RÉMY COINTREAU

Financial Year 2012-2013

CONSOLIDATED ACOUNTS
AS AT 31 MARCH 2013

CONSOLIDATED FINANCIAL STATEMENTS OF THE RÉMY COINTREAU GROUP FOR THE YEAR ENDED 31 MARCH 2013

CONSOLIDATED INCOME STATEMENT

As of 31 March, in € millions.

	notes	2013	2012	2011
Turnover	15	**1,193.3**	**1,026.1**	**907.8**
Cost of sales		(456.4)	(396.1)	(389.5)
Gross margin		**736.9**	**630.0**	**518.3**
Distribution costs	16	(403.3)	(344.8)	(284.4)
Administrative expenses	16	(89.8)	(79.0)	(72.8)
Other income from operations	16	1.6	1.5	5.9
Current operating profit	15	**245.4**	**207.7**	**167.0**
Other operating income/(expense)	18	(7.5)	(3.0)	(46.5)
Operating profit		**237.9**	**204.7**	**120.5**
Finance costs		(22.1)	(26.9)	(27.3)
Other financial income/(expense)		2.1	(8.4)	(2.4)
Financial result	19	**(20.0)**	**(35.3)**	**(29.7)**
Profit before tax		**217.9**	**169.4**	**90.8**
Income tax	20	(72.0)	(47.3)	(21.7)
Share in profit of associates	5	(15.5)	(0.4)	4.3
Profit from continuing operations		**130.4**	**121.7**	**73.4**
Net profit/(loss) from discontinued operations	21	-	(10.6)	(2.8)
Net profit for the year		**130.4**	**111.1**	**70.6**
Attributable to :				
non-controlling interests		-	0.3	0.1
owners of the parent company		**130.4**	**110.8**	**70.5**
Net earnings per share - from continuing operations (€)				
basic		2.67	2.47	1.50
diluted		2.66	2.46	1.49
Net earnings per share - attributable to owners of the parent company (€)				
basic		2.67	2.25	1.44
diluted		2.66	2.24	1.43
Number of shares used for the calculation				
basic	10.2	48,880,252	49,324,332	48,991,452
diluted	10.2	49,010,681	49,473,230	49,248,856

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

As of 31 March, in € millions.

	2013	2012	2011
Net profit for the year	**130.4**	**111.1**	**70.6**
Movement in the value of hedging instruments (1)	5.0	(16.2)	20.0
Actuarial difference on pension commitments	(3.1)	(1.7)	(0.3)
Movement in the value of AFS shares (2)	0.3	(0.3)	0.2
Related tax effect	(0.7)	6.3	(6.7)
Release of actuarial difference on pension commitments of the Champagne division, net of tax	-	(1.5)	-
Movement in translation differences	1.6	16.3	(7.6)
Total income/(expenses) recorded in equity	**3.1**	**2.9**	**5.6**
Total comprehensive income for the year	**133.5**	**114.0**	**76.2**
Attributable to owners of the parent company	133.5	113.7	76.2
Attributable to non-controlling interests	-	0.3	-
(1) of which unrealised gains and losses transferred to income	1.7	(12.0)	7.9
(2) of which unrealised gains and losses transferred to income	-	-	-

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of 31 March, in € millions.

	notes	2013	2012	2011
Brands and other intangible assets	3	480.2	443.2	447.1
Property, plant and equipment	4	173.1	146.4	141.0
Investments in associates	5	52.8	68.4	64.9
Other financial assets	6	89.9	86.9	10.9
Deferred tax assets	20	47.2	44.0	30.3
Non-current assets		**843.2**	**788.9**	**694.2**
Inventories	7	945.9	792.6	699.2
Trade and other receivables	8	255.5	207.9	213.6
Income tax receivables		0.8	3.9	1.6
Derivative financial instruments	14	6.3	5.6	16.4
Cash and cash equivalents	9	186.8	190.1	80.6
Assets held for sale	2	28.8	0.2	485.3
Current assets		**1,424.1**	**1,200.3**	**1,496.7**
Total assets		**2,267.3**	**1,989.2**	**2,190.9**
Share capital		81.4	79.4	79.1
Share premium		828.6	738.2	735.7
Treasury shares		(97.4)	(95.8)	(0.6)
Consolidated reserves and profit of the year		270.7	244.4	256.4
Translation reserve		10.3	8.6	(7.7)
Equity - attributable to owners of the parent company		**1,093.6**	**974.8**	**1,062.9**
Non-controlling interests		1.2	1.2	0.9
Equity	10	**1,094.8**	**976.0**	**1,063.8**
Long-term financial debt	11	389.2	340.0	377.7
Provision for employee benefits	23	25.2	21.8	20.5
Long-term provisions for liabilities and charges	12	5.8	6.9	6.5
Deferred tax liabilities	20	99.0	98.4	121.8
Non-current liabilities		**519.2**	**467.1**	**526.5**
Short-term financial debt and accrued interest	11	63.1	38.7	31.8
Trade and other payables	13	542.9	467.5	406.6
Income tax payables		25.3	13.0	39.2
Short-term provisions for liabilities and charges	12	3.6	1.5	9.5
Derivative financial instruments	14	18.4	25.4	4.5
Liabilities held for sale	2	-	-	109.0
Current liabilities		**653.3**	**546.1**	**600.6**
Total equity and liabilities		**2,267.3**	**1,989.2**	**2,190.9**

CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY

As of 31 March, in € millions.

	Share capital and premium	Treasury shares	Reserves and net profit	Translation difference	Profit recorded in equity	Attributable to owners of the parent company	Attributable to non-controlling interests	Total equity
At 31 March 2010	**785.8**	**(0.4)**	**250.3**	**(0.2)**	**(17.9)**	**1,017.6**	**0.9**	**1,018.5**
Net profit for the period	-	-	70.5	-	-	**70.5**	0.1	**70.6**
Gains (losses) recorded in equity	-	-	-	(7.5)	13.2	**5.7**	(0.1)	**5.6**
Share-based payments	-	-	3.4	-	-	**3.4**	-	**3.4**
Capital increase	29.0	-	-	-	-	**29.0**	-	**29.0**
Transactions on treasury shares	-	(0.2)	-	-	-	**(0.2)**	-	**(0.2)**
Dividends	-	-	(63.1)	-	-	**(63.1)**	-	**(63.1)**
At 31 March 2011	**814.8**	**(0.6)**	**261.1**	**(7.7)**	**(4.7)**	**1,062.9**	**0.9**	**1,063.8**
Net profit for the period	-	-	110.8	-	-	**110.8**	0.3	**111.1**
Gains (losses) recorded in equity	-	-	-	16.3	(13.4)	**2.9**	-	**2.9**
Share-based payments	-	-	4.3	-	-	**4.3**	-	**4.3**
Capital increase	2.8	-	(0.1)	-	-	**2.7**	-	**2.7**
Transactions on treasury shares	-	(95.2)	-	-	-	**(95.2)**	-	**(95.2)**
Dividends	-	-	(113.6)	-	-	**(113.6)**	-	**(113.6)**
At 31 March 2012	**817.6**	**(95.8)**	**262.5**	**8.6**	**(18.1)**	**974.8**	**1.2**	**976.0**
Net profit for the period	-	-	130.4	-	-	**130.4**	-	**130.4**
Gains (losses) recorded in equity	-	-	-	1.7	1.4	**3.1**	-	**3.1**
Share-based payments	-	-	5.3	-	-	**5.3**	-	**5.3**
Capital increase	92.4	-	-	-	-	**92.4**	-	**92.4**
Transactions on treasury shares	-	(1.6)	-	-	-	**(1.6)**	-	**(1.6)**
Dividends	-	-	(110.8)	-	-	**(110.8)**	-	**(110.8)**
At 31 March 2013	**910.0**	**(97.4)**	**287.4**	**10.3**	**(16.7)**	**1,093.6**	**1.2**	**1,094.8**

CONSOLIDATED STATEMENT OF CASH FLOWS

As of 31 March, in € millions.

	notes	2013	2012	2011
Current operating profit		245.4	207.7	167.0
Depreciation, amortisation and impairment		16.5	14.7	14.2
Share-based payments		5.3	4.3	3.1
Dividends received from associates	5	0.9	2.0	2.8
EBITDA		268.1	228.7	187.1
Change in inventories		(50.5)	(40.0)	(11.4)
Change in trade receivables		(28.7)	4.4	26.6
Change in trade payables		16.8	5.5	2.5
Change in other receivables and payables		16.2	23.4	21.8
Change in working capital requirement		(46.2)	(6.7)	39.5
Net cash flow from operations		**221.9**	**222.0**	**226.6**
Other operating income/(expenses)		0.9	(0.3)	(1.9)
Financial result		(24.0)	(16.9)	(20.3)
Income tax		(66.8)	(104.2)	(31.1)
Other operating cash flows		(89.9)	(121.4)	(53.3)
Net cash flow from operating activities - continuing operations		**132.0**	**100.6**	**173.3**
Impact of discontinued operations		-	12.0	8.4
Net cash flow from operating activities		**132.0**	**112.6**	**181.7**
Purchase of intangible assets and property, plant and equipement	3/4	(26.1)	(17.2)	(27.4)
Purchase of shares in associates and non-consolidated investments	5/6	(151.8)	(0.7)	(0.7)
Disposal of intangible assets and property, plant and equipement		0.3	1.4	0.5
Disposal of shares in associates and non-consolidated investments	6	-	1.3	-
Net cash flow from other investments	6	0.6	(0.3)	61.9
Net cash flow from investment activities - continuing operations		**(177.0)**	**(15.5)**	**34.3**
Impact of discontinued operations		-	71.3	0.8
Net cash flow from investment activities		**(177.0)**	**55.8**	**35.1**
Capital increase	10	-	2.7	7.0
Treasury shares	10	2.4	(95.2)	(0.2)
Increase in financial debt		96.6	25.0	329.8
Repayment of financial debt		(40.6)	(58.1)	(517.4)
Dividends paid		(18.4)	(113.6)	(41.2)
Net cash flow from financing activities - continuing operations		**40.0**	**(239.2)**	**(222.0)**
Impact of discontinued operations		-	172.7	-
Net cash flow from financing activities		**40.0**	**(66.5)**	**(222.0)**
Translation differences on cash and cash equivalents		1.7	7.6	(0.5)
Change in cash and cash equivalents		**(3.3)**	**109.5**	**(5.7)**
Cash and cash equivalents at start of year	9	**190.1**	**80.6**	**86.3**
Cash and cash equivalents at end of year	9	**186.8**	**190.1**	**80.6**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

INTRODUCTION

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

The consolidated financial statements presented below were approved by the Board of Directors on 4 June 2013. They will be submitted for shareholder approval at the Shareholders' Meeting on 24 September 2013.

1 ACCOUNTING POLICIES

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

In accordance with European Regulation (EC) No. 1606/2002 of 19 July 2002, the consolidated financial statements of Rémy Cointreau are prepared in accordance with the international accounting policies applicable within the European Union as of 31 March 2013.

These standards can be consulted on the European Commission website at:
http://ec.europa.eu/internal_market/accounting/ias/index_en.htm

First-time adoption of IFRS

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

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

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

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 in equity as of 1 April 2005.

Changes to accounting principles compared with the previous year

The standards, interpretations and amendments whose application is compulsory after 31 March 2013 and for which the Group did not choose early application for the consolidated financial statements for the year ended 31 March 2013, are as follows:

- IFRS 10, "Consolidated financial statements";
- IFRS 11, "Joint arrangements";
- IFRS 12, "Disclosure of interests in other entities";
- IFRS 13, "Fair value measurement";
- Amendments to IFRS 1, “Severe hyperinflation and removal of fixed dates for first-time adopters” and “Government loans”;
- Amendments to IAS 19, primarily aimed at removing the option to postpone the recognition of all or part of actuarial differences (corridor method);
- Amendment to IAS 27, "Consolidated and separate financial statements";
- Amendment to IAS 28, "Investments in associates and joint ventures";
- Amendments to IAS 12, "Income taxes": recovery of underlying assets;
- Amendments to IAS 1 on the presentation of other comprehensive income;
- Amendment to IAS 32, "Offsetting financial assets and financial liabilities";
- Amendments to IFRS 7 and IFRS 9, "Financial instruments, date of application of IFRS 9 and transition information requirements";
- Amendments to IFRS 7 “Financial instruments: disclosures”: transfers of financial assets, offsetting of financial assets and financial liabilities;
- 2013 IFRS improvements.

The first-time application of these standards and amendments is not expected to have a material impact on the consolidated financial statements.

