HALF-YEAR FINANCIAL REPORT
FINANCIAL YEAR 2015/2016

RÉMY COINTREAU

1 HALF-YEAR BUSINESS REPORT

FIRST SIX MONTHS OF THE YEAR ENDING 31 MARCH 2016

For the period ended 30 September 2015, the Group generated current operating profit of €107 million, down organically by 7.3% (+4.7% reported). The operating margin was 21.4%.

1.1 Analysis of the business and consolidated results

1.1.1 Key figures

All data is presented in millions of euros for the six months from 1 April to 30 September. Organic change is calculated using constant exchange rates compared with the previous period.

(in € millions)	**2015**	2014	Reported change	Organic change
Net sales	500.7	471.8	+6.1%	-5.9%
Current operating profit	**107.0**	**102.1**	**+4.7%**	**-7.3%**
Current operating margin	21.4%	21.6%		21.3%
Other operating expenses	(0.1)	-		
Operating profit	**106.9**	**102.1**		
Net financial income/(expense)	(15.1)	(15.4)		
Income tax	(25.7)	(24.5)		
Share in profit of associates	0.3	0.5		
Profit from continuing operations	66.4	62.7		
Non-controlling interests	(0.1)	-		
Net profit attributable to the owners of the parent	**66.3**	**62.7**	**+5.7%**	**-9.8%**
Net profit/(loss) excluding non-recurring items attributable to the owners of the parent	**68.6**	**64.0**	**+7.1%**	**-8.0%**
Basic earnings per share:				
On net profit excluding non-recurring items attributable to the owners of the parent	**€1.41**	**€1.33**	**+6.8%**	
On net profit attributable to the owners of the parent	€1.37	€1.30	+5.4%	

1.1.2 General comments on current operating profit

Change in the **current operating profit** compared with September 2014 was as follows:

Current operating profit – September 2014	**102.1**
Change due to exchange rates (net of hedges)	12.3
Change in volumes	(15.0)
Effect of price and mix changes on net sales	(2.5)
Change in advertising expenditure	7.4
Change in other expenses	2.7
Current operating profit – September 2015	**107.0**

The overall change due to exchange rates was positive at €12.3 million, primarily reflecting a net favourable effect on the US dollar and dollar-linked currencies. The average EUR/USD rate over the period was 1.11 compared with 1.35 during the previous period. Taking into account its hedging policy, the Group recorded an average collection rate of 1.24 on the net flows in US dollars generated by its European entities, compared with 1.34 for the period ended 30 September 2014.

The volume impact of €(15) million included €(2) million for Partner Brands, mainly due to the discontinuation of certain distribution agreements. The balance of €(13) million for Group brands is due to technical effects (end of the VS category in the US, Cointreau's high comparative base, etc.) and the continued reticence of wholesalers in China, even though consumer demand shows signs of improvement.

In terms of price effect, the Group maintained a proactive pricing policy amid significant pressure. The unfavourable mix had a €(2.5) million impact.

Advertising investments are stable as a percentage of net sales at around 21% for Group brands. These investments will increase in the second half, particularly for Rémy Martin.

The change in other expenses, representing net savings of €2.7 million, is due to tighter control over spending.

Current operating profit fell organically by 7.3%, while operating margin on a like-for-like basis was down slightly at 21.3% (2014: 21.6%).

1.1.3 Results from operations

In the comments that follow, all changes are given as **organic** change.

For the period ended 30 September 2015, the Rémy Cointreau Group generated **net sales** of €500.7 million, a decrease of 5.9% compared with the previous period.

BY GEOGRAPHIC AREA

	Europe Middle East Africa	Americas	Asia Pacific	**TOTAL**
Net sales				
September 2015	164.5	198.6	137.6	500.7
% total	33%	40%	27%	
September 2014	155.8	165.2	150.7	471.8
% total	33%	35%	32%	
Reported change	+5.6%	+20.2%	-8.7%	+6.1%
Organic change	+4.0%	-0.2%	-22.2%	-5.9%

The EMEA (Europe-Middle East-Africa) region – which accounts for 33% of net sales – reported 4.0% growth, driven by Rémy Martin's excellent performance in Africa.

The Americas region (40% of net sales) remains stable on the whole. However, Group brands recorded +6.6% growth, the phasing effect of Cointreau's US sales masking the steady growth of Rémy Martin and Mount Gay in the region.

Asia Pacific (27% of net sales) is down 22.2%. Chinese wholesalers remain cautious, even though the market is showing signs of improvement. The Group began implementing its new strategy during the period. This includes adapting its distribution network and making significant communication investments.

BY DIVISION

	Rémy Martin	Liqueurs & Spirits	Total Group brands	Partner Brands	Expenses Holding	**TOTAL**
Net sales						
September 2015	313.1	129.9	442.9	57.8	-	500.7
September 2014	276.8	130.9	407.7	64.1	-	471.8
Reported change	+13.1%	(0.8%)	+8.6%	(9.8%)	-	+6.1%
Organic change	(3.1%)	(8.3%)	(4.8%)	(12.6%)	-	(5.9%)
Current operating profit						
September 2015	85.9	24.1	109.9	3.3	(6.3)	107.0
September 2014	78.0	25.9	103.9	3.8	(5.6)	102.1
Reported change	+10.1%	(7.1%)	+5.8%	(12.7%)	+12.8%	+4.7%
Organic change	(5.8%)	(4.8%)	(5.5%)	(26.4%)	+12.6%	(7.3%)
Operating margin						
September 2015	27.4%	18.5%	24.8%	5.8%	-	21.4%
September 2015 organic	27.4%	20.6%	25.3%	5.0%	-	21.3%
September 2014	28.2%	19.8%	25.5%	6.0%	-	21.6%

Rémy Martin

Net sales came to €313.1 million, a fall of 3.1%. The main reason for this decline is the impact of the Asia-Pacific region. Excellent results were recorded in the US, while EMEA reported strong growth as a result of the development strategy in Africa.

Operating profit came to €85.9 million, a fall of 5.8%. At 27.4%, current operating margin is down slightly compared with the previous period (28.2%), mainly due to the market mix.

Liqueurs & Spirits

Net sales were €129.9 million, a fall of 8.3% compared with the previous period. Sales for the Cointreau brand have fallen, largely due to technical factors in the US. The brand continues to perform well in its key markets. During the period, Cointreau launched *Cointreau Blood Orange,* available exclusively in Travel Retail. Metaxa was hit by the slowdown in consumption in Greece and Russia. Central Europe, a key market for the brand, saw double-digit growth in the first half. Mount Gay reported solid growth, buoyed by the success of its *Black Barrel* and *XO* ranges. Islay spirits (Bruichladdich/The Botanist) also posted double-digit growth.

The Liqueurs & Spirits division recorded a current operating profit of €24.1 million, down 4.8%. Marketing investment remains at a substantial level. Current operating margin stands at 20.6% (organic), up from end-September 2014.

Partner Brands

The Group generated net sales of €57.8 million, a fall of 12.6%. This was mainly due to the end of the Piper-Heidsieck and Charles Heidsieck Champagne distribution agreement in the US. Partner Brands distributed in Europe continued to perform well.

The business generated an operating profit of €3.3 million, compared with €3.8 million for the period ended 30 September 2014.

Holding company costs

In absolute terms, holding company costs rose by €0.7 million. They totalled 1.3% of net consolidated sales (1.2% at end-September 2014).

1.1.4 Operating profit

Operating profit amounted to €106.9 million. Other operating expenses were not material.

