,000
Hakan Mogren	12 months					24,000	24,000
Jean Burelle	12 months					24,000	24,000
Chief Executive Officer							
Jean-Marie Laborde	12 months	483,979	195,834	15,311	6,096	-	701,220
		483,979	195,834	15,311	6,096	286,545	987,765

(1) In respect of 2005/06, the companies controlling Rémy Cointreau paid the following gross remuneration to Mrs Dominique Hériard Dubreuil: €215,230, François Hériard Dubreuil: €207,665, Marc Hériard Dubreuil: €226,269.

(2) Directors' fees paid by a company controlled by Rémy Cointreau.

4.6

SPECIAL REPORT BY THE BOARD OF DIRECTORS ON OPTIONS AND FREE SHARES GRANTED

SPECIAL REPORT OF THE BOARD OF DIRECTORS

ON SHARE SUBSCRIPTION OPTIONS (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 2006/07 financial year:

Share subscription or purchase plans in effect during the 2006/07 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 21/09/01	21/09/01	7/09/04
Date of management Board or Board of Directors' meeting	28/04/99	7/12/99	30/05/00	1/03/01	8/03/02	16/09/03	8/12/04
Total number of options allocated - of which number of options that can be subscribed to by Directors	289,300	499,100	131,280	1,016,600	659,500	287,000	262,000
- Number of Director beneficiaries	119,576	127,900	61,960	200,000	275,000	180,000	40,000
Total number of beneficiaries	10	10	9	5	5	5	1
Date options can be exercised	66	85	28	150	43	25	30
Date options expire	28/04/99	7/12/99	30/05/00	1/03/03	8/03/06	16/09/07	24/12/08
Subscription or share price	27/04/09	6/12/09	29/05/10	28/02/11	7/03/12	15/09/13	23/12/14
Favourable discount	12.20	16.36	18.85	27.10	25.00	27.67	28.07
Number of options lapsed	2.250	3.060	3.530	5.080	0.000	0.000	0.000
Number of options exercised at 31 March 2007	4,700	3,400		34,000	8,500	23,000	30,000
Remaining balance	245,214	425,037	101,870	622,210	309,876	-	-
	39,386	70,663	29,410	360,390	341,124	264,000	232,000

There were no options exercised during the year by directors.

Options granted during the year to the ten highest paid group employees that are not directors, where the number of options is the greatest

Company granting the options	Date of plan	Total number of options	Exercise price (in €)	Average price at exercise (in €)
Rémy Cointreau	30/05/00	14,400	23.33	40.75
Rémy Cointreau	08/03/02	137,500	26.32	46.21

It should be noted that Rémy Cointreau SA had no employees during the 2006/07 financial year.

ON FREE SHARE ALLOCAITONS (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 2006/07 financial year:

Shares granted during the year to directors

Beneficiary	Company granting the options	Date of allocation	Number of shares	Date of final allocation	Date shares may be traded
Jean-Marie Laborde	Rémy Cointreau	12/10/06	20 000	12/10/2008	12/10/2010

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 options	Date of allocation	Number of shares	Date of final allocation	Date shares may be traded
Rémy Cointreau	12/10/06	66 500	12/10/08	12/10/10

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 concerning the share capital.

4.7 INFORMATION ON TRANSACTIONS WITH MEMBERS OF GOVERNANCE BODIES

See the Statutory Auditors' Special Report for the financial year ending 31 March 2007 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.

4.8 LOANS AND GUARANTEES GRANTED TO OR SET UP IN FAVOUR OF MEMBERS OF GOVERNANCE BODIES AND EXECUTIVE MANAGEMENT

None.

4.9 EMPLOYEE PROFIT-SHARING

PROFIT-SHARING AND PARTICIPATION AGREEMENTS

The Rémy Cointreau Group seeks to fully involve its employees in its performance and the results of its various operations. Also, virtually all employees of French companies in the Group benefit from profit-sharing.

More specifically, the employees of CLS Rémy Cointreau, representing 75% of the French workforce, are covered by a profit-sharing agreement, and 2006/07 was the third and last year. This agreement summarises the strategy for value and profitability through objectives for the five adopted criteria, reflecting the aims of growth in turnover, economic performance, cost control, increased level of industrial requirements and customer service.

Employees thus received, depending on the performance of their sector of activity, a bonus of 14.6% of their annual remuneration (subject to legal limits) in respect of profit-sharing for the 2006/07 financial year.

The profit-sharing amount paid on the last three years is as follows:

2006/2007: €4,011,476,

2005/2006: €3,860,830,

2004/2005: €3,957,120.

GENERAL INFORMATION ON THE COMPANY AND ITS SHARE CAPITAL

5.1 GENERAL INFORMATION ON RÉMY COINTREAU

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 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 LEGAL DOCUMENTS OF THE COMPANY

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

FINANCIAL YEAR

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

ALLOCATION OF PROFITS

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

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

DIVIDENDS (DISTRIBUTION POLICY OVER THE LAST FIVE YEARS)

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

GENERAL 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 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 to the 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 physically participate in the meeting and who had 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 from 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.

It will be proposed to the General Meeting of 31 July 2007, in the twelfth and thirteenth resolutions to revise Articles 23.1 and 23.6 of the bylaws relating to shareholdings and the right of admission of shareholders to meetings.

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 five 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.

The intermediary registered as the holder of the shares pursuant to paragraph 3 of Article L.228-1 of the Commercial Code is required, without prejudice to the obligations of the owners of the shares, to make the declarations so required by the first paragraph above for all of the shares of the Company for which he/she is registered as the holder.

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

5.2 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 2007, the share capital was €73,599,683.20 divided into 45,999,802 shares of €1.60 each, all of one class, fully paid and carrying 72,541,126 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

Pursuant to the share repurchase programme, authorised by the General Meeting of 7 September 2004, the Company sold 602,430 shares with a repurchase agreement on 24 March 2005. In order to maintain comprehensive coverage of its share repurchase plans and to partially manage the dilution resulting from the exercise of one of these share subscription plans, a resolute clause was included in the last sale.

This transaction was supplemented by the purchase by the Company of 224,497 call options from Barclays Bank PLC on 24 March 2005. The whole transaction 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 resolute 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.

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 2007, the Company held 25,000 shares in respect of the liquidity contract.

The Combined General Meeting of Rémy Cointreau of 28 July 2006 in its thirteenth resolution, authorised the Board of Directors, for a period ending at the conclusion of the General Meeting called, to consider the financial statements for the year ended 31 March 2007 and, at the latest, within a period of 18 months from 27 July 2006, to purchase, or sell shares in the Company, up to 10% of the current share capital, which is 3,979,914 shares, net of treasury shares, the sale of shares with 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 €218,895,270.

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

- to stimulate the secondary market or provide liquidity for the Rémy Cointreau share by an investment services provider via a liquidity contract that conforms to the AFEI charter recognised by the Autorité des Marchés Financiers;
- to cancel 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 all of the 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 nineteenth resolution of the same Meeting up to 10% of the share capital per period of 24 months.

The maximum purchase price is €55 and the minimum sale price is €25.

The renewal of this authorisation will be proposed at the Combined General Meeting of 31 July 2007.

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 7 September 2004 to the Board of Directors, for a period of 38 months from 7 September 2004, to grant, on one or more occasions, to employees of the Company or companies or GIE covered by Article L.225-180 of the Commercial Code, or certain of them, as well as the management of the Company or companies or GIE covered 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 Article 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.

The renewal of this authorisation will be proposed at the Combined General Meeting of 31 July 2007.

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, to 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 to the benefit of executives defined by law, to 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 represent a number of shares in excess of 2% of the number of shares comprising the share capital on the day of the allocation of free shares by the Board of Directors.

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

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

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

The Combined General Meeting of 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 in 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.

This authorisation has not been used to date.

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 28 July 2005, in its sixteenth resolution, in accordance with the provisions of L.225-129, L.225-129-2, L.129-3, L.228-91 and L.228.92 of the Commercial Code, granted 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.

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 28 July 2005.

The same Meeting, in its seventeenth 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 sixteenth and seventeenth 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.

At the Combined Meeting of 31 July 2007, a proposal will be made to renew these authorisations.

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 28 July 2005, in its seventeenth 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 sixteenth and seventeenth 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 28 July 2005.

At the Combined Meeting of 31 July 2007 a proposal will be made to renew these authorisations.

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 28 July 2005, 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.

The current authorisation is valid for a period of 26 months with effect from 28 July 2005

At the Combined Meeting of 31 July 2007 a proposal will be made to renew these authorisations.

SUMMARY TABLE OF THE DELEGATIONS 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 authorisation	Use of the delegation during the year
Allocation of options to subscribe to shares	7/09/2004	limited to 3% of share capital	38 months	Nil
Issue of marketable securities giving access to capital with maintained pre-emption rights to subscribe	28/07/2005	€30,000,000 (overall nominal amount for these authorisations)	26 months	Nil
Issue of marketable securities giving access to capital with cancelled pre-emption rights to subscribe	28/07/2005		26 months	Nil
Issue of shares, securities or marketable securities and freely setting the issue price	28/07/2005	limited to 10% of capital	26 months	Nil
Allocation of free shares	28/07/2005	limited to 2% of share capital	38 months	Allocation of 97,000 shares
Increase of share capital by incorporation of reserves, profits or premiums	27/07/2006	€70,000,000	26 months	Nil
Increase in share capital as consideration for transfer in kind	27/07/2006	Limited to 10% of capital	26 months	Nil

SECURITIES NOT REPRESENTATIVE OF CAPITAL

On 24 June 2003 Rémy Cointreau issued seven year senior loan notes of €175 million, and on 5 January 2005, seven year senior loan notes of €200 million. The features of these two are described in Notes 2.9, to the parent company accounts of Rémy Cointreau at 31 March 2007.

OTHER SECURITIES GIVING ACCESS TO CAPITAL

CONVERTIBLE LOAN NOTES WITH THE OPTION OF CONVERSION AND/OR EXCHANGE FOR NEW/EXISTING SHARES (OCEANES)

Bonds with the option of conversion and/or exchange into new and/or existing shares, issued on 13 December 2000 for €300 million were repaid on 1 April 2006.

OTHER CONVERTIBLE LOAN NOTES

None.

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 2007 was 139,459.

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 1 March 2001 and 8 March 2002 allocated in full the corresponding options. The number of options outstanding at 31 March 2007 was 354,014.

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. No option had been exercised as at 31 March 2007.