1.1 Use of estimates

The preparation of the financial statements in accordance with International Financial Reporting Standards requires the use of estimates and assumptions that have a bearing on the amounts reported in the financial statements and whose subsequent revision could affect future results. This is particularly the case in respect of 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. Future cash flows are estimated by reference to medium-term business plans (five years) approved by the Board of Directors. A number of external factors may impact the actual achievement of these plans.

Investments in associates:
The Group has a number of investments in associates, the most significant being in Chinese company Dynasty Fine Wines Group Limited. To test the value of this investment in the absence of usually available data (financial statements, share prices, medium-term plans), Rémy Cointreau uses external data such as financial analyses performed by stockbrokers and other expertise available on the market. These data are based to a large extent on estimates.

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

Pension commitments and other post-employment benefits:
The valuation of these obligations is determined by the use of actuarial methods involving assumptions in respect of the discount rate, expected return on plan assets, salary increases, life expectancy, etc. Given the long-term nature of these obligations, any changes to these assumptions may have a material impact on the valuation.

Stock-option plans:
Calculation of the corresponding charge (IFRS 2) calls for assumptions to be made in respect of the volatility of the share price, dividend payment, 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 these 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.

1.2 Basis of consolidation

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

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

Consolidated and equity-accounted companies prepare their financial statements in accordance with generally accepted accounting principles in their country. Where 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 the 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 reserve" until the sale or liquidation of the subsidiary concerned.

1.4 Foreign-currency transactions

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

This treatment is also applied to intra-Group transactions with the exception of those classified as net investment hedges, for which the effects of changes in foreign exchange rates are recognised directly in equity under "Translation reserve".

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

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

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

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

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

1.5 Business combinations and 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 decrease in value. For the purpose of this testing, goodwill is allocated to Cash Generating Units (CGUs).

Costs related to an acquisition are recognised in profit and loss for the periods in which the costs are incurred and the services received. They are classified as “Other operating expenses” in the consolidated income statement and as net cash flow from investment activities in the consolidated cash flow statement.

1.6 Intangible fixed 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 for the period in which they are incurred.

The brands recorded on the Rémy Cointreau Group's balance sheet are not amortised as they have the benefit of 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 at the period end and as soon as there is any indication of a decrease in value. These tests are described in Note **1.8.**

In addition, distribution rights associated with brands are recognised when an acquisition is 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.

Pursuant to IAS 38 - Intangible assets, advertising and promotional expenses are recorded as expenses in the period in which they are incurred.

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;
- Application licences and direct costs of installations and/or upgrades: three to seven years.

1.7 Property, plant and equipment

a) Gross value

In accordance with IAS 16 "Property, plant and equipment", the gross value of items of property, plant and equipment corresponds to their acquisition or production cost. These assets are not revalued subsequently.

Their value does not include any finance costs.

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

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

Items of property, plant and equipment acquired through finance leases, as defined by IAS 17 "Leases", are recorded as assets on the balance sheet at the lower of the market value of the asset or the present value of future payments. The corresponding debt is recorded as a liability on the balance sheet.

The assets concerned are depreciated using the methods and useful lives described below.

b) Depreciation

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

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

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

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

1.8 Impairment of non-current assets

In accordance with IAS 36 "Impairment of assets", the value in use of property, plant and equipment and intangible assets is tested as soon as there is any indication of a decrease in value, and automatically at each period 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, assets are allocated to Cash Generating Units (CGUs). In the Group's case, the structure of these units is based on the brand portfolio. These tests consist of 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.

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.

With respect to operational entities that the Group's management has decided to sell, the assets concerned are stated at the lower of their carrying amount and estimated market value after transaction costs. If negotiations are in progress, the value is 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 each brand. These cash flows are estimated by reference to medium-term business plans (five 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.

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

1.9 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 counterparty to these inventories is generally recorded in trade payables.

Inventories are stated at the lower of cost and net realisable value.

A substantial part of the inventories held by the Rémy Cointreau Group consists of eaux-de-vie (cognac, brandy, rum, malt Scotch whisky) 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.

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

Inventories that are undergoing ageing are valued at cost price, excluding finance costs. The latter are recognised in the income statement in the period in which they are incurred. Cost price includes the purchase price and incidental costs and adjusted each year to include costs directly attributable to the ageing process as well as to reflect evaporation.

The approach used to determine realisable value takes into account the sale price of finished goods made from these inventories.

Finished goods inventories are stated at the lower of the cost price 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 receivable 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 asset 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 (AFS) as defined by IAS 39 and are therefore stated at realisable value as at the balance sheet date, with changes in value being recognised:

- in general, directly in equity until such gains or losses are actually realised;
- when the loss is considered to be permanent, an impairment provision is recognised in financial income/(expense).

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

c) Derivative financial instruments

The Group makes extensive use of derivative financial instruments as part of its policy of 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. Market values are calculated using an external valuation model, and compared with those obtained from counterparty banks. Changes in the value of currency derivatives are recognised in the manner described in Note **1.4.** When used to hedge interest rate risk, changes in the value of derivative instruments (mainly caps and interest swaps) are recorded in recyclable equity in respect of the change in the intrinsic value of the hedging instruments when these options are active and in net financial income/(expense) for any residual change in fair value of the hedging instruments and the change in fair value of the non-hedging instruments.

d) Loans and financial debt

Financial resources are generally stated at nominal value net of costs incurred when arranging this financing. These costs 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 amortised using the straight-line method over the term of the contract.

1.11 Cash and cash equivalents

Cash and cash equivalents comprise 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.

In the statement of cash flows, bank overdrafts are excluded from cash and cash equivalents and are included in short-term financial debt.

1.12 Deferred taxes

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 values used for taxation purposes 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 for the period in which they become known.

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

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

Tax savings from tax losses carried forward are recognised as deferred tax assets and written down according to the probability of these losses later being utilised.

1.13 Provisions for risks and liabilities

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 an outflow of resources for the benefit of the third party, without receipt of an at least equivalent consideration from the said third party. Provisions for restructuring are recognised only when restructuring has been announced and detailed measures drawn up.

When the time value of money is material, the amount of the provision corresponds to the present value of expected expenditure that the Company believes to be necessary to meet the liability. In practice, when the liability is expected to be settled in more than 12 months, the amount of the provision is discounted to its present value, with the effects being recognised in net financial income/(expense).

1.14 Pension commitments and other employee benefits

In accordance with the laws and practices in each country, Rémy Cointreau offers employee benefit plans providing pensions and other post-employment 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. For Group companies located in the euro zone, the discount rate used is based on the iBoxx index for bonds with a maturity close to that of the corresponding liabilities.

Commitments under defined-benefit plans concern:

- retirement indemnities and long-service awards under collective bargaining agreements in France;
- commitments in respect of various post-employment healthcare benefits;
- other commitments in respect of supplementary defined-benefit pension plans sponsored by the Group in France, Germany and Belgium.

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

Actuarial gains and losses for post-employment defined-benefit plans arising since 1 April 2004 are also 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 Net sales

Net sales include wholesale trading of finished goods in branded wines and spirits marketed by the Group to:

- distributors;
- agents;
- wholesalers, mainly in North America and China.

These sales are recognised when the significant risks and rewards of ownership have been transferred to the buyer, which generally occurs on shipment.

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

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

1.16 Definition of certain indicators

a) Recurrent operating profit, operating profit, profit/(loss) from discontinued operations

Current operating profit 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 for which plans to this effect have been approved by the Board of Directors. The corresponding operating profit is reclassified in the item "Profit/(loss) from discontinued operations" together with other items of income 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 provisions in respect of brands and other non-current assets recognised as a result of impairment tests (see Note **1.8**), provisions for restructuring and litigation, and significant gains 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 recurrent operating profit 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 stock option plans and related items, 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 financial debt plus short-term financial debt and accrued interest less cash and cash equivalents.

1.17 Segment reporting

As required by IFRS 8, the Rémy Cointreau Group provides an analysis by business and geographical area of certain items of its consolidated financial statements.

a) Business segments

The operating segments to be presented are those for which separate financial information is available internally and which are used by the "main operational decision-maker" to make operational decisions. Rémy Cointreau's main operational decision-maker is the Executive Committee, which examines the operating performance and allocates resources based on financial information analysed at the level of the Rémy Martin, Liqueurs & Spirits and Partner Brands businesses. Consequently, the Group has identified these businesses as the operating segments to be presented. In addition, a holding segment includes the central expenses that are not allocated to the various divisions.

The main brands in the "Liqueurs & Spirits" segment are Cointreau, Passoa, Metaxa, Saint Rémy, Mount Gay and Bruichladdich.

The Partner Brands division includes brands which are not owned by the Group and those whose production is not carried out wholly by the Group. These brands are distributed using the Group's distribution network. The principle brands are the Scotch whiskies owned by the Egrington Group and the Piper-Heidsieck and Charles Heidsieck champagnes.

Information given by business segment is identical to that presented to the Executive Committee.

b) Geographic area

The breakdown of net sales by geographic area is based on the destination of goods sold, while the breakdown of balance sheet items is based on the country in which the consolidated entities are located.

The geographic areas used are: Europe-Middle East-Africa, Americas and Asia-Pacific. The Asia-Pacific area includes Asia, Australia and New Zealand.

1.18 Treasury shares

Group investments in Rémy Cointreau shares are deducted from equity at their acquisition cost.

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 the contract manager are reclassified as equity. The value of cash held in the liquidity account is recorded as "Other financial assets".

1.19 Stock options and free share plans

In accordance with IFRS 2 "Share-based payments", plans established 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 simultaneously credited to reserves.

- For stock 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 free share plans: 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.

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

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

1.21 Discontinued operations

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

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

- all income statement items of the company or activity in question for the reported and comparative periods are reclassified as "Net profit/(loss) from discontinued operations". A similar reclassification is performed in the cash flow statement under “Impact of discontinued operations” in net cash flow from operating and investment activities;
- When the disposal is still in progress at the balance sheet date, the potential difference between the carrying value of the assets concerned and the estimated market value, net of disposal expenses and tax, if negative, is recognised as "profit/(loss) from discontinued operations";
- the profit or loss generated on the disposal transaction, net of transaction costs and taxes, is also recognised under "Profit/(loss) from discontinued operations". In the cash flow statement, a distinction is made between the cash received as consideration for the sale net of transaction costs, classified as "Net cash flow from investing activities", and any impact of the de-consolidation of the cash held by the entity sold, classified as "Net cash flow from financing activities".

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

1.22 Consolidation of co-operatives

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

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

2 CHANGES IN CONSOLIDATION SCOPE

2.1 Bruichladdich Distillery Ltd

Following exclusive negotiations opened on 9 July 2012, Rémy Cointreau signed on 23 July 2012 and subsequently finalised on 3 September 2012 the acquisition of Bruichladdich Distillery Ltd, a distillery founded in 1881 known for its production of Premium Malt Scotch Whisky on the Isle of Islay in Scotland, on the basis of an enterprise value of £58 million.

The date of the first-time consolidation was 31 August 2012. The income statement for the year ended 31 March 2013 therefore includes seven months of activity of the acquired entity. The results achieved during this period are not material.

The provisional allocation of the purchase price is as follows:

(in € millions)	Net book value	Price allocation
Brands	-	15.6
Property, plant and equipment	5.7	10.8
Inventories	18.3	28.1
Working capital requirement, excluding inventories	(0.4)	(0.4)
Net current and deferred tax	0.9	(6.1)
Provisions for liabilities and charges	(0.2)	(0.2)
Net financial debt	(9.4)	(9.4)
Total net assets purchase	15.0	38.5
Goodwill	-	23.7
Total purchase price	-	**62.1**

Goodwill generated from the acquisition represents the expertise of this distillery with more than 130 years of history and synergies from its integration into the Rémy Cointreau brand portfolio and distribution network.

Brands produced and marketed by Bruichladdich Distillery Ltd are housed in the Liqueurs & Spirits division.

2.2 Larsen SA

On 18 December 2012, Rémy Cointreau announced the signing of a purchase agreement for Larsen SA, le Cognac des Vikings. The acquisition took place on 28 December 2012.

Founded in 1926, Larsen was one of the last independent producers of cognac, boasting a unique range of rare and prestigious products marketed primarily in northern Europe. Over three generations, the company had also built up inventories of high-quality eaux-de-vie.

Simultaneously with the acquisition of Larsen, Rémy Cointreau initiated discussions with industrial and commercial partners for the resale of Larsen's operations. Rémy Cointreau will retain inventories of high-quality eaux-de-vie constituting a major and strategic part of the assets acquired. Accordingly, all components of Larsen's business and real estate assets necessary for its operations were classified as "assets held for sale" as of the balance sheet date at fair value less selling costs and tax.

