CONSOLIDATED FINANCIAL STATEMENTS OF REMY COINTREAU AS AT 31 MARCH 2015

5.1 Consolidated income statement

As of 31 March, in € millions	*Notes*	**2015**	**2014**	**2013**
Net sales	*15*	**965.1**	**1,031.6**	**1,193.3**
Cost of sales		(347.0)	(413.4)	(456.4)
Gross margin		**618.1**	**618.2**	**736.9**
Distribution costs	*16*	(374.2)	(379.8)	(403.3)
Administrative expenses	*16*	(89.4)	(89.6)	(89.8)
Other income from operations	*16*	1.5	1.4	1.6
Current operating profit	*15*	**156.0**	**150.2**	**245.4**
Other operating expenses	*18*	0.5	(4.9)	(7.5)
Operating profit		**156.5**	**145.3**	**237.9**
Cost of net financial debt		(24.0)	(22.8)	(22.1)
Other financial income/(expense)		(5.7)	(3.4)	2.1
Net financial result	*19*	**(29.7)**	**(26.2)**	**(20.0)**
Profit before tax		**126.8**	**119.1**	**217.9**
Income tax	*20*	(33.5)	(45.8)	(72.0)
Share in profit of associates	*5*	(0.7)	(10.9)	(15.5)
Profit from continuing operations		**92.6**	**62.4**	**130.4**
Net profit/(loss) from discontinued operations	*21*	–	–	–
Net profit for the year		**92.6**	**62.4**	**130.4**
Attributable to:				
non-controlling interests		-	-	-
owners of the parent company		92.6	62.4	130.4
Net earnings per share - from continuing operations (€)				
Basic		1.91	1.27	2.67
Diluted		1.91	1.27	2.66
Net earnings per share - **attributable to the owners of the parent company (€)**				
Basic		1.91	1.27	2.67
Diluted		1.91	1.27	2.66
Number of shares used for the calculation				
Basic	*10.2*	48,432,694	49,180,683	48,880,252
Diluted	*10.2*	48,479,943	49,311,783	49,010,681

5.2 Consolidated statement of comprehensive income

As of 31 March, in € millions	**2015**	**2014**	**2013**
Net profit for the year	**92.6**	**62.4**	**130.4**
Movement in the value of hedging instruments	(36.7)	11.0	5.0
Actuarial difference on pension commitments	(2.6)	(0.4)	(3.1)
Movement in the value of AFS shares	0.1	(0.1)	0.3
Related tax effect	14.9	(3.7)	(0.7)
Movement in translation differences	41.8	(11.6)	1.6
Total income/(expenses) recorded in equity	**17.5**	**(4.8)**	**3.1**
Total comprehensive income for the year	**110.1**	**57.6**	**133.5**
Attributable to:			
owners of the parent company	109.8	57.7	133.5
non-controlling interests	0.3	(0.1)	-

5.3 Consolidated statement of financial position

As of 31 March, in € millions	*Notes*	**2015**	**2014**	**2013**
Brands and other intangible assets	*3*	490.6	480.5	480.2
Property, plant and equipment	*4*	215.6	190.9	173.1
Investments in associates	*5*	45.6	38.8	52.8
Other financial assets	*6*	95.5	93.2	89.9
Deferred tax assets	*20*	41.7	31.7	47.2
Non-current assets		**889.0**	**835.1**	**843.2**
Inventories	*7*	1,109.1	1,024.6	945.9
Trade and other receivables	*8*	248.7	202.7	255.5
Income tax receivables		16.9	16.9	0.8
Derivative financial instruments	*14*	0.8	12.8	6.3
Cash and cash equivalents	*9*	74.1	186.3	186.8
Assets held for sale	*2*	-	-	28.8
Current assets		**1,449.6**	**1,443.3**	**1,424.1**
Total assets		**2,338.6**	**2,278.4**	**2,267.3**
Share capital		77.9	77.6	81.4
Share premium		693.9	680.9	828.6
Treasury shares		(9.6)	(13.7)	(97.4)
Consolidated reserves and profit of the year		272.5	267.2	270.7
Translation reserve		40.2	(1.2)	10.3
Shareholders' equity – owners of the parent company		**1,074.9**	**1,010.8**	**1,093.6**
Non-controlling interests		1.4	1.1	1.2
Shareholders' equity	*10*	**1,076.3**	**1,011.9**	**1,094.8**
Long-term financial debt	*11*	344.1	553.0	389.2
Provision for employee benefits	*23*	31.7	26.7	25.2
Long-term provisions for liabilities and charges	*12*	10.2	4.6	5.8
Deferred tax assets	*20*	89.1	94.7	99.0
Non-current liabilities		**475.1**	**679.0**	**519.2**
Short-term financial debt and accrued interest charge	*11*	196.6	46.8	63.1
Trade and other payables	*13*	531.6	509.0	542.9
Income tax payables		9.7	10.0	25.3
Short-term provisions for liabilities and charges	*12*	19.5	14.4	3.6
Derivative financial instruments	*14*	29.8	7.3	18.4
Liabilities held for sale	*2*	-	-	-
Current liabilities		**787.2**	**587.5**	**653.3**
Total equity and liabilities		**2,338.6**	**2,278.4**	**2,267.3**

5.4 Change in consolidated shareholders' equity

As of 31 March, in € millions	Share capital and premium	Treasury shares	Reserves and net profit	Translation reserve	Profit recorded in equity	Attributable to owners of the parent company	Attributable to non-controlling interests	Total equity
At 31 March 2012	**817.6**	**(95.8)**	**262.5**	**8.6**	**(18.1)**	**974.8**	**1.2**	**976.0**
Net profit/(loss)	-	–	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**
Net profit/(loss)	-	-	62.4	-	-	62.4	-	62.4
Gains (losses) recorded in equity	-	-	-	(11.5)	6.8	(4.7)	(0.1)	(4.8)
Share-based payments	-	-	3.7	-	-	3.7	-	3.7
Capital reduction	(151.5)	151.5	-	-	-	-	-	-
Transactions on treasury shares	-	(74.9)	-	-	-	(74.9)	-	(74.9)
Dividends	-	-	(69.3)	-	-	(69.3)	-	(69.3)
Reclassification	-	7.1	(7.1)	-	-	-	-	-
At 31 March 2014	**758.5**	**(13.7)**	**277.1**	**(1.2)**	**(9.9)**	**1,010.8**	**1.1**	**1,011.9**
Net profit/(loss)	-	-	92.6	-	-	92.6	-	92.6
Gains (losses) recorded in equity	-	-	-	41.4	(24.2)	17.2	0.3	17.5
Share-based payments	-	-	2.1	-	-	2.1	-	2.1
Transactions on treasury shares	-	0.2	-	-	-	0.2	-	0.2
Dividends	13.3	-	(61.3)	-	-	(48.0)	-	(48.0)
Reclassification	-	3.9	(3.9)	-	-	-	-	-
At 31 March 2015	**771.8**	**(9.6)**	**306.6**	**40.2**	**(34.1)**	**1,074.9**	**1.4**	**1,076.3**

5.5 Consolidated statement of cash flows

	notes	2015	2014	2013
Current operating profit		156.0	150.2	245.4
Depreciation, amortisation and impairment		18.6	17.1	16.5
Long-term bonus plans		2.8	3.7	5.3
Dividends received from associates	5	0.8	0.5	0.9
EBITDA		178.2	171.5	268.1
Change in inventories		(44.3)	(94.1)	(50.5)
Change in trade receivables		(0.2)	33.1	(28.7)
Change in trade payables		(5.2)	16.6	16.8
Change in other receivables and payables		(29.7)	(17.3)	16.2
Change in working capital requirement		(79.4)	(61.7)	(46.2)
Net cash flow from operations		**98.8**	**109.8**	**221.9**
Other operating expenses		(1.3)	(3.1)	0.9
Financial result		(28.7)	(31.3)	(24.0)
Income tax		(24.3)	(77.0)	(66.8)
Other operating cash flows		(54.3)	(111.4)	(89.9)
Net cash flow from operating activities - continuing operations		**44.5**	**(1.6)**	**132.0**
Impact of discontinued operations		-	-	-
Net cash flow from operating activities		**44.5**	**(1.6)**	**132.0**
Purchase of intangible assets and property, plant and equipment	3/4	(36.8)	(42.2)	(26.1)
Purchase of shares in associates and non-consolidated investments	5/6	-	-	(151.8)
Cash flow from disposals of fixed assets		0.9	37.4	0.3
Disposal of shares in associates and non-consolidated investments	6	0.8	-	-
Net cash flow from other investments	6	(0.8)	(0.3)	0.6
Net cash flow from investment activities - continuing operations		**(35.9)**	**(5.1)**	**(177.0)**
Impact of discontinued operations		-	-	-
Net cash flow from investment activities		**(35.9)**	**(5.1)**	**(177.0)**
Capital increase	10	-	-	-
Treasury shares	10	0.2	(74.9)	2.4
Increase in financial debt		95.8	176.1	96.6
Repayment of financial debt		(160.0)	(24.7)	(40.6)
Dividends paid		(48.0)	(69.3)	(18.4)
Net cash flow from financing activities - continuing operations		**(112.0)**	**7.2**	**40.0**
Impact of discontinued operations		-	-	-
Net cash flow from financing activities		**(112.0)**	**7.2**	**40.0**
Translation differences on cash and cash equivalents		(8.8)	(1.0)	1.7
Change in cash and cash equivalents		**(112.2)**	**(0.5)**	**(3.3)**
Cash and cash equivalents at start of year	9	**186.3**	**186.8**	**190.1**
Cash and cash equivalents at end of year	9	**74.1**	**186.3**	**186.8**

5.6 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 Euronext Paris.

The consolidated financial statements presented below were approved by the Board of Directors on 9 June 2015. They will be submitted for shareholder approval at the Shareholders' Meeting on 29 July 2015.

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, Rémy Cointreau's consolidated financial statements are prepared in accordance with international accounting standards applicable within the European Union as of 31 March 2015.

These standards can be consulted on the European Commission website at:

http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm

First-time adoption of IFRS

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;
- measurement of property, plant and equipment and intangible assets: the option to value these assets at their fair value on the transition date was not taken;
- 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;
- 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 and amendments whose application by the Group was compulsory for the first time from 1 January 2014 are as follows:

- IFRS 10, "Consolidated financial statements";
- IFRS 11, "Joint arrangements";
- IFRS 12, "Disclosure of interests in other entities";
- amendment to IAS 27, "Consolidated and separate financial statements";
- amendment to IAS 28, "Investments in associates and joint ventures";
- amendments to IAS 32, offsetting financial assets and financial liabilities;
- amendment to IAS 36 "Impairment of assets, recoverable amount disclosures for non-financial assets";
- 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.

