CONSOLIDATED FINANCIAL STATEMENTS OF THE RÉMY COINTREAU GROUP AT 31 MARCH 2016

Consolidated income statement

(in € millions)	*Notes*	**2016**	**2015**
Net sales	*15*	**1,050.7**	**965.1**
Cost of sales		(384.9)	(347.0)
Gross margin		**665.8**	**618.1**
Distribution costs	*16*	(406.7)	(374.2)
Administrative expenses	*16*	(81.6)	(89.4)
Other income from operations	*16*	0.9	1.5
Current operating profit	*15*	**178.4**	**156.0**
Other operating expenses	*18*	0.3	0.5
Operating profit		**178.7**	**156.5**
Cost of net financial debt		(24.0)	(24.0)
Other Financial income/(expense)		(3.3)	(5.7)
Net financial income/(expense)	*19*	**(27.3)**	**(29.7)**
Profit before tax		**151.4**	**126.8**
Income tax	*20*	(44.1)	(33.5)
Share in profit of associates	*5*	(4.8)	(0.7)
Profit from continuing operations		**102.5**	**92.6**
Net profit/(loss) from discontinued operations	*21*	–	–
Net profit for the year		**102.5**	**92.6**
Attributable to:			
non-controlling interests		0.1	-
attributable to owners of the parent		102.4	92.6
Net earnings per share – from continuing operations (€)			
basic		2.11	1.91
diluted		2.11	1.91
Net earnings per share - **attributable to owners of the parent (€)**			
basic		2.11	1.91
diluted		2.10	1.91
Number of shares used for the calculation			
basic	*10.2*	48,579,832	48,432,694
diluted	*10.2*	48,682,638	48,479,943

Consolidated statement of comprehensive income

(in € millions)	**2016**	**2015**
Net profit for the year	**102.5**	**92.6**
Movement in the value of hedging instruments	31.5	(36.7)
Actuarial difference on pension commitments	1.2	(2.6)
Movement in the value of AFS shares	(0.2)	0.1
Related tax effect	(12.3)	14.9
Movement in translation differences	(12.8)	41.8
Total income/(expenses) recorded in equity	**7.4**	**17.5**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**109.9**	**110.1**
Attributable to:		
attributable to owners of the parent	109.9	109.8
non-controlling interests	-	0.3

Consolidated statement of financial position

(in € millions)	*Notes*	**2016**	**2015 [1]**
Brands and other intangible assets	*3*	487.6	490.6
Property, plant and equipment	*4*	223.2	215.6
Investments in associates	*5*	40.6	45.6
Other financial assets	*6*	94.7	95.5
Deferred tax assets	*20*	28.9	41.7
Non-current assets		**875.0**	**889.0**
Inventories	*7*	1,107.9	1,109.1
Trade and other receivables	*8*	232.8	248.7
Income tax receivables		7.8	16.9
Derivative financial instruments	*14*	10.6	0.8
Cash and cash equivalents	*9*	46.9	74.1
Assets held for sale	*5*	0.5	-
Current assets		**1,406.5**	**1,449.6**
TOTAL ASSETS		**2,281.5**	**2,338.6**
Share capital		78.0	77.9
Share premium		695.3	693.9
Treasury shares		(8.7)	(9.6)
Consolidated reserves and profit of the year		319.8	271.9
Translation reserve		27.5	40.2
Equity - **attributable to owners of the parent**		**1,111.9**	**1,074.3**
Non-controlling interests		1.4	1.4
Equity	*10*	**1,113.3**	**1,075.7**
Long-term financial debt	*11*	172.0	344.1
Provision for employee benefits	*23*	30.7	31.7
Long-term provisions for liabilities and charges	*12*	5.6	10.2
Deferred tax assets	*20*	101.0	89.1
Non-current liabilities		**309.3**	**475.1**
Short-term financial debt and accrued interest charge	*11*	333.1	196.6
Trade and other payables	*13*	499.1	532.5
Income tax payables		9.8	9.4
Short-term provisions for liabilities and charges	*12*	13.3	19.5
Derivative financial instruments	*14*	1.2	29.8
Liabilities held for sale	*5*	2.4	-
Current liabilities		**858.9**	**787.8**
TOTAL EQUITY AND LIABILITIES		**2,281.5**	**2,338.6**

