HALF-YEAR FINANCIAL REPORT
FINANCIAL YEAR 2014/2015

RÉMY COINTREAU

1 HALF-YEAR BUSINESS REPORT

FIRST SIX MONTHS OF THE YEAR ENDING 31 MARCH 2015

For the period ended 30 September 2014, the Group generated current operating profit of €102.1 million, down organically by 14.6% (-23.1% reported). The operating margin was 21.6%.

1.1 Comments on the consolidated income statement

All data is presented in millions of euros (€M) for the six months from 1 April to 30 September. Given that the distribution contract for the Edrington Group's brands in the United States ended with effect from 1 April 2014, the organic change was measured on a constant exchange rate basis compared with the previous period, restated to account for the impact of this contract (2013 *Pro forma*).

(in € millions)	**2014**	2013 Pro forma (1)	2013	Reported change	Organic change (1)
Net sales	471.8	510.0	558.0	-15.5%	-5.6%
Current operating profit	**102.1**	**127.1**	**132.7**	**-23.1%**	**-14.6%**
As % of net sales	21.6%	24.9%	23.8%		22.5%
Other operating income/(expense)	-	(3.5)	(3.5)		
Financial result	(15.4)	(10.7)	(10.7)		
Income tax	(24.5)	(36.0)	(38.2)		
Share in profit of associates	0.5	(10.9)	(10.9)		
Profit from continuing operations	62.7	66.0	69.4		
Non-controlling interests	-	(0.1)	(0.1)		
Net profit attributable to the owners of the parent company	**62.7**	**65.9**	**69.3**	**-9.4%**	**+5.7%**
Net profit excluding non-recurring items – attributable to the owners of the parent company	**64.0**	**82.1**	**85.5**	**-25.1%**	**-13.7%**
Net profit per share (basic):					
On net profit excluding non-recurring items	**€1.33**	**€1.66**	**€1.73**	**-23.1%**	
On net profit attributable to the owners of the parent company	€1.30	€1.33	€1.40	-7.2%	

(1) Data restated to account for the impact of the end of the distribution of Edrington products in the United States.

1.1.1 General comments on the current operating profit

Change in the **current operating profit** compared with September 2013 was as follows:

Current operating profit – September 2013	**132.7**
Impact of the end of the Edrington distribution contract in the US	(5.6)
Change due to exchange rates (net of hedges)	(6.4)
Change in volumes	(24.7)
Change in price and product mix	3.6
Change in marketing investments	10.3
Change in other expenses	(7.8)
Current operating profit – September 2014	**102.1**

The distribution contract for Edrington products in the United States expired on 31 March 2014 and was not renewed. For the period ended 30 September 2013, this activity generated net sales of €48 million and its contribution to operating profit was €0.9 million after applying €4.7 million in running costs for the distribution subsidiary, which should be reallocated to other activities using a *pro forma* approach.

Exchange rate fluctuations had a negative overall effect in the amount of €6.4 million, primarily reflecting a net adverse effect on the US dollar and related currencies in the amount of €3.7 million. The changes in the Canadian dollar, the renminbi and the yen were also unfavourable. The average €/USD rate over the period was 1.35 compared with 1.32 during the previous period. Taking into account its hedging policy, the Group recorded an average collection rate of 1.34 on the net flows in US dollars generated by its European entities, compared with 1.31 for the period ended 30 September 2013.

The volume impact of -€24.7 million originated mainly in the Rémy Martin division owing to the continued destocking in Asia, which nonetheless hid a positive volume effect for Liqueurs & Spirits.

The Group maintained a proactive pricing policy in a context of significant pressure. Advertising expenditure decreased in absolute terms (€11 million on Group brands) but remained stable as a percentage of net sales at around 22% for Group brands, and was again targeted at strategic products and markets.

The change in other expenses originated mainly in the change in cost prices, in line with the premium development strategy for Group brands.

Current operating profit fell organically by 14.6%, whilst the operating margin on a like-for-like basis declined by 2.4 points to 22.5% (2013 *pro forma:* 24.9%).

1.1.2 Results from operations

All the changes described in the following comments relate to **organic** change (constant exchange rates and restatement for the end of the distribution of Edrington products in the United States).

For the period ended 30 September 2014, the Rémy Cointreau Group generated **net sales** of €471.8 million, a decrease of 5.6% compared with the previous period.

BY GEOGRAPHIC AREA

	Europe Middle East Africa	Americas	Asia Pacific	Total
Net sales				
September 2014	155.8	165.2	150.7	471.8
September 2013 *Pro* forma (1)	151.9	171.7	186.4	510.0
September 2013	151.9	219.7	186.4	558.0
Reported change	+2.6%	-24.8%	-19.2%	-15.5%
Organic change (1)	+2.8%	-1.0%	-16.8%	-5.6%

(1) Data restated to account for the impact of the end of the distribution of Edrington products in the United States.

The EMEA region (Europe Middle East Africa), which accounted for 33% of net sales, recorded growth of 2.8%, driven by a good performance by the Liqueurs & Spirits brands, especially Metaxa and Bruichladdich.

The Americas region (35% of net sales) showed a slight decline of 1% owing to a high comparison base and the withdrawal from the VS category in the US, which masked the continued growth of other Rémy Martin ranges and the excellent performance posted by Cointreau.

The Asia-Pacific region (32% of net sales) declined by 16.8%, amid continued destocking in China for Rémy Martin. The region's other key markets (notably Travel Retail and Japan) were stable or recorded growth.

BY DIVISION

	Rémy Martin	Liqueurs & Spirits	Total Group brands	Partner Brands	Holding expenses	Total
Net sales						
September 2014	276.8	129.5	406.3	65.5	-	471.8
September 2013 *Pro* forma [(1)]	327.2	120.4	447.6	62.5	-	510.0
September 2013	327.2	120.4	447.6	110.5	-	558.0
Reported change	-15.4%	+7.6%	-9.2%	-40.7%	-	-15.5%
Organic change [(1)]	-13.4%	+9.1%	-7.4%	+6.8%	-	-5.6%
Current operating profit						
September 2014	78.0	25.8	103.8	3.9	(5.6)	102.1
September 2013 *Pro* forma [(1)]	112.2	20.0	132.2	3.6	(8.7)	127.1
September 2013	116.1	20.9	137.0	4.5	(8.7)	132.7
Reported change	-32.8%	+23.3%	-24.2%	-11.7%	-35.8%	-23.1%
Organic change [(1)]	-27.7%	+44.6%	-16.8%	+13.5%	-35.9%	-14.6%
Operating margin						
September 2014	28.2%	19.9%	25.5%	6.0%	-	21.6%
September 2014 organic	28.6%	22.0%	26.5%	6.1%	-	22.5%
September 2013 *Pro* forma [(1)]	34.3%	16.6%	29.5%	5.8%	-	24.9%
September 2013	35.5%	17.4%	30.6%	4.0%	-	23.8%

(1) Data restated to account for the impact of the end of the distribution of Edrington products in the United States.

Rémy Martin

Net sales came to €276.8 million, a fall of 13.4%. The main factors involved in this decrease were the impact of the continued destocking in China, a high comparison base in the Americas region (+25% in H1 2013-2014) and the strategic withdrawal from the VS (Very Special) category in the US. However, development of the brand's superior qualities in the US (particularly *1738 Accord Royal*) continued, and demand remained strong in Central and Eastern Europe, South-East Asia and Africa.

Operating profit came to €78 million, a fall of 27.7%. The current operating margin of 28.6% declined from the previous period (34.3%), as a result of the adverse market mix and the continued high level of marketing expenditure.

Liqueurs & Spirits

Net sales were €129.5 million, which represented an increase of 9.1% compared with the previous period. All regions posted growth. The Cointreau brand posted excellent performance in the US and growth in Asia-Pacific. Metaxa recorded double-digit growth, driven by the Central and Eastern European markets and Greece, where its *Metaxa 12 stars* premium product was a success. Bruichladdich (acquired in September 2012) doubled its net sales and confirmed its potential on its strategic markets (US, Taiwan, Travel Retail).

The Liqueurs & Spirits division recorded current operating profit of €25.8 million, a 44.6% increase, with sustained marketing investment. The current operating margin came to 22%, an increase of 5.4 points compared with end-September 2013 after several periods during which it declined.

Partner Brands

The Group generated net sales of €65.5 million, an increase of 6.8% taking into account the end of the Edrington distribution contract in the US. The increase originated mainly in Partner Brands distributed in Europe and Travel Retail.

The operating profit generated by the division was positive at €3.9 million, compared with €3.6 million for the period ended 30 September 2013.