The standards, interpretations and amendments whose application is compulsory after 31 March 2015 and for which the Group did not choose early application for the consolidated financial statements for the year ended 31 March 2015 are as follows:

- IFRS annual improvement cycles 2010-2012 and 2011-2013;
- amendment to IAS 19, "Defined benefit plans: employee contributions";

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

NOTE 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 items described below.

Asset impairment tests

In the context of conducting impairment tests on the carrying amount of intangible assets with an indefinite useful life, and of other assets (such as the Dynasty group investment (see note **5**)), and when required by standards or circumstances, the Group regularly uses discounted future cash flow calculations and/or market values of comparable assets. The underlying parameters of such calculations are subject to assumptions, the future evolution of which may lead to significant changes in subsequent values.

Provisions for liabilities and charges

The recognition of provisions, 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.

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.

NOTE 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 **1.21**).

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 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.

NOTE 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 subsidiaries, whose functional currency is not the euro, are translated at the closing exchange rate. The income statements and statements of cash flows 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 differences” until the sale or liquidation of the subsidiary concerned.

NOTE 1.4 FOREIGN-CURRENCY TRANSACTIONS

In relation to each entity, transactions denominated in currencies other than the functional currency are recorded in the functional currency using the exchange rate applicable on the date of transaction. At the end of each period, cash assets and liabilities in foreign currencies are reassessed at the closing exchange rate for the year. The resulting differences are recognised in either the operating profit or net financial income depending on the nature of the underlying transactions.

By way of exception, revaluation differences relating to transactions classified as net investment hedges are recognised directly in equity under "Translation reserve".

As a general rule, distribution subsidiaries invoice their customers in the functional currency of the customer and make purchases from production subsidiaries in their own functional currency (not in the functional currency of the production company).. The majority of the Group's production subsidiaries are located in the euro zone, despite the euro representing only 25% of its sales. As a result, the production subsidiaries and certain distribution subsidiaries are significantly exposed to changes in foreign exchange rates.

The Group manages this risk, and other similar risks associated with the financing of its "non euro" subsidiaries, centrally through the use of derivative financial instruments which are recognised in accordance with IAS 39. The hedging instruments are concluded over a rolling 18-month period. At the end of each period, the Group may retain a portfolio of instruments intended to hedge the cash flows of subsequent years. Over the course of the financial year, the instruments retained at the start of the year reach maturity.

The revaluation effects of foreign currency derivative financial instruments at the end of each period are recognised in financial income for the portion that must be recorded as income in accordance with the standard, regardless of the type of cash flows hedged (trading or financial). These revaluations, dependent upon the closing exchange rate for each currency, have no bearing on the income that will actually be generated upon maturity of the instruments.

The income actually generated upon maturity of financial instruments allocated in the financial year is recorded in either gross margin or financial income depending on the type of cash flows hedged (trading or financial).

NOTE 1.5 BUSINESS COMBINATIONS AND GOODWILL

Goodwill represents the difference between the cost of acquisition of the businesses 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.

NOTE 1.6 INTANGIBLE ASSETS

With the exception of software licences, intangible assets mainly comprise the value of the intangibles identified when acquisitions are made by the Group: residual goodwill (goodwill), brands, distribution rights.

For certain brands owned by the Group, the value recorded in the balance sheet is the result of the acquisition of non-controlling interests or businesses subsequent to the creation or inclusion of the brand. The amount recorded in the balance sheet therefore represents only a percentage of the value of the brand.

The values recorded under "Brands" in 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.** and also relate to goodwill and distribution rights, where appropriate.

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.

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

NOTE 1.7 PROPERTY, PLANT AND EQUIPMENT

A) Gross cost

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 property, plant and equipments 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.

- Buildings, depending on the components .... 10 to 75 years
- Stills, casks, vats .... 35 to 50 years
- Technical plant, machinery and equipment .... 3 to 15 years
- Computer hardware .... 3 to 5 years
- Other non-current assets .... 5 to 10 years

NOTE 1.8 IMPAIRMENT OF NON-CURRENT ASSETS

The value in use of assets falling within the scope of IAS 36 "Impairment of 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 (see note **1.6**) except in the case of certain brands for which the Group uses the exception provided for by IAS 36.24 due to a significant difference between the carrying amount and the recoverable amount.

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.

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. Each brand or group of brands constitutes a unit when the brand or brands generate cash inflows that are largely independent of those generated by other brands or groups of brands.

These tests consist of comparing the carrying amount of the assets or group of 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.

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, asset or group of assets. Cash flows are estimated based on medium-term business plans, the duration of which is tailored to the individual characteristics of each activity. As such, the duration is five years for brands without ageing processes and 12 years for brands with ageing processes. The terminal value is determined by applying a constant growth rate to infinity. The discount rates used are set 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.

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.

NOTE 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 distilled spirits (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 agricultural assets 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 is 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.

NOTE 1.10 FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities are valued in accordance with IAS 39, “Financial instruments: recognition and measurement”, as approved by the European Union on 19 November 2004 and its subsequent amendments.

A) Trade receivables and payables

Trade receivables and payables, which are generally collected or settled within three months, are stated at nominal value.

An impairment provision is recognised when the 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;
- as an impairment provision in financial result, when the loss is considered to be permanent.

In the case of the Rémy Cointreau Group, these shares represent non-core investments that have been retained for historical reasons.

C) Derivatives

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 result 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 syndicated loan, which are amortised using the straight-line method over the term of the contract.

NOTE 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.

NOTE 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.

NOTE 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).

NOTE 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.

Actuarial gains and losses calculated for the valuation of post-employment defined benefit plans (experience adjustments and the effects of changes in actuarial assumptions) are recognised directly in equity.

NOTE 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 from operations” when they are peripheral to the Group’s core activity.

NOTE 1.16 DEFINITION OF CERTAIN INDICATORS

A) Current 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 measure is used to calculate certain ratios. It corresponds to current operating profit adjusted by adding back depreciation and amortisation for the period on property, plant and equipment and intangible assets, accruals relating to long-term incentive plans, and dividends received from associates during the period.

C) Net debt

This measure is used to calculate certain ratios. It corresponds to long-term financial debt plus short-term financial debt and accrued interest, less cash and cash equivalents.

NOTE 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. 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 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, St-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 in the framework of fixed-term agreements.

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

B) Geographic area

Net sales by geographic area are analysed based on the destination of the goods sold. Items in the statement of financial position are analysed based on the geographic area of the entities reporting them.

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

NOTE 1.18 TREASURY SHARES

Group investments in Rémy Cointreau shares are deducted from equity at their acquisition cost. These shares are generally held with the aim of serving bonus share plans or under a liquidity contract.

NOTE 1.19 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.

NOTE 1.20 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 has been sold during the reporting period or classified as assets held for sale:

- each line of the contribution to the result of said company or business for the current period and for comparison periods is reclassified as "Net profit/(loss) from discontinued operations". A similar reclassification is made in the statement of cash flows by using: "Impact of discontinued operations" for operating and investment cash flows;
- when the disposal is still in progress at the reporting date, any difference between the carrying amount of the assets in question and the estimated market value, net of disposal expenses and tax, if negative, is recognised as "Net profit/(loss) from discontinued operations";
- the profit generated by the disposal, net of transaction costs and tax, is also recognised under "Net profit/(loss) from discontinued operations". In the statement of cash flows, a distinction is made between the cash received as consideration for the sale net of transaction costs, classified as cash flow from investments, and any impact of the de-consolidation of the cash held by the entity sold, classified as cash flow from financing activities.

Direct costs associated with the disposal in progress and which are irrevocably incurred at the balance sheet date are recognised under "Net profit/(loss) from discontinued operations". A similar reclassification is made in the statement of cash flows using the: "Impact of discontinued operations" for investment cash flows.

NOTE 1.21 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.

This consolidation is reflected by the recognition in the consolidated balance sheet of 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. The resulting finance costs are also included in the Rémy Cointreau Group’s cost of financial debt.

NOTE 2 CHANGES IN CONSOLIDATION SCOPE

The company Rémy Sula, previously accounted for under the equity method, was sold in March 2015 (note **5**). The Rémy Cointreau Group made no other disposal or acquisition of shares during the year ended 31 March 2015.

NOTE 3 BRANDS AND OTHER INTANGIBLE ASSETS

(in € millions)	**Goodwill**	**Brands**	**Distribution rights**	**Other**	**Total**
Gross value at 31 March 2013	**22.5**	**501.5**	**7.1**	**25.4**	**556.5**
Acquisitions	-	-	-	3.2	3.2
Disposals, items scrapped	-	-	-	(0.3)	(0.3)
Translation reserve	0.4	(0.4)	(0.2)	(0.4)	(0.6)
Gross value at 31 March 2014	**22.9**	**501.1**	**6.9**	**27.9**	**558.8**
Acquisitions	1.8	-	-	2.3	4.1
Disposals, items scrapped	-	-	-	(0.4)	(0.4)
Other movements	-	-	-	0.4	0.4
Translation reserve	3.5	4.7	0.8	1.6	10.6
Gross value at 31 March 2015	**28.2**	**505.8**	**7.7**	**31.8**	**573.5**
Accumulated amortisation and depreciation at 31 March 2013	**-**	**52.2**	**5.2**	**18.9**	**76.3**
Increase	-	0.1	-	2.7	2.8
Disposals, items scrapped	-	-	-	(0.4)	(0.4)
Translation reserve	-	(0.1)	(0.1)	(0.2)	(0.4)
Accumulated amortisation and depreciation at 31 March 2014	**-**	**52.2**	**5.1**	**21.0**	**78.3**
Increase	-	-	-	3.0	3.0
Disposals, items scrapped	-	-	-	(0.3)	(0.3)
Translation reserve	-	0.6	0.3	1.0	1.9
Accumulated amortisation and depreciation at 31 March 2015	**-**	**52.8**	**5.4**	**24.7**	**82.9**
Net carrying amount at 31 March 2013	**22.5**	**449.3**	**1.9**	**6.5**	**480.2**
Net carrying amount at 31 March 2014	**22.9**	**448.9**	**1.8**	**6.9**	**480.5**
Net carrying amount at 31 March 2015	**28.2**	**453.0**	**2.3**	**7.1**	**490.6**

“Other” mainly comprises software licences.

The “Distribution rights” carrying amount includes a brand-equivalent amount.

The amounts recorded under "Goodwill", "Brands" and "Distribution rights" are considered to have an indefinite useful life.

The principles applied in relation to intangible assets and their valuation are described in notes **1.6 and 1.8**.

"Goodwill", which at 31 March 2014 included the goodwill arising from the acquisition of Bruichladdich Distillery Ltd., increased by €1.8 million over the year following the acquisition of the Rum Refinery of Mount Gay in May 2014.

This distillery, the main supplier of Mount Gay Rum, has historical links with the brand, which was established in 1703. Mount Gay is a separate cash-generating unit (CGU) within the Liqueurs & Spirits division. Intangible assets (goodwill, brands, distribution rights) for this CGU totalled €12.8 million at 31 March 2015.