2.3 Disposal of the Champagne division

The Rémy-Cointreau and EPI groups signed an agreement bearing on the sale of all of the shares of Piper-Heidsieck Cie Champenoise to EPI on 31 May 2011. The sale was completed on 8 July 2011, and gave EPI control of the champagne business in Reims and the Piper Sonoma brand in the United States.

3 BRANDS AND OTHER INTANGIBLE ASSETS

in € millions	Goodwill	Brands	Distribution rights	Other	Total
Gross value at 31 March 2011	**-**	**485.7**	**9.0**	**21.6**	**516.3**
Acquisitions	-	-	-	1.5	1.5
Disposals, items scrapped	-	-	(2.1)	-	(2.1)
Other movements	-	-	-	0.1	0.1
Translation difference	-	0.6	0.1	0.2	0.9
Gross value at 31 March 2012	**-**	**486.3**	**7.0**	**23.4**	**516.7**
Acquisitions	23.7	-	-	1.8	25.5
Disposals, items scrapped	-	-	-	(0.1)	(0.1)
Perimeter variances	-	15.6	-	-	15.6
Other movements	-	-	-	0.1	0.1
Translation difference	(1.2)	(0.4)	0.1	0.2	(1.3)
Gross value at 31 March 2013	**22.5**	**501.5**	**7.1**	**25.4**	**556.5**

Accumulated amortization and depreciation at 31 March 2011	**-**	**48.2**	**7.2**	**13.8**	**69.2**
Charges	-	3.9	-	2.3	6.2
Disposals, items scrapped	-	-	(2.1)	-	(2.1)
Translation difference	-	0.1	-	0.1	0.2
Accumulated amortization and depreciation at 31 March 2012	**-**	**52.2**	**5.1**	**16.2**	**73.5**
Charges	-	-	-	2.8	2.8
Disposals, items scrapped	-	-	-	(0.1)	(0.1)
Translation difference	-	-	0.1	-	0.1
Accumulated amortization and depreciation at 31 March 2013	**-**	**52.2**	**5.2**	**18.9**	**76.3**

Net carrying amount at 31 March 2011	**-**	**437.5**	**1.8**	**7.8**	**447.1**
Net carrying amount at 31 March 2012	**-**	**434.1**	**1.9**	**7.2**	**443.2**
Net carrying amount at 31 March 2013	**22.5**	**449.3**	**1.9**	**6.5**	**480.2**

Intangible assets include goodwill arising from the acquisition Bruichladdich Distillery Ltd (Note **2.1**).

The net carrying amount in "Distribution rights" is equivalent to a brand.

"Other" mainly includes software licences.

As of 31 March 2013, total provisions for impairment of intangible assets amounted to €52.2 million (2012: €52.2 million, 2011: €48.2 million) and related solely to brands.

Brands owned by Rémy Cointreau are all considered to have an indefinite useful life. As such they are not amortised (Note **1.6**). However they are subject to an impairment test annually or as soon as there is an indication of a decrease in value. The method used to establish the present value of the brands is described in Note **1.8.**

Tests conducted by Rémy Cointreau and reviewed by an independent expert on the entire portfolio of brands did not lead the Group to recognise any impairment.

During the year ended 31 March 2012, two secondary brands (one housed in the Liqueurs & Spirits division, one in the Partner Brands division) were impaired by €3.8 million, reflecting the difference between their recoverable values and carrying amounts.

During the year ended 31 March 2011, Metaxa, the Greek brandy brand acquired in 2000, was subject to a €45 million impairment provision to reflect the difference between its recoverable value and its carrying amount.

For tests during the period, the present value was the recoverable value, based on discounted future cash flows contained in medium-term plans (five years) and approved by the Board of Directors. The pre-tax discount rate used was 10.91% (2012: 9.95%) and the perpetual growth rate was between 1% and 2% (2012: between 1% and 2%).

Considering the projections and financial parameters on which such tests are based, an increase of 0.5 points in the discount rate, a reduction of 0.5 points in the perpetual growth rate or a 10% decrease in the cash flow projections contained in the medium-term plans would not lead to impairment of any of the brands or other intangible assets held by the Group.

4 PROPERTY, PLANT AND EQUIPMENT

in € millions	Land	Buildings	Other	In progress	Total
Gross value at 31 March 2011	**8.2**	**81.3**	**168.5**	**3.7**	**261.7**
Acquisitions	-	2.1	13.9	1.9	17.9
Disposals, items scrapped	(0.1)	(0.4)	(1.5)	-	(2.0)
Other movements	0.1	1.4	(2.4)	(1.1)	(2.0)
Translation difference	-	0.5	1.3		1.8
Gross value at 31 March 2012	**8.2**	**84.9**	**179.8**	**4.5**	**277.4**
Acquisitions	0.2	3.2	11.7	15.2	30.3
Disposals, items scrapped	-	(0.3)	(5.2)	-	(5.5)
Perimeter variances	0.9	6.0	7.8	-	14.7
Other movements	0.1	0.9	2.3	(3.6)	(0.3)
Translation difference	-	-	0.4	-	0.4
Gross value at 31 March 2013	**9.4**	**94.7**	**196.8**	**16.1**	**317.0**
Accumulated amortization and depreciation at 31 March 2011	**1.0**	**32.9**	**86.8**	**-**	**120.7**
Charges	0.4	2.3	9.7	-	12.4
Disposals, items scrapped	-	(0.2)	(0.8)	-	(1.0)
Other movements	-	0.4	(2.4)	-	(2.0)
Translation difference	-	0.1	0.8	-	0.9
Accumulated amortization and depreciation at 31 March 2012	**1.4**	**35.5**	**94.1**	**-**	**131.0**
Charges	0.5	2.6	10.7	-	13.8
Disposals, items scrapped	-	(0.3)	(4.7)	-	(5.0)
Perimeter variances	-	0.5	3.3	-	3.8
Other movements	-	-	(0.1)	-	(0.1)
Translation difference	-	-	0.4	-	0.4
Accumulated amortization and depreciation at 31 March 2013	**1.9**	**38.3**	**103.7**	**-**	**143.9**
Net carrying amount at 31 March 2011	**7.2**	**48.4**	**81.7**	**3.7**	**141.0**
Net carrying amount at 31 March 2012	**6.8**	**49.4**	**85.7**	**4.5**	**146.4**
Net carrying amount at 31 March 2013	**7.5**	**56.4**	**93.1**	**16.1**	**173.1**

As of 31 March 2013, no property, plant or equipment owned by the Group was subject to impairment provisions.

In the year ended 31 March 2012, acquisitions, in the amount of €30.3 million, related mainly to industrial capital expenditure on the Group's various production facilities (Cognac, Angers, Barbados, Islay).

These non-current assets are unencumbered.

5 INVESTMENTS IN ASSOCIATES

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

in € millions	Dynasty	Lixir	Diversa	Other	Total
As at 31 March 2011	**56.1**	**1.2**	**7.6**	**-**	**64.9**
Dividend paid	(1.2)	(0.6)	(0.2)	-	**(2.0)**
Perimeter variation	-	-	-	0.7	**0.7**
Profit of the year	(1.3)	0.7	0.2	-	**(0.4)**
Translation difference	5.4	-	-	-	**5.4**
Other	(0.2)	-	-	-	**(0.2)**
As at 31 March 2012	**58.8**	**1.3**	**7.6**	**0.7**	**68.4**
Dividend paid	-	(0.6)	(0.3)	-	**(0.9)**
Perimeter variation	-	-	-	0.8	**0.8**
Profit of the year	-	0.4	0.2	(0.2)	**0.4**
Provision for impairment	(15.9)	-	-	-	**(15.9)**
As at 31 March 2013	**42.9**	**1.1**	**7.5**	**1.3**	**52.8**

5.1 Dynasty

As of 31 March 2013, Rémy Cointreau held 336.5 million Dynasty shares representing a 26.96% equity stake.

This legacy Rémy Cointreau stake was originally a joint venture formed in 1980 with the municipality of Tianjin, which still holds 45%. Since 2005, the company has been listed on the Hong Kong Stock Exchange, with a free float of approximately 28%. This major player in the Chinese wine market has over the last two years been experiencing difficulties following the start of restructuring made necessary by change in the wine market in China.

In February 2013, Dynasty issued a profit warning, flagging a prospective loss in respect of 2012. Dynasty had not reported its annual financial statements as of Rémy Cointreau's balance sheet date. Trading in its shares on the Hong Kong Stock Exchange was suspended on 22 March 2013. According to information provided by Dynasty, the delay stems from investigations brought by the audit committee following allegations of fraud.
Considering that the downward trend in earnings and the prospect of a loss represented a clear sign of impairment, irrespective of the reality of the allegations of fraud and their potential impact, Rémy Cointreau tested the value this asset, which stood at €58.8 million as of 31 March 2012, in accordance with IAS 36.

On the basis of external data, the value of the asset has been adjusted to €42.9 million as of 31 March 2013, representing an impairment loss of €15.9 million.

It is noted that this valuation does not take into account the results for fiscal 2012, which had not been disclosed as of the balance sheet date, and no assumption has been made as to the allegations of fraud and their possible outcome.

There are no commercial transactions between the Rémy Cointreau Group and Dynasty.

5.2 Lixir

On 7 October 2008, the Rémy Cointreau Group acquired a 50% interest in the French distribution company Lixir from William Grant & Sons Investments Ltd for €0.5 million.

Lixir's financial year-end is 31 December. Lixir's net sales amounted to €162.2 million over the Rémy Cointreau financial year, compared with €165.9 million in the previous Rémy Cointreau financial year.

5.3 Diversa

On 31 March 2009, the Rémy Cointreau Group acquired a 50% interest in Diversa GmbH to form a distribution joint venture in Germany with the Underberg group.

Diversa GmbH generated net sales of €120.7 million in the year ended 31 March 2013 (2012: €128.2 million).

5.4 Other

During the year ended 31 March 2012, the Rémy Cointreau Group entered into a joint venture with an Indian partner for the creation of a local brandy to be developed during the subsequent financial year.

6 OTHER FINANCIAL ASSETS

(in € millions)	2013	2012	2011
Non-consolidated equity investments	4.2	4.6	6.6
Prepayments for post-employement benefit schemes	-	-	0.4
Vendor loan (note **6.2**)	82.1	78.0	-
Loan to non-consolidated investments	0.1	0.1	0.1
Liquidity account excluding Rémy Cointreau shares	2.2	3.0	3.0
Other	1.3	1.2	0.8
Total	**89.9**	**86.9**	**10.9**

6.1 Non-consolidated equity investments

(in € millions)	% held	2013	% held	2012	% held	2011
Dettling & Marmot (Switzerland)	25.0%	1.0	25.0%	1.0	25.0%	1.0
Ducs de Gascogne S.A. (France)	30.1%	0.5	30.1%	1.1	30.1%	1.1
Tianjin Dvpt Holding Ltd (RPC)	0.2%	0.6	0.2%	0.4	0.2%	0.7
Balachoa-Vinhos de Portugal (Portugal)	0.8%	0.5	0.8%	0.5	0.8%	0.5
REVICO (France)	-	-	-	-	5.0%	0.4
TRANSMED (France)	-	-	-	-	6.8%	1.3
Destilerias de Vilafranca S.A. (liquidation in process)	100.0%	1.5	100.0%	1.5	100.0%	1.5
Other investments	-	0.1	-	0.1	-	0.1
Total		**4.2**		**4.6**		**6.6**

6.2 Vendor loan

As part of the disposal of the Champagne division, which took place on 8 July 2011, the Rémy Cointreau Group granted a vendor loan of €75 million, over a maximum term of nine years (maturing on 8 July 2020), and bearing interest at 5% during the first six years and 6% during the last three years. Interest will be capitalised in the first three years.

As of 31 March 2013, this loan was recognised at the present value of cash flows to be collected by Rémy Cointreau in the event that the loan is repaid on maturity in accordance with the terms and conditions of the contract.

6.3 Liquidity account

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

7 INVENTORIES

7.1 Breakdown by category

in € millions	2013	2012	2011
Raw materials	30.5	23.4	19.4
Ageing wines and eaux-de vie	779.1	634.9	590.8
Goods for resale and finished goods	142.5	141.5	95.3
Gross cost	**952.1**	**799.8**	**705.5**
Provision for impairment	(6.2)	(7.2)	(6.3)
Carrying amount	**945.9**	**792.6**	**699.2**

Accounting principles applying to inventories are described in Note **1.9.**

As of 31 March 2013, some inventories were subject to agricultural warrants in an amount a €28.0 million (2012: €27.9 million; 2011: €32.8 million).