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 issued new shares issued	Share premium (francs)	Share premium (euros)	Share premium (francs)	Share capital (euros)	Number of shares
21/03/91	Capital increase Contribution in kind	374,582 377,403,520 FFr 100 each	Contribution:	-	127,758, 200	-	1,277,582
16/12/91	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 FFr 10 each	Merger: 1,467,318,152	-	296,238,450	-	29,623,845
31/03/94	Capital increase by conversion of bonds	9,400 shares FRr 10 each	issue: 12,390,000	-	297,182,450	-	29,718,245
	and by exercise of share subscription options	10,868 shares FRr 10 each	issue: 1,467,180	-	297,291,130	-	29,729,113
31/03/95	Capital increase by conversion of bonds	1,019,200 shares FRr 10 each	issue: 133,770,000	-	307,483,130	-	30,748,313
	and by exercise of share subscription options	5,743 shares FRr 10 each	issue: 775,305	-	307,540,560	-	30,754,056
31/03/96	Capital increase by conversion of bonds	6,080,368 shares FRr 10 each	issue: 798,048,300	-	368,344,240	-	36,834,424
4/12/96	Capital increase following the payment of dividends in shares	1,278,989 shares FRr 10 each	issue: 127,272,195.39	-	381,134,130	-	38,114,413
31/03/98	Capital increase following the exercise of share subscription options	10,753 shares FRr 10 each	issue: 1,070,03.,03	-	381,241,660	-	38,124,166
31/03/00	Capital increase following the exercise of share subscription options	58,064 shares FRr 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 euro by transfer from available reserves	-	-	-	-	61,091,568	38,182,230
30/06/00	Capital increase following the exercise of share subscription options	198,332	-	2,518,696.16	-	61,408,899.20	38,380,562
13/10/00	Capital increase following the exercise of share subscription options and by the payment of dividends in shares	78,659 867,048	-	1,082,396.96 26,540,339.28	-	61 534 753,60 62 922 030,40	38 459 221 39 326 269
19/12/00	Capital increase transfer in kind	5,000,000	-	162,000,000.00	-	70 922 030,40	44 326 269

Dates	Description	Number of new shares (francs)	Share premium (euros)	Share premium (francs)	Share capital (euros)	Share capital	Share capital number of shares
31/03/01	Capital increase following the 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 following the exercise of share subscription options	82,105	-	1,154,348.38	-	71,135,561.60	44,459,726
31/03/03	Capital increase following the exercise of share subscription options	120,215	-	1,624,950.23	-	71,327,905.60	44,579,941
31/03/04	Capital increase following the exercise of share subscription options	199,908	-	2,759,676.45	-	71,647,758.40	44,779,849
31/03/05	Capital increase following the exercise of share subscription options	272,812	-	4,254,831.72	-	72,084,257.60	45,052,661
31/03/06	Capital increase following the exercise of share subscription options	702,116	-	15,317,755.73	-	73,207,643.20	45,754,777
	following the conversion						
	- of bonds	30,032	-	598,640.58	-	73,255,694.40	45,784,809
	- of OCEANE securities	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

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 Advisers, LLC that held 11.83% of the share capital and 7.50% of the voting rights at 31 March 2007.

5.3 CURRENT 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 OWNERSHIP ANALYSIS AT 31 MARCH 2007

Shareholders	Situation at 31/03/2007			Situation at 31/03/2006			Situation at 31/03/2005		
	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights
Orpar	19,831,197	43.11	54.68	19,831,197	43.58	54.82	19,831,197	44.02	55.17
Récopart	6,582,767	14.31	17.48	6,291,589	13.83	17.13	6,270,339	13.92	17.21
Arnhold and S.Bleichroeder, LLC ⁽¹⁾	5,443,582	11.83	7.50	6,343,891	13.94	8.77	5,392,067	11.97	7.50
Rémy Cointreau (treasury shares)	25,000	0.05	-	24,700	0.05	-	30,000	0.07	-
Public	14,117,256	30.70	20.34	13,014,767	28.60	19.28	13,529,058	30.02	20.12
Total	45,999,802	100.00	100.00	45,506,144	100.00	100.00	45,052,661	100.00	100.00

(1) Number of shares declared by Arnhold and Bleichroeder, LLC on 5 February 2007.

There are shares with double voting rights. The number of shares with double voting rights at 31 May 2007 was 26,565,730. The principal shareholders Orpar and Récopart, hold such rights as indicated in the above table.

The employee savings plan represents less than 1% of the share capital of Rémy Cointreau. It is the only form of 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 6,582,767 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 2007

Shareholders	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
Sir 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. Håkan Mogren	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
Total	4,189	0.00	2,989	7,178	0.01

It is noted that Orpar, a director, holds, on the same date 19,831,197 shares, being 43.11% of the share capital and 39,662,394 voting rights, being 54.68% voting rights.

The Company holds 25,000 treasury shares. The features of the share repurchase programme authorised by the General Meeting of 27 July 2006 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 SHARE CAPITAL DURING THE LAST THREE YEARS

During the course of the 2004/05, financial year, the share capital increased by €436,499.20 to €72,084,257.60, as a result of the exercise of 272,812 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 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 the 2005/06 financial year, the conversion of 2,262 OCEANE 3.5% bonds, 2001/2006, the conversion of 1,871 7.5% 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 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.

PERSONS THAT CONTROL THE COMPANY AND DETAILS OF THEIR SHAREHOLDING

At 31 March 2007, Orpar was 79.72% owned by Andromède, which is controlled by the Hériard Dubreuil family.

At 31 March 2007, Orpar held 19,831,197 shares in Rémy Cointreau, giving it 39,662,394 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.

5.4 RÉMY COINTREAU SHARE PRICE PERFORMANCE

Rémy Cointreau shares are only listed on the Euronext Paris SA-Eurolist, to the exclusion of any other regulated market.

RÉMY COINTREAU SHARE PERFORMANCE OVER THE LAST 18 MONTHS

(In €)	Trading volume	Average price	High price	Low price	Trading value (€ millions)
December 2005	1,940,059	39.17	41.99	34.33	76.10
January 2006	1,430,753	40.95	42.31	39.05	58.58
February 2006	1,251,439	40.58	42.41	38.25	50.53
March 2006	1,126,852	41.86	44.15	40.50	47.09
April 2006	800,762	42.74	44.55	40.61	34.55
May 2006	1,004,190	42.60	46.45	39.00	42.57
June 2006	1,281,442	40.38	42.84	37.85	51.71
July 2006	1,994,700	38.17	40.33	35.60	76.47
August 2006	1,314,603	38.88	41.19	37.02	51.08
September 2006	844,053	39.76	41.70	38.16	33.52
October 2006	1,857,689	41.04	42.87	39.40	76.42
November 2006	1,820,309	42.96	46.75	41.19	79.64
December 2006	4,188,570	47.37	50.10	45.00	200.88
January 2007	2,580,869	49.88	52.35	47.86	128.96
February 2007	2,443,076	52.42	54.45	47.70	127.53
March 2007	2,015,981	50.48	52.39	47.90	101.30
April 2007	1,695,962	51.76	54.60	49.72	87.81
May 2007	1,203,297	52.49	54.03	51.04	63.16

At 31 March 2007, Rémy Cointreau's market capitalisation amounted to €2,298.98 million.

5.5 SHARE BUYBACK PROGRAMME

SPECIAL REPORT ON THE SHARE BUYBACK PROGRAMME AUTHORISED ON 27 JULY 2006

In accordance with Article L.225-209 of the Commercial Code, the current report is to inform the General Meeting of the purchases of shares that have been made within the share buyback programme authorised by the General Meeting of 27 July 2006.

Between 28 July 2006 and 31 May 2007, the Company acquired 276,730 shares and sold 333,730.

These transactions were carried out as part of a liquidity contract concluded by the Company with Rothschild & Cie.

The Company acting through an investment services provider, acquired 276,730 of its own shares during the year at an average weighted price of €49.0257 per share.

The Company acting through an investment services provider, sold 333,730 of its own shares during the year at a weighted average price of €48.0865 per share.

In addition, it is noted that the Company cancelled 280,927 shares over the last 24 months. As part of a contract for sale with repurchase agreement signed on 24 March 2005 between the Company and Barclays Capital, under which the Company made the sale with repurchase agreement of 602,430 of its treasury shares. On 14 February 2006 the Company repurchased 280,927 shares in order to limit the dilutive effect of options to subscribe for shares. These shares were cancelled, in accordance with the terms of the contract with repurchase agreement and the

authorisation given by the General Meeting of 28 July 2005.

THE TABLE BELOW SUMMARISES THE FINAL POSITION OF TRANSACTIONS CARRIED OUT IN THE PERIOD 28 JULY 2006 TO 31 MAY 2007

DECLARATION BY THE ISSUER OF TRANSACTIONS IN ITS OWN SHARES AT 31 MAY 2007

Percentage of treasury shares held directly or indirectly: 0.00%

Number of securities cancelled in the last 24 months: 280,927

Number of securities held at the start of the programme: 57,000

Number of securities purchased since the start of the programme as part of a liquidity contract: 276,730
Average price: €49.0257

Number of securities sold since the start of the programme as part of a liquidity contract: 333,730
Average price: €48.0865

Number of securities transferred since the start of the programme: 0

Number of securities cancelled since the start of the programme: 0

Number of securities held at 31 May: 0

Book value of portfolio: €0

Market value of portfolio: €0

TRANSACTIONS CARRIED OUT BY THE COMPANY DURING THE YEAR

None.

DERIVATIVE PRODUCTS OUTSTANDING

Date of transaction	Intermediary	Purchase/Sale	Purchase/Future options	Maturity	Exercise price €	Premium	Organised markets/principal to principal	Comments
24/03/2005	-	Resolutive clause	-	15/09/2013	27.67	-	-	284,000 securities
24/03/2005	-	Resolutive clause	-	23/12/2014	28.07	-	-	37,503 securities
24/03/2005	-	Purchase	Purchase options	23/12/2014	28.07	10,25	Principal	224,497 securities to principal

■ As part of the sales contract with repurchase agreement concluded on 24 March 2005, the Company has the right to repurchase 321,503 securities and purchase options for 224,497 securities to finally cover 546,000 options.

■ As part of a liquidity contract, the Company held 25,000 shares at 31 March 2007 and held none at 31 May 2007.

■ No treasury shares are held indirectly by the Company.

OBJECTIVES OF TREASURY SHARES HELD

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 27 JULY 2007
AS PART OF THE TENTH RESOLUTION

- Securities concerned: shares issued by Rémy Cointreau
- Maximum to be purchased by the Company: 10%
- Maximum number of shares that may be acquired by the Company: 4,028,980 shares may be purchased, taking into account treasury shares, the sale of shares with repurchase agreement and the purchase of options to purchase shares.
- Maximum unit price: €60
- Objectives:
 - to stimulate the secondary market or provide liquidity for the Rémy Cointreau share by an investment services provider via a liquidity contract that conforms to the AFEI charter recognised by the Autorité des Marchés Financiers;
 - to cancel the shares, subject to the adoption of the fourteenth resolution submitted to the current General Meeting, and whose object is their cancellation, in order to increase the return on capital and earnings per share;
 - 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 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 2008 and no later than 18 months from 31 July 2007.

RESOLUTIONS

COMBINED GENERAL MEETING OF 31 JULY 2007

6.1 COMMENTARY ON THE RESOLUTIONS SUBMITTED TO THE COMBINED GENERAL MEETING OF 31 JULY 2007

Allocation of 2006/07 profit

Your Board of Directors, after noting the financial statements for the year ended 31 March 2007, disclose the following:

- profit for the year:	€175,629,723.44
- balance brought forward:	€37,696,670.24
Total amount distributable:	€213,326,393.68

and proposes the following allocation:

- allocation to the legal reserve	€78,985.28
- distribution of a dividend of €1.20 per share:	€55,199,762.40
- balance carried forward:	€158,047,646.00
Total:	€213,326,393.68

The amount paid as a dividend is fully eligible for the reduction of 40% provided by Article 158-3, 2 of the General Tax Code.

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	2003/04	2004/05	2005/06
Net dividend per share	€1.00	€1.00	€1.10
Tax credit per share	€0.50	-	-
Eligible dividend distributed	-	€1.00	€1.10

We propose to grant every shareholder, for twenty per cent (20%) of the dividend payable, an option of the payment of this dividend in cash or in shares.