The carrying amounts reported in the Group's statement of financial position under "Brands" (as well as "Goodwill" and "Distribution rights") mainly concern the following brands: Rémy Martin, Cointreau, Mount Gay, Metaxa, Ponche Kuba and Bruichladdich.

The carrying amounts of Rémy Martin, Cointreau and Mount Gay are essentially derived from the acquisition of non-controlling interests and so do not represent a comprehensive valuation of these brands. Metaxa, Ponche Kuba and Bruichladdich are acquired brands. The other brands held by the Group were created and do not have any carrying value on the balance sheet.

No impairment was recognised by the Group in light of the tests carried out during the financial year. For these tests, the present value used was the recoverable value, based on discounted future cash flows generated by medium-term plans approved by the management (5 years for brands without ageing processes, 12 years or more for brands with ageing processes). The discount rate used is calculated before tax and is specific to each brand. It is determined by an independent expert. For the year ended 31 March 2015, the pre-tax discount rates were between 9.4% and 7.8%. The perpetual growth rate was 1%.

Considering the projections and financial parameters on which such tests are based, an increase of less than 0.8 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.

At 31 March 2015, the total provision for impairment of intangible assets was €52.8 million (2014: €52.2 million; 2013: €52.2 million), including €45.0 million for the Greek brandy Metaxa, acquired in 2000, and €7.8 million for secondary brands.

NOTE 4 PROPERTY, PLANT AND EQUIPMENT

(in € millions)	**Land**	**Buildings**	**Other**	**In progress**	**Total**
Gross value at 31 March 2013	**9.4**	**94.7**	**196.8**	**16.1**	**317.0**
Acquisitions	2.2	2.8	21.8	7.0	33.8
Disposals, items scrapped	(0.3)	(0.3)	(2.1)	-	(2.7)
Other movements	0.7	8.2	7.2	(15.8)	0.3
Translation reserve	(0.1)	(0.6)	(1.5)	-	(2.2)
Gross value at 31 March 2014	**11.9**	**104.8**	**222.2**	**7.3**	**346.2**
Acquisitions	1.4	5.9	22.4	2.5	32.2
Disposals, items scrapped	(0.1)	(1.0)	(9.8)	(0.1)	(11.0)
Other movements	0.2	1.9	2.5	(5.0)	(0.4)
Translation reserve	0.6	4.2	9.8	-	14.6
Gross value at 31 March 2015	**14.0**	**115.8**	**247.1**	**4.7**	**381.6**
Accumulated amortisation and depreciation at 31 March 2013	**1.9**	**38.3**	**103.7**	**-**	**143.9**
Increase	0.5	2.9	10.9	-	14.3
Disposals, items scrapped	(0.1)	-	(1.8)	-	(1.9)
Other movements	-	0.3	-	-	0.3
Translation reserve	(0.1)	(0.2)	(1.0)	-	(1.3)
Accumulated amortisation and depreciation at 31 March 2014	**2.2**	**41.3**	**111.8**	**-**	**155.3**
Increase	0.6	3.1	12.0	-	15.7
Disposals, items scrapped	(0.1)	(0.9)	(9.5)	-	(10.5)
Translation reserve	-	0.8	4.7	-	5.5
Accumulated amortisation and depreciation at 31 March 2015	**2.7**	**44.3**	**119.0**	**-**	**166.0**

Net carrying amount at 31 March 2013	**7.5**	**56.4**	**93.1**	**16.1**	**173.1**
Net carrying amount at 31 March 2014	**9.7**	**63.5**	**110.4**	**7.3**	**190.9**
Net carrying amount at 31 March 2015	**11.3**	**71.5**	**128.1**	**4.7**	**215.6**

As of 31 March 2015, no property, plant or equipment owned by the Group was subject to impairment provisions. These non-current assets are unencumbered.

For the year ended 31 March 2015, acquisitions totalled €32.2million and, for €9.5 million, corresponded to the acquisition of the Mount Gay Rum Refinery as well as a plantation. The balance related mainly to industrial capital expenditure for upgrading and refurbishment work on the Group's various production facilities (Cognac, Saint Barthélemy d'Anjou, Barbados, Islay).

NOTE 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
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 of 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)	(0.2)	-	(0.8)
Profit of the year	-	0.5	-	(1.2)	(0.7)
Translation differences	8.3	-	-	-	8.3
At 31 March 2015	**37.7**	**1.1**	**6.8**	**-**	**45.6**

NOTE 5.1 DYNASTY

Rémy Cointreau has a 27% equity investment in the Chinese group Dynasty Fine Wines Ltd, a producer and distributor of Chinese wines. This legacy investment was originally a joint venture set up in 1980 with the municipality of Tianjin, which still holds a 45% interest. Since 2005, this group has been listed on the Hong Kong stock exchange, with a free float of approximately 28%.

Trading in its shares was suspended on 22 March 2013, just after the Group issued a profit warning for its 2012 financial year. The suspension was due to the fact that the Group was unable to publish its 2012 financial statements on time. The delay was caused by investigations launched by the Audit Committee following allegations of fraud. On 31 March 2013, Rémy Cointreau impaired its investment by €15.9 million in consideration of the fact 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.

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 conducted a new valuation 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 31 March 2015, the situation was more or less unchanged. Neither the 2012, 2013 nor 2014 financial statements have been published. Further impairment tests have been carried out with the help of an independent expert. The net carrying amount has remained unchanged from 31 March 2014, at HKD 316 million. In light of changes in the €/HKD exchange rate, the value of the equity investment was €37.7 million at 31 March 2015.

The impairment tests include a model discounting future cash flows based on a long-term plan (12 years). This valuation assumes a 3% perpetual growth rate and a 17% discount rate.

The Dynasty Group regularly publishes information on its website **www.dynasty-wines.com**.

NOTE 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. Its net sales amounted to €176.3 million over the Rémy Cointreau financial year, compared with €171.4 million the previous financial year. Its total assets amounted to €44.2 million at 31 March 2015 (2014: €44.9 million).

For the year ended 31 March 2015, the Rémy Cointreau Group generated net sales of €32.3 million with Lixir (2014: €33.3 million).

NOTE 5.3 DIVERSA

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

At 31 March 2015, Diversa GmbH's net sales were €103.7 million (2014: €105.7 million). Its total assets amounted to €29.2 million at 31 March 2015 (2014: €32.2 million).

For the year ended 31 March 2015, the Rémy Cointreau Group generated net sales of €19.1 million with Diversa (2014: €20.1 million).

NOTE 5.4 OTHER

During the year ended 31 March 2012, the Rémy Cointreau Group set up a joint venture with an Indian partner with a view to developing a local brandy. The Group sold its shareholding during the year ended 31 March 2015.

NOTE 6 OTHER FINANCIAL ASSETS

(in € millions)	**2015**	**2014**	**2013**
Non-consolidated equity investments	2.6	2.6	4.2
Vendor loan (note **6.2**)	87.9	86.5	82.1
Loan to non-consolidated investments	-	0.2	0.1
Liquidity account excluding Rémy Cointreau shares	3.1	2.3	2.2
Other	1.9	1.6	1.3
Total	**95.5**	**93.2**	**89.9**

NOTE 6.1 NON-CONSOLIDATED EQUITY INVESTMENTS

(in € millions)	**% held**	**2015**	**% held**	**2014**	**% held**	**2013**
Dettling & Marmot (Switzerland)	25.0%	1.0	25.0%	1.0	25.0%	1.0
Ducs de Gascogne SA (France)	30.1%	0.5	30.1%	0.5	30.1%	0.5
Tianjin Dvpt Holding Ltd (RPC)	0.2%	0.6	0.2%	0.5	0.2%	0.6
Balachoa-Vinhos de Portugal (Portugal)	0.8%	0.5	0.8%	0.5	0.8%	0.5
Destilerias de Vilafranca S.A	-	-	-	-	100.0%	1.5
Other investments	-	-	-	0.1	-	0.1
Total		**2.6**		**2.6**		**4.2**

NOTE 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 2015, 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.

Interest accrued since July 2014 and payable in July 2015 is recognised as other receivables.

NOTE 6.3 LIQUIDITY ACCOUNT

Since the financial year ended 31 March 2006, Rémy Cointreau signed a liquidity agreement with a financial intermediary. 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**).

NOTE 7 INVENTORIES

NOTE 7.1 BREAKDOWN BY CATEGORY

(in € millions)	**2015**	**2014**	**2013**
Raw materials	44.0	40.7	30.5
Ageing wines and eaux-de-vie (1)	922.3	865.9	779.1
Goods for resale and finished goods	154.0	125.1	142.5
Gross cost	**1,120.3**	**1,031.7**	**952.1**
Provision for impairment	(11.2)	(7.1)	(6.2)
Carrying amount	**1,109.1**	**1,024.6**	**945.9**

(1) Of which AFC inventories (note 1.21) for €251.4 million (2014: €235.7 million; 2013: €202.3 million)

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

As of 31 March 2015, some inventories were subject to agricultural warrants for €46.0 million (2014: €44.0 million; 2013: €28.0 million).

NOTE 7.2 ANALYSIS OF THE CHANGE

(in € millions)	**Gross cost**	**Impairment**	**Carrying amount**
Balance at 31 March 2013	**952.1**	**(6.2)**	**945.9**
Movement	91.6	(1.1)	90.5
Translation reserve	(12.0)	0.2	(11.8)
Balance at 31 March 2014	**1,031.7**	**(7.1)**	**1,024.6**
Movement	44.3	(3.5)	40.8
Translation reserve	44.3	(0.6)	43.7
Balance at 31 March 2015	**1,120.3**	**(11.2)**	**1,109.1**

NOTE 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)	**2015**	**2014**	**2013**
Trade receivables	176.0	152.8	197.2
Receivables related to taxes and social charges (excl. income tax)	17.1	9.2	8.6
Sundry prepaid expenses	7.2	7.2	6.0
Advances paid	25.3	22.4	24.5
Receivables related to asset disposals	-	0.1	-
Other receivables	23.1	11.0	19.2
Total	**248.7**	**202.7**	**255.5**
Of which provision for doubtful debts	(2.8)	(6.0)	(6.6)

At 31 March 2015, the breakdown of trade receivables by maturity was as follows:

			Due	
(in € millions)	Total	Current	Less than 3 months	More than 3 months
Trade receivables gross	**178.8**	**124.7**	**44.1**	**10.0**

The Group implemented factoring programmes during the year which had the effect of accelerating customer payments. These totalled €31.6 million at 31 March 2015 (2014: €10.9 million).

NOTE 9 CASH AND CASH EQUIVALENTS

(in € millions)	**2015**	**2014**	**2013**
Short-term deposits	21.8	103.9	100.9
Cash at bank	52.3	82.4	85.9
Total	**74.1**	**186.3**	**186.8**

The change in "Short-term deposits" for the year ended 31 March 2015 is due to the non-renewal of structured deposits that reached maturity during the year. The funds were assigned to the repayment of gross financial debt.