Holding expenses

These expenses fell sharply by 35.9%, *i.e.* €3.1 million in absolute value terms, and included the fall in the expense related to long term incentive plans (€1.1 million) and one-off effects for the remainder. They totalled 1.2% of net consolidated sales (1.6% at end-September 2013).

1.1.3 Operating profit

Operating profit amounted to €102.1 million. During the previous period, other operating income and expenses came to €3.5 million, relating to the Larsen transaction.

1.1.4 Financial result

(in € millions)	2014	2013	Change
Cost of gross financial debt	(13.1)	(12.3)	(0.8)
Investment income	1.7	1.8	(0.1)
Sub-total	**(11.4)**	**(10.5)**	**(0.9)**
Change in value of the portfolio of interest rate hedging instruments	(0.1)	(0.1)	0.0
Currency gains/(losses)	(1.9)	1.3	(3.2)
Other financial expenses (net)	(2.0)	(1.4)	(0.6)
FINANCIAL RESULT	**(15.4)**	**(10.7)**	**(4.7)**

The financial result showed a total expense of €15.4 million, an increase of €4.7 million:

- the cost of gross financial debt rose by €0.8 million owing to the increase in average debt;
- currency gains/(losses) mainly include the impact of the valuation of the currency risk hedging portfolio in accordance with IFRS. This impact was negative by €1.9 million as of 30 September 2014, compared with net income of €1.3 million during the previous period;
- other financial expenses include items related to the change in the value of the vendor loan (a loan to the EPI group) and funding costs for certain eaux-de-vie owned by the AFC cooperative. There was a negative change of €0.6 million in these items compared with the previous period, related to the increase in inventories to be financed.

1.1.5 Net profit for the period

The tax charge, estimated on the basis of projection of an annual effective rate, amounted to €24.5 million, which is an effective tax rate of 28.2%. This was down compared with the period ended 30 September 2013 (32.2%), as a result of the geographical breakdown of results.

For the period ended 30 September 2014, the share of profit of associates originated in distribution joint ventures in Europe.

During the previous period, the Group took a €10.9 million impairment charge on the value of its stake in the Chinese group Dynasty Fine Wines Ltd, bringing the value down to HK$316 million. As of 30 September 2014, in the absence of any new developments relating to this stake, the value was unchanged and only affected by the change in €/HKD parity; it thus amounted to €32.3 million.

Net profit attributable to the owners of the parent company came to €62.7 million, up by 5.7% organically (thus after restatement of the end of the Edrington contract) and down on a reported basis by 9.5% compared with the previous period (2013: €69.3 million). Basic earnings per share were €1.30, compared with €1.40 during the previous period.

Excluding non-recurring items (other operating income and expense after tax, net profit/(loss) from discontinued operations and a contribution of 3% on dividends), the net profit attributable to the owners of the parent was down organically by 13.7% (-25.1% reported) to €64 million, *i.e.* basic earnings per share of €1.33 compared with a *pro forma* figure of €1.66 during the previous period.

1.2 Comments on the statement of financial position

(in € millions)	September 2014	September 2013	March 2014	Change
Brands and other intangible assets	485.1	479.8	480.5	4.6
Property, plant and equipment	203.9	181.4	190.9	13.0
Investments in associates	41.7	39.2	38.8	2.9
Other financial assets	95.6	93.2	93.2	2.4
Non-current assets (other than deferred tax)	**826.3**	**793.6**	**803.4**	**22.9**
Inventories	1,034.6	964.1	1,024.6	10.0
Trade and other receivables	265.6	318.2	202.7	62.9
Trade and other payables	(443.7)	(491.9)	(509.0)	65.3
Working capital requirements	**856.5**	**790.4**	**718.3**	**138.2**
Net financial derivatives	(14.7)	10.8	5.5	(20.2)
Net assets held for sale	-	0.2	-	0.0
Net current and deferred tax	(57.7)	(89.2)	(56.1)	(1.6)
Dividend payable	(48.0)	(69.3)	-	(48.0)
Provisions for liabilities and charges	(54.4)	(33.0)	(45.7)	(8.7)
Other net current and non-current assets and liabilities	**(174.8)**	**(180.5)**	**(96.3)**	**(78.5)**
TOTAL	**1,508.0**	**1,403.5**	**1,425.4**	**82.6**
Financed by:				
Equity	**1,035.1**	**1,098.9**	**1,011.9**	**23.2**
Long-term financial debt	388.4	453.6	553.0	(164.6)
Short-term financial debt and accrued interest	208.8	59.2	46.8	162.0
Cash and cash equivalents	(124.3)	(208.2)	(186.3)	62.0
Net financial debt	**472.9**	**304.6**	**413.5**	**59.4**
TOTAL	**1,508.0**	**1,403.5**	**1,425.4**	**82.6**
For information:				
TOTAL ASSETS	**2,293.8**	**2,347.8**	**2,278.4**	**15.4**

All changes given below are compared with the financial year ended 31 March 2014.

Non-current assets increased by €22.9 million to €826.3 million, including:

Translation difference	9.8
Acquisition of “Rum Refinery of Mount Gay”	7.2
Other investments (renewals, measures to ensure compliance with standards)	12.8
Amortisation for the period	(9.1)
Change in current value of vendor loan	1.3
Other movements (net)	0.9
TOTAL	**22.9**

At the end of May 2014, the Group finalised the acquisition of the Rum Refinery of Mount Gay on Barbados, thus rebuilding the historical foundations of the Mount Gay brand, whose origins go back to 1703, and helping strengthen supplies and product quality.

The working capital requirement, which is always structurally higher at the end of September than at the end of March (mainly owing to the seasonality of eaux-de-vie purchases), increased by €138.2 million or €123.6 million excluding translation differences.

Derivative financial instruments were mainly used to hedge the currency risk. The Group hedges its projected positions over a rolling 18-month period. The market value of the portfolio held at 30 September 2014 represented net liabilities of €14.7 million, compared with net assets of €10.8 million at 30 September 2013, reflecting the effects of the highly volatile €/USD parity. The offset of the changes in the value of the instrument portfolio is mainly recognised under equity.

The Shareholders' Meeting of 24 July 2014 approved the payment of a dividend of €1.27 per share in respect of the year ended 31 March 2014 with an option allowing a payment of €0.37 in shares. The payment in shares was carried out on 25 September for an amount of €13.3 million (233,394 shares issued). The balance, *i.e.* €48.0 million was paid out in October 2014. This debt is recorded under "Dividend payable" as at 30 September 2014. During the previous period, the dividend was paid in cash in full.

The change in shareholders' equity breaks down as follows:

Net profit for the period	**62.7**
Income/(expenses) recorded directly in equity	(9.4)
Impact of stock option and similar plans	1.5
Change in translation reserves	16.4
Transactions on treasury shares	(0.2)
Dividend paid out in shares and in cash	(48.0)
TOTAL CHANGE	**23.2**

Net debt totalled €472.9 million, an increase of €59.4 million compared with March 2014, reflecting the trend in operating cash flows.

As of 30 September 2014, the Rémy Cointreau Group's confirmed financial resources totalled €665 million, breaking down as:

- a private placement of €140 million maturing on 10 June 2015 and bearing interest at the rate of 3.67%;
- a €205 million bond maturing on 15 December 2016, with a coupon of 5.18% and an issue premium of 2.26%;
- a €255 million syndicated revolving loan maturing on 11 April 2019, bearing interest at Euribor plus a variable margin;
- a €65 million bond maturing on 13 August 2023, with a coupon of 4% and an issue premium of 2.00%;

The A ratio [(1)] (Net debt/EBITDA) on which the availability of the private placement and the syndicated loan is based, was 3.14 at 30 September 2014. The terms of the syndicated loan and private placement stipulate that this ratio, calculated every six months, must remain below or equal to 3.5 until the loan matures. The Group does not anticipate any problems as regards the availability of financial resources determined by the A ratio.

(1) The A ratio is calculated every six months. It is the ratio of (a) the arithmetic average of net debt at the end of the half-year and the end of the prior half-year – in this case end-September 2014 and end-March 2014 – and (b) EBITDA for the previous 12 months – in this case end-March 2014 minus end-September 2013 plus September 2014.