1.1.5 Net financial income/(expense)

(in € millions)	**2015**	2014	Change
Cost of gross financial debt	(12.2)	(13.2)	1.0
Investment income	-	1.7	(1.7)
Sub-total	**(12.2)**	**(11.5)**	**(0.7)**
Change in the value of the interest-rate hedging instrument portfolio	-	(0.1)	0.1
Currency gains/(losses)	(0.8)	(1.9)	1.1
Other financial expenses (net)	(2.1)	(1.9)	(0.2)
NET FINANCIAL INCOME/(EXPENSE)	**(15.1)**	**(15.4)**	**0.3**

Net financial expense totalled €15.1 million, down €0.3 million:

- the cost of gross financial debt is down by €1 million due to the improvement in the average financial debt;
- the difference in investment income is due to the maturity of the structured deposits arranged in prior periods;
- currency gains/(losses) mainly include the impact of the valuation of the currency risk hedging portfolio in accordance with IFRS. This impact was negative at €0.8 million at 30 September 2015, compared with a charge of €1.9 million during the previous period;
- other financial expenses include items related to the change in value of the vendor loan (a loan to the EPI Group) and funding costs for certain eaux-de-vie owned by the AFC cooperative. There was a negative change of €0.2 million in these items compared with the previous period, related to the increase in inventories to be financed.

1.1.6 Net profit/(loss)

Income tax expense, estimated on the basis of a projected annual effective rate, amounted to €25.7 million, or an effective tax rate of 28.0%. This was stable compared with the period ended 30 September 2014 (28.2%), as a result of the geographical breakdown of results.

For the period ended 30 September 2015, the share of profit of associates originated in distribution joint ventures in Europe. No impact was recorded for the equity investment in Dynasty Fine Wines Ltd.

Trading in shares of Dynasty Fine Wines Ltd – in which Rémy Cointreau has a 27% stake – has been suspended since 22 March 2013. The Group has not published any audited financial statements since 30 June 2012. This situation stems from fraud allegations which are still under investigation. In view of this unprecedented situation and in the absence of any significant developments since the previous close, Rémy Cointreau has kept the valuation at HKD 315 million. It considers the fundamentals of this valuation still to be relevant based on the information available.

Net income attributable to owners of the parent amounts to €66.3 million, a fall of 9.8% (organic) but an increase of 5.7% (reported) due to favourable exchange rate movements. This equates to basic earnings per share of €1.37, compared with €1.30 in the previous period.

Excluding non-recurring items (other operating income and expense after tax, net profit/(loss) from discontinued operations and a 3% contribution on dividends), net profit attributable to owners of the parent comes to €68.6 million, a fall of 8% in organic terms but an increase of 7.1% in reported terms. This equates to basic earnings per share of €1.41, compared with €1.33 during the previous period.

1.2 Comments on the financial position

(in € millions)	**September 2015**	September 2014	March 2015	Change
Brands and other intangible assets	488.9	485.1	490.6	(1.7)
Property, plant and equipment	214.6	203.9	215.6	(1.0)
Investments in associates	44.5	41.7	45.6	(1.1)
Other financial assets	92.5	95.6	95.5	(3.0)
Non-current assets (other than deferred tax)	**840.5**	**826.3**	**847.3**	**(6.8)**
Inventories	1,080.9	1,034.6	1,109.1	(28.2)
Trade and other receivables	247.1	265.6	248.7	(1.6)
Trade and other payables	(428.1)	(443.7)	(531.6)	103.5
Working capital requirements	**899.9**	**856.5**	**826.2**	**73.7**
Net financial derivatives	(2.9)	(14.7)	(29.0)	26.1
Net current and deferred tax	(77.9)	(57.7)	(40.2)	(37.7)
Dividend payable	(72.8)	(48.0)	-	(72.8)
Provisions for liabilities and charges	(56.6)	(54.4)	(61.4)	4.8
Other net current and non-current assets and liabilities	**(210.2)**	**(174.8)**	**(130.6)**	**(79.6)**
TOTAL	**1,530.2**	**1,508.0**	**1,542.9**	**(12.7)**
Financed by:				
Shareholders' equity	**1,075.1**	**1,035.1**	**1,076.3**	**(1.2)**
Long-term financial debt	375.1	388.4	344.1	31.0
Short-term financial debt and accrued interest charge	132.3	208.8	196.6	(64.3)
Cash and cash equivalents	(52.3)	(124.3)	(74.1)	21.8
Net financial debt	**455.1**	**472.9**	**466.6**	**(11.5)**
TOTAL	**1,530.2**	**1,508.0**	**1,542.9**	**(12.7)**
For information:				
TOTAL ASSETS	**2,272.1**	**2,293.8**	**2,338.6**	**(66.5)**

All changes given below are compared with the financial year ended 31 March 2015.

Non-current assets were down €6.8 million to €840.5 million, including:

Translation differences	(4.5)
Investments (renewals, measures to ensure compliance with standards)	9.9
Amortisation for the period	(9.3)
New joint venture in Australia	0.7
Change in present value of vendor loan	0.2
Liquidity account	(3.1)
Other movements (net)	(0.7)
TOTAL	**(6.8)**

During the first half, the Group acquired a 37% stake in a new joint venture set up to distribute its products in Australia.

Working capital requirement, which is always structurally higher at the end of September than at the end of March (mainly owing to the seasonality of eaux-de-vie purchases), increased by €73.7 million (or €88 million excluding translation differences).

Derivative financial instruments are primarily intended to hedge currency risk. The Group hedges its provisional positions over a rolling 18-month period. The market value of the portfolio held at 30 September 2015 was a net liability of €2.9 million, compared with a net liability of €29 million at 31 March 2015. Of this change, €15.6 million is due to part of the original portfolio maturing, €3.3 million to the revaluation of the balance, and €7.2 million to the conclusion of new instruments.

The Shareholders' Meeting on 29 July 2015 approved the payment of an ordinary dividend of €1.53 per share for the year ended 31 March 2015, with an option for the payment of the entire dividend in shares. The share-based payment was made on 24 September for a total of €1.4 million (with 24,761 new shares issued). The balance of €72.8 million was paid in October 2015. This debt is recorded under "Dividend payable" as at 30 September 2015. In the previous year, the amount of the dividend paid in cash had been lower.

The change in shareholders' equity breaks down as follows:

Profit (loss) for the period	**66.4**
Profit recorded in equity	13.2
Impact of share-based payments	0.7
Change in translation reserves	(6.1)
Transactions on treasury shares	(2.6)
Dividends paid in cash	(72.8)
TOTAL CHANGE	**(1.2)**

The net tax position (current and deferred) amounts to a liability of €77.9 million, including a net deferred position of €51.5 million and €26.4 million in current taxes.

Net debt stood at €455.1 million, a decrease of €11.5 million (€13.2 million excluding translation adjustments) from March 2015.

As of 30 September 2015, the Rémy Cointreau Group's confirmed financial resources totalled €605 million, including:

- a €205 million bond maturing on 15 December 2016, with a coupon of 5.18% and an issue premium of 2.26%;
- a €255 million syndicated revolving loan maturing on 11 April 2019, bearing interest at Euribor plus a variable margin;
- a €65 million bond maturing on 13 August 2023, with a coupon of 4% and an issue premium of 2.00%;
- a bond issued in the form of a private placement with a leading European insurer for €80 million, maturing on 27 February 2025 with a coupon of 2.94%.

Finally, a shareholder current account advance agreement between Rémy Cointreau SA and Orpar SA was approved at the Shareholders' Meeting on 29 July. The agreement, signed on 31 March 2015, is for €60 million with 1.25% interest.