NOTE 10 SHAREHOLDERS’ EQUITY

NOTE 10.1 SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

	Number of shares	Treasury shares	Total number of shares	Share capital	Share premium	Treasury shares
At 31 March 2013	**50,909,912**	**(1,449,294)**	**49,460,618**	**81.4**	**828.6**	**(97.4)**
Share buyback programme	-	(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 bonus 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	-	10,000	10,000	-	-	0.9
Other treasury shares	-	2,500	2,500	-	-	0.1
At 31 March 2014	**48,476,859**	**(190,294)**	**48,286,565**	**77.6**	**680.9**	**(13.7)**
Part payment of dividend in shares	233,394	-	233,394	0.3	13.0	-
2012 bonus share plan	-	52,500	52,500	-	-	3.9
Liquidity account	-	-	-	-	-	-
Other treasury shares	-	8,000	8,000	-	-	0.2
At 31 March 2015	**48,710,253**	**(129,794)**	**48,580,459**	**77.9**	**693.9**	**(9.6)**

Share capital and premium

At 31 March 2015, the share capital consisted of 48,710,253 shares with a par value of €1.60.

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

Treasury shares

At 31 March 2015, Rémy Cointreau held 129,794 treasury shares intended to cover current or future bonus share plans.

No shares were held under the liquidity contract as of 31 March 2015.

NOTE 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 **1.19**.

	2015	2014	2013
Average number of shares (basic):			
Average number of shares	48,596,433	50,482,382	50,329,413
Average number of treasury shares	(163,739)	(1,301,699)	(1,449,161)
Total used for calculating basic earnings per share	**48,432,694**	**49,180,683**	**48,880,252**
Average number of shares (diluted):			
Average number of shares (basic)	48,432,694	49,180,683	48,880,252
Dilution effect of bonus share plans	47,249	131,100	130,429
Total used for calculating diluted earnings per share	**48,479,943**	**49,311,783**	**49,010,681**

NOTE 10.3 BONUS SHARE PLANS

Stock option plans

The last plan of this type (plan 13) expired during the year, the remaining 8,000 options having been exercised.

Exercise start date	Plan No.	Term in years	Number of options granted	Exercise price in €	Lapsed options	Options exercised at 31 March 2014	Options exercised during the year	Average exercise price	Options outstanding at 31 March 2015
24 December 2008	13	6	262,000	28.07	35,000	219,000	8,000	60.12	-

Bonus share plans

Grant date[1]	Plan No.	Vesting period	Minimum retention period	Initial number of shares granted	Share value on date granted	Lapsed shares	Shares granted at the end of the vesting period	Number of shares outstanding at 31 March 2015
20 November 2012	2012	2 years	2 years	96,500	83.29	44,000	52,500	-
25 March 2014	2014	2 years	2 years	41,900	58.72	8,800	-	33,100
27 January 2015	2015	3 years	2 years	82,500	64.26	-	-	82,500
Total				**220,900**		**52,800**	**52,500**	**115,600**

(1) The grant date is the date of the Board meeting which decided allocations under each plan.

The vesting conditions for the 2012 and 2014 plans are as follows:

- 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 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. Performance indicators are the current operating profit margin and return on capital employed measured at constant exchange rates and scope.

At the end of the vesting period, the performance criterion for the 2012 plan had not been met. Accordingly, 60% of shares outstanding at that date were allocated by issuing shares held by Rémy Cointreau.

The 2015 plan is an index-linked plan. The shares issued to beneficiaries at the end of the vesting period will be contingent on their continued employment. The number will depend on the market performance of Rémy Cointreau shares between 27 January 2015 and 27 January 2018. The maximum number will be awarded if the share price increases by 30% or more.

The 2014 and 2015 plans will be serviced by delivery of shares held by Rémy Cointreau.

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 these plans is recognised as operating profit.

For the 2012 and 2014 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 bonus 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.

For the 2015 plan, the value of the benefit was calculated by independent actuaries based on a Black & Scholes model.

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 2015 were as follows:

	2012 Plan	2014 Plan	2015 Plan
Expectation performance criteria will be met	0%	100%	N/A
Staff turnover ratio	N/A	4%	4%
Fair value per option (1)	€78.69	€55.92	€28.11
Fair value per option (2)	€82.21	€59.46	€28.11

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

For the year ended 31 March 2015, the related expense was €2.1 million (2014: €3.7 million; 2013: €5.3 million).

NOTE 10.4 DIVIDENDS

The Shareholders' Meeting on 24 July 2014 approved the payment of an ordinary dividend of €1.27 per share for the year ended 31 March 2014, with an option for the payment of €0.37 in shares. Payment in shares was made on 25 September for the total amount of €13.3 million. The balance of €48.0 million was paid in October 2014.

NOTE 10.5 NON-CONTROLLING INTERESTS

(in € millions)	**2015**	**2014**	**2013**
Minority interests in Mount Gay Distilleries	1.4	1.1	1.2
TOTAL	**1.4**	**1.1**	**1.2**

NOTE 11 FINANCIAL DEBT

NOTE 11.1 NET FINANCIAL DEBT

(in € millions)	2015			2014			2013		
	Long term	Short term	Total	Long term	Short term	Total	Long term	Short term	Total
Gross financial debt	344.1	196.6	540.7	553.0	46.8	599.8	389.2	63.1	452.3
Cash and cash equivalents (note **9**)	-	(74.1)	(74.1)	-	(186.3)	(186.3)	-	(186.8)	(186.8)
Net financial debt	**344.1**	**122.5**	**466.6**	**553.0**	**(139.5)**	**413.5**	**389.2**	**(123.7)**	**265.5**

NOTE 11.2 GROSS FINANCIAL DEBT BY TYPE

(in € millions)	2015			2014			2013		
	Long term	Short term	Total	Long term	Short term	Total	Long term	Short term	Total
Bonds	202.7	-	202.7	201.5	-	201.5	200.3	-	200.3
Private bond placement	79.7	-	79.7	-	-	-	-	-	-
Private placement	-	140.0	140.0	139.8	-	139.8	139.5	-	139.5
Drawdown on syndicated loan	-	-	-	150.0	-	150.0	50.0	-	50.0
Upfront fees on syndicated loan	(1.9)	-	(1.9)	(1.7)	-	(1.7)	(2.2)	-	(2.2)
Other financial debt and over-drafts	-	-	-	-	-	-	-	0.1	0.1
Accrued interest	-	7.5	7.5	-	7.6	7.6	-	7.5	7.5
Total Rémy Cointreau SA	**280.5**	**147.5**	**428.0**	**489.6**	**7.6**	**497.2**	**387.6**	**7.6**	**395.2**
Bonds	63.5	-	63.5	63.3	-	63.3	-	-	-
Other financial debt and over-drafts	0.1	35.7	35.8	0.1	26.1	26.2	1.6	49.3	50.9
Accrued interest	-	1.7	1.7	-	1.7	1.7	-	-	-
Borrowings by special *purpose entities*	-	11.7	11.7	-	11.4	11.4	-	6.2	6.2
Total subsidiaries	**63.6**	**49.1**	**112.7**	**63.4**	**39.2**	**102.6**	**1.6**	**55.5**	**57.1**
Gross financial debt	**344.1**	**196.6**	**540.7**	**553.0**	**46.8**	**599.8**	**389.2**	**63.1**	**452.3**

The total amount of confirmed resources available and their utilisation rate is detailed in the note on liquidity risk (note **14.6**).

NOTE 11.3 GROSS FINANCIAL DEBT BY MATURITY

(in € millions)	Long term	Short term
Before 31 March 2016	-	196.6
15 December 2016	202.7	-
31 March 2017	0.1	
11 April 2019	(1.9)	-
13 August 2023	63.5	
27 February 2025	79.7	
Total	**344.1**	**196.6**

NOTE 11.4 GROSS FINANCIAL DEBT BY TYPE OF RATES

(in € millions)	2015			2014			2013		
	Long term	Short term	Total	Long term	Short term	Total	Long term	Short term	Total
Fixed interest rate	345.9	140.0	485.9	404.6	-	404.6	339.8	-	339.8
Variable interest rate	(1.8)	47.4	45.6	148.4	37.5	185.9	49.4	55.6	105.0
Accrued interest	-	9.2	9.2	-	9.3	9.3	-	7.5	7.5
Gross financial debt	**344.1**	**196.6**	**540.7**	**553.0**	**46.8**	**599.8**	**389.2**	**63.1**	**452.3**

(in € millions)	2015			2014			2013		
	Long term	Short term	Total	Long term	Short term	Total	Long term	Short term	Total
Drawdown on syndicated loan	-	-	-	150.0	-	150.0	50.0	-	50.0
Upfront fees on syndicated loan	(1.9)	-	(1.9)	(1.7)	-	(1.7)	(2.2)	-	(2.2)
Other	0.1	47.4	47.5	0.1	37.5	37.6	1.6	55.6	57.2
Variable interest rate	**(1.8)**	**47.4**	**45.6**	**148.4**	**37.5**	**185.9**	**49.4**	**55.6**	**105.0**

Details of the interest rate hedging instruments held in the portfolio at the reporting date are provided in note **14**.

NOTE 11.5 GROSS FINANCIAL DEBT BY CURRENCY

(in € millions)	2015			2014			2013		
	Long term	Short term	Total	Long term	Short term	Total	Long term	Short term	Total
Euro	344.1	196.0	540.1	553.0	46.1	599.1	389.2	62.8	452.0
US dollar	-	0.6	0.6	-	0.7	0.7	-	0.3	0.3
Gross financial debt	**344.1**	**196.6**	**540.7**	**553.0**	**46.8**	**599.8**	**389.2**	**63.1**	**452.3**

NOTE 11.6 BONDS

Bonds with a par value of €205 million

In June 2010, Rémy Cointreau carried out a 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, 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 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. 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 expenses into account, the net proceeds from the issue were about €197 million, making an effective interest rate of approximately 5.89%.

Bonds with a par value of €65 million

On 13 August 2013, Financière Rémy Cointreau SA/NV issued a ten year bond for the amount of €65 million, 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 (13 August 2023).

This bond is not secured.

After taking the issue premium and expenses into account, the net proceeds from the bond were €63.2 million, putting the effective interest rate at 4.35%.

Private bond placement

On 27 February 2015, Rémy Cointreau issued an €80 million bond in the form of a private placement with a leading European insurer. The bonds have a coupon of 2.945% with a 10-year maturity.

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.

NOTE 11.7 PRIVATE PLACEMENT

On 10 June 2010, Rémy Cointreau secured a so-called "private placement" syndicated finance package with financial institutions. This €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 about €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.

NOTE 11.8 SYNDICATED LOAN

On 5 June 2012, Rémy Cointreau arranged a syndicated loan to replace the revolving credit facility, of which €346 million expired on 7 June 2012. This new revolving credit facility, corresponding to a loan of €255 million, was agreed for an initial five-year term.