7.2 Analysis of the change

in € millions	Gross cost	Impairement	Carrying amount
As at 31 March 2011	**705.5**	**(6.3)**	**699.2**
Movement	85.4	(0.7)	84.7
Translation difference	8.9	(0.2)	8.7
As at 31 March 2012	**799.8**	**(7.2)**	**792.6**
Movement	56.6	1.1	57.7
Perimeter variation	90.8	-	90.8
Translation difference	4.9	(0.1)	4.8
As at 31 March 2013	**952.1**	**(6.2)**	**945.9**

8 TRADE AND OTHER RECEIVABLES

A provision for doubtful debt is recognised on a case-by-case basis when the fair value of the receivable is less than its carrying amount.

(in € millions)	2013	2012	2011
Trade receivables	197.2	160.5	157.9
Receivables related to taxes and social charges (excl. income tax)	8.6	16.5	10.8
Sundry prepaid expenses	6.0	7.2	6.4
Advances paid	24.5	6.8	16.9
Receivables related to asset disposals	-	-	0.1
Other receivables	19.3	16.9	21.5
Total	**255.6**	**207.9**	**213.6**
Of which provision for doubtful debts	(6.6)	(5.3)	(4.4)

At 31 March 2013, the breakdown of trade receivables by maturity was as follows:

(in € millions)	Total	Current	Due	
			Less than 3 months	More than 3 months
Trade receivables gross	203.8	124.7	44.9	34.2

9 CASH AND CASH EQUIVALENTS

(in € millions)	2013	2012	2011
Financial assets measured at fair value though profit and loss	100.9	126.4	0.1
Cash at bank	85.9	63.7	80.5
Total	**186.8**	**190.1**	**80.6**

10 EQUITY

10.1 Share capital, issue premium and treasury shares

	Number of shares	Treasury shares	Total number of shares	Share capital	Share premium	Treasury shares
As at 31 March 2011	**49,428,402**	**(21,310)**	**49,407,092**	**79.1**	**735.7**	**(0.6)**
Exercise of stock options	103,860	-	103,860	0.2	2.5	-
2009 free share plan	97,300	-	97,300	0.1	-	-
Share Buy Back program	-	(1,421,003)	(1,421,003)	-	-	(95.6)
Liquidity account	-	-	-	-	-	-
Other treasury shares	-	13,660	13,660	-	-	0.4
As at 31 March 2012	**49,629,562**	**(1,428,653)**	**48,200,909**	**79.4**	**738.2**	**(95.8)**
Dividend paid in shares	1,190,350	-	1,190,350	1.9	90.4	-
2010 free share plan	90,000	-	90,000	0.1	-	-
Liquidity account	-	(7,791)	(7,791)	-	-	(0.5)
Share Buy Back program	-	(10,000)	(10,000)	-	-	(0.9)
Other treasury shares	-	(2,850)	(2,850)	-	-	(0.2)
As at 31 March 2013	**50,909,912**	**(1,449,294)**	**49,460,618**	**81.4**	**828.6**	**(97.4)**

10.1.1 Share capital and premium

At 31 March 2013, the share capital consisted of 50,909,912 shares with a nominal value of €1.60.

On 25 September 2012, 1,190,350 shares were issued following the option offered to shareholders to receive payment of the dividend in shares.

On 23 November 2012, 90,000 shares were issued (from available reserves) on expiry of the vesting period of the 2010 free share plan.

10.1.2 Treasury shares

Pursuant to resolutions 13 and 15 of the Shareholders' Meeting of 26 July 2011, Rémy Cointreau's Board of Directors, at its meeting of 22 November 2011, appointed an investment service provider to make purchases of Rémy Cointreau SA shares within the limit of 10% of share capital after deducting shares already held in treasury, including those acquired under the liquidity contract.

In compliance with the description of the share buyback programme published in the registration document of Rémy Cointreau registered with the AMF on 29 June 2011, as amended by the Shareholders' Meeting of 26 July 2011, the shares bought shall be allocated to the following objectives (i) retention with a view to use for external growth within the limits permitted by law and (ii) cancellation.

On 23 May 2012, Rémy Cointreau decided to terminate the execution of the share buyback programme initiated on 6 December 2011. As part of this programme, the company acquired 1,428,794 shares representing 2.88% of share capital at an average price of €67.29 per share.

In addition, as of 31 March 2013, 10,000 Rémy Cointreau shares were held under the liquidity accounts put in place in November 2005 (Note **1.18**) and 10,500 shares were held temporarily, to be allocated to the exercise of stock option plans 12 and 13.

10.2 Number of shares used for the calculation of earnings per share

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

	2013	2012	2011
Average number of shares (basic):			
Average number of shares	50,329,413	49,587,843	49,012,762
Average number of treasury shares	(1,449,161)	(263,511)	(21,310)
Total used for calculating basic earnings per share	**48,880,252**	**49,324,332**	**48,991,452**
Average number of shares (diluted):			
Average number of shares (basic)	48,880,252	49,324,332	48,991,452
Dilution effect of stock options and free share plans (1)	130,429	148,898	257,404
Total used for calculating diluted earnings per share	**49,010,681**	**49,473,230**	**49,248,856**

(1) The Rémy Cointreau share price used as a reference for the dilution effect was €61.23 for 2012, €47.25 € for 2011. All dilutive stocks option plans are expired as at March 31, 2013.

10.3 Stock-option and similar plans

10.3.1 Stock-option plans

These plans were granted under the authorisations given by the Extraordinary General Meetings held on 21 September 2001 (Plan 12) and 7 September 2004 (Plan 13).

Exercise start date	Plan No	Term in years	Type (1)	Options granted	Exercise price in €	Lapsed options	Options exercised as at 31 March 2011	Options exercised during the year	Average exercise price	Options outstanding as at 31 March 2012
16 September 2007	12	6	P	287,000	27.67	27,000	242,790	3,650	86.16	13,560
24 December 2008	13	6	P	262,000	28.07	35,000	194,500	22,850	84.68	9,650
Total				**549,000**		**62,000**	**437,290**	**26,500**	**84.89**	**23,210**

(1) S = Subscription, P = Purchase

For all plans, one option equals one share granted.

Pursuant to a mechanism approved by the AMF on 8 March 2005, Rémy Cointreau hedged plans 12 and 13 in March 2005 by means of a repurchase option (plan 12) and a call option (plan 13) concluded with a financial institution enabling Rémy Cointreau to deliver shares to the beneficiaries at exercise date at a cost equal to the exercise price.

10.3.2 Free share plans

Grant date (1)	Plan No	Vesting period	Minimum retention period	Initial number of shares granted	Share price on grant date	Lapsed shares	Shares granted at the end of the vesting period	Number of shares outstanding at 31 March 2012
23 November 2010	2010	2 years	2 years	94,000	52.65	4,000	90,000	-
22 November 2011	2011	2 years	2 years	96,500	58.50	-	n/a	96,500
20 November 2012	2012	2 years	2 years	96,500	83.29	500	n/a	96,000
Total				**287,000**		**4,500**	**90,000**	**192,500**

(1) the grant date is the date of the Board meeting which decided on granting each plan

For these three plans, the Board of Directors determined that the following acquisition terms would apply:
- 60% of the shares are granted on condition that the beneficiary is still employed by the Group at the end of the vesting period;

- 40% of the shares are granted on the condition that the beneficiary is still employed by the Group at the end of the vesting period and that the Group has satisfied performance criteria measured at the end of the financial year preceding the end of the vesting period. These criteria concern the current operating margin and the return on capital employed, measured on a like-for-like basis.

The shares granted at the end of the vesting period for the 2010 plan resulted in the creation of 90,000 new shares as a deduction against reserves. This plan was granted in full (with the exception of 4,000 shares that lapsed due to the departure of beneficiaries).

10.3.3 Calculation of the charge for the year

In accordance with IFRS 2, a charge representing the estimated value of the benefit granted to the beneficiaries of share-based payments is recognised as operating profit (Note **1.19**). As of 31 March, 2013, this only concerned free share plans.

For the free share plans, the unit value is based on the share price at the grant date for Executive Management or Management Committee beneficiaries or the notice date for other beneficiaries, less the estimated value of the dividends per share which would be due during the vesting period.

The charge is calculated by multiplying these unit values by the estimated number of options or free shares that will be granted. The amount is amortised on a straight-line basis over the rights vesting period from the date of the Board meeting approving each plan.

The assumptions used for the estimation of the benefit value and the resulting values for the plans included in the calculation of the expense for the year ended 31 March 2013 were as follows:

	Plan 2010	Plan 2011	Plan 2012
Expectation performance criteria will be met	100%	100%	100%
Staff turnover ratio	5.0%	5.0%	5.0%
Fair value per option(1)	€50.05	€55.62	€78.69
Fair value per option(2)	€49.88	€58.65	€82.21

(1) Executive Management and Management Committee members.
(2) Other beneficiaries.

For the year ended 31 March 2013, the related expense was €5.3 million (2012: €4.3 million; 2011: €3.1 million).

10.4 Dividends

The Shareholders' Meeting of 26 July 2012 approved the payment of an ordinary dividend of €1.30 per share in respect of the year ended 31 March 2012 and a special dividend of €1.00 per share, both payable in either cash or shares.

Payment in shares was made at the end of September, resulting in the issuance of 1,190,350 shares at a price of €77.53. The balance of €18.5 million was paid in October 2012.

10.5 Non-controlling interests

(in € millions)	2013	2012	2011
Minority interests in Mount Gay Distilleries	1.2	1.2	0.9
Total	**1.2**	**1.2**	**0.9**

10.6 Capital management and financial structure

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

For several years the Group has resolutely pursued a debt-reduction policy in order to maximise the funds available for brand development. As a result, it has sold non-strategic assets and adopted new performance indicators including return on capital employed (ROCE) and free cash flow for the various businesses.

Another key indicator is the "A ratio" (average net financial debt/ EBITDA) (Notes **11.7, 11.8** and **14.6**) with which the Group must comply in order to access a significant part of its financial resources. The A ratio was 0.99 as at 31 March 2012, substantially below the ceiling of 3.50 laid down in the covenant.

During the year ended 31 March 2013, continuing activities generated operating cash flow (before tax and financial expense) of €221.9 million. Net financial debt increased by €76.9 million and the net debt to equity ratio was 0.24 (2012: 0.19; 2011: 0.31).

11 FINANCIAL DEBT

11.1 Net financial debt

	2013			2012			2011		
in € millions	**Long term**	**Short term**	**Total**	**Long term**	**Short term**	**Total**	**Long term**	**Short term**	**Total**
Gross financial debt	389.2	63.1	452.3	340.0	38.7	378.7	377.7	31.8	409.5
Cash and cash equivalent (note **9**)	-	(186.8)	(186.8)	-	(190.1)	(190.1)	-	(80.6)	(80.6)
Net financial debt	**389.2**	**(123.7)**	**265.5**	**340.0**	**(151.4)**	**188.6**	**377.7**	**(48.8)**	**328.9**

11.2 Gross financial debt by type

	2013			2012			2011		
in € millions	**Long term**	**Short term**	**Total**	**Long term**	**Short term**	**Total**	**Long term**	**Short term**	**Total**
Bonds	200.3	-	200.3	199.1	-	199.1	198.0	-	198.0
Private Placement	139.5	-	139.5	139.3	-	139.3	138.1	-	138.1
Drawdown on syndicated credit		-	-	-	-	-	40.0	-	40.0
Drawdown on club Deal	47.8	-	47.8	-	-	-	-	-	-
Drawdown on other confirmed facilities	-	-	-	-	25.0	25.0	-	-	-
Other financial debt and overdrafts	-	0.1	0.1	-	0.1	0.1	-	0.1	0.1
Accrued interest	-	7.5	7.5	-	7.3	7.3	-	7.4	7.4
Total Rémy Cointreau S.A.	**387.6**	**7.6**	**395.2**	**338.4**	**32.4**	**370.8**	**376.1**	**7.5**	**383.6**
Other financial debt and overdrafts	1.6	49.3	50.9	1.6	1.2	2.8	1.6	15.1	16.7
Borrowings by special purpose entities	-	6.2	6.2	-	5.1	5.1	-	9.2	9.2
Total subsidiaries	**1.6**	**55.5**	**57.1**	**1.6**	**6.3**	**7.9**	**1.6**	**24.3**	**25.9**
Gross financial debt	**389.2**	**63.1**	**452.3**	**340.0**	**38.7**	**378.7**	**377.7**	**31.8**	**409.5**

Drawings on unconfirmed lines explain the increase in “Other financial debt and overdrafts”.