The A ratio(1) (Net debt/EBITDA) on which the availability of the private bond placement and the syndicated loan is based, was 2.53 at 30 September 2015. The terms of the syndicated loan and private placement stipulate that this ratio, calculated every six months, must remain below or equal to 3.5 until the loan matures.

(1) The A ratio is calculated every six months. It is the ratio of (a) the arithmetic average of net debt at the end of the half-year and the end of the prior half-year – in this case end-September 2015 and end-March 2015 – and (b) EBITDA for the previous 12 months – in this case end-March 2015 minus end-September 2014 plus September 2015.

1.3 Comments on cash flow

(in € millions)	2015	2014	Change
EBITDA	118.0	113.8	4.2
Change in working capital requirement	(90.0)	(123.6)	33.6
Net cash flow from operations	28.0	(9.8)	37.8
Other operating expenses	(0.4)	(1.1)	0.7
Financial result	(13.8)	(18.6)	4.8
Income tax	1.6	(7.2)	8.8
Other operating cash flows	(12.6)	(26.9)	14.3
Net cash flow from operating activities	**15.4**	**(36.7)**	**52.1**
Net cash flow from investment activities – continuing operations	(9.5)	(21.5)	12.0
Net cash flow before investment activities	**5.9**	**(58.2)**	**64.1**
Treasury shares	(2.6)	(0.2)	(2.4)
Net cash flow relating to capital	**(2.6)**	**(0.2)**	**(2.4)**
Repayment of financial debt	(27.9)	(0.6)	(27.3)
Net cash flow after investment activities	**(24.6)**	**(59.0)**	**34.4**
Translation differences on cash and cash equivalents	2.8	(3.0)	5.8
Change in cash and cash equivalents	**(21.8)**	**(62.0)**	**40.2**

Earnings before interest, tax, depreciation and amortisation (EBITDA)[1] rose by €4.2 million, mainly as a result of the change in current operating profit.

The change in working capital requirement, which rose by €90 million, was an improvement on the previous period.

	2015	2014	Change
Change in inventories	22.9	8.2	14.7
Change in trade receivables	4.2	(49.1)	53.3
Change in trade payables	(66.9)	(61.5)	(5.4)
Net change in receivables and payables	(50.2)	(21.2)	(29.0)
CHANGE IN WORKING CAPITAL REQUIREMENT	**(90.0)**	**(123.6)**	**33.6**

The decrease in inventories mainly derives from the eaux-de-vie inventory (higher outflows).

Trade receivables have fallen. Factoring programmes led to accelerated payments of €37.7 million, compared with €33 million in the previous period.

Net cash outflows relating to financing activities totalled €13.8 million, a decrease of €4.8 million. These included the payment of €4.3 million in interest on the vendor loan received in July 2015.

Income tax was positive at €1.6 million, a significant difference compared with the Group's tax expense over the period, owing to the adjustment of surplus payments on account made during the previous period.

Prior-period investments included the acquisition of the Rum Refinery of Mount Gay for €7.2 million. Excluding this impact, investment outflows fell by around €5 million due to temporal effects.

After net cash flow relating to capital, repayment of financial debt and currency effects, cash and cash equivalents were down €21.8 million. The Group thus had a gross cash position of €52.3 million at 30 September 2015 (March 2015: €74.1 million). Gross financial debt was €507.4 million (March 2015: €540.7 million).

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

1.4 Events after the reporting period

On 27 October, the Rémy Cointreau Group announced the sale to Spirited Brands of all shares in the company Izarra – Distillerie de la Côte Basque, owner of the Izarra brand (with net sales of €0.4 million for the year to 31 March 2015). Rémy Cointreau and Spirited Brands have also reached an agreement that allows Rémy Cointreau to continue producing and bottling the Izarra liqueur. The sale will have no material impact on the financial statements for the year ended 31 March 2016.

1.5 Outlook

At the end of this first half-year - in line with Group forecasts - Rémy Cointreau confirms its objective of delivering positive growth in current operating profit for the 2015/16 financial year, at constant exchange rates and scope.

2 CONSOLIDATED FINANCIAL STATEMENTS

AT 30 SEPTEMBER 2015

2.1 Consolidated income statement

(in € millions)	*Notes*	**September 2015**	**September 2014**	**March 2015**
Net sales	*15*	**500.7**	**471.8**	**965.1**
Cost of sales		(183.4)	(170.8)	(347.0)
Gross margin		**317.3**	**301.0**	**618.1**
Distribution costs	*16*	(173.3)	(162.0)	(374.2)
Administrative expenses	*16*	(37.6)	(38.0)	(89.4)
Other income from operations	*16*	0.6	1.1	1.5
Current operating profit	*15*	**107.0**	**102.1**	**156.0**
Other operating expenses	*17*	(0.1)	-	0.5
Operating profit		**106.9**	**102.1**	**156.5**
Cost of net financial debt		(12.2)	(11.5)	(24.0)
Other financial income/(expense)		(2.9)	(3.9)	(5.7)
Net financial income/(expense)	*18*	**(15.1)**	**(15.4)**	**(29.7)**
Profit before tax		**91.8**	**86.7**	**126.8**
Income tax	*19*	(25.7)	(24.5)	(33.5)
Share in profit of associates	*5*	0.3	0.5	(0.7)
Profit from continuing operations		**66.4**	**62.7**	**92.6**
Net profit/(loss) from discontinued operations	*20*	–	–	–
Net profit for the year		**66.4**	**62.7**	**92.6**
Attributable to:				
non-controlling interests		0.1	-	-
owners of the parent company		66.3	62.7	92.6
Net earnings per share – from continuing operations (in €)				
basic		1.37	1.30	1.91
diluted		1.36	1.30	1.91
Net earnings per share – attributable to owners of the parent company (in €)				
basic		1.37	1.30	1.91
diluted		1.36	1.30	1.91
Number of shares used for the calculation				
basic	*10.2*	48,537,448	48,291,442	48,432,694
diluted	*10.2*	48,644,748	48,386,342	48,479,943

2.2 Consolidated statement of comprehensive income

(in € millions)	**September 2015**	September 2014	March 2015
Net profit for the period	**66.4**	**62.7**	**92.6**
Movement in the value of hedging instruments	20.1	(15.6)	(36.7)
Actuarial difference on pension commitments	1.8	-	(2.6)
Movement in the value of AFS shares	(0.2)	0.2	0.1
Related tax effect	(8.5)	6.0	14.9
Movement in translation differences	(6.1)	16.5	41.8
Total income/(expenses) recorded in equity	**7.1**	**7.1**	**17.5**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**73.5**	**69.8**	**110.1**
Attributable to:			
owners of the parent company	73.4	69.7	109.8
non-controlling interests	0.1	0.1	0.3