On 11 April 2014, Rémy Cointreau signed an amendment to extend this syndicated loan with a pool of ten banks. This loan was extended by about two years, to 11 April 2019, with more favourable margins. Amounts drawn down bear interest at EURIBOR plus a margin that is subject to change according to Rémy Cointreau's rating.

This facility is unsecured.

The availability of the facility is contingent on "Average net debt/EBITDA" (the A ratio) being less than or equal to 3.5 at 30 September and 31 March of each year until maturity. At 31 March 2015, the A ratio was 2.64 (September 2014: 3.14; March 2014: 2.09).

NOTE 12 PROVISIONS FOR RISKS AND LIABILITIES

NOTE 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	0.6	14.3	14.9
Reversals – Used	-	(3.9)	(3.9)
Reversals – Unused	(0.5)	(1.9)	(2.4)
Translation reserve	0.1	2.3	2.4
Reclassifications	-	(0.3)	(0.3)
At 31 March 2015	**0.8**	**28.9**	**29.7**

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

NOTE 12.2 MATURITY

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

(in € millions)	**2015**	**2014**	**2013**
Long-term provisions (or unknown maturity)	10.2	4.6	5.8
Short-term provisions	19.5	14.4	3.6
Total	**29.7**	**19.0**	**9.4**

NOTE 13 TRADE AND OTHER PAYABLES

(in € millions)	**2015**	**2014**	**2013**
Trade payables – “eaux-de-vie”	244.7	231.0	211.5
Other trade payables	83.7	95.4	98.9
Advances from customers	3.5	4.8	19.5
Payables related to tax and social charges (excl. income tax)	69.2	47.5	51.0
Excise duties	3.6	2.6	0.9
Advertising expenses payable	68.0	75.7	88.5
Miscellaneous deferred income	4.5	7.0	10.4
Other liabilities	54.4	45.0	62.2
Total	**531.6**	**509.0**	**542.9**

NOTE 14 FINANCIAL INSTRUMENTS AND MARKET RISKS

NOTE 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.

AT 31 MARCH 2015

(in € millions)	*Notes*	Carrying amount	Fair value	Loans and receivables at amortised cost	Fair value through profit or loss[1]	Available for sale	Hedging instruments
Other financial assets	*6*	95.5	95.5	89.8	3.1	2.6	-
Trade and other receivables	*8*	248.7	248.7	248.7	-	-	-
Derivative financial instruments	*14*	0.8	0.8	-	-	-	0.8
Cash and cash equivalents	*9*	74.1	74.1	-	74.1	-	-
ASSETS		**419.1**	**419.1**	**338.5**	**77.2**	**2.6**	**0.8**
Long-term financial debt	*11*	344.1	344.1	344.1	-	-	-
Short-term financial debt and accrued interest charge	*11*	196.6	196.6	196.6	-	-	-
Trade and other payables	*13*	531.6	531.6	531.6	-	-	-
Derivative financial instruments	*14*	29.8	29.8	-	0.6	-	29.2
LIABILITIES		**1,102.1**	**1,102.1**	**1,072.3**	**0.6**	**-**	**29.2**

(1) These financial instruments are classified as “held for trading"..

AT 31 MARCH 2014

(in € millions)	*Notes*	Carrying amount	Fair value	Loans and receivables at amortised cost	Fair value through profit or loss[1]	Available for sale	Hedging instruments
Other financial assets	*6*	93.2	93.2	88.3	2.3	2.6	-
Trade and other receivables	*8*	202.7	202.7	202.7	-	-	-
Derivative financial instruments	*14*	12.8	12.8	-	-	-	12.8
Cash and cash equivalents	*9*	186.3	186.3	-	186.3	-	-
ASSETS		**495.0**	**495.0**	**291.0**	**188.6**	**2.6**	**12.8**
Long-term financial debt	*11*	553.0	553.0	553.0	-	-	-
Short-term financial debt and accrued interest charge	*11*	46.8	46.8	46.8	-	-	-
Trade and other payables	*13*	509.0	509.0	509.0	-	-	-
Derivative financial instruments	*14*	7.3	7.3	-	1.8	-	5.5
LIABILITIES		**1,116.1**	**1,116.1**	**1,108.8**	**1.8**	**-**	**5.5**
(1) These financial instruments are classified as “held for trading".							

AT 31 MARCH 2013

(in € millions)	*Notes*	Carrying amount	Fair value	Loans and receivables at amortised cost	Fair value through profit or loss[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 are classified as “held for trading".							

NOTE 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 into euros of the financial statements of companies that use a currency other than the euro.

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.

NOTE 14.3 BREAKDOWN OF FINANCIAL INSTRUMENTS (INTEREST AND FOREIGN EXCHANGE RATES)

(in € millions)	**2015**	**2014**	2013
Assets			
Interest rate derivatives	-	-	-
Exchange rate derivatives	0.8	12.8	6.3
TOTAL	**0.8**	**12.8**	**6.3**
Liabilities			
Interest rate derivatives	0.5	6.9	13.9
Exchange rate derivatives	29.3	0.4	4.5
TOTAL	**29.8**	**7.3**	**18.4**

NOTE 14.4 INTEREST RATE DERIVATIVES

At 31 March 2015, interest rate derivatives in the portfolio were as follows:

Breakdown by type

(in € millions)	**2015**	**2014**	**2013**
Liabilities			
Interest rate swaps	-	4.1	9.0
Instruments related to private placement	0.5	2.8	4.9
TOTAL	**0.5**	**6.9**	**13.9**

Breakdown by maturity

(in € millions)	Nominal	Initial value	Market value	Qualification
***Interest* rate swaps:**				
Related to the private placement – maturing June 2015	140.0	–	0.5	FVH (1)
TOTAL LIABILITIES	**140.0**	**-**	**0.5**	
(1) FVH: fair value hedge; Trading: held for trading.				

Change

Portfolio valuation at 31 March 2014	**(6.9)**
Variation booked in:	
• Shareholders' equity	2.4
• Cost of gross financial debt	4.0
Portfolio valuation at 31 March 2015	**(0.5)**

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 no impact on the financial statements of the Rémy Cointreau Group.

NOTE 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 held for trading (2)
Put options and tunnel options					
Seller USD (vs. EUR)	167.3	3.4	(6.0)	(6.0)	-
Other currencies (vs. EUR)	17.3	0.3	0.1	0.1	-
	184.6	**3.7**	**(5.9)**	**(5.9)**	**-**
Forward sales					
Seller USD (vs. EUR)	106.9	-	(20.2)	(20.2)	-
Other currencies (vs. EUR)	42.0	-	(1.8)	(1.8)	-
	148.9	**-**	**(22.0)**	**(22.0)**	**-**
***Purchase/(*sale) of currency swaps (operating activities)(3)**					
Seller USD (vs. EUR)	(81.7)	-	(0.6)	-	(0.6)
Other currencies (vs. EUR)	(1.6)	-	-	-	-
	(83.3)	**-**	**(0.6)**	**-**	**(0.6)**
Purchase/(sale) of currency swaps (financing activities) (3)					
Seller USD (vs. EUR)	(68.2)	-	0.3	-	0.3
Other currencies (vs. EUR)	(65.8)	-	(0.3)	-	(0.3)
	(134.0)	**-**	**-**	**-**	**-**
TOTAL	**116.2**	**3.7**	**(28.5)**	**(27.9)**	**(0.6)**

(1) Nominal amount in foreign currency translated at the closing rate.

(2) Cash flow hedge. Trading: held for trading.

(3) Difference between closing price and future price.

During the year ended 31 March 2015, a pre-tax charge of €39.1 million was recognised directly in equity in respect of the 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:

	2015		**2014**		**2013**	
	US dollar sensitivity		US dollar sensitivity		US dollar sensitivity	
Benchmark value	1.0759		1.3788		1.2805	
	+10%	- 10%	+10%	- 10%	+10%	- 10%
EUR/USD rate	1.18	0.97	1.52	1.24	1.41	1.15
Net profit/(loss)	(1.2)	0.5	(0.7)	(0.1)	0.1	(3.8)
Equity excluding net profit/(loss)	8.1	(9.9)	13.0	(8.2)	13.5	(9.2)
Change in value of financial instruments	20.3	(26.4)	28.0	(23.4)	21.3	(20.4)
Nominal amount at balance sheet date:						
• USD instruments in the portfolio	175.0	213.8	288.8	353.0	341.7	417.6
• USD receivables potentially exposed	91.2	111.5	80.9	98.9	69.8	85.4

NOTE 14.6 LIQUIDITY RISK

The following table shows the contractual maturity profile of disbursements relating to financial liabilities recognised as of 31 March 2015.

(in € millions)	**Before 31 March 2016**	**Before 31 March 2017**	**Before 31 March 2018**	**Before 31 March 2019**	**Beyond**	**Total**
Financial debt and accrued interest	196.6	205.1	-	-	145.0	546.7
Trade and other payables	531.6	-	-	-	-	531.6
Derivative financial instruments	-	-	-	-	-	-
Liabilities recognised at 31 March 2015	**728.2**	**205.1**	**-**	**-**	**145.0**	**1,078.3**
Future interest on financial debt	17.8	13.6	6.1	6.1	25.3	68.9
Total disbursements	**746.0**	**218.7**	**6.1**	**6.1**	**170.3**	**1,147.2**

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 2015 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 of financial resources.

The majority of the Group's activities are characterised by high levels of capital employed, particularly inventories undergoing ageing. Rémy Cointreau continuously monitors the balance of its financial structure, prioritises long-term resources and combines fixed-rate and variable-rate resources. Refinancing is systematically prepared in advance for those resources reaching maturity. The Group obtains its financing from leading financial institutions.

The confirmed resources and their availability are as follows (see also note **11** for the description of financial debt):

In € million	**2015**	**2014**	**2013**
Fixed-rate resources	490.0	410.0	345.0
Variable-rate resources	255.0	255.0	255.0
Total	**745.0**	**665.0**	**600.0**
Long-term	605.0	665.0	600.0
Short-term	140.0	-	-
Total	**745.0**	**665.0**	**600.0**
Availability subject to compliance with the A ratio	475.0	395.0	395.0
Available with no ratio restrictions	270.0	270.0	205.0
Total	**745.0**	**665.0**	**600.0**
Unused at 31 March	255.0	105.0	205.0
Unused at 31 March as % of available resources	34%	16%	34%

The availability of some financing is contingent upon the level of the so-called A ratio (Average net debt/EBITDA), which is calculated twice per year and must be below 3.50. The A ratio was 2.64 at 31 March 2015. The Group is confident in its ability to maintain this ratio in the short, medium and long-term, and in its ability to renew financing that is due to reach maturity in the coming years.

The Group's rating by specialised agencies is reviewed annually. At 31 March 2015: Standard & Poor’s: BB+, outlook stable – Moody’s: Baa3, outlook negative.