[1] The statement of financial position as at 31 March 2015 was restated to reflect the implementation of IFRIC21 (note **1**)

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		Total equity
						owners of the parent company	non-controlling interests	
At 31 March 2014 [(1)]	**758.5**	**(13.7)**	**276.5**	**(1.2)**	**(9.9)**	**1,010.2**	**1.1**	**1,011.3**
Net profit for the period	-	-	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 [(1)]	**771.8**	**(9.6)**	**306.0**	**40.2**	**(34.1)**	**1,074.3**	**1.4**	**1,075.7**
Net profit for the period	-	-	102.4	-	-	102.4	0.1	102.5
Gains (losses) recorded in equity	-	-	-	(12.7)	20.2	7.5	(0.1)	7.4
Share-based payments	-	-	1.4	-	-	1.4	-	1.4
Transactions on treasury shares	-	(0.9)	-	-	-	(0.9)	-	(0.9)
Dividends	1.5	-	(74.3)	-	-	(72.8)	-	(72.8)
Reclassification	-	1.8	(1.8)	-	-	-	-	-
At 31 March 2016	**773.3**	**(8.7)**	**333.7**	**27.5**	**(13.9)**	**1,111.9**	**1.4**	**1,113.3**

[(1)] The statement of financial position as at 31 March 2014 and 2015 were restated to reflect the implementation of IFRIC21 (note **1**)

Consolidated statement of cash flows

(in € millions)	*Notes*	**2016**	**2015**
Current operating profit		178.4	156.0
Depreciation, amortisation and impairment		18.8	18.6
Share-based payments		1.7	2.8
Dividends received from associates	*5*	0.7	0.8
EBITDA		**199.6**	**178.2**
Change in inventories		(6.2)	(44.3)
Change in trade receivables		20.9	(0.2)
Change in trade payables		(26.0)	(5.2)
Change in other receivables and payables		(31.1)	(29.7)
Change in working capital requirement		(42.4)	(79.4)
Net cash flow from operations		**157.2**	**98.8**
Other operating expenses		(0.2)	(1.3)
Financial result		(22.9)	(28.7)
Income tax		(29.9)	(24.3)
Other operating cash flows		**(53.0)**	**(54.3)**
Net cash flow from operating activities – continuing operations		**104.2**	**44.5**
Impact of discontinued operations		-	-
Net cash flow from operating activities		**104.2**	**44.5**
Purchase of intangible assets and property, plant and equipment	*3/4*	(30.8)	(36.8)
Purchase of shares in associates and non-consolidated investments	*5/6*	(0.7)	-
Disposal of intangible assets and property, plant and equipment		0.8	0.9
Disposal of shares in associates and non-consolidated investments	*6*	0.7	0.8
Net cash flow from other investments	*6*	0.7	(0.8)
Net cash flow from investment activities – continuing operations		**(29.3)**	**(35.9)**
Impact of discontinued operations		-	-
Net cash flow from investment activities		**(29.3)**	**(35.9)**
Treasury shares	*10*	(0.9)	0.2
Increase in financial debt		110.5	95.8
Repayment of financial debt		(143.8)	(160.0)
Dividends paid		(72.8)	(48.0)
Net cash flow from financing activities – continuing operations		**(107.0)**	**(112.0)**
Impact of discontinued operations		-	-
Net cash flow from financing activities		**(107.0)**	**(112.0)**
Translation differences on cash and cash equivalents		4.9	(8.8)
Change in cash and cash equivalents		**(27.2)**	**(112.2)**
Cash and cash equivalents at start of year	*9*	**74.1**	**186.3**
Cash and cash equivalents at end of year	*9*	**46.9**	**74.1**

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 7 June 2016. They will be submitted for shareholder approval at the Shareholders' Meeting on 26 July 2016.