2.3 Consolidated statement of financial position

(in € millions)	*Notes*	**September 2015**	September 2014	March 2015
Brands and other intangible assets	*3*	488.9	485.1	490.6
Property, plant and equipment	*4*	214.6	203.9	215.6
Investments in associates	*5*	44.5	41.7	45.6
Other financial assets	*6*	92.5	95.6	95.5
Deferred tax assets	*19*	37.9	33.3	41.7
Non-current assets		**878.4**	**859.6**	**889.0**
Inventories	*7*	1,080.9	1,034.6	1,109.1
Trade and other receivables	*8*	247.1	265.6	248.7
Income tax receivables		4.9	7.6	16.9
Derivative financial instruments	*14*	8.5	2.2	0.8
Cash and cash equivalents	*9*	52.3	124.3	74.1
Current assets		**1,393.7**	**1,434.3**	**1,449.6**
TOTAL ASSETS		**2,272.1**	**2,293.9**	**2,338.6**
Share capital		77.9	77.9	77.9
Share premium		695.3	693.9	693.9
Treasury shares		(11.0)	(13.9)	(9.6)
Consolidated reserves and profit of the year		277.3	260.7	272.5
Translation reserve		34.1	15.3	40.2
Shareholders' equity – owners of the parent company		**1,073.6**	**1,033.9**	**1,074.9**
Non-controlling interests		1.5	1.2	1.4
Shareholders' equity	*10*	**1,075.1**	**1,035.1**	**1,076.3**
Long-term financial debt	*11*	375.1	388.4	344.1
Provision for employee benefits		30.3	27.1	31.7
Long-term provisions for liabilities and charges	*12*	7.2	6.2	10.2
Deferred tax assets	*19*	89.4	85.7	89.1
Non-current liabilities		**502.0**	**507.4**	**475.1**
Short-term financial debt and accrued interest charge	*11*	132.3	208.8	196.6
Trade and other payables	*13*	428.1	443.7	531.6
Dividend payable		72.8	48.0	-
Income tax payables		31.3	12.9	9.7
Short-term provisions for liabilities and charges	*12*	19.1	21.1	19.5
Derivative financial instruments	*14*	11.4	16.9	29.8
Current liabilities		**695.0**	**751.4**	**787.2**
TOTAL EQUITY AND LIABILITIES		**2,272.1**	**2,293.9**	**2,338.6**

2.4 Change in consolidated shareholders' equity

(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 2014	**758.5**	**(13.7)**	**277.1**	**(1.2)**	**(9.9)**	**1,010.8**	**1.1**	**1,011.9**
Net profit/(loss)	-	-	62.7	-	-	62.7	-	**62.7**
Gains (losses) recorded in equity	-	-	-	16.4	(9.4)	7.0	0.1	**7.1**
Share-based payments	-	-	1.5	-	-	1.5	-	**1.5**
Transactions on treasury shares	-	(0.2)	-	-	-	(0.2)	-	**(0.2)**
Dividends	13.3	-	(61.3)	0.1	-	(47.9)	-	**(47.9)**
At 30 September 2014	**771.8**	**(13.9)**	**280.0**	**15.3**	**(19.3)**	**1,033.9**	**1.2**	**1,035.1**
At 31 March 2015	**771.8**	**(9.6)**	**306.6**	**40.2**	**(34.1)**	**1,074.9**	**1.4**	**1,076.3**
Net profit/(loss)	-	-	66.3	-	-	66.3	0.1	**66.4**
Gains (losses) recorded in equity	-	-	-	(6.1)	13.2	7.1	-	**7.1**
Share-based payments	-	-	0.7	-	-	0.7	-	**0.7**
Transactions on treasury shares	-	(2.6)	-	-	-	(2.6)	-	**(2.6)**
Dividends	1.4	-	(74.2)	-	-	(72.8)	-	**(72.8)**
Reclassification	-	1.2	(1.2)	-	-	**-**	-	**-**
At 30 September 2015	**773.2**	**(11.0)**	**298.2**	**34.1**	**(20.9)**	**1,073.6**	**1.5**	**1,075.1**

2.5 Consolidated statement of cash flows

(in € millions)	*Notes*	**September 2015**	September 2014	March 2015
Current operating profit		107.0	102.1	156.0
Depreciation, amortisation and impairment		9.3	9.1	18.6
Share-based payments		1.0	2.0	2.8
Dividends received from associates	*5*	0.7	0.6	0.8
EBITDA		**118.0**	**113.8**	**178.2**
Change in inventories		22.9	8.2	(44.3)
Change in trade receivables		4.2	(49.1)	(0.2)
Change in trade payables		(66.9)	(61.5)	(5.2)
Change in other receivables and payables		(50.2)	(21.2)	(29.7)
Change in working capital requirement		(90.0)	(123.6)	(79.4)
Net cash flow from operations		**28.0**	**(9.8)**	**98.8**
Other operating expenses		(0.4)	(1.1)	(1.3)
Financial result		(13.8)	(18.6)	(28.7)
Income tax		1.6	(7.2)	(24.3)
Other operating cash flows		**(12.6)**	**(26.9)**	**(54.3)**
Net cash flow from operating activities – continuing operations		**15.4**	**(36.7)**	**44.5**
Impact of discontinued operations		-	-	-
Net cash flow from operating activities		**15.4**	**(36.7)**	**44.5**
Purchase of intangible assets and property, plant and equipment	*3/4*	(11.9)	(21.2)	(36.8)
Purchase of shares in associates and non-consolidated investments	*5/6*	(0.7)	(0.3)	-
Cash flow from disposal of fixed assets		0.4	0.5	0.9
Disposal of shares in associates and non-consolidated investments	*6*		-	0.8
Net cash flow from other investments	*6*	2.7	(0.5)	(0.8)
Net cash flow from investment activities – continuing operations		**(9.5)**	**(21.5)**	**(35.9)**
Impact of discontinued operations		-	-	-
Net cash flow from investment activities		**(9.5)**	**(21.5)**	**(35.9)**
Treasury shares	*10*	(2.6)	(0.2)	0.2
Increase in financial debt		120.5	27.0	95.8
Repayment of financial debt		(148.4)	(27.6)	(160.0)
Dividends paid		-	-	(48.0)
Net cash flow from financing activities – continuing operations		**(30.5)**	**(0.8)**	**(112.0)**
Impact of discontinued operations		-	-	-
Net cash flow from financing activities		**(30.5)**	**(0.8)**	**(112.0)**
Translation differences on cash and cash equivalents		2.8	(3.0)	(8.8)
Change in cash and cash equivalents		**(21.8)**	**(62.0)**	**(112.2)**
Cash and cash equivalents at start of year	*9*	**74.1**	**186.3**	**186.3**
Cash and cash equivalents at end of year	*9*	**52.3**	**124.3**	**74.1**

2.6 Notes to the consolidated financial statements

CONTENTS

Introduction

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

The condensed consolidated financial statements presented below were approved by the Board of Directors on 24 November 2015 pursuant to a recommendation from the Audit Committee following its meeting of 23 November 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, the consolidated financial statements of Rémy Cointreau are prepared in accordance with the international accounting policies applicable within the European Union as at 30 September 2015.

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

The condensed consolidated financial statements presented in this document were prepared pursuant to IAS 34 "Interim Financial Reporting", as adopted by the European Union. They do not include all the notes and disclosures required by IFRS for annual financial statements and must therefore be read in conjunction with the annual financial statements for the year ended 31 March 2015.

The accounting principles applied in the preparation of the interim financial statements for the period ended 30 September 2015 are the same as those applied for the year ended 31 March 2015.

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 2015 are as follows:

- IFRS annual improvement cycles 2010-2012 and 2011-2013;
- amendment to IAS 19, "Defined benefit plans: employee contributions";
- IFRIC 21, "Levies".

Applying IFRIC 21 to the financial statements to 30 September 2015 mainly consisted of changing how French property tax is recognised. Any other taxes affected by this interpretation continue to be recognised in the same way. Prior periods have not been restated due to the non-materiality of the potential adjustments.

The first-time adoption of other standards has no material impact on the Group's consolidated financial statements.

Historically, Group sales are not evenly split between the first half-year and the second half-year. As a result, the interim results at 30 September 2015 are not necessarily indicative of those expected for the full year ending 31 March 2016.