NOTE 15 SEGMENT REPORTING

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

NOTE 15.1 BUSINESSES

Note 15.1.1 Breakdown of net sales and current operating profit

There are no intra-segment sales.

(in € millions)	Net sales			Current operating profit		
	2015	2014	2013	2015	2014	2013
Rémy Martin	564.8	551.2	719.7	117.4	125.4	216.7
Liqueurs and Spirits	259.9	237.3	237.0	50.2	37.1	44.8
Group brands	**824.7**	**788.6**	**956.7**	**167.7**	**162.6**	**261.5**
Partner Brands	140.4	243.1	236.6	8.8	8.7	4.2
Holding	-	-	-	(20.5)	(21.0)	(20.3)
Total	**965.1**	**1,031.6**	**1,193.3**	**156.0**	**150.2**	**245.4**

Rémy Cointreau distributed the Edrington Group's brands in the United States until March 2014. Once it expired, this agreement was not renewed.

For the year ended 31 March 2014, this activity generated net sales of €102.8 million, contributing €3.2 million to operating profit. Pro forma operating profit includes €10.4 million in distribution costs, previously absorbed by this activity, consisting of €8.0 million for Rémy Martin and €2.4 million for Liqueurs & Spirits. The impact on operating profit is therefore €13.6 million.

For the year ended 31 March 2013, this activity generated net sales of €89.7 million, contributing €1.3 million to operating profit. Accordingly, pro forma operating profit includes €8.9 million in distribution costs, consisting of €6.8 million for Rémy Martin and €2.1 million for Liqueurs & Spirits. The impact on operating profit is therefore €10.2 million.

Note 15.1.2 Breakdown of the statement of financial position

AT 31 MARCH 2015

(in € millions)	Rémy Martin	Liqueurs and Spirits	Partner Brands	Unallocated	Total
Non-current assets	380.2	324.9	1.1	182.8	889.0
Current assets	1,108.5	133.6	87.8	44.8	1,374.7
Derivative financial instruments	-	-	-	0.8	0.8
Cash and cash equivalents	-	-	-	74.1	74.1
Total assets	**1,488.7**	**458.5**	**88.9**	**302.5**	**2,338.6**
Shareholders' equity	-	-	-	1,076.3	1,076.3
Financial debt and accrued interest	-	-	-	540.7	540.7
Provisions for liabilities and charges	33.4	8.7	3.6	15.7	61.4
Deferred and current tax assets	-	-	-	98.8	98.8
Trade and other payables	413.5	65.3	29.4	23.4	531.6
Derivative financial instruments	-	-	-	29.8	29.8
Total equity and liabilities	**446.9**	**74.0**	**33.0**	**1,784.7**	**2,338.6**
Brands and other intangible assets not included in the basis of calculation of return on capital employed (ROCE)	236.3	247.3	-	-	483.6
ROCE basis of calculation	**805.5**	**137.2**	**55.9**		**998.6**

AT 31 MARCH 2014

(in € millions)	**Rémy Martin**	**Liqueurs and Spirits**	**Partner Brands**	**Unallocated**	**Total**
Non-current assets	376.4	293.6	1.4	163.7	835.1
Current assets	1,011.7	109.9	97.3	25.3	1,244.2
Derivative financial instruments	-	-	-	12.8	12.8
Cash and cash equivalents	-	-	-	186.3	186.3
Total assets	**1,388.1**	**403.5**	**98.7**	**388.1**	**2,278.4**
Shareholders' equity	-	-	-	1,011.9	1,011.9
Financial debt and accrued interest	-	-	-	599.8	599.8
Provisions for liabilities and charges	27.0	7.6	2.7	8.4	45.7
Deferred and current tax assets	-	-	-	104.7	104.7
Trade and other payables	403.0	57.8	39.5	8.7	509.0
Derivative financial instruments	-	-	-	7.3	7.3
Total equity and liabilities	**430.0**	**65.4**	**42.2**	**1,740.8**	**2,278.4**
Brands and other intangible assets not included in the basis of calculation of return on capital employed (ROCE)	236.3	237.3	-	-	473.6
ROCE basis of calculation	**721.8**	**100.8**	**56.5**		**879.1**

AT 31 MARCH 2013

(in € millions)	**Rémy Martin**	**Liqueurs and 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**
Shareholders' 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**
Brands and other intangible assets not included in the basis of calculation of return on capital employed (ROCE)	236.3	237.3	0.1	-	473.7
ROCE basis of calculation	**633.2**	**97.2**	**80.2**		**810.6**

Note 15.1.3 Return on capital employed (ROCE)

Return on capital employed is measured using the following indicators:

- Current operating profit by activity (note 15.1.1)
- Breakdown of the statement of financial position by activity, excluding certain intangible assets (note 15.1.2)

Current operating profit and capital employed are identified by business on an analytical basis. Profit and capital employed of the distribution network and holding businesses are allocated on a pro-rata basis according to net sales and current inventory.

Return on capital employed is a key indicator for the Group's management. It is one of the key performance indicators for each business.

AT 31 MARCH 2015

(in € millions)	Capital employed	Current Operating profit	%
Rémy Martin	805.5	117.4	14.6%
Liqueurs and Spirits	137.2	50.2	36.6%
Sub-total Group brands	**942.7**	**167.7**	**17.8%**
Partner Brands	55.9	8.8	15.7%
Holding	-	(20.5)	-
Total	**998.6**	**156.0**	**15.6%**

AT 31 MARCH 2014

(in € millions)	Capital employed	Current Operating profit	%
Rémy Martin	721.8	125.4	17.4%
Liqueurs and Spirits	100.8	37.1	36.8%
Sub-total Group brands	**822.6**	**162.6**	**19.8%**
Partner Brands	56.5	8.7	15.4%
Holding	-	(21.0)	-
Total	**879.1**	**150.2**	**17.1%**

AT 31 MARCH 2013

(in € millions)	Capital employed	Current operating profit	%
Rémy Martin	633.2	216.7	34.2%
Liqueurs and Spirits	97.2	44.8	46.1%
Sub-total Group brands	**730.4**	**261.5**	**35.8%**
Partner Brands	80.2	4.2	5.2%
Holding	-	(20.3)	-
Total	**810.6**	**245.4**	**30.3%**

Note 15.1.4 Capital expenditure and amortisation expense

(in € millions)	Capital expenditure and acquisition of intangible assets			Depreciation and amortisation charges		
	2015	**2014**	**2013**	**2015**	**2014**	**2013**
Rémy Martin	14.6	26.7	23.2	12.1	10.8	10.8
Liqueurs and Spirits	21.1	9.7	8.4	6.2	5.7	5.1
Partner Brands	0.6	0.6	0.4	0.3	0.6	0.6
Total	**36.3**	**37.0**	**32.0**	**18.6**	**17.1**	**16.5**

NOTE 15.2 GEOGRAPHIC AREAS

Net sales

(in € millions)	Net sales		
	2015	**2014**	**2013**
Europe-Middle East-Africa[1]	329.2	323.8	323.2
Americas	342.7	413.1	394.4
Asia Pacific	293.2	294.7	475.7
Total	**965.1**	**1,031.6**	**1,193.3**

[1] *net sales for France totalled €33.4 million at 31 March 2015 (March 2014: €35.2 million; March 2013: €36.5 million).*

Net sales generated under the Edrington agreement and classified as “Americas” totalled €102.8 million in March 2014 and €89.7 million in March 2013.

Balance sheet

AT 31 MARCH 2015

(in € millions)	Europe -Middle East-Africa	Americas	Asia Pacific	Unallocated	**Total**
Non-current assets	783.1	61.2	44.7	-	889.0
Current assets	1,107.0	109.2	158.5	-	1,374.7
Derivative financial instruments	-	-	-	0.8	0.8
Cash and cash equivalents	-	-	-	74.1	74.1
Total assets	**1,890.1**	**170.4**	**203.2**	**74.9**	**2,338.6**
Shareholders’ equity	-	-	-	1,076.3	1,076.3
Financial debt and accrued interest	-	-	-	540.7	540.7
Provisions for liabilities and charges	50.0	-	11.4	-	61.4
Deferred and current tax assets	91.7	2.1	5.0	-	98.8
Trade and other payables	400.9	45.2	85.5	-	531.6
Derivative financial instruments	-	-	-	29.8	29.8
Total equity and liabilities	**542.6**	**47.3**	**101.9**	**1,646.8**	**2,338.6**

AT 31 MARCH 2014

(in € millions)	Europe -Middle East-Africa	Americas	Asia Pacific	Unallocated	**Total**
Non-current assets	758.3	36.1	40.7	-	835.1
Current assets	1,024.4	105.7	114.1	-	1,244.2
Derivative financial instruments	-	-	-	12.8	12.8
Cash and cash equivalents	-	-	-	186.3	186.3
Total assets	**1,782.7**	**141.8**	**154.8**	**199.1**	**2,278.4**
Shareholders’ equity	-	-	-	1,011.9	1,011.9
Financial debt and accrued interest	-	-	-	599.8	599.8
Provisions for liabilities and charges	37.0	0.1	8.6	-	45.7
Deferred and current tax assets	101.8	0.3	2.6	-	104.7
Trade and other payables	388.8	40.9	79.3	-	509.0
Derivative financial instruments	-	-	-	7.3	7.3
Total equity and liabilities	**527.6**	**41.3**	**90.5**	**1,619.0**	**2,278.4**

AT 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**
Shareholders' 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 assets	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**

Investments

(in € millions)	**Capital expenditure and acquisition of intangible assets**		
	2015	**2014**	**2013**
Europe-Middle East-Africa	17.9	32.5	28.3
Americas	17.8	2.6	2.5
Asia Pacific	0.6	1.9	1.2
Total	**36.3**	**37.0**	**32.0**

NOTE 16 ANALYSIS OF OPERATING EXPENSES BY TYPE

(in € millions)	**2015**	**2014**	**2013**
Personnel costs	(167.6)	(151.8)	(156.8)
Advertising and promotion expenses	(219.4)	(230.3)	(260.4)
Depreciation, amortisation and impairment of non-current assets	(18.6)	(17.1)	(16.5)
Other expenses	(110.8)	(118.5)	(106.5)
Expenses allocated to inventories and production costs	52.8	48.3	47.1
Total	**(463.6)**	**(469.4)**	**(493.1)**
Of which:			
Distribution costs	(374.2)	(379.8)	(403.3)
Administrative expenses	(89.4)	(89.6)	(89.8)
Total	**(463.6)**	**(469.4)**	**(493.1)**

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.

Personnel costs consist of the following:

(in € millions)	**2015**	**2014**	**2013**
Salaries and social charges	(153.9)	(142.8)	(145.4)
Pension and other similar benefits	(8.1)	(3.9)	(2.6)
Employee profit-sharing	(2.8)	(1.4)	(3.5)
Expenses linked to long-term bonus plans	(2.8)	(3.7)	(5.3)
Total	**(167.6)**	**(151.8)**	**(156.8)**

NOTE 17 NUMBER OF EMPLOYEES

The number of employees is stated at the reporting date and covers all fully consolidated companies.