11.3 Gross financial debt by maturity

(in € millions)	Long-term	Short-term
before 31 March 2014	-	63.1
31 March 2015	1.6	
10 June 2015	139.5	
15 December 2016	200.3	
5 June 2017	47.8	
Total	**389.2**	**63.1**

As of 31 March 2013, undrawn amounts under the confirmed credit lines of Rémy Cointreau totalled €205 million (2012: €346 million; 2011: €426 million).

As of 31 March 2013, Rémy Cointreau had total confirmed resources of €600 million (2012: €691 million; 2011: €811 million).

Liquidity risk is set out in Note **14.**

11.4 Gross financial debt by type of rates

	2013			2012			2011		
in € millions	**Long term**	**Short term**	**Total**	**Long term**	**Short term**	**Total**	**Long term**	**Short term**	**Total**
Fixed interest rate	339.8	-	339.8	338.4	-	338.4	336.1	-	336.1
Variable interest rate	49.4	55.6	105.0	1.6	31.4	33.0	41.6	24.4	66.0
Accrued interest	-	7.5	7.5	-	7.3	7.3	-	7.4	7.4
Gross financial debt	**389.2**	**63.1**	**452.3**	**340.0**	**38.7**	**378.7**	**377.7**	**31.8**	**409.5**

	2013			2012			2011		
in € millions	**Long term**	**Short term**	**Total**	**Long term**	**Short term**	**Total**	**Long term**	**Short term**	**Total**
Drawdown on syndicated credit	-	-	-	-	-	-	40.0	-	40.0
Drawdown on club Deal	47.8	-	47.8	-	-	-	-	-	-
Drawdown on other confirmed facilities	-	-	-	-	25.0	25.0	-	-	-
Other financial debt and overdrafts	1.6	55.6	57.2	1.6	6.4	8.0	1.6	24.4	26.0
Variable interest rate	**49.4**	**55.6**	**105.0**	**1.6**	**31.4**	**33.0**	**41.6**	**24.4**	**66.0**

Drawdowns on syndicated credit and other confirmed and unconfirmed credit lines are hedged. Details of the interest rate hedging instruments held in the portfolio at the balance sheet date are provided in Note **14.**

11.5 Gross financial debt by currency

	2013			2012			2011		
in € millions	**Long term**	**Short term**	**Total**	**Long term**	**Short term**	**Total**	**Long term**	**Short term**	**Total**
Euro	389.2	62.8	452.0	340.0	37.8	377.8	377.7	30.5	408.2
Dollar US	-	0.3	0.3	-	0.9	0.9	-	1.3	1.3
Gross financial debt	**389.2**	**63.1**	**452.3**	**340.0**	**38.7**	**378.7**	**377.7**	**31.8**	**409.5**

11.6 Bonds

In June 2010, Rémy Cointreau carried out a new 6.5-year bond issue with a par value of €205 million. The bonds have a par value of €50,000 each and were issued at 97.745% of par (issue premium of 2.255%), bearing interest of 5.18% payable on 15 June and 15 December of each year. They will be redeemed at par at maturity (15 December 2016).

This bond is not secured.

The bond carries a number of clauses for early redemption at the issuer's option, primarily in the event of a capital increase, whether for the general public or privately placed, or 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. Furthermore, all bearers are entitled to request redemption of their bonds at 101% in the event of a change of control.

In the event of the sale of assets, and if the sale proceeds are not used for authorised transactions, Rémy Cointreau must, within 365 days of the date of receipt of the sale proceeds, offer early redemption of the bond up to the amount of the proceeds of the sale. Furthermore, the agreement contains certain conventions that may limit the maximum dividend payout in the event of a loss.

After taking the issue premium and expenses into account, the net proceeds from the bond were approximately €197.0 million, putting the effective interest rate at around 5.89%.

11.7 Private placement

On 10 June 2010, Rémy Cointreau secured a so-called "private placement" syndicated finance package with financial institutions. The €140.0 million contract was concluded for five years (maturing on 10 June 2015). The structured financing includes a loan comprising two tranches, of €65 million (tranche A) and €75 million (tranche B) respectively, as well as various swap contracts that exactly match the two tranches, thereby guaranteeing a fixed rate of 3.6675% for the duration of the contract.

After deducting the commitment fee, the net proceeds from the issue were approximately €138.6 million, putting the effective interest rate at around 3.94%.

This contract is unsecured. Availability of the funds is subject to the A ratio (see Syndicated credit) remaining below 3.5 at each half-year end for the duration of the contract.

11.8 Bank syndicate

On 5 June 2012, Rémy Cointreau concluded a new syndicated loan to replace the revolving credit line of €346 million that matured on 7 June 2012. The new revolving credit is for a total of €255 million for a period of five years. Sums drawn are subject to interest at EURIBOR plus a margin that may vary as shown in the following table on the basis of the ratio of "average net debt to EBITDA" (A ratio).

This facility is not subject to any security.

In this contract, Rémy Cointreau agrees that the A ratio shall be less than or equal to 3.5 as of 30 September and 31 March of each year until maturity. As of 31 March 2013, the A ratio was 0.99.

12 PROVISIONS FOR RISKS AND LIABILITIES

12.1 Analysis of change

(in € millions)	Restructu--ring	Litigations	Total
At 31 March 2011	**0.7**	**15.3**	**16.0**
Increase	-	2.2	2.2
Reversals - Used	(0.2)	(8.1)	(8.3)
Reversals - Unused	-	(1.6)	(1.6)
Translation difference	-	0.1	0.1
At 31 March 2012	**0.5**	**7.9**	**8.4**
Increase	-	3.7	3.7
Reversals - Used	(0.2)	(0.4)	(0.6)
Reversals - Unused	-	(2.2)	(2.2)
Perimeter variance	-	0.2	0.2
Translation difference	-	(0.1)	(0.1)
At 31 March 2013	**0.3**	**9.1**	**9.4**

"Restructuring" covers costs for the restructuring, closure and transfer of sites in the Netherlands. "Litigation" comprises provisions set aside to cover trade and tax disputes.

12.2 Maturity

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

(in € millions)	2013	2012	2011
Long-term provisions (or unknown maturity)	5.8	6.9	6.5
Short-term provisions	3.6	1.5	9.5
Total	**9.4**	**8.4**	**16.0**

13 TRADE AND OTHER PAYABLES

(in € millions)	2013	2012	2011
Trade payables – « eaux-de-vie »	211.5	193.8	186.1
Other trade payables	98.9	83.6	82.5
Advances from customers	19.5	8.2	11.7
Payables related to tax and social charges (excl. income tax)	51.0	49.1	37.9
Excise duties	0.9	1.0	1.3
Advertising expenses payable	88.5	66.0	46.3
Miscellaneous deferred income	10.4	13.7	1.4
Other liabilities	62.2	52.1	39.4
Total	**542.9**	**467.5**	**406.6**

14 FINANCIAL INSTRUMENTS AND MARKET RISKS

14.1 Breakdown of financial instruments by category

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

As of 31 March 2013

in € millions	Notes	Carrying amount	Fair value	Loans and receivables at amortised cost	Fair value through income statement (1)	Held for sale	Hedging instruments
Other financial assets	6	89.9	89.9	83.5	2.2	4.2	-
Trade and other receivables	8	255.5	255.5	255.5	-	-	-
Derivative financial instruments	14	6.3	6.3	-	-	-	6.3
Cash and cash equivalents	9	186.8	186.8	-	186.8	-	-
Assets		**538.5**	**538.5**	**339.0**	**189.0**	**4.2**	**6.3**
Long-term financial debt	11	389.2	389.2	389.2	-	-	-
Short-term financial debt and accrued interest charge	11	63.1	63.1	63.1	-	-	-
Trade and other payables	13	542.9	542.9	542.9	-	-	-
Derivative financial instruments	14	18.4	18.4	-	6.3	-	12.1
Liabilities		**1 013.6**	**1 013.6**	**995.2**	**6.3**	**-**	**12.1**

(1) These financial instruments pertain to the "held for trading" category

As of 31 March 2012

in € millions	Notes	Carrying amount	Fair value	Loans and receivables at amortised cost	Fair value through income statement (1)	Held for sale	Hedging instruments
Other financial assets	6	86.9	86.9	79.3	3.0	4.6	-
Trade and other receivables	8	207.9	207.9	207.9	-	-	-
Derivative financial instruments	14	5.6	5.6	-	-	-	5.6
Cash and cash equivalents	9	190.1	190.1	-	190.1	-	-
Assets		**490.5**	**490.5**	**287.2**	**193.1**	**4.6**	**5.6**
Long-term financial debt	11	340.0	340.0	340.0	-	-	-
Short-term financial debt and accrued interest charge	11	38.7	38.7	38.7	-	-	-
Trade and other payables	13	467.5	467.5	467.5	-	-	-
Derivative financial instruments	14	25.4	25.4	-	9.3	-	16.1
Liabilities		**871.6**	**871.6**	**846.2**	**9.3**	**0.0**	**16.1**

(1) These financial instruments pertain to the "held for trading" category

As of 31 March 2011

in € millions	Notes	Carrying amount	Fair value	Loans and receivables at amortised cost	Fair value through income statement (1)	Held for sale	Hedging instruments
Other financial assets	6	10.9	10.9	1.3	3.0	6.6	-
Trade and other receivables	8	213.6	213.6	213.6	-	-	-
Derivative financial instruments	14	16.4	16.4	-	-	-	16.4
Cash and cash equivalents	9	80.6	80.6	-	80.6	-	-
Assets		**321.5**	**321.5**	**214.9**	**83.6**	**6.6**	**16.4**
Long-term financial debt	11	377.7	377.7	377.7	-	-	-
Short-term financial debt and accrued interest charge	11	31.8	31.8	31.8	-	-	-
Trade and other payables	13	406.6	406.6	406.6	-	-	-
Derivative financial instruments	14	4.5	4.5	-	3.2	-	1.3
Liabilities		**820.6**	**820.6**	**816.1**	**3.2**	**0.0**	**1.3**

(1) These financial instruments pertain to the "held for trading" category

14.2 Market risk management policy

The Group uses financial instruments to manage its interest rate and currency risk exposure. The policy for managing market risks complies with the prudential rules approved by the Board of Directors. More 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 of the financial statements of companies outside the euro zone into euros.

The Group's hedging policy only allows 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 net sales and margins.

14.3 Breakdown of financial instruments (interest and foreign exchange rates)

in € millions	2013	2012	2011
Assets			
Interest rate derivatives	-	-	-
Exchange rate derivatives	6.3	5.6	16.4
Total	**6.3**	**5.6**	**16.4**
Liabilities			
Interest rate derivatives	13.9	15.5	3.8
Exchange rate derivatives	4.5	9.9	0.7
Total	**18.4**	**25.4**	**4.5**

14.4 Interest rate derivatives

As of 31 March 2013, interest rate derivatives in the portfolio were as follows:

14.4.1 Breakdown by type

in € millions	2013	2012	2011
Liabilities			
Interest rate swaps	9.0	11.2	2.5
Instruments related to Private Placement	4.9	4.3	1.3
Total	**13.9**	**15.5**	**3.8**

14.4.2 Breakdown by maturity

in € millions	Nominal	Initial value	Market value	Qualification
Interest rate swaps :				
Maturing January 2015	75.0	0.0	4.5	Trading [1]
Maturing January 2015	50.0	0.0	2.9	CFH [1]
Maturing March 2015	25.0	0.0	1.6	CFH [1]
Related to Private Placement maturing June 2015	140.0	-	4.9	CFH [1]
Total passif	**290.0**	**-**	**13.9**	

[1] CFH : Cash Flow Hedge ; Trading : held for trading purposes

14.4.3 Change

Portfolio valuation as at 31 March 2012	(15.5)
Variation booked in :	
- O.C.I	(1.1)
- gross cost of financial debt	2.7
Portfolio valuation as at 31 March 2013	**(13.9)**

14.4.4 Sensitivity to interest rate risk

Given the financing in place and existing hedges, a 50 basis point increase or decrease in interest rates would have the following impact:

	2013		2012		2011	
Benchmark value	Euribor 3 months 0.211%		Euribor 3 months 0.777%		Euribor 3 months 0.968%	
	+50 bp	-50 bp	+50 bp	-50 bp	+50 bp	-50 bp
Net profit/(loss)	0.4	(0.3)	1.2	(1.2)	1.5	(1.6)
Equity excluding net profit/(loss)	0.5	(0.3)	0.2	(0.3)	-	-
Change in value of financial instruments	1.4	(0.9)	1.9	(1.9)	2.3.	(2.4)
Floating rate financial debt	103.3	103.3	31.4	31.4	66.0	66.0
of which hedged	75.0	75.0	25.0	25.0	66.0	66.0
of which not hedged	28.3	28.3	6.4	6.4	-	-

14.5 Exchange rate derivatives

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

Furthermore, Rémy Cointreau SA, which centralises the Group's financing needs, and its subsidiary Financière Rémy Cointreau make intra-Group loans and borrowings denominated in the counterparty's currency. The Group uses back-to-back currency swaps to match these loans and borrowings. The maturity of 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.

in € millions	Nominal [1]	Initial value	Market value	Of which CFH [2]	Of which Trading [2]
Put options and tunnel options					
Seller USD (vs EUR)	171.8	4.8	1.5	1.5	-
Other currencies (vs EUR)	11.8	0.3	0.6	0.6	-
	183.6	**5.0**	**2.1**	**2.1**	-
Forward sales					
Seller USD (vs EUR)	128.9	-	1.7	1.7	-
Other currencies (vs EUR)	34.3	-	(0.2)	(0.2)	-
	163.1	**-**	**1.5**	**1.5**	**-**
Purchase/(sale) of currency swaps (operating activities) [3]					
Seller USD (vs EUR)	(75.2)	-	(0.4)	-	(0.4)
Other currencies (vs EUR)	(8.9)	-	(0.0)	-	(0.0)
	(84.1)	**-**	**(0.4)**	**-**	**(0.4)**
Purchase/(sale) of currency swaps (financing activities) [3]					
Seller USD (vs EUR)	(44.0)	-	(1.4)	-	(1.4)
Other currencies (vs EUR)	(8.5)	-	(0.0)	-	(0.0)
	(52.6)	**-**	**(1.4)**	**-**	**(1.4)**
Total	**210.0**	**5.0**	**1.8**	**3.6**	**(1.8)**

[1] *Nominal amount in foreign currency translated at the closing rate.*

[2] *FVH: Fair Value Hedge; CFH: Cash Flow Hedge; Trading: held for trading purposes.*

[3] *Difference between closing price and future price.*

During the year ended 31 March 2013, pre-tax income of €2.1 million was recognised directly in equity in respect of change in the intrinsic value of the portfolio of instruments hedging cash flows in the subsequent year.

Sensitivity to foreign exchange risk

Taking into account the hedges in place, a 10% increase or decrease in the EUR/USD exchange rate would have the following impact, with the impact on net profit/(loss) arising mainly from the ineffective portion hedging future flows:

	2013		**2012**		**2011**	
	U.S. dollar sensitivity		U.S. dollar sensitivity		U.S. dollar sensitivity	
Benchmark value	1.2805		1.3356		1.4207	
	+10%	-10%	+10%	-10%	+10%	-10%
EUR/USD rate	1.41	1.15	1.47	1.20	1.56	1.28
Net profit/(loss)	0.1	(3.8)	2.8	(8.5)	(2.9)	1.0
Equity excluding net profit/(loss	13.5	(9.2)	14.0	(14.1)	12.0	(8.0)
Change in value of financial instruments	21.3	(20.4)	27.3	(36.4)	15.7	(12.8)
Nominal amount at balance sheet date [1]:						
- USD/EUR instruments	341.7	417.6	361.4	441.7	243.2	297.3
- USD/EUR receivables potentially exposed	69.8	85.4	74.3	90.9	78.6	96.1

[1] *Translated in EUR millions at each simulation rate*

14.6 Liquidity risk

The following table shows the contractual maturity profile of disbursements relating to financial liabilities recognised as of 31 March 2013.

(in € millions)	Before 31 March 2014	Before 31 March 2015	Before 31 March 2016	Before 31 March 2017	Subsequent	Total
Financial debt and accrued interest	63.1	1.6	140.0	205.0	50.0	459.7
Trade and other payables	542.9	-	-	-	-	542.9
Derivative financial instruments	5.1	4.2	-	-	-	9.3
Liabilities recognised at 31 March 2012	**611.1**	**5.8**	**140.0**	**205.0**	**50.0**	**1 011.9**
Future interest on financial debt	17.7	17.4	13.2	9.1	0.3	57.7
Total disbursements	**628.8**	**23.2**	**153.2**	**214.1**	**50.3**	**1 069.6**

In accordance with IFRS 7, liabilities are stated at their carrying amount at the balance sheet date excluding discounting effects. The amounts drawn down on credit lines in the year ended 31 March 2013 are assumed to be carried forward until the maturity of each of the corresponding facilities. The corresponding interest expense is calculated using the parameters known at the balance sheet date. For derivative financial instruments, amounts stated in this analysis are the net cash outflow, excluding discounting effects, which should be paid out by the company based on market conditions prevailing at the balance sheet date.

Liquidity risk stems mainly from the availability and maturity of financial resources. As of the balance sheet date, total gross financial debt was €459.7 million in nominal value facing confirmed resources with a maturity of more than one year amounting to €600 million as of 31 March 2012 (Note **11.3**). The availability of €395 million is subject to compliance with the A ratio covenant (Notes **11.7** and **11.8**), which must be below 3.50 at the end of every six-month period until maturity of the financing.
Rémy Cointreau has a syndicated loan of €255 million maturing in June 2017, on which drawings in the amount of €50 million had been made as of 31 March 2013.

15 SEGMENT REPORTING

The principles applying to the segmentation by business and geographic area are set out in Note **1.17.**

15.1 Businesses

15.1.1 Breakdown of net sales and recurrent operating profit

There are no intra-segment sales.

in € millions	Turnover			Current operating profit		
	2013	2012	2011	2013	2012	2011
Rémy Martin	719.8	592.5	486.0	216.6	173.0	140.5
Liqueurs & Spirits	239.1	215.8	208.0	45.2	52.6	42.6
Group brands	958.9	808.3	694.0	261.8	225.6	183.1
Partner brands	234.4	217.8	213.8	3.8	4.2	2.1
Holding	-	-	-	(20.2)	(22.1)	(18.2)
Total	**1 193.3**	**1 026.1**	**907.8**	**245.4**	**207.7**	**167.0**

15.1.2 Breakdown of the balance sheet

As of 31 March 2013

(in € millions)	Rémy Martin	Liqueurs & Spirits	Partner Brands	Unallocated	Total
Non-current assets	361.3	290.5	1.5	189.9	843.2
Current assets	960.0	106.9	126.8	8.5	1 202.2
Derivative financial instruments	-	-	-	6.3	6.3
Assets held for sale	-	-	-	28.8	28.8
Cash and cash equivalents	-	-	-	186.8	186.8
Total assets	**1 321.3**	**397.4**	**128.3**	**420.3**	**2 267.3**
Equity	-	-	-	1 094.8	1 094.8
Financial debt and accrued interest	-	-	-	452.3	452.3
Provisions for liabilities and charges	17.5	8.9	2.1	6.1	34.6
Deferred and current tax assets	-	-	-	124.3	124.3
Trade and other payables	434.3	54.0	45.9	8.7	542.9
Derivative financial instruments	-	-	-	18.4	18.4
Total equity and liabilities	**451.8**	**62.9**	**48.0**	**1 704.6**	**2 267.3**

As of 31 March 2012

(in € millions)	Rémy Martin	Liqueurs & Spirits	Partner Brands	Unallocated	Total
Non-current assets	349.0	238.9	1.7	199.3	788.9
Current assets	783.9	72.6	128.1	19.8	1 004.4
Derivative financial instruments	-	-	-	5.6	5.6
Assets held for sale	-	-	-	0.2	0.2
Cash and cash equivalents	-	-	-	190.1	190.1
Total assets	**1 132.9**	**311.5**	**129.8**	**415.0**	**1 989.2**
Equity	-	-	-	976.0	976.0
Financial debt and accrued interest	-	-	-	378.7	378.7
Provisions for liabilities and charges	15.7	5.1	1.8	7.6	30.2
Deferred and current tax assets	-	-	-	111.4	111.4
Trade and other payables	365.6	48.8	41.5	11.6	467.5
Derivative financial instruments	-	-	-	25.4	25.4
Total equity and liabilities	**381.3**	**53.9**	**43.3**	**1 510.7**	**1 989.2**

As of 31 March 2011

(in € millions)	Rémy Martin	Liqueurs & Spirits	Partner Brands	Unallocated	Total
Non-current assets	346.8	237.7	3.6	106.1	694.2
Current assets	736.6	73.0	91.6	13.2	914.4
Derivative financial instruments	-	-	-	16.4	16.4
Assets held for sale	-	-	-	485.3	485.3
Cash and cash equivalents	-	-	-	80.6	80.6
Total assets	**1 083.4**	**310.7**	**95.2**	**701.6**	**2 190.9**
Equity	-	-	-	1 063.8	1 063.8
Financial debt and accrued interest	-	-	-	409.5	409.5
Provisions for liabilities and charges	15.8	5.5	1.7	13.5	36.5
Deferred and current tax assets	-	-	-	161.0	161.0
Trade and other payables	319.4	47.0	32.2	8.0	406.6
Derivative financial instruments	-	-	-	4.5	4.5
Liabilities directly linked to assets held for sale	-	-	-	109.0	109.0
Total equity and liabilities	**335.2**	**52.5**	**33.9**	**1 769.3**	**2 190.9**

15.1.3 Capital expenditure and amortisation expense

	Capital expenditure and acquisition of intangible assets			Depreciation and amortisation charges		
(in € millions)	2013	2012	2011	2013	2012	2011
Rémy Martin	23.2	13.9	11.6	10.8	9.9	9.6
Liqueurs & Spirits	8.4	5.2	5.8	5.1	4.3	4.0
Partner Brands	0.4	0.3	0.4	0.6	0.5	0.6
Total	**32.0**	**19.4**	**17.8**	**16.5**	**14.7**	**14.2**

15.2 Geographic area

15.2.1 Chiffre d'affaires

in € millions	Turnover		
	2013	2012	2011
Europe - Middle East - Africa	323.2	317.4	302.9
Americas	394.4	321.3	306.6
Asia Pacific	475.7	387.4	298.3
Total	**1 193.3**	**1 026.1**	**907.8**

15.2.2 Balance sheet

As of 31 March 2013

(in € millions)	Europe-Middle East-Africa	Americas	Asia-Pacific	Unallocated	Total
Non-current assets	739.3	35.3	68.6	-	**843.2**
Current assets	912.1	134.2	155.9	-	**1,202.2**
Derivative financial instruments	-	-	-	6.3	**6.3**
Assets held for sale	28.8	-	-	-	**28.8**
Cash and cash equivalents	-	-	-	186.8	**186.8**
Total assets	**1,680.2**	**169.5**	**224.5**	**193.1**	**2,267.3**
Equity	-	-	-	1,094.8	**1,094.8**
Financial debt and accrued interest	-	-	-	452.3	**452.3**
Provisions for liabilities and charges	34.2	-	0.4	-	**34.6**
Deferred and current tax liabilities	110.5	0.3	13.5	-	**124.3**
Trade and other payables	371.2	51.2	120.5	-	**542.9**
Derivative financial instruments	-	-	-	18.4	**18.4**
Total equity and liabilities	**515.9**	**51.5**	**134.4**	**1,565.5**	**2,267.3**

As of 31 March 2012

(in € millions)	Europe-Middle East-Africa	Americas	Asia-Pacific	Unallocated	Total
Non-current assets	680.9	31.9	76.1	-	**788.9**
Current assets	768.5	126.8	109.1	-	**1,004.4**
Derivative financial instruments	-	-	-	5.6	**5.6**
Assets held for sale	0.2	-	-	-	**0.2**
Cash and cash equivalents	-	-	-	190.1	**190.1**
Total assets	**1,449.6**	**158.7**	**185.2**	**195.7**	**1,989.2**
Equity	-	-	-	976.0	**976.0**
Financial debt and accrued interest	-	-	-	378.7	**378.7**
Provisions for liabilities and charges	29.9	-	0.3	-	**30.2**
Deferred and current tax liabilities	101.5	0.6	9.3	-	**111.4**
Trade and other payables	336.7	43.7	87.1	-	**467.5**
Derivative financial instruments	-	-	-	25.4	**25.4**
Total equity and liabilities	**468.1**	**44.3**	**96.7**	**1,380.1**	**1,989.2**