The issue price of the new shares will be equal to 90% of the average price quoted on the 20 trading days preceding the day of the decision to pay the dividend less the net dividend, pursuant to Article L. 232-19 of the Commercial Code. The Board of Directors will have the facility to round the price thus determined to the nearest 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 20% of the dividends to which they are entitled. Shareholders wishing to elect for the payment of the dividend in shares of 20% of the dividends to which they are entitled, must request this from their financial intermediary in the period 6 August 2007 to 7 September 2007 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 10 September 2007 after the expiry of the election period. The fraction of the dividend for which the election for 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 1 April 2007, 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 agreements authorised during the year have been given to the Statutory Auditors to enable them to prepare their special report. We would ask you to approve their terms and conditions.

Renewal of term of office of a director and appointment of two new directors

The term of office of Mr. Marc Hériard Dubreuil and Mr. Jean Burelle 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 report.

In addition, we request that you appoint Mr. Tim Jones as a new member of the Board of Directors.

Mr. Tim Jones, 62 years old, a British national, is a Doctor of Philosophy (PhD) and holds an MBA. He was a manager in the oil industry for a number of years. He has been a Director of Orpar, the parent company of Rémy Cointreau, since 15 January 2003. He is also a member of the Board of Double Dragon Underwriting Ltd and InnovOx Ltd. Mr. Tim Jones is a member of the Royal Society of Chemistry.

As a result, we do not propose to reappoint Mr. Håkan Mogren whose term of office expires.

Attendance fees

We propose to set at €294,000 the fees paid to members of the Board of Directors in respect of 2007/08. This 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 4,028,980 shares, taking into account the treasury shares held by the Company at 31 March 2007, the sales with repurchase options and the purchase of options to purchase shares.

The purchase programme is to facilitate the following transactions, in declining order of priority:

- to stimulate the secondary market or provide liquidity for the Rémy Cointreau share by an investment services provider via a liquidity contract that conforms to the AFEI charter recognised by the Autorité des Marchés Financiers. 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;

- to 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;

- to cover the obligations in respect of debt securities giving access to capital;

- to grant the shares in accordance with the terms and conditions provided by law, notably as part of a profit-sharing plan, to service options to purchase shares, as part of a 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 shares and retain them to be used subsequently in exchange or as payment for acquisitions, in accordance with market practices permitted by the Autorité des Marchés Financiers and within the law; and
- to implement all market practices that are admitted by the Autorité des Marchés Financiers and, more generally, to carry out all transactions in accordance with 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 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 and the minimum sales price at €30. The maximum amount that the Company is liable to pay as a result is €241,738,800, 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 1 March 2006, Rémy Cointreau purchased from Barclay's Capital Securities Ltd, 280,927 shares to limit the dilutive effect arising from an option plan to subscribe for shares. Using the delegation of powers granted by the Extraordinary General Meeting of 28 July 2005 in its fifteenth resolution, the Board of Directors on 28 April 2006

decided to reduce the share capital by cancelling these 280,927 shares, in accordance with the terms of the above contract for sale and repurchase.

At 31 March 2007, the Company held 25,000 treasury shares.

Revisions to the bylaws

It is proposed in the twelfth and thirteenth resolution to revise the bylaws of the Company as a result of various legislative changes.

First of all this concerns the revision of Article 23.1 of the bylaws in respect of the terms of calling and participating in General Meetings of the Company. This revision arises from the requirement to bring the bylaws into line with Articles 30-2° and 35 of Decree No. 2006-1566 of 11 December 2006 which revised Articles 131-3 and 136 of Decree No. 67-236 of 23 March 1967 on commercial companies.

Article 131-3 concerns the authorised processes for electronic signature by the shareholder or representative of the proxy form or postal voting form. Article 136 also requires proof of the right to attend General Meetings of listed companies by the accounting registration of securities in the name of the shareholder by the third working day prior to the Meeting at midnight, Paris time.

Thereafter, there is a revision to Article 23.6 of the bylaws in respect of the attendance of shareholders at General Meetings of the Company. This revision is also the result of bringing the bylaws into line with Article 38 of Decree No. 2006-1566 of 11 December 2006 which revised Article 145-2 of Decree No. 67-236 of 23 March 1967 on commercial companies.

Article 145-2 concerns identification guarantees and effective attendance at shareholder meetings where they participate by way of video-conferencing or telecommunication.

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, it being noted that this limit applies to the amount of the share capital of the Company which shall be, where appropriate, adjusted to take into account transactions after the current Meeting that affect the share capital.

This is an annual authorisation that renews as a result of the nineteenth resolution adopted by the General Meeting of 27 July 2006.

Authorisation to issue marketable securities giving access to capital or giving the right to debt securities and to increase the capital with or without maintained pre-emption rights to subscribe

The General Meeting of Rémy Cointreau of 28 July 2005, meeting in extraordinary session, granted the Board of Directors the authorisation, with or without maintained pre-emption rights to subscribe, to give your Company recourse to the financial markets by the issue of marketable securities giving access to capital or giving the right to the allocation of debt securities.

You are today requested to renew, in order to enable the Group to continue to avail itself of the necessary financial resources within the shortest timeframe for its development, by using the instruments best adapted to market conditions.

It is noted that Decree No. 2004-604 of 24 June 2004 now submits to a single and simplified legal regime all marketable securities giving access to capital or that give the right to the allocation of debt securities. As a result, all the special regimes that up to now were applicable are cancelled, to bonds with warrants to subscribe for shares, bonds convertible into shares, bonds exchangeable for shares and to independent warrants to subscribe that give the right to subscribe to a future increase.

Pursuant to Articles L. 225-129 and subsequent and L. 228-91 and subsequent of the Commercial Code, your General Meeting is called to again grant the Board of Directors for a period of 26 months with effect from the said Meeting, a general delegation, the subject of the fifteenth and sixteenth resolutions, enabling it to decide on an increase in share capital and to proceed with the issue, with or without pre-emption rights to subscribe for shares in the Company, as well as marketable securities, of whatever nature, giving access immediately and/or in time to the capital of the Company or giving the right to the allocation of debt securities, within a nominal ceiling of an increase in capital of €30,000,000.

The issues of preference shares and marketable securities giving access immediately or in time to preference shares are excluded from this authorisation.

a) Issues with pre-emption rights to subscribe (fifteenth resolution)

As part of a global authorisation, the fifteenth resolution concerns issues with maintained pre-emption rights to subscribe for shares in the Company and to marketable securities giving access to the capital of Rémy Cointreau.

In the event of an issue of marketable securities giving access in time to capital, whether by conversion, exchange, repayment, presentation of a warrant, a combination of these means, or in any other manner, your decision excludes or carries, depending on circumstances, the waiver by the shareholders, to the benefit of holders of these securities, their pre-emption rights to subscribe for shares or to marketable securities giving access to capital to which these marketable securities give the right.

The delegation of the Meeting thus confers on the Board of Directors the possibility during a period of 26 months, to decide to issue, within the limit of a maximum nominal increase in capital of €30,000,000, shares in the Company, as well as all categories of marketable securities giving access to capital.

The total nominal amount of debt securities that may be issued on the basis of the sixteenth resolution may not exceed €750,000,000.

The amount is common to the nominal amount of debt securities that may be issued on the basis of the sixteenth resolution submitted to the current Meeting.

On these bases, the Meeting is invited to delegate to the Board of Directors, with the facility to sub-delegate according to the law, the greatest powers to proceed with the authorised issues, on one or more occasions, in the proportion and at times it decides, on all markets and in all currencies, in the best interests of the Company and the shareholders, and notably to approve, as a function of market opportunities at the time considered, the price, conditions and features of issues, set the amounts to be issued, determine the terms of the issue and the form of the marketable securities giving access to the capital to be created, set the effective date, even retroactive, of marketable securities giving access to the capital to be issued and the conditions for their repurchase, proceed with all adjustments required in compliance with legal and regulatory provisions, possibly suspend the exercise of rights attached to those marketable securities during a set period in compliance with the legal and regulatory provisions and, in general, take all useful steps and conclude all agreements to successfully complete the issues considered, and note the realisation and to make the changes to the bylaws made necessary by the use of the current authorisation, in compliance with the law and regulations in force.

You are also requested to enable the Board of Directors to establish for the benefit of shareholders a reducible right to subscribe and, in every case, if the subscriptions do not absorb the full amount of the issue, to decide, in the order it determines, and in accordance with the law, to limit the amount of the subscriptions received or, in full or part, freely release the unsubscribed securities or to offer them in full or in part to the public. You are also requested to enable the Board of Directors to use treasury shares held to substitute for shares to be issued in respect of the current authorisation.

b) Issues without pre-emption rights to subscribe (sixteenth resolution)

Your Board of Directors may be led, in the interests of the Company and its shareholders, in order to seize opportunities offered by the financial markets in certain circumstances, to proceed with the issues without shareholders being able to exercise the pre-emption rights to subscribe.

This cancellation of the pre-emption rights to subscribe is justified by the necessity, in certain circumstances, to reduce the timeframe in order to facilitate the placing of the marketable securities issued, particularly on international markets.

The Board of Directors also requests that you, by voting for the sixteenth resolution, authorise the decision to increase the share capital and to issue, without the shareholders' pre-emption rights to subscribe, shares in the Company, as well as all marketable securities, of whatever nature, giving access to the capital of the Company or giving the right to the allocation of debt securities provided by the fifteenth resolution, up to a general ceiling provided of €30,000,000, and which is common to both resolutions, for the same period of 26 months with effect from the current Meeting.

The issue of preference shares and marketable securities giving access immediately or in time to preference shares are excluded from this authorisation.

This vote, as for the fifteenth resolution, excludes or carries, depending on circumstances, the waiver by the shareholders of the pre-emption rights to subscribe for shares or to marketable securities giving access to the capital to which these marketable securities give the right.

The total nominal amount of debt securities that may be issued on the basis of the sixteenth resolution may not exceed €750,000,000. To this amount, will be added the amount of debt securities which will be issued pursuant to the delegations to the Board of Directors authorised by the current Annual General Meeting.

The issue price of shares or marketable securities giving access to capital that can be assimilated to shares or marketable securities, giving access to existing capital admitted to trading, will be set in compliance with legal and regulatory provisions.

The issue price of other marketable securities, that cannot be assimilated to shares or marketable securities, giving access to existing capital admitted to trading, will be that received immediately by the Company, increased where appropriate, by that likely to be received subsequently by it or, for every share issued as a result of the issue of these other marketable securities, at least equal to the issue price defined in the previous paragraph.

The issue price of marketable securities giving access to debt securities may not be less than the nominal amount (excluding interest) repayable, possibly reduced by a discount of 10%.

On these bases, the Meeting is invited to delegate to the Board of Directors, with the facility to sub-delegate according to the law, the greatest powers to proceed, on one or more occasions with issues of debt securities and other marketable securities, to set the terms and conditions of each issue as indicated in the current report about the fifteenth resolution. You are also requested to enable the Board of Directors to use treasury shares held to substitute for shares to be issued in respect of the current authorisation.

The widest terms of placement are envisaged in order to reach the widest public.

The Board of Directors asks you to authorise it to organise for the benefit of shareholders, according to circumstances and if they permit, a non-negotiable right to subscribe for a minimum period of three stock market trading days, where appropriate, reducible

where it sets the conditions of exercise. Unsubscribed securities by virtue of this right will be the subject of a public placing.

You are also requested to delegate to the Board of Directors, the issue with cancellation of the pre-emption rights to subscribe for shares or marketable securities, giving access to capital in consideration for securities tendered to all public takeover offers initiated by the Company in respect of securities of every company whose shares are admitted to trading on a regulated market covered by Article L. 225-148 of the Commercial Code, including all marketable securities issued by Rémy Cointreau, and shares and marketable securities representing a share of the capital of a company which gives the right to marketable securities issued by companies in which Rémy Cointreau owns, directly or indirectly, over half the share capital.