1.3 Comments on the consolidated cash flow statement

(in € millions)	**2014**	**2013**	**Change**
EBITDA	113.8	144.3	(30.5)
Change in working capital requirement	(123.6)	(139.5)	15.9
Net cash flow from operations	(9.8)	4.8	(14.6)
Other operating income/(expenses)	(1.1)	(0.1)	(1.0)
Financial result	(18.6)	(20.6)	2.0
Income tax	(7.2)	(38.9)	31.7
Other operating cash flows	(26.9)	(59.6)	32.7
Net cash flow from operating activities	**(36.7)**	**(54.8)**	**18.1**
Net cash flow from investment activities – continuing operations	(21.5)	14.1	(35.6)
Net cash flow before financing activities	**(58.2)**	**(40.7)**	**(17.5)**
Treasury shares	(0.2)	0.9	(1.1)
Capital expenditure	**(0.2)**	**0.9**	**(1.1)**
Repayment of financial debt	(0.6)	61.7	(62.3)
Net cash flow after financing activities	**(59.0)**	**21.9**	**(80.9)**
Translation differences on cash and cash equivalents	(3.0)	(0.5)	(2.5)
Change in cash and cash equivalents	**(62.0)**	**21.4**	**(83.4)**

Earnings before interest, tax, depreciation and amortisation (EBITDA) [1] were down €30.5 million, mainly as a result of the change in current operating profit.

The change in working capital requirements, which rose by €123.6 million, improved from the previous period, during which inventories increased substantially. The change in trade receivables included an effect related to the implementation of new factoring programmes in the amount of €33 million.

The change in trade payables included non-recurring cash outflows related to the end of the Edrington contract, in the amount of €9 million. Moreover, this change generally resulted from a decrease in purchases in absolute value terms.

	2014	**2013**	**Change**
Change in inventories	8.2	(28.7)	36.9
Change in trade receivables	(49.1)	(72.6)	23.5
Change in trade payables	(61.5)	(29.6)	(31.9)
Net change in other receivables and payables	(21.2)	(8.6)	(12.6)
CHANGE IN WORKING CAPITAL REQUIREMENT	**(123.6)**	**(139.5)**	**15.9**

Net cash outflows relating to financing activities were €18.6 million, a relative decrease of €2 million including an increase of €0.9 million for the disbursement of financial expenses, with the remainder related to currency losses.

Net income tax amounted to €(7.2) million, a substantial variation compared with the Group's tax expense over the period, owing to adjustments of excessively high instalments paid during the previous period.

Investment flows over the period included €7.2 million for the acquisition of the Rum Refinery of Mount Gay and €14 million for industrial investments. During the previous period, investments amounted to €21.4 million and €36.8 million was received from the disposal of the Larsen business.

After taking into account capital expenditure, net change in financial debt and translation differences, the item cash and cash equivalents decreased by €62 million. The Group thus had €124.3 million in gross cash as of 30 September 2014 (March 2014: €186.3 million). Gross financial debt was €597.2 million (March 2014: €599.8 million).

(1) Earnings before interest, tax, depreciation and amortisation (EBITDA) corresponds to the current operating profit adjusted by adding back depreciation and amortisation charges in respect of property, plant and equipment and intangible assets, and charges in respect of share-based payments and dividends paid out by associates during the period.

1.4 Recent events and events after the balance sheet date

On 10 June 2014, the ratings agency Fitch downgraded Rémy Cointreau's rating from "BBB-" to "BB+" (stable outlook). On 25 June 2014, Moody's changed the outlook associated with its long-term credit rating (Baa3) from "stable" to "negative". Finally, on 5 August 2014, Standard & Poor's assigned the Group a credit rating of "BB+", compared with "BBB-" previously (stable outlook).

From 1 October 2014, a dividend of €1.27 per share was paid out, with an option of payment in cash or shares (in the amount of €0.37). 75% of Group shareholders chose to receive the payment in shares.

No other events are reported after the balance sheet date.

1.5 Outlook

The macro-economic environment is still mixed in Europe, the Chinese spirits market is continuing its transformation and geopolitical and health risks have emerged in recent months.

Nonetheless, Rémy Cointreau has confirmed its targets for the financial year ending 31 March 2015: positive organic growth in net sales and current operating profit.

These targets should be understood on a 2013-2014 *pro forma* basis (excluding the contribution of the Edrington distribution contract in the United States, which expired on 31 March 2014) and on a constant currency basis.

2 CONSOLIDATED FINANCIAL STATEMENTS

AT 30 SEPTEMBER 2014

2.1 Consolidated income statement

(in € millions)	*Notes*	**September 2014**	September 2013	March 2014
Net sales	*15*	**471.8**	**558.0**	**1,031.6**
Cost of sales		(170.8)	(213.8)	(413.4)
Gross margin		**301.0**	**344.2**	**618.2**
Distribution costs	*16*	(162.0)	(170.5)	(379.8)
Administrative expenses	*16*	(38,0)	(41.6)	(89.6)
Other income from operations	*16*	1.1	0.6	1.4
Current operating profit	*15*	**102.1**	**132.7**	**150,2**
Other operating income/(expense)	*18*	-	(3.5)	(4.9)
Operating profit		**102.1**	**129.2**	**145.3**
Cost of net financial debt		(11.5)	(10.6)	(22.8)
Other financial income/(expense)		(3,9)	(0,1)	(3.4)
Financial result	*19*	**(15.4)**	**(10.7)**	**(26.2)**
Profit before tax		**86.7**	**118.5**	**119.1**
Income tax	*20*	(24.5)	(38.2)	(45.8)
Share in profit of associates	*5*	0.5	(10.9)	(10.9)
Profit from continuing operations		**62.7**	**69.4**	**62.4**
Net profit/(loss) from discontinued operations	*21*	-	-	-
Net profit for the year		**62.7**	**69.4**	**62.4**
Of which:				
non-controlling interests		-	0.1	-
owners of the parent company		62.7	69.3	62.4
Net earnings per share – from continuing operations (€)				
basic		1.30	1.40	1.27
diluted		1.30	1.40	1.27
Net earnings per share – attributable to owners of the parent company (€)				
basic		1.30	1.40	1.27
diluted		1.30	1.40	1.27
Number of shares used for the calculation				
basic	*10.2*	48,291,442	49,474,968	49,180,683
diluted	*10.2*	48,386,342	49,667,468	49,311,783

2.2 Consolidated statement of comprehensive income

(in € millions)	**September 2014**	September 2013	March 2014
Net profit for the period	**62.7**	**69.4**	**62.4**
Change in the value of hedging instruments(1)	(15.6)	14.3	11.0
Actuarial difference on pension commitments	-	-	(0.4)
Change in the value of AFS shares(2)	0.2	-	(0.1)
Related tax effect	6.0	(5.1)	(3.7)
Change in translation differences	16.5	(9.4)	(11.6)
Total income/(expenses) recorded in equity	**7.1**	**(0.2)**	**(4.8)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**69.8**	**69.2**	**57.6**
Of which:			
owners of the parent company	69.7	69.1	57.7
non-controlling interests	0.1	0.1	(0.1)
(1) of which unrealised gains and losses transferred to income	*(11.2)*	*0.4*	*(1.9)*
(2) of which unrealised gains and losses transferred to income	*-*	*-*	*-*

2.3 Consolidated statement of financial position

(in € millions)	*Notes*	**September 2014**	September 2013	March 2014
Brands and other intangible assets	*3*	485.1	479.8	480.5
Property, plant and equipment	*4*	203.9	181.4	190.9
Investments in associates	*5*	41.7	39.2	38.8
Other financial assets	*6*	95.6	93.2	93.2
Deferred tax assets	*20*	33.3	40.7	31.7
Non-current assets		**859.6**	**834.3**	**835.1**
Inventories	*7*	1,034.6	964.1	1,024.6
Trade and other receivables	*8*	265.6	318.2	202.7
Income tax receivables		7.6	1.1	16.9
Derivative financial instruments	*14*	2.2	21.7	12.8
Cash and cash equivalents	*9*	124.3	208.2	186.3
Assets held for sale	*2*	-	0.2	-
Current assets		**1,434.3**	**1,513.5**	**1,443.3**
TOTAL ASSETS		**2,293.9**	**2,347.8**	**2,278.4**
Share capital		77.9	81.4	77.6
Share premium		693.9	828.6	680.9
Treasury shares		(13.9)	(96.5)	(13.7)
Consolidated reserves and profit for the year		260.7	283.0	267.2
Translation reserve		15.3	1.1	(1.2)
Equity – owners of the parent company		**1,033.9**	**1,097.6**	**1,010.8**
Non-controlling interests		1.2	1.3	1.1
Equity	*10*	**1,035.1**	**1,098.9**	**1,011.9**
Long-term financial debt	*11*	388.4	453.6	553.0
Provision for employee benefits	*23*	27.1	25.6	26.7
Long-term provisions for liabilities and charges	*12*	6.2	5.8	4.6
Deferred tax assets	*20*	85.7	90.1	94.7
Non-current liabilities		**507.4**	**575.1**	**679.0**
Short-term financial debt and accrued interest	*11*	208.8	59.2	46.8
Trade and other payables	*13*	443.7	491.9	509.0
Dividend payable		48.0	69.3	-
Income tax payables		12.9	40.9	10.0
Short-term provisions for liabilities and charges	*12*	21.1	1.6	14.4
Derivative financial instruments	*14*	16.9	10.9	7.3
Liabilities related to assets held for sale	*2*	-	-	-
Current liabilities		**751.4**	**673.8**	**587.5**
TOTAL EQUITY AND LIABILITIES		**2,293.9**	**2,347.8**	**2,278.4**