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 2016.

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

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

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".

The adoption of IFRIC 21 in our financial statements at 31 March 2016 chiefly consisted of a change in how French land tax is recognised. Other taxes affected by this interpretation are still accounted for as before. Prior period earnings have not been restated since the potential adjustment is not material. This change resulted in a decrease in equity at 1 April 2014 and 1 April 2015 of €0.6 million, matched by a corresponding €0.6 million increase in current liabilities.

The first time adoption of other 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 2016 and for which the Group did not choose early application for the consolidated financial statements for the year ended 31 March 2016 are as follows:

- IFRS annual improvement cycle 2012-2014;
- amendments to IAS 1 "Presentation of Financial Statements" – Disclosure Initiative;
- amendments to IAS 16 and IAS 38: "Clarification of Acceptable Methods of Depreciation and Amortisation";
- amendments to IAS 16 and IAS 41: "Agriculture: Bearer Plants";
- amendments to IAS 27: "Equity Method in Separate Financial Statements";
- amendments to IFRS 11: "Accounting for Acquisitions of Interests in Joint Operations".

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 **1.7**).

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 revalued 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 DEFINITION OF CERTAIN INDICATORS

A) 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.

B) Current operating profit, operating profit, net 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.

C) 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.

D) 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 1.7 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

On 31 July 2015, the Rémy Cointreau Group acquired a 37% stake in Spirits Platform Pty Ltd for €0.7 million. This company, consolidated using the equity method, will distribute Rémy Cointreau's brand portfolio in the Australian market (note **5.4**).

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 has no material impact on the financial statements for the year ended 31 March 2016.

In early May 2016, Rémy Cointreau officially announced its decision to exit the Lixir joint venture during the year ending 31 March 2017 (note **5.2**).

NOTE 3 BRANDS AND OTHER INTANGIBLE ASSETS

With the exception of software licences, “Brands and other intangible assets” mainly comprise the value of the intangibles identified when acquisitions are made by the Group: residual 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, described below, 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.

Impairment tests

For impairment tests performed on the carrying amount of intangible assets with an indefinite useful life, 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.

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 that it may be impaired, and automatically at each year-end in the case of assets with an indefinite useful life, except in the case of certain brands for which the Group uses the exemption granted 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.

(in € millions)	Goodwill	Brands	Distribution rights	Other	Total
Gross value at 31 March 2015	**28.2**	**505.8**	**7.7**	**31.8**	**573.5**
Acquisitions	-	-	-	3.8	3.8
Disposals, items scrapped	-	-	-	(0.5)	(0.5)
Changes in consolidation scope	-	(0.3)	-	-	(0.3)
Other movements	-	0.4	-	-	0.4
Translation reserve	(2.2)	(2.0)	(0.2)	(0.4)	(4.8)
Gross value at 31 March 2016	**26.0**	**503.9**	**7.5**	**34.7**	**572.1**
Accumulated amortisation and depreciation at 31 March 2015	**-**	**52.8**	**5.4**	**24.7**	**82.9**
Increase	-	-	-	2.4	2.4
Disposals, items scrapped	-	-	-	(0.5)	(0.5)
Other movements	-	0.2	-	-	0.2
Translation reserve	-	(0.1)	(0.1)	(0.3)	(0.5)
Accumulated amortisation and depreciation at 31 March 2016	**-**	**52.9**	**5.3**	**26.3**	**84.5**
Net carrying amount at 31 March 2015	**28.2**	**453.0**	**2.3**	**7.1**	**490.6**
Net carrying amount at 31 March 2016	**26.0**	**451.0**	**2.2**	**8.4**	**487.6**

"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.

"Goodwill" includes goodwill arising from the acquisition of Bruichladdich Distillery Ltd in September 2012 and goodwill arising from the acquisition of the Rum Refinery of Mount Gay in May 2014.