The same ceiling of a nominal increase in capital of €30,000,000 applies to these issues.

At the time of the Meeting, you can consider the special report of the Statutory Auditors who will give their opinion on these authorisations to issue.

In the event of the use by the Board of Directors to the fifteenth and/or sixteenth resolution referred to above and pursuant to Articles 155-2 and 155-3 of the Decree of 23 March 1967, the additional reports on the final conditions of the transactions will be made available to you, then presented at a General Meeting.

Lastly, you are requested to grant all powers to the Board of Directors to make revisions to the bylaws made necessary by the use of the current authorisations and to enable it to allocate the costs incurred by the capital increases realised to the premiums arising from these transactions.

Authorisation to grant options to subscribe for or purchase shares

Pursuant to the corporate policy of the Group in the area of motivation and encouraging loyalty among employees where the Board of Directors and general management consider their role to be important within the Group, it is proposed to authorise the Board of Directors, within Articles L. 225-177 and subsequent of the Commercial Code, to grant, on one or more occasions, for the benefit of Company personnel and the companies covered by Article L. 225-180 of the Commercial Code, within the limits provided by Article L. 225-182 of the Commercial Code, options to subscribe for new shares in the Company, to be issued by way of an increase in capital, or options giving the right to purchase shares in the Company arising from a purchase made by it under the conditions laid down in Articles 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 the right to a number of shares representing more than 3% of the share capital of the Company.

The current authorisation, granted for a period of 38 months with effect from today, carries for the benefit of beneficiaries of options to subscribe, the express waiver by shareholders to their pre-emption rights to subscribe for shares that will be issued in line with the exercise of options to subscribe.

The subscription price or the share price shall be set by the Board of Directors on the day the option is granted within the limits prescribed by law. Options to subscribe or purchase may not be granted during periods of legal prohibition.

In any event, in the case of options to subscribe, the subscription price may not be less on the day the option is granted, than 80% of the average price quoted in the 20 stock market trading days preceding the said day. In the case of the grant of options to purchase, the purchase price of shares may not be less than 80% of the average price quoted in the 20 stock market trading days preceding the day the options to purchase are granted nor less than 80% of the average purchase price of shares held by the Company under Articles L. 225-208 and/or L. 225-209 of the Commercial Code.

The subscription or purchase price may not be revised during the period of the option. However, in the event of a write-down or reduction in capital, change to the allocation of profit, allocation of free shares, incorporation into capital of reserves, profits or issue premiums, distribution of reserves or any issue of capital securities or securities giving the right to the allocation of capital securities comprising a right to subscribe reserved for shareholders, the Board of Directors must take the necessary steps to protect the interests of the beneficiaries of options under the conditions provided by Article L. 228-99 of the Commercial Code.

The timeframe to exercise options will be a maximum of ten years with effect from the day they were granted.

Authorisation to increase the share capital by the issue of shares reserved for members of a company savings plan

Since the law of 19 February 2001 relating to employee savings, the Extraordinary General Meeting must, for every decision to increase the capital, decide on a draft resolution designed to issue shares reserved for employees who are members of a company savings plan (CSP).

This very general obligation is imposed on all limited companies, whether or not they have a CSP, and, since the Financial Security Law of 1 August 2003, for every decision to increase the capital in cash, including deferred payment. In addition, the law of 9 December 2004 which ratified the Decree of 24 June 2004 that reformed marketable securities, requires that where an Extraordinary General Meeting delegates to the Board of Directors the authority to decide on an increase in capital, it must also decide on a draft resolution designed to carry out an increase in capital in favour of the employees (Article L. 225-129-6 of the Commercial Code). Such a statement thus avoids the need for an Extraordinary General Meeting called to decide on such a resolution every time the Board of Directors decides to increase the capital.

The Company must as a result comply, even though it has no employees, and thus no CSP, and no group CSP exists. The increase in capital by the issue of shares reserved for members of a CSP must eventually occur within subsidiaries that have employees.

In order to maintain the complete validity of authorisations granted to the Board of Directors to issue various marketable securities giving access to capital, we are thus forced to present you with this resolution

arising from a legal requirement with a general application, while asking you, at the Combined General Meeting of 28 July 2005, to reject it as there is no reason for it to be applied to your Company.

Authorisation to increase the number of securities to be issued in the event of excess demand

The Decree of 24 June, introduced a new Article L. 225-135-1 to the Commercial Code, authorising the Extraordinary General Meetings to anticipate that the number of securities may be increased at the time of a capital increase with or without pre-emption rights to subscribe, under the conditions set by the Decree of 10 February 2005.

The latter introduced a new Article 155-4 (Article R. 225-118 of the Commercial Code), into the Decree of 23 March 1967, which provides that the number of securities may be increased in the 30 days from the closing of the subscription period, up to 15% of the initial issue and at the same price as the initial issue.

The purpose of the nineteenth resolution is to authorise the Board of Directors to increase the number of securities to be issued as part of the delegations provided by the fifteenth and sixteenth resolutions of the current Meeting.

Authorisation to proceed with the issue of shares, securities or various marketable securities and freely setting the issue price

Article L. 225-136 of the Commercial Code provides that in the event of an issue with cancellation of the pre-emption rights to subscribe, the Extraordinary General Meeting may authorise the Board of Directors, for up to 10% of the share capital per year, to set the issue price according to the terms it determines.

The twentieth resolution proposed for your vote contains two price rules, at the choice of the Board of Directors, by offering the possibility of a maximum discount of 5%, as provided by the Decree of 10 February 2005 setting the issue price of marketable securities without pre-emption rights to subscribe, for companies whose securities are admitted to trading on a regulated market. Article L. 225-129-2 of the Commercial Code requires that such an authorisation must be subject to a specific resolution.

In such a case, your Board of Directors must prepare an additional report, certified by the Statutory Auditors, describing the conditions of the transactions and providing appropriate information on the effective incidence on the shareholders' position.

The issues of preference shares and marketable securities giving access immediately or in time to preference shares are excluded from this authorisation.

Authorisation to reduce the share capital

Pursuant to Article L. 225-204 of the Commercial Code, it is proposed to authorise the Board of Directors to reduce the share capital on one or more occasions, up to a maximum of 30% of the existing capital on the day of the Meeting, by cancellation of shares in the Company of €1.60 nominal value each repurchased to the same extent by the Company. The minimum repurchase price will be €60 per share.

This authorisation will be granted for a period of three years with effect from the current Meeting.

Authorisation to 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 brought 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 preceding the day of filing a public offer.

Article L. 233-33 of the Commercial Code is applicable - that is to say that it sets aside the provisions of Article L. 233-32 - in the event of a public offer initiated by an entity having its registered office in a number of states of the European Community that has not made mandatory the duty of neutrality of management 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.

You are invited to approve these resolutions as proposed by voting.

The Board of Directors

6.2 REPORT OF THE STATUTORY AUDITORS

SPECIAL REPORT

COMBINED GENERAL MEETING OF 31 JULY 2007

To the Shareholders of Rémy Cointreau,

As Statutory Auditors to Rémy Cointreau SA, we present our report on the following transactions upon which you are requested to make a decision.

1.

REDUCTION OF SHARE CAPITAL THROUGH THE CANCELLATION OF PURCHASED SHARES (FOURTEENTH RESOLUTION)

In execution of our assignment, as covered by Article L. 225-209 of the Commercial Code in the event of a capital reduction arising from the shares purchased, we present our report on the reasons for and terms and conditions of the proposed capital reduction.

We have performed our work in accordance with acceptable professional standards in France. These require the performance of due diligence procedures to verify whether the reasons for and terms and conditions of the proposed share capital reduction are compliant.

This transaction arises from your Company's share buyback programme, which allows it to purchase up to 10% of its share capital, in accordance with the provisions of Article L. 225-209 of the Commercial Code. This purchase authorisation is also subject to approval by your General Meeting in its tenth resolution and will be valid for a period expiring at the end of the Meeting called to consider the financial statements for the year ended 31 March 2008, and no later than 18 months from the date of the current Meeting.

Your Board of Directors proposes that you delegate to it, for a period that ends at the close of the General Meeting called to consider the financial statements for the year ended 31 March 2008, and no later than 18 months from the date of the current Meeting, in respect of the implementation of the authorisation for your Company to purchase its own shares, all powers to cancel the shares thus purchased, up to the limit of 10% of its share capital and by 18 month periods.

We have no comments to make on the reasons for and the terms and conditions of the proposed capital reduction, it being noted that this cannot be carried out unless the Meeting first of all approves the share buyback programme, provided by the tenth resolution to the current Meeting.

2.

ISSUE OF MARKETABLE SECURITIES GIVING ACCESS TO THE CAPITAL OF THE COMPANY OR GIVING THE RIGHT TO THE ALLOCATION OF DEBT SECURITIES, WITH OR WITHOUT PRE-EMPTION RIGHTS TO SUBSCRIBE (FIFTEENTH, SIXTEENTH AND NINETEENTH RESOLUTIONS).

In execution of our assignment provided by the Commercial Code and notably Articles L. 225-135 and L. 228-92 of the Commercial Code, we present our report on the proposed issue of marketable securities giving access to capital or giving the right to an allocation of debt securities, with and/or without pre-emption rights to subscribe, a transaction on which you are requested to decide. The issues that may be decided in this respect may be increased by 15% under the conditions provided by the nineteenth resolution, in the event of excess demand.

Share capital increases that may occur immediately or in time from the issue of these marketable securities may not exceed €30,000,000. Also, the nominal value of debt securities giving access or not to shares and likely to be issued may not exceed €750,000,000, it being noted that this ceiling is common to all debt securities whose issue is delegated to the Board of Directors by virtue of the current authorisation.

Your Board of Directors proposes that, on the basis of its report, you delegate to it the authorisation, for a period of 26 months, within the framework of Article L. 225-129-2 of the Commercial Code, to proceed with this transaction and decide upon the conditions of issuance and to cancel, in the sixteenth resolution, your pre-emption rights to subscribe.

We have performed our work in accordance with acceptable professional standards in France. These require the performance of due diligence procedures to verify the methodology for determining the issue price of shares to be issued.

Subject to a subsequent review of the terms and conditions of the proposed issue, we have no comments to make on the methodology for determining the issue price of capital securities to be issued given in the report of the Board of Directors, it being noted that we do not express an opinion on the methodology for determining the issue price of capital securities to be issued which are not explained in the Board of Directors' report.

As the amount of share premium to be created by these issues is not fixed, we express no opinion on the definitive conditions through which the issues will be realised, and consequently, on the proposed cancellation of pre-emption rights to subscribe whose principle however is part of the logic of the transaction submitted for your approval.

In compliance with Article R.225-116 of the Commercial Code, we will report on these issues when implemented by your Board of Directors.

3.

**OFFERING OF SHARE SUBSCRIPTION OPTIONS FOR THE BENEFIT OF COMPANY EMPLOYEES
(SEVENTEENTH RESOLUTION)**

In execution of our assignment, as covered by Articles L. 225-177 and R.225-144 of the Commercial Code, we present our report on the offering of share subscription options for the benefit of employees or Company management and of related companies within the conditions of Article L. 225-180 of the Commercial Code.

It is the Board of Directors' responsibility to compile a report on the reasons for offering the share subscription or share options and the methods by which the subscription or purchase price is to be determined. We are responsible for giving an opinion on the proposed methods for determining a subscription price.