2.4 Statement of changes in consolidated shareholders' equity

(in € millions)	Share capital and premium	Treasury shares	Reserves and consolidated profit	Translation reserve	Profit recorded in equity	Attributable to: owners of the parent company	Attributable to: non-controlling interests	Total equity
At 31 March 2013	**910.0**	**(97.4)**	**287.4**	**10.3**	**(16.7)**	**1,093.6**	**1.2**	**1,094.8**
Net profit for the period	-	-	69.3	-	-	**69.3**	0.1	**69.4**
Gains (losses) recorded in equity	-	-	-	(9.4)	9.2	**(0.2)**	-	**(0.2)**
Share-based payments	-	-	3.1	-	-	**3.1**	-	**3.1**
Transactions on treasury shares	-	0.9	-	-	-	**0.9**	-	**0.9**
Dividends	-	-	(69.3)	0.2	-	**(69.1)**	-	**(69.1)**
At 30 September 2013	**910.0**	**(96.5)**	**290.5**	**1.1**	**(7.5)**	**1,097.6**	**1.3**	**1,098.9**
At 31 March 2014	**758.5**	**(13.7)**	**277.1**	**(1.2)**	**(9.9)**	**1,010.8**	**1.1**	**1,011.9**
Net profit for the period	-	-	62.7	-	-	**62.7**	-	**62.7**
Gains (losses) recorded in equity	-	-	-	16.4	(9.4)	**7.0**	0.1	**7.1**
Share-based payments	-	-	1.5	-	-	**1.5**	-	**1.5**
Transactions on treasury shares	-	(0.2)	-	-	-	**(0.2)**	-	**(0.2)**
Dividends	13.3	-	(61.3)	0.1	-	**(47.9)**	-	**(47.9)**
AT 30 SEPTEMBER 2014	**771.8**	**(13.9)**	**280.0**	**15.3**	**(19.3)**	**1,033.9**	**1.2**	**1,035.1**

2.5 Statement of cash flows

(in € millions)	*Notes*	**September 2014**	September 2013	March 2014
Current operating profit		102.1	132.7	150.2
Depreciation, amortisation and impairment		9.1	8.1	17.1
Share-based payments		2.0	3.1	3.7
Dividends received from associates	*5*	0.6	0.4	0.5
EBITDA		**113.8**	**144.3**	**171.5**
Change in inventories		8.2	(28.7)	(94.1)
Change in trade receivables		(49.1)	(72.6)	33.1
Change in trade payables		(61.5)	(29.6)	16.6
Change in other receivables and payables		(21.2)	(8.6)	(17.3)
Change in working capital requirement		(123.6)	(139.5)	(61.7)
Net cash flow from operations		**(9.8)**	**4.8**	**109.8**
Other operating income/(expenses)		(1.1)	(0.1)	(3.1)
Financial result		(18.6)	(20.6)	(31.3)
Income tax		(7.2)	(38.9)	(77.0)
Other operating cash flows		**(26.9)**	**(59.6)**	**(111.4)**
Net cash flow from operating activities – continuing operations		**(36.7)**	**(54.8)**	**(1.6)**
Impact of discontinued operations		-	-	-
Net cash flow from operating activities		**(36.7)**	**(54.8)**	**(1.6)**
Purchase of intangible assets and property, plant and equipment	*3/4*	(21.2)	(21.4)	(42.2)
Purchase of shares in associates and non-consolidated investments	*5/6*	(0.3)	-	-
Disposal of intangible assets and property, plant and equipment		0.5	36.8	37.4
Net cash flow from other investments	*6*	(0.5)	(1.3)	(0.3)
Net cash flow from investment activities – continuing operations		**(21.5)**	**14.1**	**(5.1)**
Impact of discontinued operations		-	-	-
Net cash flow from investment activities		**(21.5)**	**14.1**	**(5.1)**
Treasury shares	*10*	(0.2)	0.9	(74.9)
Increase in financial debt		27.0	63.7	176.1
Repayment of financial debt		(27.6)	(2.0)	(24.7)
Dividends paid to shareholders of the parent company		-	-	(69.3)
Net cash flow from financing activities – continuing operations		**(0.8)**	**62.6**	**7.2**
Impact of discontinued operations		-	-	-
Net cash flow from financing activities		**(0.8)**	**62.6**	**7.2**
Translation differences on cash and cash equivalents		(3.0)	(0.5)	(1.0)
Change in cash and cash equivalents		**(62.0)**	**21.4**	**(0.5)**
Cash and cash equivalents at start of year	*9*	**186.3**	**186.8**	**186.8**
Cash and cash equivalents at end of year	*9*	**124.3**	**208.2**	**186.3**

2.6 Notes to the consolidated financial statements

CONTENTS

INTRODUCTION

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

The condensed consolidated financial statements presented below were approved by the Board of Directors on 25 November 2014 pursuant to a recommendation from the Audit Committee following its meeting of 24 November 2014.

NOTE 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 at 30 September 2014.

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

The condensed consolidated financial statements presented in this document were prepared pursuant to IAS 34 – *Interim Financial Reporting,* as adopted by the European Union. They do not include all the notes and disclosures required by IFRS for annual financial statements and must therefore be read in conjunction with the annual financial statements for the year ended 31 March 2014.

The accounting principles applied in the preparation of the interim financial statements for the period ended 30 September 2014 are the same as those applied for the year ended 31 March 2014.

CHANGES TO ACCOUNTING PRINCIPLES COMPARED WITH THE PREVIOUS YEAR

The following standards and amendments became mandatory for the Group for the first-time as of 1 January 2014:

- IFRS 10, "Consolidated financial statements";
- IFRS 11, "Joint arrangements";
- IFRS 12, "Disclosure of interests in other entities";
- amendment to IAS 27, "Separate financial statements";
- amendment to IAS 28, "Investments in associates and joint ventures";
- amendment to IAS 36, "Impairment of assets", relating to recoverable amount disclosures for non-financial assets;
- amendments to IAS 32 setting out the principles relating to offsetting financial assets and financial liabilities;
- amendments to IAS 39 "Financial Instruments: recognition and measurement", entitled "Novation of derivatives and continuation of hedge accounting".

The first time adoption of these standards and amendments did not have any material impact on the consolidated financial statements.

Historically, Group sales are not evenly split between the first half-year and the second half-year. As a result, the interim results at 30 September 2014 are not necessarily indicative of those expected for the full year ending 31 March 2015.

In respect of the interim financial statements, the tax charge for the period is an estimate of the effective annual rate which is applied to the profit before tax of the period excluding significant exceptional items. Possible exceptional items in the period, such as the disposal of securities or the effect of a tax dispute, are recorded with their actual tax effect.

NOTE 2 CHANGES IN CONSOLIDATION SCOPE

The Rémy Cointreau Group did not carry out any divestment or acquisition during the period ended 30 September 2014.

NOTE 3 BRANDS AND OTHER INTANGIBLE ASSETS

(in € millions)	Goodwill	Brands	Distribution rights	Other	Total
Gross value at 30 September 2013	**22.7**	**501.1**	**7.0**	**25.9**	**556.7**
Gross value at 31 March 2014	**22.9**	**501.1**	**6.9**	**27.9**	**558.8**
Acquisitions	1.7	-	-	0.7	2.4
Translation reserve	1.6	1.8	0.3	0.6	4.3
Gross value at 30 September 2014	**26.2**	**502.9**	**7.2**	**29.2**	**565.5**
Accumulated amortisation and depreciation at 30 September 2013	**-**	**52.1**	**5.1**	**19.7**	**76.9**
Accumulated amortisation and depreciation at 31 March 2014	**-**	**52.2**	**5.1**	**21.0**	**78.3**
Increase	-	-	-	1.5	1.5
Translation reserve	-	0.2	0.1	0.3	0.6
Accumulated amortisation and depreciation at 30 September 2014	**-**	**52.4**	**5.2**	**22.8**	**80.4**
Net carrying amount at 30 September 2013	**22.7**	**449.0**	**1.9**	**6.2**	**479.8**
Net carrying amount at 31 March 2014	**22.9**	**448.9**	**1.8**	**6.9**	**480.5**
Net carrying amount at 30 September 2014	**26.2**	**450.5**	**2.0**	**6.4**	**485.1**

Intangible assets include the goodwill resulting from the purchase of Bruichladdich Distillery Ltd.