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

NOTE 2 CHANGES IN CONSOLIDATION SCOPE

On 31 July 2015, the Rémy Cointreau Group acquired a 37% stake in Spirits Platform Pty Ltd for €0.7 million. This company, accounted for using the equity method, will distribute Rémy Cointreau's portfolio of brands in the Australian market.

NOTE 3 BRANDS AND OTHER INTANGIBLE ASSETS

(in € millions)	Goodwill	Brands	Distribution rights	Other	Total
Gross value at 30 September 2014	**26.2**	**502.9**	**7.2**	**29.2**	**565.5**
Gross value at 31 March 2015	**28.2**	**505.8**	**7.7**	**31.8**	**573.5**
Acquisitions	-	-	-	0.8	0.8
Translation reserve	(0.4)	(0.8)	(0.1)	(0.4)	(1.7)
Gross value at 30 September 2015	**27.8**	**505.0**	**7.6**	**32.2**	**572.6**
Accumulated amortisation and depreciation at 30 September 2014	**-**	**52.4**	**5.2**	**22.8**	**80.4**
Accumulated amortisation and depreciation at 31 March 2015	**-**	**52.8**	**5.4**	**24.7**	**82.9**
Increase	-	-	-	1.2	1.2
Translation reserve	-	(0.1)	(0.1)	(0.2)	(0.4)
Accumulated amortisation and depreciation at 30 September 2015	**-**	**52.7**	**5.3**	**25.7**	**83.7**
Net carrying amount at 30 September 2014	**26.2**	**450.5**	**2.0**	**6.4**	**485.1**
Net carrying amount at 31 March 2015	**28.2**	**453.0**	**2.3**	**7.1**	**490.6**
Net carrying amount at 30 September 2015	**27.8**	**452.3**	**2.3**	**6.5**	**488.9**

"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.

"Goodwill" includes goodwill arising on the acquisition of Bruichladdich Distillery Ltd and the Rum Refinery of Mount Gay distillery.

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.

At 30 September 2015, the total provision for the impairment of intangible assets was €52.7 million (September 2014: €52.4 million; March 2015: €52.8 million) including €45.0 million for the Greek brandy Metaxa acquired in 2000 and €7.7 million for secondary brands.

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

In the absence of a clear indication of impairment, annual impairment tests will be conducted during the second half.

NOTE 4 PROPERTY, PLANT AND EQUIPMENT

(in € millions)	Land	Buildings	Other	In progress	Total
Gross value at 30 September 2014	**13.5**	**110.1**	**235.1**	**7.4**	**366.1**
Gross value at 31 March 2015	**14.0**	**115.8**	**247.1**	**4.7**	**381.6**
Acquisitions	-	1.4	5.7	2.0	9.1
Disposals, items scrapped	-	(0.1)	(0.2)	(0.1)	(0.4)
Other movements	0.1	0.6	2.2	(3.0)	(0.1)
Translation reserve	(0.1)	(0.7)	(2.0)	-	(2.8)
Gross value at 30 September 2015	**14.0**	**117.0**	**252.8**	**3.6**	**387.4**
Accumulated amortisation and depreciation at 30 September 2014	**2.5**	**42.8**	**116.9**	**-**	**162.2**
Accumulated amortisation and depreciation at 31 March 2015	**2.7**	**44.3**	**119.0**	**-**	**166.0**
Increase	0.2	1.6	6.3	-	8.1
Disposals, items scrapped	-	-	(0.2)	-	(0.2)
Translation reserve	-	(0.2)	(0.9)	-	(1.1)
Accumulated amortisation and depreciation at 30 September 2015	**2.9**	**45.7**	**124.2**	**-**	**172.8**
Net carrying amount at 30 September 2014	**11.0**	**67.3**	**118.2**	**7.4**	**203.9**
Net carrying amount at 31 March 2015	**11.3**	**71.5**	**128.1**	**4.7**	**215.6**
Net carrying amount at 30 September 2015	**11.1**	**71.3**	**128.6**	**3.6**	**214.6**

NOTE 5 INVESTMENTS IN ASSOCIATES

(in € millions)	Dynasty	Lixir	Diversa	Spirits Platform	Other	Total
At 31 March 2014	**29.4**	**1.2**	**7.0**		**1.2**	**38.8**
Dividends 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**
Dividends paid	-	(0.7)	-	-	-	(0.7)
Profit for the period	-	(0.1)	0.4	-	-	0.3
Translation differences	(1.4)	-	-	-	-	(1.4)
Changes in consolidation scope	-	-	-	0.7	-	0.7
At 30 September 2015	**36.3**	**0.3**	**7.2**	**0.7**	**-**	**44.5**

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. Additional impairment was recognised during the first half of the year ended 31 March 2014 for €10.9 million.

Subsequent measurements carried out at 30 September 2014 and again at 31 March 2015 led Rémy Cointreau to maintain the net carrying amount of HKD 315 million.

At 30 September 2015, the situation was more or less unchanged. The Group has not published any audited financial statements since 30 June 2012. The various investigations into fraud allegations are still ongoing. In view of this unprecedented situation and in the absence of any significant developments since the previous close, Rémy Cointreau has kept the valuation at HKD 315 million. It considers the fundamentals of this valuation still to be relevant based on the information available. Given the change in the EUR/HKD exchange rate, the stake was valued at €36.3 million at 30 September 2015.

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

NOTE 6 OTHER FINANCIAL ASSETS

(in € millions)	**September 2015**	September 2014	March 2015
Non-consolidated equity investments	2.5	3.1	2.6
Vendor loan	88.1	87.8	87.9
Loan to non-consolidated investments	0.4	0.1	-
Liquidity account excluding Rémy Cointreau shares	-	2.8	3.1
Other	1.5	1.8	1.9
TOTAL	**92.5**	**95.6**	**95.5**

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.

At 30 September 2015, this loan was recognised at the present value of cash flow to be collected by Rémy Cointreau in the event that the loan is repaid on maturity in accordance with the terms and conditions of the contract.

Interest accrued since July 2015 and payable in July 2016 is recognised as other receivables.

NOTE 7 INVENTORIES

(in € millions)	**September 2015**	September 2014	March 2015
Raw materials	46.5	43.6	44.0
Ageing wines and eaux-de-vie	892.1	848.7	922.3
Goods for resale and finished goods	150.3	148.2	154.0
Gross cost	**1,088.9**	**1,040.5**	**1,120.3**
Provision for impairment	(8.0)	(5.9)	(11.2)
Carrying amount	**1,080.9**	**1,034.6**	**1,109.1**

NOTE 8 TRADE AND OTHER RECEIVABLES

(in € millions)	**September 2015**	September 2014	March 2015
Trade receivables	173.0	210.6	176.0
Receivables related to taxes and social charges (excl. income tax)	21.8	11.6	17.1
Sundry prepaid expenses	13.7	11.1	7.2
Advances paid	23.0	19.7	25.3
Other receivables	15.6	12.6	23.1
TOTAL	**247.1**	**265.6**	**248.7**
Of which provision for doubtful debts	(2.7)	(6.4)	(2.8)

The factoring programmes in place led to accelerated customer payments totalling €37.7 million at 30 September 2015 (September 2014: €33.0 million; March 2015: €31.6 million).