We have performed our work in accordance with acceptable professional standards in France. These standards require the performance of due diligence procedures to assess the proposed methods for determining the subscription or purchase price as detailed in the Board of Directors Report, and that they are compliant with the texts, that they are clear to the shareholders and that they are not manifestly inappropriate.

We have no comments to make on the methods proposed.

4.

**ISSUE OF SHARES GIVING ACCESS TO THE CAPITAL OF THE COMPANY, WITH CANCELLATION
OF PRE-EMPTION RIGHTS TO SUBSCRIBE RESERVED FOR MEMBERS OF A COMPANY SAVINGS PLAN
(EIGHTEENTH RESOLUTION)**

In execution of our assignment provided by L. 225-138-1 of the Commercial Code, we present our report on the proposed increase in capital reserved for members of a company savings plan of your Company or related companies within the meaning of Article L. 225-180 of the Commercial Code. The maximum capital increase is set at €1,400,000. This proposed increase in share capital is submitted for your approval in application of the provisions of Articles L. 225-129-6 of the Commercial Code and Article L. 443-5 of the Labour Code.

Your Board of Directors proposes that, on the basis of its report, you delegate to it the authorisation, for a period of 26 months, to decide upon the method of implementing this transaction and proposes that you cancel the pre-emption subscription rights.

We have performed our work in accordance with acceptable professional standards in France. These require the performance of due diligence procedures to verify the methodology for determining the issue price.

Subject to a subsequent review of the terms of the proposed capital increase, we have no observations to make on the methodology for determining the issue price given in the Management Board Report.

As the amount of share premium to be created by these issues is not fixed, we express no opinion on the definitive conditions through which the increase in share capital will be realised and, consequently, on the proposed cancellation of pre-emption rights to subscribe whose principle however is part of the logic of the transaction submitted for your approval.

In compliance with Article R. 225-116 of the Commercial Code, we will prepare an additional report at the time of realisation of the issue by your Board of Directors.

5.

**ISSUE OF SHARES, SECURITIES OR MARKETABLE SECURITIES AND FREELY SETTING THE ISSUE PRICE
(TWENTIETH RESOLUTION)**

In execution of our assignment provided by Article L. 225-136 1° of the Commercial Code, we present our report on the authorisation requested by your Board of Directors to proceed freely to set the issue price of a part of reserved capital increase for the issue of capital securities and/or marketable securities giving access to capital covered by the sixteenth resolution to the current Meeting.

Your Board of Directors proposes, for a period of 26 months from the current Meeting, to set the issue price of capital securities or marketable securities giving access to the capital of the Company to be issued without pre-emption rights to subscribe for a part set at 10% of the share capital of the Company, while respecting a floor price which will be determined and disclosed in the twentieth resolution.

We have performed our work in accordance with the professional standards applicable in France. These require the performance of due diligence procedures to verify the methodology of determining the issue price of capital securities or marketable securities giving access to the capital of the Company to be issued without the pre-emption rights to subscribe.

Subject to a subsequent review of the conditions for the proposed capital increases, we have no comments to make on the methodology for determining the issue price given in the report of the Board of Directors.

The issue price of capital securities or marketable securities giving access to capital to be issued, where appropriate, is not fixed, and we do not express an opinion on the final conditions for realising the issue, and, as a result, on the proposal made to you to cancel the pre-emption rights to subscribe whose principle however is part of the logic of the transaction submitted for your approval.

In compliance with Article L. 225-136 1° of the Commercial Code, we will certify the additional report prepared by the Board of Directors at the time of use of this authorisation.

6.

**REDUCTION IN CAPITAL BY REPURCHASE OF SHARES IN THE COMPANY TO THE SAME EXTENT
(TWENTY FIRST RESOLUTION)**

In execution of our assignment provided by Article L. 225-204 of the Commercial Code, in the event of a reduction in capital, we present our report to make you aware of our assessment of the reasons and conditions for the envisaged reduction in capital.

Your Board of Directors seeks an authorisation, for a period of three years from the current Meeting, to reduce the capital on one or more occasions, at its own discretion, up to 30% of the capital on the day of the Meeting by a purchase of the same number of shares in your Company of €1.60 nominal value each.

Your Board of Directors proposes that you delegate to it the power to set the final terms and conditions of the transaction, notably the share repurchase price, subject to a maximum limit of €60 per share or its equivalent.

We have performed our work in accordance with the professional standards applicable in France. These require the performance of due diligence procedures which led us to examine whether the reasons and conditions of the envisaged reduction in capital are correct. Our work consisted of verifying that the reduction in capital does not bring the capital to below the legal minimum and that it does not impair the equal treatment of the shareholders.

We have no comments to make on the reasons and conditions of this transaction.

Neuilly-sur-Seine and Paris, 22 June 2007

The Statutory Auditors

Ernst & Young et Autres

Marie-Laure Delarue

Auditeurs et Conseils Associés SA

Nexia international

Francois Mahé

6.3 RESOLUTIONS

COMBINED GENERAL MEETING OF 31 JULY 2007

6.3.1. GENERAL MEETING IN ORDINARY SESSION

First resolution

(Approval of the parent company financial statements for 2006/07)

The General Meeting, having considered the Report of the Board of Directors for the year ended 31 March 2007 and the Report of the Statutory Auditors, approves the financial statements for the year ended 31 March 2007, comprising the balance sheet, income statement and notes as presented, which disclose a profit of €175,629,723.44 as well as all the transactions reflected in these financial statements or summarised in the Report of the Board of Directors as carried out in the said year.

Second resolution

(Allocation of the profit and setting of the dividend)

The General Meeting, on the proposal of the Board of Directors and after noting that the financial statements disclose for the year ended 31 March 2007,

- a profit of:	€175,629,723.44
- increased by the balance brought forward:	€37,696,670.24
Total amount distributable:	€213,326,393.68

and proposes the following allocation:

- allocation to the legal reserve	€78,985.28
- distribution of a dividend of €1.20 per share:	€55,199,762.40
- balance carried forward:	€158,047,646.00
Total:	€213,326,393.68

The amount paid as dividend is fully eligible for the 40% allowance provided by Article 158-3, 2 of the General Tax Code.

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 shall be added to "balance carried forward".

In accordance with the law, it is noted that the net dividend during the last three years, for the years concerned, the related tax credit and the amount of dividends distributed that are eligible for the above mentioned allowance for shareholders residing in France, were the following:

Year	2003/04	2004/05	2005/06
Net dividend per share	€1.00	€1.00	€1.10
Tax credit per share	€0.50	-	-
Eligible dividend distributed	-	€1.00	€1.10

Using the provisions of Articles L. 232-18 to L. 232-20 of the Commercial Code and Article 27 of the bylaws, the General Meeting proposes to grant every shareholder, for 20% of the dividend to be paid under the current resolution, an option of the payment of this dividend in cash or in shares.

The issue price of the new shares will be equal to 90% of the average price quoted on the 20 trading days preceding the day of the decision to pay the dividend less the net dividend, pursuant to Article L. 232-19 of the Commercial Code. The Board of Directors will have the facility to round the price thus determined to the nearest 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 20% of the dividends to which they are entitled. Shareholders wishing to elect for the payment of the dividend in shares of 20% of the dividends to which they are entitled, must request this from their financial intermediary in the period 6 August 2007 to 7 September 2007 by 5pm at the latest. At the end of this timeframe, the dividend can only be paid in cash.

For shareholders who elect for a cash payment, the dividend will be payable from 10 September 2007 after the expiry of the election period. The fraction of the dividend for which the election for 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 1 April 2007, 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.

Third resolution

(Approval of the consolidated financial statements for 2006/07)

The General Meeting, having considered the Report of the Board of Directors and the Report on the consolidated financial statements of the Statutory Auditors, approves the consolidated financial statements, comprising the balance sheet, income statement and notes, at 31 March 2007, as presented, which disclose a net profit of €23,031,000 as well as

all the transactions reflected in these financial statements or summarised in the Report of the Board of Directors as carried out during the said year.

Fourth resolution

(Approval of agreements covered by Article L. 225-38 of the Commercial Code)

The General Meeting, having considered the Special Report of the Statutory Auditors on the agreements covered by Article L. 225-38 of the Commercial Code, approves, in accordance with Article L. 225-40 of the Commercial Code, each of the agreements and transactions that occurred or were continued during the year just ended that are mentioned.

Fifth resolution

(Discharge)

The General Meeting, as a result of the preceding resolutions, grants, for the year ended 31 March 2007 a full and final discharge to the members of the Board of Directors for their management. It also notes the completion of the assignment of the Statutory Auditors.

Sixth resolution

(Renewal of the terms of office as a Director of Mr. Marc Hériard Dubreuil)

The General Meeting, on the proposal of the Board of Directors, proposes to renew the term of office of Mr. Marc Hériard Dubreuil, as a Director, for a period of three years, which is until the close of the Annual General Meeting called to consider the financial statements for the year ended 31 March 2010.

Seventh resolution

(Appointment of Mr. Jean Burelle as a member of the Board of Directors)

The General Meeting, on the proposal of the Board of Directors, proposes to appoint Mr. Jean Burelle, as a member of the Board of Directors, for a period of three years, which is until the close of the Annual General Meeting called to consider the financial statements for the year ended 31 March 2010.

Eighth resolution

(Appointment of Mr. Tim Jones as a member of the Board of Directors)

The General Meeting, on the proposal of the Board of Directors, proposes to appoint Mr. Tim Jones, as a member of the Board of Directors, for a period of three years, which is until the close of the Annual General Meeting called to consider the financial statements for the year ended 31 March 2010.

Ninth resolution

(Setting attendance fees)

The General Meeting, in accordance with Article 18 of the bylaws, sets at €294,000 the overall annual amount of attendance fees for members of the Board of Directors in respect of 2007/08.

Tenth resolution

(Authorisation to the Board of Directors to acquire and sell shares in the Company in accordance with Articles L. 225-209 and subsequent of the Commercial Code)

The General Meeting, having considered the Report of the Board of Directors and the items referred to in the Annual Report covering all the information that must appear in the description of the programme, in accordance with European regulation No. 2273/2003 of 23 December 2003 covering the terms of application of the 2003/6/CE directive of 28 January 2003, the instructions 2005-06 and 2005-07 revised on 22 February 2005 and Articles 241-1 and subsequent of the General Regulations of the Autorité des Marchés Financiers and to practices permitted by the Autorité des Marchés Financiers, authorises the Board of Directors, with the facility to sub-delegate in accordance with the law and regulations, pursuant to Articles L. 225-209 and subsequent of the Commercial Code, to purchase on one or more occasions, at its sole discretion, shares in the Company within the limits stated hereafter.

The purchases of these shares, as well as their sale or transfer, may be carried out within the law and regulations at any time, including the period of a public offer for the securities of the Company or in a period of a public offer initiated by the Company, subject to periods of abstention provided by Article L. 631-6 of the General Regulations of the Autorité des Marchés Financiers or other legal or regulatory requirements, by all means, on or off-market, including by a public offer or block transactions, sale with 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 latter means do not lead to a significant increase in the volatility of the share price. The maximum amount of capital that may be acquired or transferred in the form of blocks of shares may be the total of the authorised share purchase programme. Payment can be made in any form.