In May 2014, the Group completed the acquisition of the Rum Refinery of Mount Gay which was the main supplier of Mount Gay Rum, a distillery historically linked to the brand which dates back to 1703. This acquisition gave rise to goodwill of €1.7 million. Mount Gay is an autonomous Cash Generating Unit (CGU) within the Liqueurs & Spirits division. The intangible assets (brands and distribution rights) of this CGU thus totalled €10.9 million at 30 September 2014.

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

"Other" includes mainly software licences.

At 30 September 2014, the total provision for the impairment of intangible assets was €52.4 million (September 2013: €52.1 million; March 2014: €52.2 million) including €45.0 million for the Greek brandy Metaxa acquired in 2000 and €7.4 million for secondary brands.

Brands owned by Rémy Cointreau are all considered to have an indefinite useful life. As such they are not amortised. The present value of these brands is subject to testing on an annual basis or as soon as there is an indication of a decrease in value. The methodology used to determine the current value of brands is described in note 1.8 of the notes to the year-end consolidated financial statements.

The annual impairment tests will be conducted during the second half-year in conjunction with the drafting of the medium-term plan.

NOTE 4 PROPERTY, PLANT AND EQUIPMENT

(in € millions)	Land	Buildings	Other	In progress	Total
Gross value at 30 September 2013	**9.5**	**98.7**	**203.7**	**18.9**	**330.8**
Gross value at 31 March 2014	**11.9**	**104.8**	**222.2**	**7.3**	**346.2**
Acquisitions	1.3	3.1	10.7	2.5	17.6
Disposals, items scrapped	-	(0.3)	(2.4)	-	(2.7)
Other movements	-	1.0	1.4	(2.4)	-
Translation reserve	0.3	1.5	3.2	-	5.0
Gross value at 30 September 2014	**13.5**	**110.1**	**235.1**	**7.4**	**366.1**
Accumulated amortisation and depreciation at 30 September 2013	**2.0**	**39.6**	**107.8**	**-**	**149.4**
Accumulated amortisation and depreciation at 31 March 2014	**2.2**	**41.3**	**111.8**	**-**	**155.3**
Increase	0.3	1.5	5.8	-	7.6
Disposals, items scrapped	-	(0.3)	(2.3)	-	(2.6)
Translation reserve	-	0.3	1.6	-	1.9
Accumulated amortisation and depreciation at 30 September 2014	**2.5**	**42.8**	**116.9**	**-**	**162.2**
Net carrying amount at 30 September 2013	**7.5**	**59.1**	**95.9**	**18.9**	**181.4**
Net carrying amount at 31 March 2014	**9.7**	**63.5**	**110.4**	**7.3**	**190.9**
Net carrying amount at 30 September 2014	**11.0**	**67.3**	**118.2**	**7.4**	**203.9**

NOTE 5 INVESTMENT IN ASSOCIATES

(in € millions)	Dynasty	Lixir	Diversa	Other	Total
At 31 March 2013	**42.9**	**1.1**	**7.5**	**1.3**	**52.8**
Dividend paid	-	(0.4)	(0.3)	-	**(0.7)**
Capital increase	-	-	-	0.3	**0.3**
Profit for the year	-	0.5	(0.2)	(0.2)	**0.1**
Provision for impairment	(10.9)	-	-	-	**(10.9)**
Translation differences	(2.6)	-	-	(0.2)	**(2.8)**
At 31 March 2014	**29.4**	**1.2**	**7.0**	**1.2**	**38.8**
Dividend paid	-	(0.6)	-	-	**(0.6)**
Profit for the year	-	0.1	0.4	-	**0.5**
Translation differences	2.9	-	-	0.1	**3.0**
At 30 September 2014	**32.3**	**0.7**	**7.4**	**1.3**	**41.7**

Rémy Cointreau owns a 27% stake in Dynasty Fine Wines Ltd, a Chinese wine producer and distributor. This long-standing interest of Rémy Cointreau originated in a joint venture formed in 1980 with the city of Tianjin, which still owns 45%. Since 2005, this Group has been listed on the Hong Kong stock exchange, with a float of around 28%.

The listing was suspended on 22 March 2013, just after the Group issued a warning announcing a loss for the 2012 financial year. The suspension was the result of the Group's inability to report its financial statements for the 2012 financial year by the required deadline. This delay was caused by investigations carried out by the Audit Committee further to allegations of fraud. At 31 March 2013, Rémy Cointreau applied an impairment charge of €15.9 million to its shareholding, deeming the downward trend of the results and the announcement of a loss to be clear indicators of impairment, quite apart from the fraud allegations and their possible impact.

At 30 September 2013, the investigations were still not complete and the Dynasty Group had still not published its 2012 or 2013 financial statements, nor had it given the slightest indication to the market of when its shares would recommence trading or of how the investigations were proceeding. Rémy Cointreau carried out a new assessment with the help of an independent expert. This valuation, using all the public data available on Dynasty, its competitors and trends in the wine market in China, led Rémy Cointreau to impair its investment by an additional €10.9 million.

At 30 September 2014, the situation was more or less unchanged. Investigations were still not complete. Neither the 2012, nor the 2013 financial statements had been published. The valuation was updated (discount rate, growth prospects, unaudited financial data) and the provision recognised on 31 March 2014 was maintained. Given the change in the €/HKD exchange rate, the stake was valued at €32.3 million at 30 September 2014.

The fair value was based on discounted future cash flows calculated using a long-term plan (12 years). The assumptions used in this valuation include a perpetual growth rate of 3% and a discount rate of 17.5%.

NOTE 6 OTHER FINANCIAL ASSETS

(in € millions)	**September 2014**	September 2013	March 2014
Non-consolidated equity investments	3.1	4.1	2.6
Vendor loan	87.8	84.3	86.5
Loan to non-consolidated investments	0.1	0.1	0.2
Liquidity account excluding Rémy Cointreau shares	2.8	3.1	2.3
Other	1.8	1.6	1.6
TOTAL	**95.6**	**93.2**	**93.2**

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), 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.

At 30 September 2014, this loan was recognised at the present value of cash flow 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.

The interest accrued since July 2014, payable in July 2015, is booked under other receivables.

NOTE 7 INVENTORIES

(in € millions)	**September 2014**	September 2013	March 2014
Raw materials	43.6	33.5	40.7
Ageing wines and eaux-de-vie	848.7	770.2	865.9
Goods for resale and finished goods	148.2	166.3	125.1
Gross cost	**1,040.5**	**970.0**	**1,031.7**
Provision for impairment	(5.9)	(5.9)	(7.1)
Carrying amount	**1,034.6**	**964.1**	**1,024.6**

NOTE 8 TRADE AND OTHER RECEIVABLES

(in € millions)	**September 2014**	September 2013	March 2014
Trade receivables	210.6	260.3	152.8
Receivables related to taxes and social charges (excl. income tax)	11.6	13.5	9.2
Sundry prepaid expenses	11.1	7.5	7.2
Advances paid	19.7	18.1	22.4
Receivables related to asset disposals	-	-	0.1
Other receivables	12.6	18.8	11.0
TOTAL	**265.6**	**318.2**	**202.7**
of which provision for doubtful debts	(6.4)	(6.2)	(6.0)

The Group set up factoring programmes during the financial year, thereby speeding up the payment of trade receivables totalling €33.0 million at 30 September 2014 (September 2013: €6.3 million; March 2014: €10.9 million).