As of 31 March 2011

(in € millions)	Europe-Middle East-Africa	Americas	Asia-Pacific	Unallocated	Total
Non-current assets	597.5	34.5	62.2	-	**694.2**
Current assets	709.7	117.0	87.7	-	**914.4**
Derivative financial instruments	-	-	-	16.4	**16.4**
Assets held for sale	466.5	18.8	-	-	**485.3**
Cash and cash equivalents	-	-	-	80.6	**80.6**
Total assets	**1,773.7**	**170.3**	**149.9**	**97.0**	**2,190.9**
Equity	-	-	-	1,063.8	**1,063.8**
Financial debt and accrued interest	-	-	-	409.5	**409.5**
Provisions for liabilities and charges	35.2	-	1.3	-	**36.5**
Deferred and current tax liabilities	149.0	0.6	11.4	-	**161.0**
Trade and other payables	308.4	39.9	58.3	-	**406.6**
Derivative financial instruments	-	-	-	4.5	**4.5**
Total equity and liabilities	109.0	-	-	-	**109.0**
Non-current assets	**601.6**	**40.5**	**71.0**	**1,477.8**	**2,190.9**

15.2.3 Investments

	Capital expenditure and acquisition of intangible assets		
(in € millions)	**2013**	**2012**	**2011**
Europe-Middle East-Africa	28.3	16.2	14.3
Americas	2.5	2.1	2.8
Asia-Pacific	1.2	1.1	0.7
Total	**32.0**	**19.4**	**17.8**

16 ANALYSIS OF OPERATING EXPENSES BY TYPE

(in € millions)	2013	2012	2011
Personnel costs	(156,8)	(135,7)	(122,8)
Advertising and promotion expenses	(260,4)	(220,5)	(170,9)
Depreciation, amortisation and impairment of non-current assets	(16,5)	(14,7)	(14,2)
Other expenses	(106,5)	(98,2)	(91,3)
Expenses allocated to inventories and production costs	47,1	45,3	42,0
Total	**(493,1)**	**(423,8)**	**(357,2)**
Of which:			
Distribution costs	(403,3)	(344,8)	(284,4)
Administrative expenses	(89,8)	(79,0)	(72,8)
Total	**(493,1)**	**(423,8)**	**(357,2)**

Distribution costs comprise advertising and promotion expenses, commission income or expenses, brand royalties, ordinary writedowns of inventories and trade receivables and the overheads of the Group distribution companies.

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

Other income and expenses correspond to the profit generated by peripheral activities.

Personnel costs consist of the following:

(in € millions)	2013	2012	2011
Salaries and social charges	(145.4)	(123.6)	(114.6)
Pension and other similar benefits	(2.6)	(2.5)	(3.6)
Employee profit-sharing	(3.5)	(5.3)	(1.5)
Share-based payments	(5.3)	(4.3)	(3.1)
Total	**(156.8)**	**(135.7)**	**(122.8)**

17 NUMBER OF EMPLOYEES

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

(full-time equivalents)	2013	2012	2011
France	712	674	792
Europe (excluding France)	239	161	151
Americas	332	320	317
Asia-Pacific	421	405	361
Total	**1,704**	**1,560**	**1,621**

18 OTHER OPERATING INCOME/(EXPENSES)

(in € millions)	2013	2012	2011
Expenses related to the acquisition of Bruichladdich	(5.3)	-	-
Expenses related to the acquisition of Larsen	(2.5)	-	-
Impairment of brands	-	(3.8)	(45.0)
Tax adjustments (other than on income taxes)	0.2	0.7	(1.6)
Other	-	0.1	0.1
Total	**(7.6)**	**(3.0)**	**(46.5)**

The €3.8 million impairment recorded in the year ended 31 March 2012 related to secondary brands.

19 FINANCIAL INCOME/(EXPENSE)

19.1 Cost of net financial debt by type

in € millions	2013	2012	2011
Bonds	(11.7)	(11.7)	(12.4)
Private placement	(5.3)	(5.2)	(5.1)
Syndicated credit and unconfirmed lines	(3.0)	(0.9)	(3.0)
Finance costs of special purpose entities	(2.7)	(2.9)	(3.1)
Interest flows on hedging interest rate derivatives	(2.3)	-	(2.5)
Ineffective portion of hedging interest rate derivatives	1.4	-	-
Other financial expense	(0.3)	-	0.5
Sub-total	**(23.9)**	**(20.7)**	**(25.6)**
Impact of early repayment of bonds	-	-	(3.7)
Effect of non-hedging interest rate derivatives	(1.2)	(9.2)	(2.2)
Cost of gross financial debt	**(25.1)**	**(29.9)**	**(31.5)**
Interest income	3.0	2.0	-
Cost of net financial debt before IFRS 5	**(22.1)**	**(27.9)**	**(31.5)**
Reclassification to discontinued operations	-	1.0	4.3
Cost of net financial debt	**(22.1)**	**(26.9)**	**(27.2)**

Financial debt is described in Note **11.**

19.2 Other financial income/(expense)

(in € millions)	2013	2012	2011
Currency gains	4.7	-	1.1
Vendor loan - interest accrued and revaluation	4.2	3.0	1.1
Other financial income	**8.9**	**3.0**	**2.2**
Currency losses	-	(5.1)	-
Other financial expenses of special purpose entities	(5.2)	(4.7)	(4.4)
Discounting charge on provisions	-	-	(0.1)
Other	(1.6)	(1.6)	(0.1)
Other financial expenses	**(6.8)**	**(11.4)**	**(4.6)**
Total	**2.1**	**(8.4)**	**(2.4)**

The item "Vendor loan – interest accrued and revaluation" relates to the loan granted at the time of the disposal of the Champagne division. The loan is described in Note **6.2.**

Currency losses and gains recorded in "Other financial expenses" include mainly the impact of hedge accounting under IAS 39 relating to the cash flow hedge and the currency gains/(losses) from financing transactions. Currency gains/(losses) from operations are recognised in gross profit (Note **1.4**).

(in € millions)	2013	2012	2011
Ineffective portion of currency hedges	4.9	(6.6)	1.4
Other	(0.2)	1.5	(0.3)
Currency gains/(losses)	**4.7**	**(5.1)**	**1.1**

20 INCOME TAX

20.1 Net income tax expense

(in € millions)	2013	2012	2011
Current tax/(expense) income	(80.6)	(73.7)	(61.2)
Deferred tax/(expense) income	8.6	26.4	39.5
Total	**(72.0)**	**(47.3)**	**(21.7)**
Effective tax rate	-33.1%	-27.9%	-24.0%

20.2 Tax regime

Rémy Cointreau has opted for the Group tax regime for certain subsidiaries in which it holds a direct or indirect equity interest of at least 95%. This regime entitles the Group to offset, within certain limits, the tax expenses 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 of origin and allocation of deferred taxes

(in € millions)	2013	2012	2011
Breakdown by type			
Pension provisions	8.0	6.8	5.9
Regulated provisions	(10.8)	(8.6)	(14.4)
Other provisions	8.3	6.8	0.7
Brands	(98.4)	(93.4)	(93.5)
Non-current assets	(12.5)	(13.3)	(8.0)
Margins on inter-company inventories	20.2	16.3	11.9
Losses carried forward	6.1	8.7	13.7
Other timing differences	27.3	22.3	(7.8)
Net liability	**(51.8)**	**(54.4)**	**(91.5)**
Breakdown by tax group			
France	(60.6)	(78.3)	(94.7)
US	4.9	2.9	3.5
Netherlands	(12.7)	(15.4)	(18.2)
Other	16.6	36.4	17.9
Net liability	**(51.8)**	**(54.4)**	**(91.5)**
Deferred tax asset	93.7	44.0	30.3
Deferred tax liability	(145.5)	(98.4)	(121.8)
Net liability	**(51.8)**	**(54.4)**	**(91.5)**

20.4 Tax losses and capital losses carried forward

As of 31 March 2013, tax losses carried forward totalled €25.9 million (2012: €28.7 million). The potential tax saving arising from the use of these losses is €7.3 million (2012: €9.0 million). Of these deficits, the Group recognised a net asset of €6.1 million, of which it plans to recover €5.6 million by March 2016.

20.5 Tax proof

In 2013, income tax expense amounted to €72.0 million. The difference with the theoretical tax expense based on the French statutory rate of 36.1% is as follows:

(in € millions)	2013	2012	2011
Theoretical tax charge	(78.7)	(61.1)	(31.3)
Actual tax charge	(72.0)	(47.3)	(21.7)
Difference	**6.7**	**13.8**	**9.6**
Permanent differences between consolidated profit and taxable profit	(15.1)	(8.7)	(5.5)
Use of tax losses or timing differences not previously recognised	0.2	1.2	1.8
Unused losses from subsidiaries that are loss-making from a tax point of view	(0.8)	(0.2)	-
Difference in tax rates applicable to foreign subsidiaries	25.4	25.4	15.0
Adjustment to the tax charge for prior years	(3.0)	(3.9)	(1.7)
Total	**6.7**	**13.8**	**9.6**

21 NET PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS

(in € millions)	2013	2012	2011
Champagne			
Pre-tax profit/(loss) for the year	-	-	0,4
Income tax expense for the year	-	-	(0,5)
Disposal expenses	-	(1,1)	-
Restatement on the EPI distribution contract	-	(9,5)	-
Value restatement of discontinued assets	-	-	(3,8)
Sub-total Champagne	**-**	**(10,6)**	**(3,9)**
Other profit/(loss) from discontinued operations	-	-	1,1
Total	**-**	**(10,6)**	**(2,8)**

During the year ended 31 March 2012, pursuant to IFRS, part of the disposal price of the Champagne division was allocated to the distribution contract, whose terms are favourable to the buyer in the initial years. This amount was recognised as a liability and will be released over the periods concerned. The initial corresponding charge was €9.5 million after tax.

22 NET PROFIT/(LOSS) EXCLUDING NON-RECURRING ITEMS

Net profit/(loss) excluding non-recurring items corresponds to net profit/(loss) restated for other operating income/(expense) (as described in Note **18**), the related tax effects and the profit/(loss) from discontinued operations.

22.1 Reconciliation with net profit/(loss)

Net profit/(loss) excluding non-recurring items attributable to the owners of the parent may be reconciled with net profit/(loss) attributable to the owners of the parent as follows:

(in € millions)	**2013**	**2012**	**2011**
Net profit/(loss) - attributable to the owners of the parent	**130.4**	**110.8**	**70.5**
Provision for impairment on Dynasty shares (note **5.1**)	15.9	-	-
Expenses related to the acquisition of Bruichladdich	5.3	-	-
Expenses related to the acquisition of Larsen	2.5	-	-
Brand impairment	-	3.8	45.0
Tax adjustment excluding income taxes	(0.2)	(0.7)	1.6
Other	-	(0.1)	(0.1)
Tax effect	(2.4)	(0.5)	(12.3)
Net profit/(loss) from discontinued operations	-	10.6	2.8
Net profit/(loss) excluding non-recurring items - attributable to the owners of the parent	**151.5**	**123.9**	**107.5**

22.2 Net profit/(loss) excluding non-recurring items per share – attributable to the owners of the parent

(in € millions)		**2013**	**2013**	**2013**
Net profit excluding non-recurring items - attributable to the owners of the parent company		151.5	123.9	107.5
Number of shares				
basic	10.2	48,880,252	49,324,332	48,991,452
diluted	10.2	49,010,681	49,473,230	49,248,856
Per share (€)				
basic		3.10	2.51	2.19
diluted		3.09	2.50	2.18

23 PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS

23.1 Defined-benefit pension plans

(in € millions)	2013	2012	2011
Present value of obligation at start of year	**(23.7)**	**(29.7)**	**(33.1)**
Service cost	(1.3)	(1.0)	(1.3)
Interest cost	(0.8)	(1.2)	(1.4)
Curtailment or settlement	-	3.6	0.3
Benefits paid	1.2	0.8	5.7
Actuarial gain (losses)	(2.6)	(1.6)	(0.2)
Past service costs	(0.1)	-	-
Closure of pension scheme	-	1.3	-
Change in consolidation scope[1]	-	4.1	-
Other (including transfers)	-	-	0.2
Translation difference	-	-	0.1
Present value of obligation at end of year [2]	**(27.3)**	**(23.7)**	**(29.7)**
Not funded	(18.9)	(17.2)	(19.9)
Partly funded	(8.4)	(6.5)	(9.8)
Carrying amount of plan asset at start of year	**3.4**	**5.4**	**9.1**
Expected return	0.2	0.1	0.2
Contributions received	0.6	0.9	0.9
Changes in schemes	-	(2.9)	-
Benefits paid	(0.5)	(0.1)	(4.6)
Actuarial gain (losses)	(0.3)	-	0.2
Other (including transfers)	-	-	(0.2)
Translation difference	-	-	(0.2)
Carrying amount of plan asset at end of year [2]	**3.4**	**3.4**	**5.4**
Funded status	**(23.9)**	**(20.3)**	**(24.3)**
Unrecognised past service costs	(0.9)	(1.1)	0.1
Unrecognised actuarial (gains) losses	-	-	-
Net commitment [2]	**(24.8)**	**(21.4)**	**(24.2)**
Liability	**(24.8)**	**(21.4)**	**(24.6)**
Asset	**-**	**-**	**0.4**

[1] Disposal of the Champagne division.
[2] As at 31 March 2011 the following relate to operations held for sales: Actuarial liability €(4.1) million. Carrying value of plan asset n/a. Net commitment €(4.0) million.