	2015	**2014**	**2013**
France	705	721	712
Europe (outside France) – Africa	332	280	239
Americas	342	333	332
Asia Pacific	429	421	421
Total	**1,808**	**1,755**	**1,704**

NOTE 18 OTHER OPERATING EXPENSES

(in € millions)	**2015**	**2014**	**2013**
Expenses related to the acquisition of Bruichladdich	-	(0.1)	(5.3)
Expenses related to the acquisition of Larsen	(0.7)	(3.9)	(2.5)
Brand impairment	-	(0.1)	-
Tax adjustment excluding income taxes	1.2	(1.0)	0.2
Other	-	0.2	0.1
Total	**0.5**	**(4.9)**	**(7.5)**

NOTE 19 FINANCIAL RESULT

NOTE 19.1 NET BORROWING COST BY TYPE

(in € millions)	**2015**	**2014**	**2013**
Bonds	(14.7)	(13.6)	(11.7)
Private placement	(5.5)	(5.3)	(5.3)
Syndicated loan and unconfirmed lines	(3.3)	(4.2)	(3.0)
Finance costs of special *purpose entities*	(2.5)	(2.5)	(2.7)
Interest flows on hedging interest rate derivatives	(2.1)	(2.5)	(2.3)
Ineffective portion of hedging interest rate derivatives	1.8	2.1	1.4
Other financial expenses	(0.5)	(0.4)	(0.3)
Sub-total	**(26.8)**	**(26.4)**	**(23.9)**
Effect of non-hedging interest rate derivatives	(0.1)	(0.1)	(1.2)
Cost of gross financial debt	**(26.9)**	**(26.5)**	**(25.1)**
Interest income	2.9	3.7	3.0
Cost of net financial debt	**(24.0)**	**(22.8)**	**(22.1)**

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

NOTE 19.2 OTHER FINANCIAL INCOME/(EXPENSE)

(in € millions)	**2015**	**2014**	**2013**
Currency gains	-	-	4.7
Vendor loan - interest accrued and revaluation	4.6	4.4	4.2
Other financial income	**4.6**	**4.4**	**8.9**
Currency losses	(2.0)	-	-
Other financial expenses of special purpose entities	(7.3)	(6.3)	(5.2)
Other	(1.0)	(1.5)	(1.6)
Other financial expenses	**(10.3)**	**(7.8)**	**(6.8)**
Other financial income/(expense)	**(5.7)**	**(3.4)**	**2.1**

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**.

The amount presented in currency gains and losses mainly includes the impact of IAS 39 on the portfolio of foreign currency derivative financial instruments, for the so-called "ineffective" portion, and the currency gains and losses from financing transactions. Currency gains/(losses) from operations are recognised in gross profit (note **1.4**).

(in € millions)	**2015**	**2014**	**2013**
Ineffective portion of currency hedges	(1.0)	1.1	4.9
Other	(1.0)	(1.1)	(0.2)
Currency gains/(losses)	**(2.0)**	**-**	**4.7**

NOTE 20 INCOME TAX

NOTE 20.1 NET INCOME TAX EXPENSE

(in € millions)	2015	2014	2013
Current tax/(expense) income	(32.2)	(47.8)	(80.6)
Deferred tax/(expense) income	(1.3)	2.0	8.6
Total	**(33.5)**	**(45.8)**	**(72.0)**
Effective tax rate	-26.4%	-38.5%	-33.1%

NOTE 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.

NOTE 20.3 ANALYSIS OF ORIGIN AND ALLOCATION OF DEFERRED TAXES

(in € millions)	2015	2014	2013
Breakdown by type			
Pension provisions	10.5	9.0	8.0
Regulated provisions	(18.9)	(14.7)	(10.8)
Other provisions	9.4	7.1	8.3
Brands	(99.0)	(98.4)	(98.4)
Non-current assets	(8.6)	(10.8)	(12.5)
Margins on inter-company inventories	27.0	28.6	20.2
Losses carried forward	6.9	3.2	6.1
Other timing differences	25.3	13.0	27.3
Net liability	**(47.4)**	**(63.0)**	**(51.8)**
Breakdown by tax group			
France	(70.6)	(71.4)	(60.6)
US	7.2	6.9	4.9
Netherlands	(6.8)	(9.9)	(12.7)
Other	22.8	11.4	16.6
Net liability	**(47.4)**	**(63.0)**	**(51.8)**
Deferred tax asset	41.7	31.7	47.2
Deferred tax liability	(89.1)	(94.7)	(99.0)
Net liability	**(47.4)**	**(63.0)**	**(51.8)**

NOTE 20.4 TAX LOSSES AND CAPITAL LOSSES CARRIED FORWARD

As of 31 March 2015, tax losses carried forward totalled €43.2 million (2014: €19.3 million). The potential tax saving arising from the use of these losses is €10.4 million (2014: €4.9 million). Of these losses, the Group recognised a net asset of €6.9 million, of which it plans to recover €5.7 million by March 2018.

NOTE 20.5 TAX RECONCILIATION

In 2015, income tax expense amounted to €33.5 million. The difference with the theoretical tax expense based on the French statutory rate (38.0% in 2015 and 2014, 36.1% in 2013) is as follows:

(in € millions)	**2015**	**2014**	**2013**
Theoretical tax charge	(48.2)	(45.2)	(78.7)
Actual tax charge	(33.5)	(45.8)	(72.0)
Difference	**14.7**	**(0.6)**	**6.7**
Permanent differences between consolidated profit and taxable profit	9.0	(0.7)	(15.1)
Use of tax losses or timing differences not previously recognised	-	-	0.2
Unused losses from subsidiaries that are loss-making from a tax point of view	(0.4)	-	(0.8)
Difference in tax rates applicable to foreign subsidiaries	18.7	9.8	25.4
Adjustment to the tax charge for prior years	(12.6)	(9.7)	(3.0)
Total	**14.7**	**(0.6)**	**6.7**

NOTE 21 NET PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS

There is no net profit/(loss) from discontinued operations for the reporting periods concerned.

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

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

NOTE 22.1 RECONCILIATION WITH NET PROFIT/(LOSS)

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

(in € millions)	**2015**	**2014**	**2013**
Net profit/(loss) – attributable to the owners of the parent	**92.6**	**62.4**	**130.4**
Provision for impairment on Dynasty Fine Wines Group shares (note **5.1**)	-	10.9	15.9
Expenses related to the acquisition of Bruichladdich	-	0.1	5.3
Expenses related to the acquisition of Larsen	0.7	3.9	2.5
Brand impairment	-	0.1	-
Tax adjustment excluding income taxes	(1.2)	1.0	(0.2)
Other	1.2	0.2	(0.1)
Tax effect	(0.1)	(0.5)	(2.4)
3% contribution on distribution of cash dividend	1.4	2.1	-
Net profit/(loss) from discontinued operations	-	-	-
Net profit/(loss) excluding non-recurring items – attributable to owners of the parent	**94.6**	**80.2**	**151.5**

NOTE 22.2 NET PROFIT/(LOSS) EXCLUDING NON-RECURRING ITEMS PER SHARE – ATTRIBUTABLE TO OWNERS OF THE PARENT

(in € millions)	***Notes***	**2015**	**2014**	**2013**
Net profit excluding non-recurring items				
• attributable to owners of the parent		94.6	80.2	151.5
Number of shares				
• basic	*10.2*	48,432,694	49,180,683	48,880,252
• diluted	*10.2*	48,479,943	49,311,783	49,010,681
Per share (in €)				
• basic		1.95	1.63	3.10
• diluted		1.95	1.63	3.09

NOTE 23 PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS

Commitments under the various employee benefit plans providing post-employment benefits are recognised in accordance with note **1.14**.

Contributions paid under defined contribution plans are recognised as payroll expenses for the year in which they are paid.

IAS19R was implemented starting 1 April 2013. The impact was a decrease in provisions for pensions by €0.9 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.

NOTE 23.1 DEFINED-BENEFIT PENSION PLANS

At 31 March 2015, defined-benefit plans, which are subject to an actuarial valuation, predominantly pertain to:

- Retirement indemnities and long-service awards under collective bargaining agreements in France affecting a workforce of 617 people;
- Three defined-benefit supplementary pension plans sponsored by the Group in France, one in Germany and one in Belgium, affecting 148 people of which 49 current and 99 retired or deferred;
- A post-employment healthcare scheme in France affecting a closed population of 27 retirees.

The breakdown by plan type of the liabilities recorded in the consolidated financial statements is as follows:

In € millions	**2015**	**2014**	**2013**
Retirement indemnities	11.9	10.7	9.8
Supplementary pension plans	18.5	14.5	13.7
Long-service awards	0.7	0.7	0.7
Post-employment healthcare benefits	0.6	0.5	0.6
Total	**31.7**	**26.4**	**24.8**

In € millions	**2015**	**2014**	**2013**
Present value of obligation at start of year	**29.6**	**27.3**	**23.7**
Service cost	1.7	2.0	1.3
Interest cost	0.8	0.7	0.8
Impact of changes to schemes	1.4	-	-
Benefits paid	(1.1)	(1.7)	(1.2)
Actuarial gain (losses)	3.1	1.3	2.6
Past service costs	-	-	0.1
Translation reserve	-	-	-
Present value of obligation at end of year	**35.5**	**29.6**	**27.3**
Not funded	23.6	20.1	18.9
Partly funded	11.9	9.5	8.4
Carrying amount of plan asset at start of year	**3.2**	**3.4**	**3.4**
Expected return	0.1	0.1	0.2
Contributions received	0.6	0.6	0.6
Curtailment or settlement	-	-	-
Benefits paid	(0.2)	(0.8)	(0.5)
Actuarial gain (losses)	0.1	(0.1)	(0.3)
Translation reserve	-	-	-
Carrying amount of plan asset at end of year	**3.8**	**3.2**	**3.4**
Funded status	**31.7**	**26.4**	**23.9**
Unrecognised past service costs	-	-	0.9
Net commitment	**31.7**	**26.4**	**24.8**
Liabilities	**31.7**	**26.4**	**24.8**
Assets	**-**	**-**	**-**

The assets underlying the liabilities are held by insurance companies who invest these assets together with their general assets.