NOTE 9 CASH AND CASH EQUIVALENTS

(in € millions)	**September 2014**	September 2013	March 2014
Short-term deposits	63.1	100.0	103.9
Cash at bank	61.3	108.2	82.4
TOTAL	**124.4**	**208.2**	**186.3**

NOTE 10 SHAREHOLDERS' EQUITY

10.1 SHARE CAPITAL, ISSUE PREMIUM AND TREASURY SHARES

	Number of shares	Treasury shares	Total number of shares	Share capital	Issue premium	Treasury shares
At 31 March 2013	**50,909,912**	**(1,449,294)**	**49,460,618**	**81.4**	**828.6**	**(97.4)**
Liquidity account	-	6,500	6,500	-	-	0.6
Other treasury shares	-	7,850	7,850	-	-	0.3
At 30 September 2013	**50,909,912**	**(1,434,944)**	**49,474,968**	**81.4**	**828.6**	**(96.5)**
Share buyback program	-	(1,283,053)	(1,283,053)	-	-	(75.9)
Cancellation of shares on 19/11/2013	(1,150,000)	1,150,000	-	(1.8)	(73.8)	75.6
2011 free share plan	-	96,500	96,500	-	-	7.1
Cancellation of shares on 25/03/2014	(1,283,053)	1,283,053	-	(2.0)	(73.9)	75.9
Liquidity account	-	3,500	3,500	-	-	0.3
Other treasury shares	-	(5,350)	(5,350)	-	-	(0.2)
At 31 March 2014	**48,476,859**	**(190,294)**	**48,286,565**	**77.6**	**680.9**	**(13.7)**
Dividend part paid in shares	233,394	-	233,394	0.3	13.0	-
Liquidity account	-	(5,500)	(5,500)	-	-	(0.3)
Other treasury shares	-	4,000	4,000	-	-	0.1
At 30 September 2014	**48,710,253**	**(191,794)**	**48,518,459**	**77.9**	**693.9**	**(13.9)**

10.1.1 Share capital and premium

At 30 September 2014, the share capital comprised 48,710,253 shares with a nominal value of €1.60.

On 25 September 2014, 233,394 shares were issued following the option offered to shareholders to receive payment of the dividend in shares.

On 19 November 2013, 1,150,000 treasury shares were cancelled.

As part of a Share Buy Back Plan implemented between 5 December 2013 and 29 January 2014, Rémy Cointreau acquired 1,283,053 shares for a total of €75.9 million. These shares were cancelled on 25 March 2014.

10.1.2 Treasury shares

At 30 September 2014, Rémy Cointreau held 191,794 treasury shares intended to cover the balance of a stock option plan (plan 13 involving 4,000 shares) and current or future free share plans (187,794 shares).

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

	September 2014	September 2013	March 2014
Average number of shares (basic):			
Average number of shares	48,483,236	50,909,912	50,482,382
Average number of treasury shares	(191,794)	(1,434,944)	(1,301,699)
TOTAL USED FOR CALCULATING BASIC EARNINGS PER SHARE	**48,291,442**	**49,474,968**	**49,180,683**
Average number of shares (diluted):			
Average number of shares (basic)	48,291,442	49,474,968	49,180,683
Dilution effect of free share plans	94,900	192,500	131,100
TOTAL USED FOR CALCULATING DILUTED EARNINGS PER SHARE	**48,386,342**	**49,667,468**	**49,311,783**

10.3 DIVIDENDS

The Shareholders' Meeting of 24 July 2014 approved the payment of a dividend of €1.27 per share in respect of the year ended 31 March 2014 with an option allowing a payment of €0.37 in shares. The payment in shares was carried out on 25 September for a total amount of €13.3 million. The balance, *i.e.* €48.0 million was paid out in October 2014. At 30 September 2014, this amount was recorded under shareholders' equity as a counterpart to the "other liabilities" item.

10.4 NON-CONTROLLING INTERESTS

(in € millions)	September 2014	September 2013	March 2014
Non-controlling interests in Mount Gay Distilleries	1.2	1.3	1.1
TOTAL	**1.2**	**1.3**	**1.1**

NOTE 11 FINANCIAL DEBT

11.1 NET FINANCIAL DEBT

	September 2014			September 2013			March 2014		
(in € millions)	Long-term	Short-term	Total	Long-term	Short-term	Total	Long-term	Short-term	Total
Gross financial debt	388.4	208.8	597.2	453.6	59.2	512.8	553.0	46.8	599.8
Cash and cash equivalents (note 9)	-	(124.3)	(124.3)	-	(208.2)	(208.2)	-	(186.3)	(186.3)
Net financial debt	**388.4**	**84.5**	**472.9**	**453.6**	**(149.0)**	**304.6**	**553.0**	**(139.5)**	**413.5**

11.2 GROSS FINANCIAL DEBT BY TYPE

	September 2014			September 2013			March 2014		
(in € millions)	Long-term	Short-term	Total	Long-term	Short-term	Total	Long-term	Short-term	Total
Bonds	202.1	-	202.1	200.9	-	200.9	201.5	-	201.5
Private placement	-	139.9	139.9	139.6	-	139.6	139.8	-	139.8
Drawdown on syndicated loan	122.8	-	122.8	48.1	-	48.1	148.3	-	148.3
Other financial debt and overdrafts	-	-	-	-	0.3	0.3	-	-	-
Accrued interest	-	4.9	4.9	-	5.0	5.0	-	7.6	7.6
Total Rémy Cointreau SA	**324.9**	**144.8**	**469.7**	**388.6**	**5.3**	**393.9**	**489.6**	**7.6**	**497.2**
Bonds	63.4	-	63.4	63.5	-	63.5	63.3	-	63.3
Other financial debt and overdrafts	0.1	53.5	53.6	1.5	45.6	47.1	0.1	26.1	26.2
Accrued interest	-	0.3	0.3	-	0.3	0.3	-	1.7	1.7
Borrowings by special purpose *entities*	-	10.2	10.2	-	8.0	8.0	-	11.4	11.4
Total subsidiaries	**63.5**	**64.0**	**127.5**	**65.0**	**53.9**	**118.9**	**63.4**	**39.2**	**102.6**
Gross financial debt	**388.4**	**208.8**	**597.2**	**453.6**	**59.2**	**512.8**	**553.0**	**46.8**	**599.8**

11.3 BONDS

11.3.1 Bond issue €205 million

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 value (issue premium of 2.255%), bearing interest of 5.18% payable on 15 June and 15 December of every year. They will be redeemed at par at maturity on 15 December 2016.

This bond is not secured.

The issue carries a number of clauses relating to 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, in the event of a change of control all bearers are entitled to request redemption of their bonds held at 101%.

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

After taking the issue premium and costs into account, the net proceeds from the issue amounted to some €197 million, making an effective interest rate of approximately 5.89%.

11.3.2 Bond issue €65 million

On 13 August 2013, Financière Rémy Cointreau SA/NV issued 10-year bonds in the amount of €65 million, which were guaranteed by Rémy Cointreau SA.

The bonds have a par value of €250,000 each and were issued at 97.977% of par (issue premium of 2.003%), bearing interest of 4% payable annually on 13 August. They will be redeemed at par at maturity on 13 August 2023.

This bond is not secured.

After taking the issue premium and costs into account, the net proceeds from the issue were €63.2 million, making an effective interest rate of 4.35%.

11.4 PRIVATE PLACEMENT

On 10 June 2010, Rémy Cointreau secured a so-called "private placement" syndicated finance package with financial institutions. This €140 million contract was concluded for five years (maturing on 10 June 2015). The structure package includes a two-tranche loan of €65 million (tranche A) and €75 million (tranche B), respectively as well as various back-to-back swap contracts, thus guaranteeing a fixed rate of 3.6675% for the duration of the contract.

After deducting the commitment fee, the net proceeds from the issue amounted to some €138.6 million, which resulted in an effective interest rate of approximately 3.94%.

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

11.5 SYNDICATED LOAN

On 5 June 2012, Rémy Cointreau concluded a syndicated credit agreement to replace the €346 million revolving facility which expired on 7 June 2012. This new €255 million revolving credit facility was initially agreed for a period of 5 years.

On 11 April 2014, Rémy Cointreau signed an amendment and an extension to this syndicated credit agreement with a pool of 10 banks. This extends the credit facility for 5 years, until 11 April 2019, under more favourable margin conditions. Amounts drawn down bear interest at Euribor plus a margin that varies according to Rémy Cointreau's financial rating.

The facility is unsecured.

The availability of this credit facility is subject to compliance with an "average net financial debt/EBITDA" ratio (A ratio) of less than or equal to 3.5 at each half-year end for the duration of the contract. At 30 September 2014, the A ratio stood at 3.14 (September 2013: 1.09; March 2014: 2.09).

NOTE 12 PROVISION FOR RISKS AND LIABILITIES

The Group's entities in France and abroad are subject to regular tax audits. Appropriate provisions are made for adjustments, or tax positions identified as uncertain but for which an adjustment has not yet been made. The amount of such provisions is reviewed regularly in accordance with the requirements of IAS 37.