NOTE 9 CASH AND CASH EQUIVALENTS

(in € millions)	**September 2015**	September 2014	March 2015
Short-term deposits	-	63.1	21.8
Cash at bank	52.3	61.3	52.3
TOTAL	**52.3**	**124.4**	**74.1**

NOTE 10 SHAREHOLDERS' EQUITY

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 2014	**48,476,859**	**(190,294)**	**48,286,565**	**77.6**	**680.9**	**(13.7)**
Partial payment of dividend in shares	233,394	-	233,394	0.3	13.0	-
Liquidity account	-	(5,500)	(5,500)	-	-	(0.3)
Other treasury shares	-	4,000	4,000	-	-	0.1
At 30 September 2014	**48,710,253**	**(191,794)**	**48,518,459**	**77.9**	**693.9**	**(13.9)**
2012 bonus share plan	-	52,500	52,500			3.9
Liquidity account	-	5,500	5,500	-	-	0.3
Other treasury shares	-	4,000	4,000	-	-	0.1
At 31 March 2015	**48,710,253**	**(129,794)**	**48,580,459**	**77.9**	**693.9**	**(9.6)**
Partial payment of dividend in shares	24,761	-	24,761	-	1.4	-
Liquidity account	-	(43,823)	(43,823)	-	-	(1.4)
At 30 September 2015	**48,735,014**	**(173,617)**	**48,561,397**	**77.9**	**695.3**	**(11.0)**

10.1.1 Share capital and premium

At 30 September 2015, the share capital comprised 48,735,014 shares with a nominal value of €1.60.

On 24 September 2015, 24,761 shares were issued following the option offered to shareholders to receive payment of the dividend in shares.

10.1.2 Treasury shares

At 30 September 2015, Rémy Cointreau held 129,794 treasury shares intended to cover current or future bonus share plans and 43,823 treasury shares under the liquidity contract.

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

	September 2015	September 2014	March 2015
Average number of shares (basic):			
Average number of shares	48,711,065	48,483,236	48,596,433
Average number of treasury shares	(173,617)	(191,794)	(163,739)
TOTAL USED FOR CALCULATING BASIC EARNINGS PER SHARE	**48,537,448**	**48,291,442**	**48,432,694**
Average number of shares (diluted):			
Average number of shares (basic):	48,537,448	48,291,442	48,432,694
Dilution effect of bonus share plans	107,300	94,900	47,249
TOTAL USED FOR CALCULATING DILUTED EARNINGS PER SHARE	**48,644,748**	**48,386,342**	**48,479,943**

10.3 DIVIDENDS

The Shareholders' Meeting of 29 July 2015 approved the payment of an ordinary dividend of €1.53 per share for the year ended 31 March 2015, with an option for payment of the entire dividend in shares.

Payment in shares was made on 24 September for the total amount of €1.4 million. The balance of €72.8 million was paid in October 2015. At 30 September 2015, this amount was recorded under shareholders' equity as a counterpart to the "other liabilities" item.

10.4 NON-CONTROLLING INTERESTS

(in € millions)	September 2015	September 2014	March 2015
Minority interests in Mount Gay Distilleries	1.5	1.2	1.4
TOTAL	**1.5**	**1.2**	**1.4**

NOTE 11 FINANCIAL DEBT

11.1 NET FINANCIAL DEBT

	September 2015			September 2014			March 2015		
(in € millions)	Long term	Short term	Total	Long term	Short term	Total	Long term	Short term	Total
Gross financial debt	375.1	132.3	507.4	388.4	208.8	597.2	344.1	196.6	540.7
Cash and cash equivalents (note 9)	-	(52.3)	(52.3)	-	(124.3)	(124.3)	-	(74.1)	(74.1)
Net financial debt	**375.1**	**80.0**	**455.1**	**388.4**	**84.5**	**472.9**	**344.1**	**122.5**	**466.6**

11.2 GROSS FINANCIAL DEBT BY TYPE

	September 2015			September 2014			March 2015		
(in € millions)	Long term	Short term	Total	Long term	Short term	Total	Long term	Short term	Total
Bonds	203.4	-	203.4	202.1	-	202.1	202.7	-	202.7
Private bond placement	79.7	-	79.7	-	-	-	79.7	-	79.7
Private placement	-	-	-	-	139.9	139.9	-	140.0	140.0
Drawdown on syndicated loan	30.0	-	30.0	125.0	-	125.0	-	-	-
Upfront fees on syndicated loan	(1.7)	-	(1.7)	(2.2)	-	(2.2)	(1.9)	-	(1.9)
Shareholder current account (note 23)	-	60.0	60.0	-	-	-	-	-	-
Other financial debt and overdrafts	-	0.1	0.1	-	-	-	-	-	-
Accrued interest	-	3.8	3.8	-	4.9	4.9	-	7.5	7.5
Total Rémy Cointreau SA	**311.4**	**63.9**	**375.3**	**324.9**	**144.8**	**469.7**	**280.5**	**147.5**	**428.0**
Bonds	63.6	-	63.6	63.4	-	63.4	63.5	-	63.5
Other financial debt and overdrafts	0.1	59.7	59.8	0.1	53.5	53.6	0.1	35.7	35.8
Accrued interest	-	0.4	0.4	-	0.3	0.3	-	1.7	1.7
Borrowings by special purpose entities	-	8.3	8.3	-	10.2	10.2	-	11.7	11.7
Total subsidiaries	**63.7**	**68.4**	**132.1**	**63.5**	**64.0**	**127.5**	**63.6**	**49.1**	**112.7**
Gross financial debt	**375.1**	**132.3**	**507.4**	**388.4**	**208.8**	**597.2**	**344.1**	**196.6**	**540.7**

11.3 BONDS

11.3.1 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%.

11.3.2 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%.

11.3.3 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.

11.4 PRIVATE PLACEMENT

On 10 June 2010, Rémy Cointreau secured a "private placement" syndicated finance package with financial institutions. This €140 million contract was concluded for five years (maturing on 10 June 2015). The structured financing included 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 amounted to around €138.6 million, which resulted in an effective interest rate of approximately 3.94%.

This private placement was repaid fully at maturity on 10 June 2015.

11.5 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 30 September 2015, the A ratio stood at 2.53 (September 2014: 3.14; March 2015: 2.64).

NOTE 12 PROVISIONS FOR RISKS AND LIABILITIES

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

12.1 ANALYSIS OF CHANGE

(in € millions)	Restructuring	Litigation	Total
At 31 March 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 differences	0.1	2.3	2.4
Reclassifications	-	(0.3)	(0.3)
At 31 March 2015	**0.8**	**28.9**	**29.7**
Increase	-	2.1	2.1
Reversals – Used	(0.7)	(1.3)	(2.0)
Reversals – Unused	-	(3.1)	(3.1)
Translation reserve	-	(0.4)	(0.4)
At 30 September 2015	**0.1**	**26.2**	**26.3**

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

12.2 MATURITY

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

(in € millions)	September 2015	September 2014	March 2015
Long-term provisions (or unknown maturity)	7.2	6.2	10.2
Short-term provisions	19.1	21.1	19.5
TOTAL	**26.3**	**27.3**	**29.7**

NOTE 13 TRADE AND OTHER PAYABLES

(in € millions)	September 2015	September 2014	March 2015
Trade payables – eaux-de-vie	196.2	183.8	244.7
Other trade payables	66.7	82.1	83.7
Advances from customers	5.3	2.5	3.5
Payables related to tax and social charges (excl. income tax)	60.3	48.3	69.2
Excise duties	3.0	3.6	3.6
Advertising expenses payable	49.7	78.7	68.0
Miscellaneous deferred income	3.2	5.6	4.5
Other liabilities	43.7	39.1	54.4
TOTAL	**428.1**	**443.7**	**531.6**

NOTE 14 FINANCIAL INSTRUMENTS AND MARKET RISKS

The Group uses financial instruments to manage its interest rate and currency risk exposure. The policy for managing market risks complies with the prudential rules approved by the Board of Directors. More specifically, the sale of options is limited to tunnel strategies and the resale of previously purchased instruments that are subject to approval on an individual basis.