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 amount, mainly established on the basis of discounted future cash flows, as explained above.

For the year ended 31 March 2016, the main hypotheses were as follows:

			Change impact 50 bps		
	Discount rate	**Perpetual growth rate**	**+50 bps on the discount rate**	**-50 bps on the perpetual growth rate**	**Impairment**
Mount Gay	7.07%	1.00%	(6.2)	(2.1)	no
Bruichladdich	6.09%	1.00%	(13.7)	(6.1)	no
Metaxa (1)	8.09%	2.00%	(14.4)	(10.9)	no
s/total			**(34.3)**	**(19.1)**	
For memory, total tested net carrying amount			**194.3**	**194.3**	

(1) For Metaxa, a variation of 10% on treasury flows would generate a €20 million impact in Brand valuation. A discount rate of 9.10% would equalize the Brand valuation with its current net book value.

At 31 March 2016, the total provision for impairment of intangible assets was €52.9 million (2015: €52.8 million), including €45.0 million for the Greek brandy Metaxa, acquired in 2000, and €7.9 million for secondary brands.

NOTE 4 PROPERTY, PLANT AND EQUIPMENT

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.

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 equipment 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

(in € millions)	Land	Buildings	Other	In progress	Total
Gross value at 31 March 2015	**14.0**	**115.8**	**247.1**	**4.7**	**381.6**
Acquisitions	-	9.2	13.5	5.9	28.6
Disposals, items scrapped	(0.1)	(0.4)	(3.7)	-	(4.2)
Other movements	0.1	0.8	4.7	(4.2)	1.4
Translation reserve	(0.2)	(2.1)	(3.8)	-	(6.1)
Gross value at 31 March 2016	**13.8**	**123.3**	**257.8**	**6.4**	**401.3**
Accumulated amortisation and depreciation at 31 March 2015	**2.7**	**44.3**	**119.0**	**-**	**166.0**
Increase	0.4	3.2	12.8	-	16.4
Disposals, items scrapped	(0.1)	(0.2)	(3.6)	-	(3.9)
Other movements	-	-	1.7	-	1.7
Translation reserve	-	(0.3)	(1.8)	-	(2.1)
Accumulated amortisation and depreciation at 31 March 2016	**3.0**	**47.0**	**128.1**	**-**	**178.1**
Net carrying amount at 31 March 2015	**11.3**	**71.5**	**128.1**	**4.7**	**215.6**
Net carrying amount at 31 March 2016	**10.8**	**76.3**	**129.7**	**6.4**	**223.2**

As of 31 March 2016, 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 2016, acquisitions of €28.6 million mainly relate to capital expenditure on measures to ensure compliance with standards and upgrade equipment at 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	Spirits Plat-form	Total
At 31 March 2015	**37.7**	**1.1**	**6.8**	**-**	**45.6**
Dividend paid	-	(0.7)	-		(0.7)
Profit of the year	-	0.1	0.8	0.4	1.3
Provision for impairment	(3.7)	-	-	-	(3.7)
Transfer to assets held for sale	-	(0.5)	-	-	(0.5)
Translation reserve	(2.0)	-	-	(0.1)	(2.1)
Changes in consolidation scope	-	-	-	0.7	0.7
At 31 March 2016	**32.0**	-	**7.6**	**1.0**	**40.6**

NOTE 5.1 DYNASTY

The 27% interest in the Dynasty Group originated in a joint venture for wine production between Rémy Cointreau and the city of Tianjin (China) in 1980. This Group was listed on the Hong Kong stock exchange in 2005.

Following allegations of fraud with regard to 2010 and 2011, the listing was suspended on 22 March 2013. It has not been re-listed to date as a result of the Company's inability to publish audited financial statements for the 2012, 2013 and 2014 financial years. This incapacity appears to be linked to the lack of conclusion of the different enquiries carried out with regard to the fraud.