12.1 ANALYSIS OF CHANGE

(in € millions)	Restructuring	Litigation	Total
At 31 March 2013	**0.3**	**9.1**	**9.4**
Increase	0.5	13.5	14.0
Reversals – Used	(0.1)	(2.8)	(2.9)
Reversals – Unused	(0.1)	(1.1)	(1.2)
Translation reserve	-	(0.3)	(0.3)
At 31 March 2014	**0.6**	**18.4**	**19.0**
Increase	-	10.0	10.0
Reversals – Used	-	(0.7)	(0.7)
Reversals – Unused	-	(1.7)	(1.7)
Translation reserve	-	0.7	0.7
At 30 September 2014	**0.6**	**26.7**	**27.3**

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

12.2 MATURITY

These provisions cover probable charges with the following deadlines:

(in € millions)	September 2014	September 2013	March 2014
Long-term provisions (or unknown maturity)	6.2	5.8	4.6
Short-term provisions	21.1	1.6	14.4
TOTAL	**27.3**	**7.4**	**19.0**

NOTE 13 TRADE AND OTHER PAYABLES

(in € millions)	September 2014	September 2013	March 2014
Trade payables – eaux-de-vie	183.8	164.5	231.0
Other trade payables	82.1	114.3	95.4
Advances from customers	2.5	5.1	4.8
Payables related to tax and social charges (excl. income tax)	48.3	50.4	47.5
Excise duties	3.6	1.5	2.6
Advertising expenses payable	78.7	92.7	75.7
Miscellaneous deferred income	5.6	8.7	7.0
Other liabilities	39.1	54.7	45.0
TOTAL	**443.7**	**491.9**	**509.0**

NOTE 14 FINANCIAL INSTRUMENTS AND MARKET RISKS

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.

14.1 BREAKDOWN OF FINANCIAL INSTRUMENTS (INTEREST AND FOREIGN EXCHANGE RATES)

(in € millions)	**September 2014**	September 2013	March 2014
Assets			
Interest rate derivatives	-	-	-
Exchange rate derivatives	2.2	21.7	12.8
TOTAL	**2.2**	**21.7**	**12.8**
Liabilities			
Interest rate derivatives	3.6	10.3	6.9
Exchange rate derivatives	13.3	0.6	0.4
TOTAL	**16.9**	**10.9**	**7.3**

14.2 INTEREST RATE DERIVATIVES

As at 30 September 2014, interest rate derivatives in the portfolio were as follows:

14.2.1 By category

(in € millions)	**September 2014**	September 2013	March 2014
Liabilities			
Interest rate swaps	1.8	6.5	4.1
Instruments related to Private Placements	1.8	3.8	2.8
TOTAL	**3.6**	**10.3**	**6.9**

14.2.2 Breakdown by maturity

(in € millions)	Nominal	Initial value	Market value	Qualification
***Interest* rate swaps:**				
Maturing January 2015	75.0	–	0.8	Trading (1)
Maturing January 2015	50.0	–	0.5	FVH (1)
Maturing March 2015	25.0	–	0.5	FVH (1)
Related to Private Placement, maturing June 2015	140.0	–	1.8	FVH (1)
TOTAL LIABILITIES	**290.0**	**-**	**3.6**	

(1) FVH: Fair Value Hedge; Trading: held for trading purposes.

14.2.3 Change

Portfolio valuation as at 31 March 2014	**(6.9)**
Variation booked in:	
▪ Shareholders' equity	3.3
▪ Cost of gross financial debt	-
Portfolio valuation as at 30 September 2014	**(3.6)**

14.3 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)	190.7	4.0	0.4	0.4	-
Other currencies (vs. EUR)	16.7	0.3	0.3	0.3	-
	207.4	**4.3**	**0.7**	**0.7**	**-**
Forward sales					
Seller USD (vs. EUR)	123.2	-	(5.5)	(5.5)	-
Other currencies (vs. EUR)	46.0	-	(0.4)	(0.4)	-
	169.2	**-**	**(5.9)**	**(5.9)**	**-**
Purchase/(sale) of currency swaps (operating activities) (3)					
Seller USD (vs. EUR)	(119.8)	-	(1.3)	-	(1.3)
Other currencies (vs. EUR)	(9.8)	-	(0.0)	-	(0.0)
	(129.5)	**-**	**(1.3)**	**-**	**(1.3)**
Purchase/(sale) of currency swaps (financing activities) (3)					
Seller USD (vs. EUR)	(29.3)	-	(4.2)	-	(4.2)
Other currencies (vs. EUR)	(54.7)	-	(0.4)	-	(0.4)
	(84.0)	**-**	**(4.6)**	**-**	**(4.6)**
TOTAL	**163.1**	**4.3**	**(11.1)**	**(5.2)**	**(5.9)**

(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 rate and forward rate.

During the period ended 30 September 2014, a pre-tax expense of €5.3 million was recorded against shareholders' equity in respect of the change in the intrinsic value of the cash flow hedge portfolio.

NOTE 15 SEGMENT REPORTING

Since 1 April 2009, Rémy Cointreau has been applying IFRS 8 – Operating segments. Under this standard, 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. This Committee reviews operational performances and allocates resources based on the financial data analysed for Rémy Martin, Liqueurs & Spirits and Partner Brands business. Consequently, the Group has identified these three 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.

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

15.1 BUSINESSES

Breakdown of net sales and current operating profit

There are no intra-segment sales.

	Net sales			Current operating profit		
(in € millions)	September 2014	September 2013	March 2014	September 2014	September 2013	March 2014
Rémy Martin	276.8	327.2	551.2	78.0	116.1	125.4
Liqueurs & Spirits	129.5	120.4	237.3	25.8	20.9	37.1
Sub-total Group brands	406.3	447.6	788.6	103.8	137.0	162.6
Partner Brands	65.5	110.5	243.1	3.9	4.5	8.7
Holding	-	-	-	(5.6)	(8.7)	(21.0)
TOTAL	**471.8**	**558.0**	**1,031.6**	**102.1**	**132.7**	**150.2**

Rémy Cointreau distributed the brands of the Edrington Group in the United States until March 2014. This contract expired and was not renewed.

For the period ended 30 September 2013, this business turned over €48.0 million and accounted for operating profit of €0.9 million. However, the *pro forma* basis of the operating profit must also include the re-allocation of the distribution costs previously absorbed by this business (€4.7 million) to Rémy Martin (€3.8 million) and to Liqueurs & Spirits (€0.9 million). The impact on operating profit thus amounts to €5.6 million.

For the year ended 31 March 2014, this business turned over €102.8 million and accounted for operating profit of €3.1 million. Likewise, the *pro forma* basis of the operating profit must include distribution costs of €10.5 million, *i.e.* €8.1 million for Rémy Martin and €2.4 million for Liqueurs & Spirits. The impact on operating profit thus amounts to €14.6 million.

15.2 GEOGRAPHIC AREA

Net sales

	Net sales		
(in € millions)	September 2014	September 2013	March 2014
Europe – Middle East – Africa (1)	155.8	151.9	323.8
Americas	165.2	219.7	413.1
Asia Pacific	150.7	186.4	294.7
TOTAL	**471.8**	**558.0**	**1,031.6**

(1) Turnover for France amounts to €14.6 million at 30 September 2014 (September 2013: €15.9 million; March 2014: €35.2 million).

The turnover achieved through the Edrington contract and recorded in the "Americas" segment amounted to €48.0 million in September 2013 and €102.8 million in March 2014.

NOTE 16 ANALYSIS OF OPERATING EXPENSES BY TYPE

(in € millions)	**September 2014**	September 2013	March 2014
Personnel costs	(74.9)	(73.2)	(151.8)
Advertising and promotion expenses	(89.9)	(103.5)	(230.3)
Depreciation, amortisation and impairment of non-current assets	(9.1)	(8.1)	(17.1)
Other costs	(49.8)	(50.8)	(118.5)
Costs allocated to inventories and production costs	23.7	23.5	48.3
TOTAL	**(200.0)**	**(212.1)**	**(469.4)**
Of which:			
distribution costs	(162.0)	(170.5)	(379.8)
administrative expenses	(38.0)	(41.6)	(89.6)
TOTAL	**(200.0)**	**(212.1)**	**(469.4)**

Distribution costs comprise advertising and promotion expenses, commission income or expenses, 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.