All hedging transactions are entered into with top-tier international banks.

With regard to currency risk, the Group endeavours to hedge its budgeted net commercial exposure over a rolling period of approximately 15 to 18 months. This is achieved by entering into firm or optional currency hedging agreements in accordance with the guidelines set by the Board of Directors.

The Group does not hedge the currency risk arising from the translation of the financial statements of companies outside the euro zone into euros.

The Group's hedging policy only allows for the hedging of short term currency risk. It is not intended to protect the Group against the economic effects of long-term money market trends on the Group's net sales and margins.

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

(in € millions)	**September 2015**	September 2014	March 2015
Assets			
Interest rate derivatives	-	-	-
Exchange rate derivatives	8.5	2.2	0.8
TOTAL	**8.5**	**2.2**	**0.8**
Liabilities			
Interest rate derivatives	-	3.6	0.5
Exchange rate derivatives	11.4	13.3	29.3
TOTAL	**11.4**	**16.9**	**29.8**

14.2 INTEREST RATE DERIVATIVES

At 30 September 2015 the Group no longer has any interest rate derivatives in its portfolio, the private placement having matured (note **11.4**). A breakdown of the interest rate derivatives held in prior periods is given below:

14.2.1 Breakdown by type

(in € millions)	**September 2015**	September 2014	March 2015
Liabilities			
Interest rate swaps	-	1.8	-
Instruments related to private placement	-	1.8	0.5
TOTAL	**-**	**3.6**	**0.5**

14.2.2 Change

(in € millions)	
Portfolio valuation at 31 March 2015	**(0.5)**
Change recognised in:	
▪ Shareholders' equity	0.5
▪ Cost of gross financial debt	-
Portfolio valuation at 30 September 2015	**-**

14.3 EXCHANGE RATE DERIVATIVES

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

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

The following table summarises all currency hedging instruments in the portfolio at the balance sheet date.

(in € millions)	Nominal(1)	Initial value	Market value	of which FVH(2)	of which CFH(2)	of which Trading(2)
Put options and tunnel options						
Seller USD (vs. EUR)	183.0	4.4	(0.6)	0.0	(0.6)	0.0
Other currencies (vs. EUR)	30.0	0.7	0.7	0.0	0.7	0.0
	213.0	**5.1**	**0.1**	**0.0**	**0.1**	**0.0**
Forward sales						
Seller USD (vs. EUR)	66.9	0.0	(7.4)	0.0	(7.4)	0.0
Other currencies (vs. EUR)	40.8	0.0	1.3	0.0	1.3	0.0
	107.7	**0.0**	**(6.1)**	**0.0**	**(6.1)**	**0.0**
Purchase/(sale) of currency swaps (operating activities)(3)						
Seller USD (vs. EUR)	(64.0)	0.0	0.1	0.0	0.0	0.1
Other currencies (vs. EUR)	(5.7)	0.0	0.0	0.0	0.0	0.0
	(69.7)	**0.0**	**0.1**	**0.0**	**0.0**	**0.1**
Purchase/(sale) of currency swaps (financing activities)(3)						
Seller USD (vs. EUR)	(55.5)	0.0	2.7	0.0	0.0	2.7
Other currencies (vs. EUR)	(66.4)	0.0	0.2	0.0	0.0	0.2
	(121.9)	**0.0**	**2.9**	**0.0**	**0.0**	**2.9**
TOTAL	**129.1**	**5.1**	**(3.0)**	**0.0**	**(6.0)**	**3.0**

(1) Nominal amount in foreign currency translated at the closing rate.
(2) Fair value hedge; Cash flow hedge; Trading: i.e. held for trading.
(3) Difference between closing rate and forward rate.

During the period ended 30 September 2015, pre-tax income of €19.6 million was recognised directly in equity in respect of the change in the intrinsic value of the portfolio of instruments hedging future cash flows.

NOTE 15 SEGMENT REPORTING

Since 1 April 2009, Rémy Cointreau has been applying IFRS 8 "Operating segments". Under this standard, the operating segments to be presented are those for which separate financial information is available internally and which are used by the "main operational decision-maker" to make operational decisions. Rémy Cointreau's main operational decision-maker is the Executive Committee. This committee reviews operational performance and allocates resources based on the financial data analysed for the Rémy Martin, Liqueurs & Spirits and Partner Brands businesses. consequently, the Group has identified these three businesses as the operating segments to be presented. in addition, a holding segment includes the central expenses that are not allocated to the various divisions.

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

15.1 BUSINESSES

Breakdown of net sales and current operating profit

There are no intra-segment sales.

	Net sales			Current operating profit		
(in € millions)	**September 2015**	September 2014	**March 2015**	**September 2015**	September 2014	**March 2015**
Rémy Martin	313.1	276.8	564.8	85.9	78.0	117.4
Liqueurs & Spirits	129.9	130.9	262.9	24.1	25.9	51.8
Group brands	**442.9**	**407.7**	**827.8**	**109.9**	**103.9**	**169.2**
Partner Brands	57.8	64.1	137.3	3.3	3.8	7.3
Holding	-	-	-	(6.3)	(5.6)	(20.5)
TOTAL	**500.7**	**471.8**	**965.1**	**107.0**	**102.1**	**156.0**

15.2 GEOGRAPHIC AREAS

Net sales

	Net sales		
(in € millions)	**September 2015**	September 2014	March 2015
Europe-Middle East-Africa[1]	164.5	155.8	329.2
Americas	198.6	165.2	342.7
Asia Pacific	137.6	150.7	293.2
TOTAL	**500.7**	**471.8**	**965.1**

(1) Net sales for France amount to €13.4 million at 30 September 2015 (September 2014: €14.6 million; March 2015: €33.4 million).

NOTE 16 ANALYSIS OF OPERATING EXPENSES BY TYPE

(in € millions)	**September 2015**	September 2014	March 2015
Personnel costs	(85.0)	(74.9)	(167.6)
Advertising and promotion expenses	(94.3)	(89.9)	(219.4)
Depreciation, amortisation and impairment of non-current assets	(9.2)	(9.1)	(18.6)
Other expenses	(49.3)	(49.8)	(110.8)
Expenses allocated to inventories and production costs	26.9	23.7	52.8
TOTAL	**(210.9)**	**(200.0)**	**(463.6)**
Of which:			
Distribution costs	(173.3)	(162.0)	(374.2)
Administrative expenses	(37.6)	(38.0)	(89.4)
TOTAL	**(210.9)**	**(200.0)**	**(463.6)**

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

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

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

NOTE 17 OTHER OPERATING INCOME AND EXPENSES

(in € millions)	**September 2015**	September 2014	March 2015
Expenses related to the acquisition of Larsen	-	(0.7)	(0.7)
Tax adjustment excluding income taxes	(0.1)	0.5	1.2
Other	-	0.2	-
TOTAL	**(0.1)**	**-**	**0.5**