During these years, the Dynasty Group also had to face a market in turmoil. After strong development up to the end of 2012 that attracted new actors, and therefore more competition, the market experienced two difficult years in 2013 and 2014 due to the massive arrival of low cost imported products and measures taken by the Chinese government to limit reception costs. Whilst it did not publish financial statements, Dynasty regularly informed the market of the fall in its net sales and its losses, which can be explained by its internal difficulties and the context.

As a shareholder in the Hong Kong-listed Group, Rémy Cointreau is also subject to restrictions in terms of access to financial information on the Dynasty Group due to the current rules governing the Hong Kong exchange. In this context, the assessment of this holding since the financial statements for the year ended 31 March 2013 is a source of incertitude and technical difficulties. The carrying value at 31 March 2012 corresponds to a valuation of 1.88HK$. The last price before the suspension, which already reflected the anticipation of lower performance for the Company, was 1.44HK$ per share. During the financial years ended 31 March 2013 and 31 March 2014, Remy Cointreau carried out two successive impairments to bring the valuation to 1.27HK$ then 0.94HK$.

As at March 31 2016, Remy Cointreau carried out two external appraisals which are summarized below:

Type	High	Low	Comment
DCF model –7 year projection – discount rate 18,5% - long term growth rate 3%	0.81	0,67	Dynasty does not issue any medium term plan. The model is populated with our own forecast aligned with market studies on the prospects of the Chinese wine market.
Approach based on the Enterprise Value to Sales ratio, resulting on an estimation of potential share value after return to cotation using a basket of comparable companies operating in the wine sector in China.	1.01	0.73	Dynasty has not realeased any Financial statement since June 2012. The sample of comparable companies is limited. At resumption date, the valuation of Dynasty by the market may differ as the group will resume a normal communication. The high of this valuation range does not include any discount to reflect the potential impact of prolonged suspension.

Such appraisals should be put into perspective with the fact that data available is limited.

Based on the above appraisals and on its own knowledge and appreciation of the context, Rémy Cointreau has revised the valuation downward to 0.84HK$ per share (being the average between 1.01 and 0.67) i.e. a depreciation charge of €3.7 million. Taking into account the €/HK$ parity at closing, the net book value is €32 million as at 31 March 2016.

There are many factors of incertitude around the subsequent evolution of the participation value, whether upwards or downwards.

In terms of sensitivity, one cent of HK$ in the share value corresponds to €0.4 million change in the value of the participation in Remy Cointreau books.

Dynasty remains the 4th or 5th largest actor in the wine market, with a promising macro-economic outlook. The Group has announced that it could publish its 2012, 2013, 2014 and 2015 financial statements on around the 30 June 2016. Rémy Cointreau remains confident in Dynasty's ability to restore its financial situation and its position in the market in the medium term.

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 €178.7 million over the Rémy Cointreau financial year, compared with €176.3 million the previous financial year. Its total assets amounted to €42.1 million at 31 March 2016 (2015: €44.2 million).

For the year ended 31 March 2016, the Rémy Cointreau Group generated net sales of €30.8 million with Lixir (2015: €32.3 million).

In early May 2016, Rémy Cointreau officially announced its decision to exit this joint venture during the year ending 31 March 2017. The securities have been reclassified in "assets held for sale" at their estimated disposal value (€0.5 million) and a liability of €2.4 million has been recognised in "share of profit of associates", with a matching entry under "liabilities held for sale" representing the estimated exit costs under the agreements signed in 2008.

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 2016, Diversa GmbH's net sales were €99.9 million (2015: €103.7 million). Its total assets amounted to €32.4 million at 31 March 2016 (2015: €29.2 million).

For the year ended 31 March 2016, the Rémy Cointreau Group generated net sales of €21.5 million with Diversa (2015: €19.1 million).

NOTE 5.4 SPIRITS PLATFORM

On 31 July 2015, the Rémy Cointreau Group acquired a 37% stake in Spirits Platform Pty Ltd for €0.7 million. When this company was created, a €0.4 million loan was granted to certain shareholders for a five-year term, recognised in "Other financial assets". Spirits Platform Pty Ltd, consolidated using the equity method, distributes Rémy Cointreau's brand portfolio in the Australian market.