NOTE 23.2 CHARGES FOR THE YEAR

In € millions	**2015**	**2014**	**2013**
Service cost	(1.7)	(2.0)	(1.3)
Interest cost	(0.8)	(0.7)	(0.8)
Expected return	0.1	0.1	0.2
Amortisation of other items not recognised	-	-	-
Impact of changes to scheme	(1.4)	-	-
Total income (expense)	**(3.8)**	**(2.6)**	**(1.9)**
Benefits paid	1.0	0.9	0.8
Employer's contribution	0.6	0.6	0.6
Total net income (expense)	**(2.2)**	**(1.1)**	**(0.5)**
Assumptions			
Average discount rate	1.19%	2.55%	2.67%
Average salary increase	2.10%	3.00%	3.00%
Expected working life	18 years	15.7 years	3 to 19 years
Expected rate of return of plan assets	0.53%	2.21%	3.00%
Increase in medical costs	5.00%	5.00%	5.00%
Estimated payments for the next five years:	9.6	N/A	N/A

NOTE 23.3 ACTUARIAL GAINS AND LOSSES

In € millions	**2014**	**2014**	**2013**
Opening balance	**(24.7)**	**(24.3)**	**(21.4)**
Movement for the year	(3.2)	(0.4)	(2.9)
Of which experience adjustments	0.4	(0.4)	0.2
Closing balance	**(27.9)**	**(24.7)**	**(24.3)**

NOTE 23.4 SENSITIVITY

An increase of 50 basis points in the discount rate should have an effect of less than €1.3 million on the gross obligation and €0.1 million on the service cost. 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.

NOTE 24 OFF-BALANCE SHEET COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

NOTE 24.1 OPERATING ACTIVITY COMMITMENTS

(in € millions)	**2015**	**2014**	**2013**
Purchase commitments - non-current assets	4.2	14.8	1.2
Leasing commitments – offices	31.1	26.0	9.9
Leasing commitments – equipment	2.1	1.8	2.1
Purchase commitments - "eaux-de-vie" (direct contracts)	46.1	50.9	15.0
Purchase commitments - "eaux-de-vie" (via cooperative)	95.0	133.8	-
Purchase commitments – wine	3.0	3.4	11.9

Purchase commitments – non-current assets mainly concern the acquisition of ageing casks at the Cognac site.

The office leasing commitments mainly relate to the lease of the Group's Paris head office and that of the head offices of the subsidiaries Rémy Cointreau USA in New York and E. Remy Rentouma Trading Ltd in Shanghai.

The eaux-de-vie purchase commitments essentially relate to long-term 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 US.

Breakdown of commitments by maturity as of 31 March 2015:

(in € millions)	**Total**	**2016**	**Beyond**
Purchase commitments - non-current assets	4.2	4.1	0.1
Leasing commitments – offices	31.1	6.8	24.3
Leasing commitments – equipment	2.1	0.9	1.2
Purchase commitments - “eaux-de-vie” (direct contracts)	46.1	12.1	34.0
Purchase commitments - “eaux-de-vie” (via cooperative)	95.0	-	95.0
Purchase commitments – wine	3.0	1.6	1.4

NOTE 24.2 FINANCING COMMITMENTS, DEPOSITS AND SIMILAR GUARANTEES

(in € millions)	**2015**	**2014**	**2013**
Tax deposits	0.5	0.2	0.2
Customs deposits	16.4	14.2	13.4
Export deposits	0.5	0.5	0.5
Environmental deposits	2.6	2.5	2.5
Guarantees granted to suppliers	6.3	6.3	6.3
Factoring guarantees	10.0	10.0	10.0
Agricultural warrants on AFC inventories	46.0	44.0	28.0
Guarantee on €65 million bond issue	65.0	65.0	-
Miscellaneous guarantees on credit lines	20.6	4.4	9.5
Other guarantees	0.2	0.1	0.8

Breakdown of commitments by maturity as of 31 March 2015:

(in € millions)	**Total**	**2016**	**Beyond**
Tax deposits	0.5	-	0.5
Customs deposits	16.4	5.5	10.9
Export deposits	0.5	-	0.5
Environmental deposits	2.6	-	2.6
Guarantees granted to suppliers	6.3	6.3	-
Factoring guarantees	10.0	-	10.0
Agricultural warrants on AFC inventories	46.0	46.0	-
Guarantee on €65 million bond issue	65.0	-	65.0
Miscellaneous guarantees on credit lines	20.6	20.6	-
Other guarantees	0.2	-	0.2

NOTE 24.3 CONTINGENT 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.

The guarantees granted and still outstanding at 31 March 2015 were as follows:

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

NOTE 24.4 OTHER CONTINGENT LIABILITIES

At 31 March 2015, 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.

NOTE 25 RELATED PARTIES

NOTE 25.1 TRANSACTIONS WITH ASSOCIATES

At 31 March 2015, 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.**

NOTE 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)	**2015**	**2014**	**2013**
Service fees paid	3.1	3.2	3.4
Current account	-	-	0.1
Trade payables and other liabilities	-	-	0.1

NOTE 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)	**2015**	**2014**	**2013**
Purchases of non-current assets	3.7	3.4	3.0
Other purchases	0.7	0.7	0.8
Trade payables	0.5	0.6	0.8

NOTE 25.4 MANAGEMENT BODIES

The Group's management bodies comprise the members of the Board of Directors and the Executive Committee.

At the beginning of the financial year, the executive management team was led by the Chairman-CEO, assisted by an Executive Committee of five members. A Deputy Chief Executive Officer joined the Group on 16 September 2014. On 27 January 2015, the Board of Directors appointed her Chief Executive Officer and the Chairman-CEO became Chairman of the Board of Directors.

Since this date, the Chief Executive Offer has been assisted by a new Executive Committee of 10 individuals comprising three members of the former executive committee, five members who already held management positions in the main divisions of the Group and two other members who joined the Group after 31 March 2015.

The data below includes the remuneration due to members of the management bodies during their term of office with these bodies.

Short-term benefits include fixed and variable remuneration, benefits in kind and all social security charges directly linked to these remunerations.

In € millions	**2015**	**2014**	**2013**
Short-term benefits	5.1	6.8	6.2
End of contract indemnities	1.2	-	-
Post-employment benefits[(1)]	0.3	0.4	0.4
Share-based payments	1.1	2.2	2.9
Directors' fees paid to members of the Board of Directors	0.4	0.4	0.4
Total	**8.1**	**9.4**	**9.5**

*(1) Primarily a defined-benefit pension plan (see note **23**). The corresponding liabilities for the management bodies were €1.8 million at 31 March 2015*

NOTE 26 EVENTS AFTER THE REPORTING PERIOD

No significant events occurred after the close of the reporting period.

NOTE 27 LIST OF CONSOLIDATED COMPANIES

At 31 March 2015, the scope of consolidation included 49 companies (51 at 31 March 2014). Forty-six companies were fully consolidated, and three 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 2015	% interest March 2014
EUROPE			
France			
Rémy Cointreau SA(1)	Holding/Finance	100.0	100.0
Rémy Cointreau Services(1)	Holding/Finance	100.0	100.0
CLS Rémy Cointreau(1)	Production/Distribution	100.0	100.0
Domaines Rémy Martin(1)	Agricultural production	100.0	100.0
E. Rémy Martin &Cie(1)	Production	100.0	100.0
Cointreau(1)	Production	100.0	100.0
Izarra - Distillerie de la Cote Basque(1)	Production	100.0	100.0
Alliance Fine Champagne(2)	Special *purpose entity*	100.0	100.0
Lixir(3)	Distribution	50.0	50.0
Rémy Cointreau International Marketing Services(1)	Other	100.0	100.0
Joint Marketing Services(1)	Holding/Finance	100.0	100.0
Storeco (1)	Production	100.0	100.0
Netherlands			
Rémy Cointreau Nederland Holding NV	Holding/Finance	100.0	100.0
DELB BV	Holding/Finance	100.0	100.0
Rémy Cointreau Nederland BV	Holding/Finance	100.0	100.0
De Bron 1575 BV	Holding/Finance	100.0	100.0
Other countries			
Hermann Joerss GmbH & Co (Germany)	Distribution	100.0	100.0
Cointreau Holding GmbH (Germany)	Holding/Finance	100.0	100.0
Diversa Spezialitaten GmbH(3) (Germany)	Distribution	50.0	50.0
S. & E. & A. Metaxa ABE (Greece)	Production	100.0	100.0
Financière Rémy Cointreau SA (Belgium)	Holding/Finance	100.0	100.0
Rémy Cointreau Belgium (Belgium)	Distribution	100.0	100.0
Rémy Cointreau Europe & MEA SA (Switzerland)	Distribution	100.0	100.0
Rémy Cointreau Luxembourg SA (Luxembourg)	Distribution	100.0	100.0
Rémy Cointreau Slovakia sro (Slovakia)	Distribution	100.0	100.0
Rémy Cointreau Czech Republic sro (Czech Republic)	Distribution	100.0	100.0
Bruichladdich Distillery Company Ltd (UK)	Production	100.0	100.0
Rémy Cointreau UK Ltd (UK)	Holding/Finance	100.0	100.0
Rémy Cointreau UK Distribution Ltd (UK)	Distribution	100.0	100.0

Company	Activity	% interest	
		March 2015	March 2014
AMERICAS			
United States			
Rémy Cointreau USA Inc	Distribution	100.0	100.0
Rémy Cointreau Amérique Inc	Holding/Finance	100.0	100.0
Rémy Cointreau Travel Retail Americas Inc	Distribution	100.0	100.0
Barbados			
Mount Gay Distilleries Ltd	Production	95.2	95.2
Mount Gay Holding Ltd	Holding/Finance	100.0	100.0
Other countries			
Cointreau Do Brazil (licores) Ltda (Brazil)	Other	100.0	100.0
ASIA/PACIFIC/AFRICA			
China/Hong Kong			
Dynasty Fine Wines Group Ltd(3)	Production	27.0	27.0
Rémy Cointreau Shanghai Ltd	Distribution	100.0	100.0
E. Rémy Rentouma Trading Ltd	Distribution	100.0	100.0
Shanghai RC Trading Ltd	Distribution	100.0	100.0
Rémy Concord Ltd	Distribution	100.0	100.0
Rémy Pacifique Ltd	Holding/Finance	100.0	100.0
Caves de France	Holding/Finance	100.0	100.0
Other countries			
Rémy Cointreau Taiwan Pte Ltd (Taiwan)	Distribution	100.0	100.0
Rémy Cointreau Japan KK (Japan)	Distribution	100.0	100.0
Rémy Cointreau International Pte Ltd (Singapore)	Distribution	100.0	100.0
Rémy Cointreau India Private Ltd (India)	Distribution	100.0	100.0
RM Cointreau Vietnam Company Ltd (Vietnam)	Distribution	100.0	100.0
Rémy Cointreau South Africa Pty Ltd (South Africa)	Distribution	100.0	100.0
Rangit Ltd (Mauritius)	Holding/Finance	100.0	100.0
CHANGES IN CONSOLIDATION SCOPE			
Rémy Cointreau Ariès (4)	Production	-	100.0
Rémy Sula India Pvt Ltd (India) (5)	Production	-	50.0

(1) Company included in the French tax group.

(2) Special purpose entity.

(3) Equity-accounted company.

(4) Liquidated company.

(5) Sold during the year.