The maximum purchase price is set at €60 (excluding trading costs) and the minimum sales price at €30 (excluding disposal costs), subject to adjustments related to possible transactions in the capital of the Company, and/or on the nominal value of the shares. The minimum sales price of €30 does not apply in the case of allocations of shares to employees and/or the grant of options to purchase shares to employees and/or management, where the setting of the sales price of the shares shall be determined in accordance with the law and regulations. This minimum price does not apply to the allocation of free shares to employees and/or certain executives.

In the event of an increase in capital by incorporation of reserves, the allocation of free shares, the division or consolidation of shares, the price indicated above shall be adjusted by a coefficient of the ratio of the number comprising the capital before the transaction and the number after the transaction.

The purchases may not bring the number of shares held by the Company after such purchases to over

10% of the shares comprising the share capital, on the day the decision of the Board of Directors which by way of indication, on the basis of the current share capital, corresponds to a maximum of 4,028,980 shares calculated net of treasury shares held by the Company at 31 March 2007, shares sold with a repurchase agreement and the purchase of options to purchase shares.

The maximum amount that the Company is liable to pay on the basis of this number of shares is €241,738,800, excluding trading costs.

This programme is designed to facilitate the following transactions in declining order of priority:

- to stimulate the secondary market or provide liquidity for the Rémy Cointreau share by an investment services provider via a liquidity contract that conforms to the AFEI charter recognised by the Autorité des Marchés Financiers;

- to cancel as part of a reduction in share capital, subject to the adoption of the fourteenth 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;

- to cover the obligations in respect of debt securities giving access to capital;

- to grant the shares in accordance with the terms and conditions provided by law, notably as part of a profit-sharing plan, to service options to purchase shares, as part of a 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 to be used subsequently in exchange or as payment for acquisitions, in accordance with market practices permitted by the Autorité des Marchés Financiers and within the law; and

- to implement all market practices permitted by the Autorité des Marchés Financiers and, more generally, carry out all transactions in compliance with the regulations in force.

This authorisation will expire at the close of the General Meeting called to consider the financial statements for the year ended 31 March 2008, at the latest, within 18 months with effect from today.

This authorisation cancels, with immediate effect, the authorisation given by the Combined General Meeting, in ordinary session, of 27 July 2006 in its thirteenth resolution.

The Meeting grants all powers to the Board of Directors, with the facility to delegate, in accordance with the law and regulations, to approve all stock market trading instructions, to sign all legal deeds of disposal or transfer, conclude all agreements and all option contracts, effect all declarations and formalities with all organisations and, in general, do everything necessary to execute the decisions that have been made by it within the current authorisation. The General Meeting grants all powers to the Board of Directors to proceed with adjustments to the unit price and the

maximum number of shares to be acquired as a function of the change in the number of shares or their nominal value arising from the possible financial transactions of the Company.

The General Meeting notes that in the event that the Board of Directors uses the current authorisation, the Board of Directors will give an account in a special report presented to the Annual General Meeting, in accordance with Article L. 225-209, paragraph 2 of the Commercial Code, of share purchases that it had authorised, with a note of the final results for each purchase of the number and price of shares thus acquired, the volume of shares used for these ends, and the possible reallocation to ends other than originally foreseen.

Eleventh resolution

(Powers to complete formalities)

The Annual General Meeting gives all powers to the bearer of a copy or a certified extract from the current minutes to carry out all legal formalities of filing and advertising.

6.3.2 GENERAL MEETING IN EXTRAORDINARY SESSION

Twelfth resolution

(Revision as a result of regulatory changes, to Article 23.1 of the bylaws in respect of notice and participation in General Meetings of the Company)

The General Meeting, with the required quorum and majority required for an Extraordinary General Meeting, having noted the report of the Board of Directors, proposes, in accordance with Article 131-3 and 136 of Decree No. 67-236 of 23 March 1967 as a result of Decree No. 2006-1566 of 11 December 2006, to revise paragraph 5 of Article 23.1 of the Company's bylaws, as follows:

“Every shareholder, on the simple proof of identity has the right to attend General Meetings, as well as special meetings of holders of shares of the class they possess, and to participate in the deliberations, and this, regardless of the number of their shares, on condition however that they are as fully paid as required and are justified by an accounting record of their securities in their name or that of an intermediary recorded for his own account on the third working day preceding the Meeting by midnight, Paris time, or in the accounts of nominative securities held by the Company, or in the accounts of bearer shares held by an authorised intermediary. The inscription or accounting record of securities in the accounts for bearer shares held by an authorised intermediary is noted by a certificate of shareholding delivered by the latter in accordance with the law and regulations in force”, and to insert the following three new paragraphs between paragraphs six and seven of the same Article:

“On the decision of the Board of Directors, shareholders may participate in a Meeting by way of videoconferencing or vote by all telecommunications and teletransmission means including the Internet, under the conditions provided by the regulation

applicable at the time of its use. This decision is communicated in a notice published in the Bulletin des Annonces Légales Obligatoires (B.A.L.O.).

In the event of an electronic signature by a shareholder, or his legal or judicial representative in respect of the standard form for voting provided on the Internet set up by the organiser of the meeting or in the event of an electronic signature by a shareholder of a proxy given so that he could be represented at a Meeting, this signature will take the form of:

- either a secure electronic signature under the conditions defined by the law and regulations in force,
- or by the registration of the shareholder by an identification code and a unique password on the electronic site dedicated to the Company, if such exists, in compliance with the law and regulations in force: this electronic signature process will be considered as reliable proof of identification guaranteeing a connection to the legal deed to which the electronic signature is attached, in compliance with the conditions defined in the first phrase of the second paragraph of Article 1316-4 of the Civil Code.

Shareholders who use, within the timeframe provided, this standard electronic form for voting, are treated as shareholders present or represented. The proxy or the vote thus expressed to the Meeting by this electronic means, as well as the acknowledgement of receipt that is provided, will be considered as written irrevocably and binding on all, it being noted that in the event of disposal of securities before the third working day preceding the Meeting at midnight, Paris time, the Company will consequently invalidate or modify according to circumstances, the proxy or the vote expressed before this date and time”.

Thirteenth resolution

(Revision, as a result of a regulatory change, to Article 23.6 of the bylaws relating to the forms of participation of shareholders in General Meetings of the Company)

The General Meeting, with the required quorum and majority required for an Extraordinary General Meeting, having noted the report of the Board of Directors, proposes, in accordance with Article 145-2 of Decree No. 67-236 of 23 March 1967 as a result of Decree No. 2006-1566 of 11 December 2006, to revise Article 23.6 of the Company's bylaws as follows: “For the calculation of a quorum and majority, shareholders are considered present who participate in a General Meeting by way of videoconferencing or telecommunication, subject to the provision that these transmit at least the voice of the participants and satisfy the technical features enabling the continuous and simultaneous transmission of the discussions.”

Fourteenth resolution

(Authorisation to the Board of Directors to reduce the share capital by cancellation of treasury shares held by the Company)

The General Meeting, with the required quorum and majority required for an Extraordinary General Meeting, having considered the Report of the Board of Directors and the Report of the Statutory Auditors,

authorises the Board of Directors, with the facility to sub-delegate in accordance with the law and regulations, pursuant to Article L. 225-209 of the Commercial Code, to reduce the share capital by cancellation, on one or more occasions, in the proportions and at times it decides, all or part of the shares in the Company by virtue of the authorisation for the Company to purchase its own shares, the object of the tenth resolution of the current Meeting or that had been acquired by virtue of previous authorisations for the Company to purchase and sell its own shares.

The Meeting grants all powers to the Board of Directors to carry out at its own discretion, this or these reductions in capital, to approve the amount up to 10% of the share capital per period of 24 months, it being noted that this limit applies to the amount of the share capital of the Company that will be, where appropriate, adjusted to take into account transactions after the current Meeting affecting the share capital, to set the terms, to allocate the difference between the nominal value of shares cancelled and their book value to every reserve and premium available, to make the related changes to the bylaws, to proceed with all publications and formalities required, to delegate all powers necessary to implement its decisions, all in accordance with the law in force at the time of use of the current authorisation.

This authorisation will expire at the close of the General Meeting called to consider the financial statements for the year ended 31 March 2008 and, at the latest, within 18 months from today.

This authorisation cancels and replaces the nineteenth resolution adopted by the Combined General Meeting of 27 July 2006.

Fifteenth resolution

(Authorisation of the Board of Directors to issue marketable securities giving access to capital or giving the right to debt securities and to increase the capital with maintained pre-emption rights to subscribe)

The General Meeting, with the required quorum and majority required for an Extraordinary General Meeting, having considered the Report of the Board of Directors and the Report of the Statutory Auditors, delegates to the Board of Directors, with the facility to sub-delegate in accordance with the law and regulations, in compliance with Articles L. 225-129 and subsequent and L. 228-91 and subsequent of the Commercial Code, the necessary powers to decide on a capital increase and to proceed, on one or more occasions, in the proportions and times it decides, in France and/or abroad and/or on the international market, with maintained pre-emption rights to subscribe by shareholders, in euros, foreign currencies or in whatever monetary unit established by reference to a number of currencies, the issue of shares in the Company, as well as all marketable securities of whatever nature, giving access to the capital of the Company or giving right to an allocation of debt securities, whether by conversion, exchange, repayment, presentation of a warrant, a combination of these means, or in any other manner, immediately and/or in time, at any time or at a set date.

The issues of preference shares and marketable securities giving access immediately or in time to preference shares are expressly excluded.

Subscription may be in cash, or by offsetting against liabilities that are certain, liquid and payable by the Company.

The total amount of capital increases that are immediate or in time and the allocation of securities representing a share of the share capital to which the current resolution gives a right of use, as well as the sixteenth resolution, may not, in any event, and with no account taken of adjustments that may be made according to the law, exceed a nominal amount in excess of €30,000,000.

The nominal amount of debt securities likely to be issued as part of the present delegation may not exceed €750,000,000 or its equivalent, with no account taken of adjustments that may be made according to the law, it being noted that this amount will be increased by the debt securities to be issued in application of the delegations to the Board of Directors authorised by the current Extraordinary General Meeting. The Board of Directors may determine the issue price, a fixed or variable interest rate for the debt securities and a date of payment, as well as the price and repayment terms of these debt securities with or without a premium, the conditions of their repayment as a function of market conditions.

Shareholders may exercise, within the law, their pre-emption rights to subscribe for shares and marketable securities giving access to capital irreducibly and in proportion to the shares they possess. The Board of Directors will set every time the conditions and limits to which the shareholders may exercise their right to subscribe irreducibly in compliance with the law in force.

The Board of Directors may establish for the benefit of shareholders a right to subscribe for shares and marketable securities giving access to capital reducibly that shall be exercised in proportion to their rights and within the limits of their request.

The current decision carries for the benefit of holders of marketable securities giving access to the capital of Company issued by virtue of the powers delegated by the General Meeting in the current resolution, the express waiver by shareholders of their pre-emption rights to subscribe for shares or marketable securities giving access to capital to which these marketable securities give the right.

The powers are, in compliance with Article 225-129-2 of the Commercial Code, delegated to the Board of Directors by the current resolution for a period of 26 months from this date.

The General Meeting delegates all powers to the Board of Directors, with the facility to sub-delegate according to the law, to implement, on one or more occasions, the present delegation and notably to approve, as a function of market opportunities, the subscription price (with or without issue premium), conditions and features of the issues, set the amounts to be issued, determine the methods of issue and the form of the marketable securities giving access to the

capital to be created, set the effective date, even retroactive, of marketable securities giving access to the capital to be issued and the conditions for their repurchase, proceed with all adjustments required by law and regulations, take all steps to reserve the right of the holder of marketable securities issued required by the law and regulations, possibly suspend the exercise of rights attached to these marketable securities during a timeframe, set in compliance with the law and regulations, and, in general, take all measures that are useful and conclude agreements to successfully complete the issues envisaged, and note the realisation, and to make changes to the bylaws made necessary by the use of the current authorisation, all in compliance with the law and regulations in force.

