



Bacardi Limited
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Shareholder Information

Gail A. Butterworth
 Assistant Secretary and Director of Shareholder Relations

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BACARDI LIMITED

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Quarterly Report
 To Shareholders

OFFICE OF
 CORPORATE
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Three Months Ended
 June 30, 2004

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Report to the Shareholders

Dear Shareholders,

The Company had a good start to the new fiscal year. Sales less excise taxes, increased by 6.1% to \$799 million, despite the fact that the prior year includes \$9.8 million related to disposed brands.

This increase was the result of a strong performance by our core products, which enabled us to compensate for the continued decline of Bacardi Breezers and other low proof products. The continued strength of the euro versus the US Dollar, as well as some inventory build-up by the Trade ahead of our announced price increases, also assisted the results for the quarter.

By geography, performance in Asia-Pacific improved as our business started to benefit from the restructuring measures taken last year and also as result of the end of the SARS epidemic by early autumn of last year. North America continued to perform strongly across the entire portfolio in what remains a buoyant spirits market. Our emerging markets in Eastern Europe also continued to show good growth.

Western Europe had mixed results. The situation in France and Spain is improving; whereas in Germany the market remains difficult and we have seen a marked slow down in Italy. Our business in the United Kingdom continued to perform in line with expectations.

Due to the reduced investment in the now mature low proof business and the timing of expenditures on our core products, advertising and promotional expenses have been lower during the quarter. This will be recovered in subsequent quarters.

The above measures, coupled with our continued control over costs, have allowed us to achieve operating profits of \$208 million, an increase of 52% versus last year. However, the second quarter will be impacted by higher advertising and promotional investments and Trade inventories being brought down to lower levels.

The restructuring of our debt last year, together with our strong cash flows, allowed us to reduce net interest expense for the quarter from \$29.3 million last year to \$17.5 million this year.

Consolidated net earnings for the quarter reached \$146 million, an increase of 121% versus last year.

At the Annual General Meeting, we announced that we had entered into an agreement to purchase the Grey Goose vodka brand and related assets. We are pleased to report that on August 5, 2004, we completed this strategic acquisition.

Respectfully,



Javier Ferran
President and Chief Executive Officer



Ruben Rodriguez
Chairman of the Board

Consolidated Statement of Earnings (Unaudited)

For the Period Ended June 30, 2004
(Expressed in Thousands of U.S. Dollars)

	June 30, 2004	June 30, 2003
	\$	\$
Sales	1,022,307	976,007
Excise taxes	223,556	223,288
Sales less excise taxes	798,751	752,719
Cost of Sales	275,134	291,591
Gross Profit	523,617	461,128
Selling, General and Administrative Expenses	315,770	323,991
Earnings From Operations	207,847	137,137
Other Income (Expenses)		
Interest income	546	1,075
Interest expense	(17,469)	(29,284)
Financing expense	(952)	(1,903)
Miscellaneous expense - net	(4,104)	(28,824)
	(21,979)	(58,936)
Earnings Before Income Taxes	185,868	78,201
Provision For Income Taxes	40,037	12,068
Net Earnings	145,831	66,133

Supplemental Information

	June 30, 2004	June 30, 2003
	\$	\$
EBITDA*	223,878	127,035

* EBITDA represents consolidated net earnings before dividends on BMRH preferred shares, interest, income taxes, depreciation, and amortization.

Consolidated Balance Sheet

As of June 30, 2004
(Expressed in Thousands of U.S. Dollars)

	June 30, 2004	March 31, 2004
	\$	\$
(Unaudited)		
Assets		
Current Assets		
Cash and equivalents	25,617	29,558
Accounts receivable	776,689	711,541
Inventories	787,876	766,982
Other current assets	165,358	131,231
	1,755,540	1,639,312
Long-Term Investments and Advances and Other Assets	202,561	198,901
Property, Plant and Equipment	529,576	540,473
Intangible Assets	3,053,113	3,051,366
	5,540,790	5,430,052
Liabilities		
Current Liabilities		
Short-term borrowings	219,886	247,015
Accounts payable and accrued liabilities	658,258	658,079
Taxes payable	215,305	176,549
Current portion of long-term debt	34,888	91,447
	1,128,137	1,173,090
Long-Term Debt	1,209,037	1,173,463
Series 3 Preferred Shares	145,175	146,552
Other Liabilities	607,105	585,723
BMRH Founders' Common Shares	92,467	92,467
	3,181,921	3,171,295
Shareholders' Equity		
Capital Stock	32,909	32,909
Share Premium	957,267	957,267
Retained Earnings	1,533,412	1,426,287
Accumulated Other Comprehensive Income	(164,719)	(157,706)
	2,358,869	2,258,757
	5,540,790	5,430,052

Corporate Information

Directors

Victor R. Arellano Jr.
Facundo L. Bacardi
Jaime Bergel
Francisco Carrera-Justiz
Adolfo L. Dangullecourt
Sergio Dangullecourt
Ignacio de la Rocha
Michelle Donon
Guillermo J. Fernandez-Quimcoes
Andreas Gembler
Barry E. Kabalkin
Jay H. McDowell
Guy Peyrolongue
Ruben Rodriguez
Eduardo M. Sardinia
Raymond P. Sitcock

Officers

Ruben Rodriguez
Facundo L. Bacardi
Javier Ferran
Ralph Moreira
Michel Recalt
Simon Gould
Eduardo Sanchez
Alu Vora
Gaston Tano
Michael McGuire
Pierre Minchin
Barbara E. Johnson
Gail A. Bultenworth

Chairman
Deputy Chairman
President and Chief Executive Officer
Senior Vice President Finance and Chief Financial Officer
Senior Vice President and Chief Marketing Officer
Senior Vice President - Human Resources
Senior Vice President and General Counsel
Vice President - Business Development
Controller
Assistant Vice President
Treasurer
Secretary
Assistant Secretary
and Director of Shareholder Relations