23.2 Charges for the year

(in € millions)	2013	2012	2011
Service cost	(1.3)	(1.0)	(1.3)
Interest cost	(0.8)	(1.2)	(1.4)
Expected return	0.2	0.1	0.2
Amortization of other items no recognised	-	(0.1)	(0.5)
Curtailment or settlement	-	0.6	0.2
Total income (expense) [1]	**(1.9)**	**(1.6)**	**(2.8)**
Benefits paid	0.8	0.7	1.1
Emploer's contribution	0.6	0.8	0.9
Total net income (expense) [1]	**(0.5)**	**(0.1)**	**(0.8)**

Assumptions			
Average discount rate	2.67%	3.94%	5.03%
Average salary increase	3.00%	2.85%	2.68%
Expected working life	3 à 19 ans	6 à 19 ans	6 à 19 ans
Expected rate of return of plan assets	3.00%	4.00%	4.18%
Increase in medical costs	5.00%	5.00%	5.00%

(1) 2011: including amounts related to operations held for sale : €0.1 million for each item

23.3 Actuarial gains and losses

(in € millions)	2013	2012	2011
Opening balance	**(21.4)**	**(17.8)**	**(17.8)**
Movement for the year	(2.9)	(3.6)	-
Of which experience adjustments	0.2	0.5	0.6
Closing balance	**(24.3)**	**(21.4)**	**(17.8)**

23.4 Breakdown of present value obligation by nature

(in € millions)	2013	2012	2011
Retirement indemnities	(9.8)	(8.2)	(8.0)
Supplementary pension plans	(13.7)	(14.3)	(17.7)
Long-service awards	(0.7)	(0.6)	(0.6)
Post-employement healthcare benefits	(0.6)	(0.6)	(3.4)
Total [1]	**(24.8)**	**(23.7)**	**(29.7)**

1) 2011: including amounts related to operations held for sale : €4.1 million

23.5 Dedicated financial assets

At 31 March 2013, the assets underlying the liabilities were held by insurance companies who invest these assets together with their general assets.

23.6 Sensitivity

The sensitivity of the present value of the rights to an increase/decrease of 250 basis points in the discount rate is less than €1 million.

Given the present non-material scope of post-employment healthcare benefit schemes, the sensitivity to an increase in medical costs exceeding 5% is not material for the Group.

The impact of IAS 19R will be to lower provisions for pensions by approximately €1 million in exchange for equity in respect of the full consideration of the past service cost not recognised in the year ended 31 March 2013.

24 OFF-BALANCE SHEET COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

24.1 Operating activity commitments

(in € millions)	2013	2012	2011
Purchase commitments - non-current assets	1.2	3.0	6.9
Leasing commitments - offices	9.9	12.4	14.1
Leasing commitments - equipment	2.1	1.9	1.0
Purchase commitments – “eaux-de-vie”	15.0	39.9	60.9
Purchase commitments - wine	11.9	37.7	67.7

The office leasing commitments mainly relate to the lease of the Group’s Paris head office and that of the head office of the subsidiary Rémy Cointreau USA in New York.

The eaux-de-vie purchase commitments essentially 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 comprise purchase commitments for wine in the U.S.

Breakdown of commitments by maturity as of 31 March 2013:

(in € millions)	Total	2014	Beyond
Purchase commitments - non-current assets	1.2	1.2	0.1
Leasing commitments - offices	9.9	3.8	6.1
Leasing commitments - equipment	2.1	0.9	1.2
Purchase commitments – “eaux-de-vie”	15.0	9.1	5.9
Purchase commitments - wine	11.9	3.3	8.6

24.2 Financing commitments, deposits and similar guarantees

(in € millions)	2013	2012	2011
Tax deposits	0.2	0.2	0.2
Customs deposits	13.4	12.9	14.0
Export deposits	0.5	0.5	0.5
Environmental deposits	2.5	2.5	2.3
Guarantees granted to suppliers	6.3	6.3	6.3
Factoring guarantees	10.0	10.0	-
Agricultural warrants on AFC inventories	28.0	27.9	32.8
Miscellaneous guarantees on credit lines	9.5	8.7	10.4
Other guarantees	0.8	-	-

Breakdown of commitments by maturity as of 31 March 2013:

(in € millions)	Total	2014	Beyond
Tax deposits	0.2	-	0.2
Customs deposits	13.4	1.0	12.4
Export deposits	0.5	-	0.5
Environmental deposits	2.5	-	2.5
Guarantees granted to suppliers	6.3	-	6.3
Factoring guarantees	10.0	10.0	-
Agricultural warrants on AFC inventories	28.0	28.0	-
Miscellaneous guarantees on credit lines	9.5	9.5	-
Other guarantees	0.8	0.8	-

24.3 Contingent liabilities related to disposal transactions

In connection with disposal transactions, guarantees in respect of 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 and still outstanding at 31 March 2013 were as follows:

Disposals	Date of transaction	Type of guarantees still outstanding	Expiry	Maximum amount
Piper-Heidsieck Compagnie Champenoise	8 July 2011	Tax and similar items	Legal period + 90 days	No limit

24.4 Other contingent liabilities

At 31 March 2013, Rémy Cointreau was involved in various litigations. After reviewing each case in relation to each subsidiary concerned, and after seeking legal advice, the provisions deemed to be necessary have been established to cover the estimated risks, where applicable.

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

25 RELATED PARTIES

25.1 Transactions with associates

At 31 March 2013, the Rémy Cointreau Group's main associates were Dynasty Fine Wines Group Ltd, Lixir and Diversa.

The transactions with these companies are described in Note **5.**

25.2 Transactions with Orpar and Andromède

Andromède is Rémy Cointreau's main shareholder, through Orpar. Transactions between Rémy Cointreau and these companies are as follows:

(in € millions)	2013	2012	2011
Service fees paid	3.4	3.3	3.2
Current account	0.1	0.1	0.1
Trade payables and other liabilities	0.1	0.1	0.9

25.3 Transactions with companies with a common shareholder or director

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

(in € millions)	2013	2012	2011
Purchases of non-current assets	3.0	2.4	2.4
Other purchases	0.8	0.7	0.8
Trade paybles	0.8	-	0.2

25.4 Management bodies

Since 7 September 2004, the Group's management bodies have comprised the members of the Board of Directors and the Executive Committee (comprising six members).

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

(in € millions)	2013	2012	2011
Short-term benefits	6.2	6.6	5.7
Post-employment benefits	0.4	0.2	0.1
Share-based payments	2.9	2.3	1.6
Total	**9.4**	**9.1**	**7.4**

In addition, on 4 June 2008 the Board of Directors authorised the commitment to deferred compensation corresponding to 18 months of gross remuneration (fixed and variable) that would be due by the Company in the event that the Chief Executive Officer's (CEO) departure is instigated by his employer. This compensation is subject to compliance with performance conditions measured by the rate of achievement, over the past three years, of the CEO's individual annual objectives used as a basis for the variable share of his remuneration. If this rate is less than 50%, no compensation shall be paid. If the rate is between 50% and 75%, the compensation is proportional to the value of this rate. Compensation shall be paid in full if the rate exceeds 75%.

26 POST-BALANCE SHEET EVENTS

The Dynasty Group has not reported its annual financial statements or made any statement in respect of the allegations of fraud against it. Trading in its shares is still suspended.

27 LIST OF CONSOLIDATED COMPANIES

At 31 March 2013, the consolidation included 47 companies (43 at 31 March 2012). Forty-three companies were fully consolidated, and four were accounted for using the equity method. All companies have a 31 March year-end, with the exception of Dynasty Fine Wines Group Ltd and Lixir, which have a 31 December year-end.

Company	Activity	% interest	
		March 2013	March 2012
EUROPE			
France			
Rémy Cointreau SA [1]	Holding / Finance	100.00	100.00
Rémy Cointreau Sces [1]	Holding / Finance	100.00	100.00
CLS Rémy Cointreau [1]	Production/Distribution	100.00	100.00
Domaines Rémy Martin [1]	Agricultural production	100.00	100.00
E. Rémy Martin & Cie [1]	Production	100.00	100.00
Cointreau [1]	Production	100.00	100.00
Izarra - Distillerie de la Côte Basque [1]	Production	100.00	100.00
Alliance Fine Champagne [2]	Special purpose entity	100.00	100.00
Lixir [3]	Distribution	50.00	50.00
Rémy Cointreau International Marketing Service [1]	Other	100.00	100.00
Netherlands			
Rémy Cointreau Nederland Holding NV	Holding / Finance	100.00	100.00
DELB BV	Holding / Finance	100.00	100.00
Rémy Cointreau Nederland BV	Holding / Finance	100.00	100.00
De Bron 1575 BV	Holding / Finance	100.00	100.00
Other countries			
Hermann Joerss GmbH & Co (Germany)	Distribution	100.00	100.00
Cointreau Holding GmbH (Germany)	Holding / Finance	100.00	100.00
Diversa Spezialitaten GmbH [3] (Germany)	Distribution	50.00	50.00
S. & E. & A. Metaxa ABE (Grece)	Production	100.00	100.00
Financière Rémy Cointreau SA (Belgium)	Holding / Finance	100.00	100.00
Remy Cointreau Belgium (Belgium)	Distribution	100.00	100.00
Remy Cointreau Luxembourg (Luxemburg)	Distribution	100.00	100.00
Remy Cointreau Slovakia sro (Slovakia)	Distribution	100.00	100.00
Remy Cointreau Czech Republic sro (Czech Republic)	Distribution	100.00	100.00
AMERICAS			
Unites States			
Rémy Cointreau USA Inc	Distribution	100.00	100.00
Rémy Cointreau Amérique Inc	Holding / Finance	100.00	100.00
Remy Cointreau Travel Retail Americas Inc	Distribution	100.00	100.00
Barbados			
Mount Gay Distilleries Ltd	Production	95.22	95.22
Mount Gay Holding Ltd	Holding / Finance	100.00	100.00
Other countries			
Cointreau Do Brazil (licores) Ltda (Brazil)	Other	100.00	100.00

Company	Activity	% interest	
		March 2013	March 2012
ASIA/PACIFIC/AFRICA			
China / Hong Kong			
Dynasty Fine Wines Group Ltd (3)	Production	26.96	26.96
Remy Cointreau Shanghaï Ltd	Distribution	100.00	100.00
E. Remy Rentouma Trading Ltd	Distribution	100.00	100.00
Shanghaï RC Trading Ltd	Distribution	100.00	100.00
Rémy Concord	Distribution	100.00	100.00
Rémy Pacifique Ltd	Holding / Finance	100.00	100.00
Caves de France	Holding / Finance	100.00	100.00
Other countries			
Rémy Cointreau Taïwan Pte Ltd (Taïwan)	Distribution	100.00	100.00
Rémy Cointreau Japan KK (Japan)	Distribution	100.00	100.00
Rémy Cointreau International Pte Ltd (Singapore)	Distribution	100.00	100.00
Rémy Cointreau India Private Ltd (India)	Distribution	100.00	100.00
Rémy Sula India Private Ltd (India) (3)	Production	50.00	50.00
Rémy Cointreau South Africa Pty Ltd	Distribution	100.00	100.00
Rangit Ltd (Mauritus)	Holding / Finance	100.00	100.00
CHANGES IN CONSOLIDATION SCOPE			
Bruichladdich Distillery Company Ltd (4)	Production	100.00	-
Rémy Cointreau UK Ltd (4)	Holding / Finance	100.00	-
Larsen - Le Cognac des Vikings SA (4)	Production	100.00	-
Joint Marketing Services (5)	Holding / Finance	100.00	-

(1) Company included in the French tax group.
(2) Special-purpose entity
(3) Equity-accounted company.
(4) Acquisition during the year
(5) Creation during the year