NOTE 17 OTHER OPERATING INCOME/(EXPENSES)

(in € millions)	**September 2014**	September 2013	March 2014
Expenses related to the acquisition of Bruichladdich	-	(0.1)	(0.1)
Expenses related to the acquisition of Larsen	(0.7)	(3.8)	(3.9)
Brand impairment	-	-	(0.1)
Tax adjustments (other than on income taxes)	0.5	-	(1.0)
Other	0.2	0.4	0.2
TOTAL	**-**	**(3.5)**	**(4.9)**

NOTE 18 FINANCIAL RESULT

18.1 COST OF NET FINANCIAL DEBT BY TYPE

(in € millions)	**September 2014**	September 2013	March 2014
Bonds	(7.3)	(6.2)	(13.6)
Private placement	(2.6)	(2.6)	(5.3)
Syndicated credit and unconfirmed lines	(1.7)	(1.9)	(4.2)
Finance costs of special *purpose entities*	(1.1)	(1.2)	(2.5)
Interest flows on interest rate hedging instruments	(1.2)	(1.3)	(2.5)
Ineffective portion of interest rate hedging instruments	1.1	1.1	2.1
Other financial expense	(0.3)	(0.2)	(0.4)
Sub-total	**(13.1)**	**(12.3)**	**(26.4)**
Effect of non-hedging interest rate instruments	(0.1)	(0.1)	(0.1)
Cost of gross financial debt	**(13.2)**	**(12.4)**	**(26.5)**
Interest income	1.7	1.8	3.7
Cost of net financial debt before IFRS 5	**(11.5)**	**(10.6)**	**(22.8)**
Cost of net financial debt	**(11.5)**	**(10.6)**	**(22.8)**

Financial debt is described in note 11.

18.2 OTHER FINANCIAL INCOME/(EXPENSE)

(in € millions)	**September 2014**	September 2013	March 2014
Currency gains	-	1.3	-
Vendor loan – interest accrued and revaluation	2.3	2.2	4.4
Other financial income	**2.3**	**3.5**	**4.4**
Currency losses	(1.9)	-	-
Other financial expenses of special *purpose entities*	(3.6)	(3.0)	(6.3)
Other	(0.7)	(0.6)	(1.5)
Other financial expense	**(6.2)**	**(3.6)**	**(7.8)**
Other financial income/(expense)	**(3.9)**	**(0.1)**	**(3.4)**

The item “Vendor loan – interest accrued and revaluation” relates to the loan granted at the time of the disposal of the Champagne division. The characteristics of this loan are described in note 6.

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 19 INCOME TAX

19.1 NET INCOME TAX EXPENSE

(in € millions)	**September 2014**	September 2013	March 2014
Current tax income/(expense)	(28.5)	(46.8)	(47.8)
Deferred tax income/(expense)	4.0	8.6	2.0
Income tax	**(24.5)**	**(38.2)**	**(45.8)**
Effective tax rate	-28.2%	-32.2%	-38.5%

19.2 INCOME TAX BALANCES

(in € millions)	**September 2014**	September 2013	March 2014
Income tax receivables	7.6	1.1	16.9
Income tax payables	(12.9)	(40.9)	(10.0)
Net assets/(liabilities)	**(5.3)**	**(39.8)**	**6.9**

NOTE 20 NET PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS

No net profit from discontinued operations was recognised for the periods presented.

NOTE 21 NET PROFIT EXCLUDING NON-RECURRING ITEMS

Net profit excluding non-recurring items corresponds to net profit restated for other operating income/expense) (as described in note **17**), the related tax effects and the profit/(loss) from discontinued operations.

21.1 RECONCILIATION WITH NET PROFIT/(LOSS)

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

(in € millions)	**September 2014**	September 2013	March 2014
Net profit/(loss) attributable to the owners of the parent company	**62.7**	**69.3**	**62.4**
Provision for impairment of Dynasty Fine Wines Group shares (note **5**)	-	10.9	10.9
Expenses related to the acquisition of Bruichladdich	-	0.1	0.1
Expenses related to the acquisition of Larsen	0.7	3.8	3.9
Brand impairment	-	-	0.1
Tax adjustments (other than on income taxes)	(0.5)	-	1.0
Other	(0.1)	(0.3)	0.2
Tax effect	(0.2)	(0.4)	(0.5)
3% contribution on distribution of dividend in cash	1.4	2.1	2.1
Net profit/(loss) excluding non-recurring items attributable to the owners of the parent company	**64.0**	**85.5**	**80.2**

21.2 NET PROFIT/(LOSS) EXCLUDING NON-RECURRING ITEMS PER SHARE – ATTRIBUTABLE TO THE OWNERS OF THE PARENT

(in € millions)	*Note*	**September 2014**	September 2013	March 2014
Net profit excluding non-recurring items				
▪ owners of the parent company		64.0	85.5	80.2
Number of shares				
▪ basic	*10.2*	48,291,442	49,474,968	49,180,683
▪ diluted	*10.2*	48,386,342	49,667,468	49,311,783
Per share (in €)				
▪ basic		1.33	1.73	1.63
▪ diluted		1.32	1.72	1.63

NOTE 22 OFF-BALANCE SHEET COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

22.1 OFF-BALANCE SHEET COMMITMENTS

At 30 September 2014, eaux-de-vie purchase commitments amounted to €59.9 million, compared with €50.9 million at 31 March 2014 and €36.1 million at 30 September 2013.

At 30 September 2014, wine purchase commitments amounted to €2.7 million, compared with €3.4 million at 31 March 2014 and €8.3 million at 30 September 2013.

At 30 September 2014, capital expenditure commitments totalled €5.6 million, compared with €14.8 million at 31 March 2014 and €7.7 million at 30 September 2013.

At 30 September 2014, office rental commitments amounted to €27.9 million, compared with €26.0 million at 31 March 2014 and €25.5 million at 30 September 2013.

The other purchase and rental commitments and various guarantees have not changed significantly since 30 September 2014.

Rémy Cointreau SA has guaranteed the €65 million bond issue of Financière Rémy Cointreau SA/NV dated 13 August 2013 (note **11.3**).

At 30 September 2014, guarantees on other finance lines amounted to €11.9 million, compared with €4.4 million at 31 March 2014 and €5.6 million at 30 September 2013.

Other guarantees granted and still outstanding at 30 September 2014 have not changed significantly since 31 March 2014.

22.2 ASSETS AND 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.

Guarantees granted and still outstanding at 30 September 2014 were as follows:

Disposal Transaction	Transaction date	Description of outstanding guarantees	Maturity	Maximum amount
Piper-Heidsieck Compagnie Champenoise	8 July 2011	Tax and similar items	Legal period +90 days	No limit
Larsen	30 August 2013	Tax and similar items, other items	Legal period 30 August 2015	€3.0 million

NOTE 23 RELATED PARTIES

During the period ended 30 September 2014, relationships with related parties remained similar to those for the year ended 31 March 2014.

NOTE 24 POST-BALANCE SHEET EVENTS

There are no events to be reported likely to have a material impact on the Group's consolidated financial statements at 30 September 2014.

NOTE 25 UPDATE ON THE CONSOLIDATION SCOPE

		% interest	
Companies	Activity	September 2014	March 2014
Changes in consolidation scope			
Rémy Cointreau Ariès [(1)]	Production	-	100.00

(1) Liquidated.

STATUTORY AUDITORS' REVIEW REPORT ON THE FIRST HALF-YEARLY FINANCIAL INFORMATION

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meetings and in accordance with article L. 451-1-2 III of the French monetary and financial code (Code monétaire et financier), we hereby report to you on:

- our review of the accompanying condensed half-yearly consolidated financial statements of Rémy Cointreau, for the period from April 1 to September 30, 2014; and
- the verification of the information contained in the interim management report.

These condensed half-yearly consolidated financial statements are the responsibility of the board of directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists in making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that the financial statements, taken as a whole, are free from material misstatements, as we would not become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that these condensed half-yearly consolidated financial statements are not prepared in all material respects in accordance with IAS 34 – IFRS as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information provided in the interim management report in respect of the condensed half-yearly consolidated financial statements that were the object of our review.

We have no matters to report on the fairness and consistency of this information with the condensed half-yearly consolidated financial statements.

Paris and Paris-La défense, November 25, 2014
The statutory auditors
French original signed by

Auditeurs & Conseils Associés	ERNST & YOUNG et Autres
Nexia International	
François Mahé	Pierre Bidart

This is a free translation into English of the statutory auditors' review report on the half-yearly consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with and construed in accordance with French law and professional standards applicable in France.
This report also includes information relating to the specific verification of information given in the group's interim management report.

CERTIFICATE OF THE PERSON RESPONSIBLE FOR THE HALF-YEAR REPORT

I certify that, to the best of my knowledge, the interim financial statements for the first half-year 2014-15 were prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, the financial position and the financial performance of the Company and all the companies included in the consolidation, and the half-year operating report presents a true and fair view of significant events which occurred in the first six months of the year, their impact on the half-year financial statements, significant transactions between related parties, as well as the principal risks and uncertainties for the remaining six months of the financial year.

Paris, 25 November 2014

François Hériard Dubreuil
Chairman and Chief Executive Officer of Rémy Cointreau

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