Its financial year-end is 30 September. Its net sales for the year ended 31 March 2016 stood at €12.7 million, while total assets amounted to €12.0 million at 31 March 2016.

In the year to 31 March 2016, the Rémy Cointreau Group generated net sales of €5.5 million with Spirits Platform.

NOTE 6 OTHER FINANCIAL ASSETS

(in € millions)	**2016**	**2015**
Non-consolidated equity investments	2.4	2.6
Vendor loan	88.2	87.9
Partner loan (note **5.4**)	0.4	-
Liquidity account excluding Rémy Cointreau shares	2.2	3.1
Other	1.5	1.9
TOTAL	**94.7**	**95.5**

NOTE 6.1 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.

(in € millions)	% held	2016	% held	2015
Dettling & Marmot (Switzerland)	25.0%	1.0	25.0%	1.0
Ducs de Gascogne SA (France)	30.1%	0.5	30.1%	0.5
Tianjin Dvpt Holding Ltd (RPC)	0.2%	0.4	0.2%	0.6
Balachoa-Vinhos de Portugal (Portugal)	0.8%	0.5	0.8%	0.5
TOTAL		**2.4**		**2.6**

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 2016, 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 2015 and payable in July 2016 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

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 7.1 BREAKDOWN BY CATEGORY

(in € millions)	**2016**	**2015**
Raw materials	43.9	44.0
Ageing wines and *eaux-de-vie*[(1)]	963.3	922.3
Goods for resale and finished goods	105.9	154.0
Gross cost	**1,113.1**	**1,120.3**
Provision for impairment	(5.2)	(11.2)
Carrying amount	**1,107.9**	**1,109.1**

*(1) Of which AFC inventories (**note 1.7**) €262.7 million (2015: €251.4 million)*

As of 31 March 2016, some inventories were subject to agricultural warrants for €46.0 million (2015: €46.0 million).

NOTE 7.2 ANALYSIS OF THE CHANGE

(in € millions)	**Gross cost**	**Impairment**	**Carrying amount**
Balance at 31 March 2015	**1,120.3**	**(11.2)**	**1,109.1**
Movement	6.2	5.9	12.1
Translation reserve	(13.4)	0.1	(13.3)
Balance at 31 March 2016	**1,113.1**	**(5.2)**	**1,107.9**

NOTE 8 TRADE AND OTHER RECEIVABLES

Trade receivables, which are generally collected within three months, are stated at nominal value.

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)	**2016**	**2015**
Trade receivables	155.2	176.0
Receivables related to taxes and social charges (excl. income tax)	23.4	17.1
Sundry prepaid expenses	12.3	7.2
Advances paid	26.7	25.3
Other receivables	15.2	23.1
TOTAL	**232.8**	**248.7**
Of which provision for doubtful debts	(2.3)	(2.8)

At 31 March 2016, the breakdown of trade receivables by maturity was as follows:

(in € millions)	**Total**	**Current**	**Due**	
			Less than 3 months	**More than 3 months**
Trade receivables gross	**157.5**	**139.4**	**15.2**	**2.9**

The Group implemented factoring programmes during the year which had the effect of accelerating customer payments. These totalled €34.1 million at 31 March 2016 (2015: €31.6 million).

NOTE 9 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.

(in € millions)	**2016**	**2015**
Short-term deposits	0.1	21.8
Cash at bank	46.8	52.3
TOTAL	**46.9**	**74.1**

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 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	0.1	1.4	-
2014 bonus share plan	-	23,630	23,630	-	-	1.8
Liquidity account	-	(13,800)	(13,800)	-	-	(0.9)
At 31 March 2016	**48,735,014**	**(119,964)**	**48,615,050**	**78.0**	**695.3**	**(8.7)**

Share capital and premium

At 31 March 2016, the share capital consisted of 48,735,014 shares with a par value of €1.60.

