

In the right spirit

FRANÇOISE CAMBILARGIU, GROUP
TREASURER AT REMY COINTREAU,
TALKS TO **JULIA BERRIS**.

PHOTOGRAPHER: ROGER HARRIS

Challenges have been many and varied for Group Treasurer of Rémy Cointreau, Françoise Cambilargiu. Top of the pile was tackling International Financial Reporting Standards (IFRS) and the Sarbanes-Oxley Act. Throw in striving to decrease the company tax rate and finish off with working on creative refinancing and it is easy to see that Cambilargiu has had a busy time. Still, the hard work is paying off.

Rémy finished 2005 with a consolidated turnover of €905m and an EBITDA of €195m, so Cambilargiu can look back with a certain satisfaction on her first few busy years at the company.

Cambilargiu moved back to her home town, Paris, to become Group Treasurer of French drinks giant Rémy Cointreau in 1997 after spending eight years with International Paper as European Treasurer.

This was a tough time for Rémy, which was reeling from the impact of the Asian financial crisis, which hit many companies hard.

"At that time Rémy was extremely focused on Asia," Cambilargiu says. "I was recruited to deal with foreign exchange (FX) issues. The company was suffering and it was a good opportunity to make some changes for the better in many areas of the company."

The new role was not only a fresh challenge and a happy homecoming, but also an opportunity to experience a treasury department in a very different company environment.

"It was interesting to move from such a large company to Rémy, which is a family-owned business," says Cambilargiu. "I had a real task ahead of me at Rémy. It shows that the size of a company does not necessarily relate to

High-yield winner

Rémy won *The Treasurer's Deals of the Year 2005 High-Yield Bonds Award*, announced in January 2006, with a well-executed transaction for partly prefunding a 2006 convertible bond redemption. The book was 10 times oversubscribed, and the coupon was set at 5.2% – well below guidance at 5.375% – a record low for a callable high-yield issue in Europe.

Rémy launched its redemption of part of €300m convertibles due in 2006 with the first corporate issuance in the European high-yield market in the first week of January.

"One of the key decisions was when to tap the market," says Cambilargiu. "Normally, we would do this in early 2006. We decided to prefund 15 months in advance and in these situations you never know whether you have made the right choice."

But Rémy clearly did make the right call. The book was more than 10 times oversubscribed and the transaction upsized from €150m to €200m. Rémy achieved the lowest coupon and spread (185bp over Bund) ever in the European high-yield market, allowing it to raise funds to take advantage of the booming and bullish market conditions.

Rémy ensured that strong investor and bank relationships were maintained throughout the process.

"When we met the investors, they seemed very impressed with the way we addressed the situation," says Cambilargiu. "It was a benefit to give them the opportunity to be able to ask questions and feel involved in every step."

Rémy is experienced in the high-yield market with transactions in 1998 and 2003, rated BB. "This was our third issuance," says Cambilargiu. "I don't think you can discuss one without considering the others. With the previous transactions, we convinced investors of the consistency of Rémy's credit story and our ability to successfully implement a winning strategy."

Rémy was delighted with the third bond, which was turned round in just 48 hours. "My advice to other treasurers is to realise how important the involvement of the management is," says Cambilargiu. "The choice of the banks leading the transaction is key but ultimately it is the quality of your credit story which makes the deal successful."

the complexity of your role and the challenges you face. I was looking forward to the change and working closely with the management team – including the family – to get Rémy through a difficult time for them."

When Cambilargiu began work, she met with the management team and the family to ascertain how best to work on the FX and debt refinancing issues which were to be her initial key priorities.

"The first thing I worked on was the FX issue," she says. "Rémy had a loss of about 10% of its turnover. The company certainly had to deal with this. While addressing this issue I also worked on the debt. Rémy was highly leveraged and the amount of debt compared to equity was very high."

Cambilargiu explains that she was looking forward to taking on the challenges using her expertise and the experience that she had gained in these areas.