The Board of Directors may notably decide that the balance of the capital increase that could not be irreducibly subscribed and where appropriate reducibly will be released freely at its request, totally or in part, or offered to the public totally or in part or that the capital increase will be limited to the subscriptions received if the legal conditions are met, it being noted that the Board of Directors may use, in the order it judges best, the facilities stated above or certain of them only.

The Board of Directors may take all steps and proceed with all the formalities required to have shares and issued marketable securities to be admitted to trading as a regulated market.

The Board of Directors may decide to use treasury shares held as a substitute for shares to be issued under the current resolution.

The current resolution cancels the unused amount of all previous delegations relating to the issue of shares or marketable securities giving access, immediately or in time, to a share in the capital of the Company or giving the right to the allocation of debt securities with maintained pre-emption rights to subscribe by the shareholder.

Sixteenth resolution

(Authorisation to the Board of Directors to issue marketable securities giving access to capital or giving the right to the allocation of debt securities and to increase the capital with cancellation of the pre-emption rights to subscribe)

The General Meeting, with the required quorum and majority required for an Extraordinary General Meeting, having considered the Report of the Board of Directors and the Report of the Statutory Auditors, delegates to the Board of Directors, with the facility to sub-delegate in accordance with the law and regulations, in compliance with Articles L. 225-129 and subsequent and L. 2285-135, L. 225-136, L. 228-92 and subsequent of the Commercial Code, for a period of 26 months from the day of the current Meeting, the necessary powers to decide on capital increases and to proceed with the issue, on one or more occasions, in the proportions and times it decides, in France and/or abroad and/or on the international market of a call for capital, with cancelled pre-emption rights to subscribe, in euros, foreign currencies or in whatever monetary unit established by reference to a number

of currencies, by the issue of shares in the Company, as well as all marketable securities of whatever nature, giving access to the capital of the Company or giving right to an allocation of debt securities, whether by conversion, exchange, repayment, presentation of a warrant, a combination of these means, or in any other manner, immediately and/or in time, at any time or at a set date.

The issues of preference shares and marketable securities giving access immediately or in time to preference shares are expressly excluded.

Subscription may be in cash, or by offsetting against liabilities that are certain, liquid and payable by the Company.

The nominal amount of the ceiling of the increase in capital immediately or in time, that may be carried out without pre-emption rights to subscribe, and the allocation of securities representing a share of the share capital to which the current authorisation give a right of use, is €30,000,000, with account not taken of adjustments likely to make in compliance with the law, it being noted that this will be increased by the securities representing a share of the share capital that will be issued under the preceding resolution.

The nominal amount of debt securities likely to be issued as part of the present delegation may not exceed €750,000,000 or its equivalent, with no account taken of adjustments that may be made according to the law, it being noted that this amount will be increased by the debt securities to be issued in application of the delegations to the Board of Directors authorised by the current Extraordinary General Meeting. The Board of Directors may determine the issue price, a fixed or variable interest rate for the debt securities and a date of payment, as well as the price and repayment terms of the principal of these debt securities with or without a premium, the conditions of their repayment as a function of market conditions.

The General Meeting decided as a result to cancel the pre-emption rights to subscribe for shareholders to shares and marketable securities to be issued by virtue of the present delegation above, up to the amount defined above.

In addition, the current decision carries for the benefit of holders of marketable securities giving access to the capital of the Company issued by virtue of the power delegated by the General Meeting in the current resolution, the express waiver by shareholders to their pre-emption rights to subscribe for shares or marketable securities giving access to capital to which these marketable securities give the right.

The Board of Directors may eventually decide to confer on shareholders, during a period or according to the term it sets, in compliance with the law and regulations, a timeframe for priority subscription, in proportion to the number of shares held by each shareholder without creating a negotiable right to subscribe for shares or marketable securities of a minimum of three stock market days. The securities not subscribed by virtue of this right will be subject to a public placing.

The General Meeting delegates all powers to the Board of Directors, with the facility to sub-delegate according to the law, to implement, on one or more occasions, the present delegation and notably to approve, as a function of market opportunities, the subscription price, conditions and features of the issues, set the amounts to be issued, determine the methods of issue and the form of the marketable securities giving access to the capital to be created, set the effective date, even retroactive, of marketable securities giving access to capital or giving the right to the allocation of debt securities to be issued and the conditions for their repurchase, proceed with all adjustments required according to the law and regulations, take all steps to reserve the rights of holders of marketable securities issued required by the law and regulations, possibly suspend the exercise of rights attached to these marketable securities during a timeframe, set in compliance with the law and regulations, and, in general, take all measures that are useful and conclude all agreements to successfully complete the issues envisaged, and note the realisation, and to make changes to the bylaws made necessary by the use of the current authorisation, with everything in compliance with the law and regulations in force, it being noted that:

(i) the issue price of shares or marketable securities giving access to capital that can be assimilated to existing shares or marketable securities giving access to capital admitted to trading will be set in accordance with the law and regulations;

(ii) the issue price of other marketable securities, that cannot be assimilated to existing shares or marketable securities giving access to capital admitted to trading, will be such that the sum received immediately by the Company increased, where appropriate, by that likely to be received subsequently by it, will be for every share issued as a result of the issue of these other marketable securities, at least equal to the issue price defined in paragraph (i) above;

(iii) the issue price of marketable securities giving access to debt securities may not be less than the nominal amount repayable (excluding interest), possibly reduced by a discount of 10%.

The Board of Directors may decide to use treasury shares held as substitute for shares to be issued in respect of the current resolution.

The Board of Directors may, if the subscriptions do not absorb the entire issue of marketable securities, limit within the law the issue to the amount of subscriptions received (it being noted that in the case that the Board of Directors decides to issue new ordinary shares, the amount of subscriptions received must be at least 75% of the amount of the increase decided), or release freely the marketable securities not subscribed, the Board of Directors may use in the order of its choice the facilities provided above or only some of them.

The Board of Directors may take all steps and proceed with all formalities required for the admission to trading on a regulated market of shares and marketable securities created.

The General Meeting authorises the Board of

Directors, in compliance with Article L. 225-148 of the Commercial Code, to use the present delegation to proceed with the issue of shares or marketable securities giving access to capital as consideration for securities tendered to all public takeover offers initiated by the Company for the securities of any company whose shares are admitted to trading on one of the regulated markets covered by this Article L. 225-148, including all marketable securities issued by Rémy Cointreau, and proposes, as required, to cancel for the benefit of holders of these securities, the shareholders' pre-emption rights to subscribe to these shares and marketable securities. The present delegation may also be used to proceed with the issue of shares or marketable securities giving access to capital, as consideration for securities tendered to a transaction having the same effect as a public takeover offer initiated by the Company for the securities of any company where shares are admitted to trading on a regulated market subject to foreign law.

The ceiling for the nominal amount of capital increases arising from issues where the securities representing a share of the share capital are allocated as consideration for a public takeover offer, in compliance with Article L. 225-148 of the Commercial Code, is set at €30,000,000, it being noted that this ceiling is in addition to the maximum global ceiling set by the current resolution and it is set without taking into account adjustments likely to be made in compliance with the law.

The General Meeting confers on the Board of Directors, with the facility to sub-delegate according to the law as well as by the report of the Board of Directors, all powers necessary to carry out the public takeover offers described above and the issues of shares and/or marketable securities, as consideration for securities tendered, on the conditions provided by the current resolution, it being understood that the Board of Directors will notably set the exchange ratios as well as the balance payable in cash, where appropriate.

The General Meeting also authorises the Board of Directors to use the present delegation to issue shares and marketable securities giving access to the capital of the Company to which the marketable securities give the right and which may be issued by companies where Rémy Cointreau holds directly or indirectly over half the share capital, subject to the approval of the Board of Directors of Rémy Cointreau.

As part of this, the General Meeting notes that the shareholders of Rémy Cointreau do not have pre-emption rights to subscribe to these marketable securities issued by these companies and that the current decision carries, for the benefit of holders of marketable securities likely to be issued, the express waiver by shareholders of Rémy Cointreau to their pre-emption rights to subscribe for shares or marketable securities giving access to capital that these marketable securities give the right.

The ceiling of the nominal amount of capital increases arising from issues carried out where the securities representing a share of the share capital allocated as a result of the issue of marketable securities by the companies where Rémy Cointreau holds directly or indirectly more than half the share capital is set at

€30,000,000, it being noted that this ceiling is in addition to the global maximum ceiling set by the current resolution.

The Board of Directors will set, with the facility to sub-delegate according to the law as well as by the report of the Board of Directors, in agreement with the Board of Directors or Chairman of the company(ies) seeking to proceed with the issue, the amounts to be issued, determine the form of the marketable securities to be created and all the methods of issue and in general, enter into all agreements, take all steps and complete all formalities useful for carrying out the issues envisaged, it being understood that the Board of Directors will set the exchange ratios as well as the balance payable in cash, where appropriate.

The current resolution cancels the unused amount of all previous delegations relating to the issue of shares or marketable securities giving access to capital or giving the right to the allocation of debt securities of the Company with cancellation of the pre-emption rights to subscribe by the shareholders.

Seventeenth resolution

(Authorisation to the Board of Directors to grant options to subscribe or purchase shares)

The General Meeting, with the required quorum and majority required for an Extraordinary General Meeting, having considered the Report of the Board of Directors and the Report of the Statutory Auditors, authorises the Board of Directors, with the facility to sub-delegate in accordance with the law and regulations, in compliance with Articles L. 225-177 and subsequent of the Commercial Code, to grant, on one or more occasions, for the benefit of Company personnel and companies covered by Articles L. 225-180 of the Commercial Code, or certain of them, as well as Company management and companies covered by Articles L. 225-180 of the Commercial Code, within the limits provided by Article L. 225-182 of the Commercial Code, options to subscribe for new shares in the Company, to be issued by way of an increase in capital, or options giving the right to purchase shares in the Company arising from a purchase made by it under the conditions laid down in Articles 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 the right to a number of shares representing more than 3% of the share capital of the Company on the date of the current Meeting.

The current authorisation, granted for a period of 38 months with effect from today, carries for the benefit of beneficiaries of options to subscribe, the express waiver by shareholders to their pre-emption rights to subscribe for shares that will be issued in line with the exercise of options to subscribe.

The subscription price or the share purchase price shall be set by the Board of Directors on the day the option is granted within the limits prescribed by law. Options to subscribe or purchase may not be granted during periods of legal prohibition.

The subscription or purchase price may not be changed during the life of the option. However, in the

event of a write down or reduction in capital, change to the allocation of profit, the allocation of free shares, incorporation into capital of reserves, profits or share premium, the distribution of reserves or all issues of capital securities or securities giving access to the allocation of capital securities comprising a right to subscribe reserved for shareholders, the Board of Directors should take the necessary steps to protect the interests of beneficiaries of options under Article L. 228-99 of the Commercial Code.