NOTE 18 FINANCIAL RESULT

18.1 NET BORROWING COST BY TYPE

(in € millions)	September 2015	September 2014	March 2015
Bonds	(7.4)	(7.3)	(14.7)
Private bond placement	(1.2)	-	(0.2)
Private placement	(1.0)	(2.6)	(5.3)
Syndicated loan and unconfirmed lines	(1.0)	(1.7)	(3.3)
Shareholder current account	(0.4)	-	-
Finance costs of special purpose entities	(1.1)	(1.1)	(2.5)
Interest flows on hedging interest rate derivatives	-	(1.2)	(2.1)
Ineffective portion of hedging interest rate derivatives	-	1.1	1.8
Other financial expenses	(0.1)	(0.3)	(0.5)
Sub-total	**(12.2)**	**(13.1)**	**(26.8)**
Effect of non-hedging interest rate derivatives	-	(0.1)	(0.1)
Cost of gross financial debt	**(12.2)**	**(13.2)**	**(26.9)**
Interest income	-	1.7	2.9
Cost of net financial debt	**(12.2)**	**(11.5)**	**(24.0)**

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

18.2 OTHER FINANCIAL INCOME AND EXPENSES

(in € millions)	September 2015	September 2014	March 2015
Currency gains	-	-	-
Vendor loan – interest accrued and revaluation	2.3	2.3	4.6
Other financial income	**2.3**	**2.3**	**4.6**
Currency losses	(0.8)	(1.9)	(2.0)
Other financial expenses of special *purpose entities*	(3.8)	(3.6)	(7.3)
Other	(0.6)	(0.7)	(1.0)
Other financial expenses	**(5.2)**	**(6.2)**	**(10.3)**
Other financial income/(expense)	**(2.9)**	**(3.9)**	**(5.7)**

The "Vendor loan – interest accrued and revaluation" item relates to the loan granted at the time of the disposal of the Champagne division. The loan is described in note **6**.

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

NOTE 19 INCOME TAX

19.1 NET INCOME TAX EXPENSE

(in € millions)	September 2015	September 2014	March 2015
Current tax/(expense) income	(30.3)	(28.5)	(32.2)
Deferred tax/(expense) income	4.6	4.0	(1.3)
Total	**(25.7)**	**(24.5)**	**(33.5)**
Effective tax rate	-28.0%	-28.2%	-26.4%

19.2 INCOME TAX BALANCES

(in € millions)	September 2015	September 2014	March 2015
Income tax receivables	4.9	7.6	16.9
Income tax payables	(31.3)	(12.9)	(9.7)
Net liability	**(26.4)**	**(5.3)**	**7.8**

NOTE 20 NET PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS

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

NOTE 21 NET PROFIT/(LOSS) EXCLUDING NON-RECURRING ITEMS

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

21.1 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)	September 2015	September 2014	March 2015
Net profit/(loss) – attributable to the owners of the parent	**66.3**	**62.7**	**92.6**
Expenses related to the acquisition of Larsen	-	0.7	0.7
Tax adjustment excluding income taxes	0.1	(0.5)	(1.2)
Other	-	(0.1)	1.2
Tax effect	-	(0.2)	(0.1)
3% contribution on distribution of cash dividend	2.2	1.4	1.4
Net profit/(loss) excluding non-recurring items – attributable to owners of the parent	**68.6**	**64.0**	**94.6**

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

(in € millions)	*Note*	**September 2015**	September 2014	March 2015
Net profit excluding non-recurring items				
▪ attributable to owners of the parent		68.6	64.0	94.6
Number of shares				
▪ basic	*10.2*	48,537,448	48,291,442	48,432,694
▪ diluted	*10.2*	48,644,748	48,386,342	48,479,943
Per share (in €)				
▪ basic		1.41	1.33	1.95
▪ diluted		1.41	1.32	1.95

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

22.1 OFF-BALANCE SHEET COMMITMENTS

At 30 September 2015, eaux-de-vie purchase commitments (direct contracts) amounted to €45.4 million, compared with €46.1 million at 31 March 2015 and €59.9 million at 30 September 2014.

At 30 September 2015, eaux-de-vie purchase commitments (*via* cooperatives) amounted to €94.7 million, compared with €95.0 million at 31 March 2015 and €134.4 million at 30 September 2014.

At 30 September 2015, wine purchase commitments amounted to €2.5 million, compared with €3.0 million at 31 March 2015 and €2.7 million at 30 September 2014.

At 30 September 2015, capital expenditure commitments totalled €4.8 million, compared with €4.2 million at 31 March 2015 and €5.6 million at 30 September 2014.

At 30 September 2015, office rental commitments amounted to €26.7 million, compared with €31.1 million at 31 March 2015 and €27.9 million at 30 September 2014.

Other purchase and rental commitments and various guarantees have not changed significantly since 31 March 2015.

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

At 30 September 2015, guarantees on other finance lines amounted to €36.7 million, compared with €20.6 million at 31 March 2015 and €11.9 million at 30 September 2014.

At 30 September 2015, agricultural warrants on Alliance Fine Champagne inventories amounted to €31.0 million, compared with €46.0 million at 31 March 2015 and €44.0 million at 30 September 2014.

Other guarantees granted and still outstanding at 30 September 2015 have not changed significantly since 31 March 2015.

22.2 ASSETS AND LIABILITIES RELATED TO DISPOSAL TRANSACTIONS

In connection with disposal transactions, guarantees in respect of liabilities are generally granted to the buyers for defined periods and amounts stipulated in the agreements. Liabilities for tax, excise duties and social security payments that may arise following audits covering periods prior to the sale are generally included until such liabilities lapse under the statute of limitations.

No guarantees had been granted and were outstanding at 30 September 2015.

NOTE 23 RELATED PARTIES

A shareholder current account advance agreement between Rémy Cointreau SA and Orpar SA was approved at the Shareholders' Meeting on 29 July. The agreement, signed on 31 March 2015, is for €60 million with 1.25% interest.

During the period ended 30 September 2015, other relationships with related parties remained similar to those for the year ended 31 March 2015.

NOTE 24 POST-BALANCE SHEET EVENTS

On 27 October, the Rémy Cointreau Group announced the sale to Spirited Brands of all shares in the company Izarra – Distillerie de la Côte Basque, owner of the Izarra brand (with net sales of €0.4 million for the year ended 31 March 2015). Rémy Cointreau and Spirited Brands have also reached an agreement that allows Rémy Cointreau to continue producing and bottling the Izarra liqueur. The sale will have no material impact on the financial statements for the year ended 31 March 2016.

There are no other events to be reported that are likely to have a material impact on the Group's consolidated financial statements at 30 September 2015.

NOTE 25 UPDATE ON THE CONSOLIDATION SCOPE

		% interest	
Company	**Activity**	**September 2015**	**March 2015**
Changes in consolidation scope			
Spirits Platform Pty Lyd[(1)]	Distribution	37.0%	-

(1) Acquired during the period.

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

To the Shareholders,

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

- our review of the accompanying condensed half-yearly consolidated financial statements of Rémy Cointreau, for the period from April 1 to September 30, 2015; and
- the verification of the information contained in the interim management report.

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

1. Conclusion on the financial statements

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

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

2. Specific verification

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

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

Paris and Paris-La défense, November 24, 2015
The statutory auditors

French original signed by

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

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

CERTIFICATE OF THE PERSON RESPONSIBLE FOR THE HALF-YEAR REPORT

I certify that, to the best of my knowledge, the interim financial statements for the first half-year 2015-16 were prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, the financial position and the financial performance of the Company and all the companies included in the consolidation, and the half-year operating report presents a true and fair view of significant events which occurred in the first six months of the year, their impact on the half-year financial statements, significant transactions between related parties, as well as the principal risks and uncertainties for the remaining six months of the financial year.

Paris, 24 November 2015

Valérie Chapoulaud-Floquet
Chief Executive Officer of Rémy Cointreau

RÉMY COINTREAU
21 boulevard Haussmann 75009
Téléphone 01 44 13 44 13