"Very quickly I had to turn to the issue of debt and refinancing," she explains. "The maturity of the debt had to be paid back. There was some urgency in this area. It was a critical situation at the time."

Still, looking back on spending six months fixing Rémy's FX problems and two years addressing the debt, Cambilargiu explains that this was an exciting time to join the company, which gave her the perfect opportunity to put her skills to the test and become a key part of the company.

"I learnt a lot during my eight years at International Paper, but was happy to join a company that is very different," she says. "At Rémy I have regular contact with the management team and the FD. I feel like I am an important part of the day-to-day running of the



company. From a treasury perspective you learn a lot working with a company like Rémy because it gives you the opportunity to work with a wider range of people than many other businesses do."

Since her success with Rémy on the financing and debt issues, Cambilargiu and her seven-strong treasury team have had to dedicate some time to the challenges that regulatory change such as IFRS and Sarbanes-Oxley have posed. As well as implementing new technology that enables Cambilargiu and her team to satisfy the various auditing demands, the team has had to attend training and significantly alter work routines to accommodate the new standards.

"The whole team in the treasury department has had to adapt to the regulatory changes," says Cambilargiu. "During 2005 we carried out a lot of training for the whole team. It has been a lot of hard work, but I think we are doing very well.

"At Rémy everyone has to do some administrative work whereas at a larger company you will often find one person who has a designated administrative role. We have a strong team of people who are ready to learn and take on the administrative work as well as their other duties."

Cambilargiu began her career at Coface, the French credit insurance company. Here she worked with banks as well as corporates in a finance-based role.

After a successful stint at Coface Cambilargiu took up the post of Treasury Auditor at the head office of electronics company Thales Group.

Later, she became the head of the treasury department at a subsidiary of Thales before moving to International Paper where she

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A fabulous mix

Before merging to become the group in its current shape, the Rémy Cointreau drinks company began with two small family businesses, the Rémy Martin cognac house, set up in 1724, and Cointreau distillers, established in 1849.

Both companies became famous for their popular alcoholic drinks. In 1985 Rémy acquired champagne brand Charles Heidsieck and then Piper Heidsieck in 1988.

Aiming to expand its portfolio, Rémy acquired Mount Gay Barbados rum in 1989, and the distribution in several non-UK countries of Famous Grouse and Macallan whiskies.

After Rémy Martin and Cointreau merged to become Rémy Cointreau in 1991, the company created two distribution networks: Rémy Amérique, which covers the Americas and the Caribbean, and Maxxium, covering Europe and Asia. Maxxium is owned by Rémy Cointreau, the Edrington Group, Beam Global Brands, and Vin and Spirit.

stayed for eight years, based in Brussels as European Treasurer.

"Part of my expertise lies in FX but I have also been able to work in a wide range of areas," she says. "Although Coface is a private company, it dealt with many public bodies, so I dealt with regulation and law. After building experience in these areas I have grown into treasury as my career developed and moved forward."

Thriving in the culture of Rémy's close-knit family-run enterprise, Cambilargiu is looking forward to dealing with future challenges building on the successes of the past.

"Continuing to adapt to the IFRS rules will be something that will be important for us in the coming year," she says.

"It is a lengthy process. We have made a shortlist for new software, so that will be something that is introduced to our department."

The treasury team will also maintain their focus on the financing and refinancing of Rémy's debt.

"We will have to continue to be creative and very active in this area," says Cambilargiu. "We are constantly striving to have the appropriate financing tools for Rémy as the business continues to improve and strengthen."

Cambilargiu explains that another key issue for 2006 is decreasing the tax rate for the group.

"Although this is primarily a tax issue, several of our projects could potentially help to decrease the overall tax rate and involve the financing of the whole group," she says.

Cambilargiu may be keen to stress just how much there still is to do at Rémy, but she also gives the impression that it is a cocktail of work which she finds immensely enjoyable.