Options must be exercised within ten years from their date of grant. All powers are given to the Board of Directors, with the facility to sub-delegate according to the law and regulations, within the limits set above to:

- approve the nature of options offered (subscription or purchase options);
- approve the methods of the plan(s) and set the conditions and dates the options will be granted: these conditions may contain clauses forbidding the immediate resale of all or part of the shares, subject to the timeframe to retain the securities not exceeding three years from the exercise of the option and decides the number of shares each beneficiary may subscribe to or purchase;
- set notably the time(s) of realisation;
- approve the list of beneficiaries to options;
- decide the conditions under which the price and number of shares to be subscribed or acquired will be adjusted in the circumstances provided by law,
- accomplish, either itself, or by a representative, all legal deeds and formalities that make the capital increase(s) final that can be carried out by virtue of the authorisation that is the subject of the current authorisation;
- revise the bylaw as a result and, in general, to carry out everything required;
- decide the temporary suspension of the right to exercise the option in the event of financial transactions that require the exact and prior knowledge of the number of shares comprising the share capital or in the event of one of the transactions giving rise to adjustments provided by law; and
- more generally, do everything that is useful or necessary.

The current resolution cancels the unused amount of all previous delegations relating to the allocation of options to subscribe for or purchase shares and notably the authorisation given by the Combined General Meeting, in extraordinary session, of 7 September 2004 in its seventh resolution.

The Board of Directors will inform all Annual General Meetings of transactions carried out under the current resolution, in compliance with Article L. 225-184 of the Commercial Code.

Eighteenth resolution

(Authorisation to the Board of Directors to increase the share capital by the issue of shares reserved for members of a company savings plan)

The General Meeting, with the required quorum and majority required for an Extraordinary General Meeting, having considered the Report of the Board of Directors and the Report of the Statutory Auditors, authorises the Board of Directors, with the facility to sub-delegate according to the law and regulations, within the provision of Articles L. 225-129-6 and L. 225-138-1 and, in addition Article L. 443-1 and L. 443.5 and subsequent of the Labour Code to proceed with an increase in the share capital, on one or more occasions, on its own decision, in the proportions and at the time it considers appropriate, by the issue of shares (other than preference shares) reserved for members of a company savings plan and decides to cancel the pre-emption rights to subscribe for these shares whose issue is authorised by the current resolution for the benefit of the beneficiaries;

proposes that the beneficiaries of capital increases, presently authorised, will be members of a company savings plan or companies related to it in the sense of Article L. 225-180 of the Commercial Code who meet, also, the possible conditions set by the Board of Directors;

sets at 26 months with effect from today the period of validity of the present delegation;

proposes to set at €1,400,000 the maximum global nominal amount of the capital increase that may be thus carried out by the issue of shares, it being noted that this ceiling is independent of ceilings of capital increase provided by the previous resolution;

proposes that the price of shares subscribed to by the beneficiaries referred to above, in application of the present delegation, will be set in accordance with the law and regulations and that it may not thus be greater, in respect of securities already quoted on a regulated market, than the average price quoted on the 20 stock market days preceding the day of the decision setting the date of opening the subscription, or lower than over 20% of this average, or 30% where the lock up period provided by the plan in compliance with Article L. 443-6 is equal to or greater than ten years;

proposes that the Board of Directors may also provide in application of the current authorisation the free allocation to employees of shares or other marketable securities giving access to the capital of the Company under the conditions of Article L. 443-5 of the Labour Code;

proposes that the conditions for subscription and release of the shares may be either in cash or be offset under conditions set by the Board of Directors;

authorises the Board of Directors to issue, by virtue of the current authorisation, any security giving access to the share capital of the Company that becomes authorised by the law or regulations in force;

proposes that the Board of Directors will have all powers to carry out the present delegation, with the facility to sub-delegate according to the law and

regulations, within the limits and subject to the conditions stated above, to effect, notably:

- set the list of beneficiaries and the conditions to be met by the beneficiary's new shares arising from capital increases, the subject of the current resolution;
- set the conditions for the issue(s);
- decide the amount to be issued, the issue price, the dates and terms of every issue;
- set the timeframe for subscribers to release their securities;
- set the date, even retroactive, from which the new shares are effective;
- note or have noted the completion of the capital increase to the extent of the amount of shares that will effectively be subscribed;
- on its own initiative, allocate the costs of the share capital increases to the premiums relating to these increases and to transfer from this the amounts necessary to increase the legal reserve to one tenth of the new capital after every increase;
- in general, take all steps to carry out the capital increases, proceed with formalities related to that and to make the revisions to the bylaws in respect of these capital increases.

Nineteenth resolution

(Authorisation to the Board of Directors to increase the number of securities to be issued in the event of excess demand)

The General Meeting, with the required quorum and majority required for an Extraordinary General Meeting, having considered the Report of the Board of Directors and the Report of the Statutory Auditors, authorises the latter, with the facility to sub-delegate according to the law and regulations, and within the delegations provided by the fifteenth and sixteenth resolutions to the Extraordinary General Meeting, to increase the number of securities to be issued under Article L. 225-135-1 of the Commercial Code and Article 155-4 of the decree of 23 March 1967 (Article R. 225-118 of the Commercial Code) within 30 days of the closing of the subscription and, within the limit of 15% of each issue and at the same price as that for the initial issue and within the limit of the global ceiling provided by the fifteenth resolution, when the Board of Directors notes an excess demand.

The powers are delegated to the Board of Directors by the current resolution for a period of 26 months with effect from today.

The current resolution cancels the unused amount of the authorisation given by the Combined General Meeting, in extraordinary session of 28 July 2005 in its nineteenth resolution.

Twentieth resolution

(Authorisation to the Board of Directors to proceed with the issue of shares, securities or various marketable securities and freely setting the issue price)

The General Meeting, with the required quorum and majority required for an Extraordinary General Meeting, having considered the Report of the Board of Directors and the Report of the Statutory Auditors, authorises for a period of 26 months from today, in accordance with Article L. 225-136 of the Commercial

Code and within the limit of 10% of the capital per year and in compliance with the ceiling referred to in the sixteenth resolution of the Extraordinary General Meeting to which it applies, the Board of Directors, with the facility to sub-delegate according to the law and regulations, to issue all shares and marketable securities giving access to capital and setting the issue price, in the event of a capital issue without the pre-emption rights to subscribe, different from that used in respect of the issues authorised by virtue of the sixteenth resolution above, which may be lower, at the discretion of the Board of Directors, of either (a) the average price weighted by the volume of shares of the 20 stock market days preceding the setting of the issue price or (b) the average price weighted by the volume of shares on the stock market day preceding the setting of the issue price, in these two cases, possibly reduced by a maximum discount of 5% and within the limit of the amounts to be received for each share being at least equal to the nominal value. In this event, the Board of Directors should prepare an additional report certified by the Statutory Auditors, describing the final conditions of the transaction and giving the information to understand the effective incidence on the position of the shareholders.

Issues of preference shares and marketable securities giving access immediately or in time to preference shares are expressly excluded.

Twenty first resolution

(Authorisation to reduce the share capital)

The General Meeting, with the required quorum and majority required for an Extraordinary General Meeting, having considered the report of the Board of Directors and the special report of the Statutory Auditors prepared pursuant to Article L. 225-204 of the Commercial Code.

authorises the Board of Directors to reduce the share capital, on one or more occasions on its own decision in compliance with Article L. 225-207 of the Commercial Code, up to a maximum of 30% of the capital outstanding on the day of the Meeting, by cancellation of shares in the Company of €1.60 nominal value each repurchased to the same extent by the Company. The shares repurchased will be cancelled according to the law and regulations in force and will carry no corporate right: they will no longer be entitled to dividends.

This authorisation is valid for a period of three years from the day of the current General Meeting.

The General Meeting confers all powers on the Board of Directors to set the methods and conditions of the transaction, notably the repurchase price within the maximum limit of €60 per share or its equivalent and in view of possible attachments, to cancel or not the shares acquired, note or not the final completion of the capital reduction or to restrict the amount, allocate the difference between the accounting value of shares cancelled and their nominal value to all available reserves and premiums, revise the bylaws as a result and, in general, do everything that is useful or necessary.

This authorisation cancels, with immediate effect, the authorisation given by the Combined General Meeting, in extraordinary session, of 7 September 2004, in its thirteenth resolution.

Twenty second resolution

(Authorisation to the Board of Directors in the event of a public offer to purchase the securities of the Company)

The General Meeting, with the required quorum and majority required for an Extraordinary General Meeting, having considered the report of the Board of Directors, authorises the Board of Directors, with the facility to sub-delegate according to the law and regulations in force, in the event the securities of the Company are targeted by a public offer in circumstances rendered applicable by Article L. 233-33 of the Commercial Code, and in compliance with the legislative and regulatory provisions in force on the date of such use, to implement the authorisations and delegations of authority and powers that were granted by the current General Meeting and by the General Meeting of 27 July 2006;

sets at 18 months from the day of the current Meeting the period of validity of the authorisation conferred by the current resolution.

Twenty third resolution

(Authorisation to the Board of Directors to allocate the costs incurred by capital increases carried out to the premiums arising from these transactions)

The General Meeting, with the required quorum and majority required for an Extraordinary General Meeting, authorises the Board of Directors to allocate the costs, duties and fees incurred by the capital increase realised by virtue of the authorisation given by the preceding resolutions, to the premiums arising from these transactions and to transfer from these premiums, the amounts required to bring the legal reserve to one tenth of the new capital, after every transaction.

Twenty fourth resolution

(Powers to carry out formalities)

The Annual General Meeting gives all powers to the bearer of a copy or a certified extract from the current minutes to carry out all legal formalities of filing and advertising.

PERSON RESPONSIBLE FOR THE REFERENCE DOCUMENT AND INFORMATION POLICY

7.1 PERSON RESPONSIBLE FOR THE REFERENCE DOCUMENT

Mr. Jean-Marie Laborde, Chief Executive Officer
of Rémy Cointreau.

7.2 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.”

Jean-Marie Laborde,
Chief Executive Officer of Rémy Cointreau

7.3 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 2005/06
financial year, prepared in accordance with IFRS, 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;
- consolidated financial statements for the 2004/05
financial year, prepared in accordance with French law
and CRC Regulation No. 99-02, as well as the
Statutory Auditors' report relating to them, presented
on pages 42 to 68 respectively of the Reference
Document filed with the AMF on 30 June 2005;
- the report on the transition to IFRS, as well as the
Statutory Auditors' report relating to them filed with
the AMF on 8 December 2005;

■ Rémy Cointreau SA company financial statements
for the 2005/06 financial year, prepared in accordance
with French law, 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; and

■ Rémy Cointreau SA. company financial statements
for the 2004/05 financial year, prepared in accordance
with French law, as well as the Statutory Auditors'
report relating to them, presented on pages 71 to 84
respectively of the Reference Document filed with
the AMF on 30 June 2005.

7.4 PUBLICLY AVAILABLE DOCUMENTS

The bylaws, AGM reports, Statutory Auditors' reports
and other corporate documents may be viewed at the
Company's registered office. Financial information
and various information on Company organisation
and operations are available on the Group's website:
www.remy-cointreau.com or
www.remycointreau.com/information-reglementee

The table below lists all documents published between 1 April 2006 and 30 June 2007:

Theme	Date	Available on
Declaration of Treasury share purchase and disposal transactions	18/04/06	www.amf-France.org
12-months Group turnover	20/04/06 08/05/06	www.remy-cointreau.com www.amf-France.org balo.journal.official.gouv.fr
Declaration of Treasury share purchase and disposal transactions	05/06/06	www.amf-France.org
Group Annual Results	12/06/06	www.remy-cointreau.com www.amf-France.org
Declaration of Treasury share purchase and disposal transactions	26/06/06	www.amf-France.org
Reference document	30/06/06	www.remy-cointreau.com
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