On 25 September 2015, 24,761 shares were issued following the option offered to shareholders to receive partial payment of the dividend in shares.

Treasury shares

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.

At 31 March 2016, Rémy Cointreau held 106,164 treasury shares intended to cover current or future bonus share plans and 13,800 treasury shares under the liquidity contract.

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

Basic earnings per share are calculated on the basis of 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.

	2016	2015
Average number of shares (basic):		
Average number of shares	48,723,039	48,596,433
Average number of treasury shares	(143,207)	(163,739)
Total used for calculating basic earnings per share	**48,579,832**	**48,432,694**
Average number of shares (diluted):		
Average number of shares (basic)	48,579,832	48,432,694
Dilution effect of bonus share plans	102,806	47,249
Total used for calculating diluted earnings per share	**48,682,638**	**48,479,943**

NOTE 10.3 BONUS SHARE PLANS

Bonus share plans

Grant date(1)	Plan No.	Vesting period	Minimum retention period	Initial number of shares granted	Share value on date granted	Lapsed options	Shares granted at the end of the vesting period	Number of shares outstanding at 31 March 2016
25 March 2014	2014	2 years	2 years	41,900	58.72	18,270	23,630	-
27 January 2015	2015A	3 years	2 years	82,500	64.26	10,750	-	71,750
24 November 2015	2015B	3 years	2 years	88,800	66.64	-	-	88,800
Total				**213,200**		**29,020**	**23,630**	**160,550**

(1) The grant date is the date of the Board meeting which decided allocations under each plan. The 2015A and 2015B plans were authorised by the Combined Shareholders' Meeting of 24 July 2014.

For the 2014 plan, the shares are granted on the condition that the beneficiary is still employed by the Group at the end of the vesting period and that the Group's performance criteria have been satisfied, as 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 had only partially been met. Accordingly, 85% of shares outstanding at that date were allocated by remittance of shares held by Rémy Cointreau.

Plans 2015A and 2015B are indexed plans. Shares will be issued to beneficiaries at the end of the vesting period subject to their continued employment with the Group. The number of shares will depend on the performance of the Rémy Cointreau share price.

Plan 2015A: the maximum number of shares will be awarded if the share price increases by 30% or more between 27 January 2015 and 27 January 2018, with a target price of €75.39. The Board of Directors will set the share delivery terms (delivery of treasury shares or creation of new shares) when deciding on the final allocation of the plan. At the reporting date, the plan was expected to be serviced by delivery of shares held by Rémy Cointreau.

Plan 2015B: the maximum number of shares will be awarded if the share price increases by 20% or more between 24 November 2015 and 23 November 2018, with a target price of €76.95. The Board of Directors will set the share delivery terms (delivery of treasury shares or creation of new shares) when deciding on the final allocation of the plan. At the reporting date, the plan was expected to be serviced by the creation of new shares.

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 2014 plan, 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 plans, 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 2016 were as follows:

Grant date(1)	2014 Plan	2015A Plan	2015B Plan
Expectation performance criteria will be met	100%	N/A	N/A
Staff turnover ratio	4%	4%	4%
Fair value per option(1)	€55.92	€28.11	€27.81
Fair value per option(2)	€59.46	€28.11	€27.81

(1) Executive management and Management Committee members.

(2) Other beneficiaries.

For the year ended 31 March 2016, the related expense was €1.4 million (2015: €2.1 million).

NOTE 10.4 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.

NOTE 10.5 NON-CONTROLLING INTERESTS

(in € millions)	2016	2015
Minority interests in Mount Gay Distilleries	1.4	1.4
TOTAL	**1.4**	**1.4**

NOTE 11 FINANCIAL DEBT

Financial resources are 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 11.1 NET FINANCIAL DEBT

	2016			2015		
(in € millions)	Long term	Short term	Total	Long term	Short term	Total
Gross financial debt	172.0	333.1	505.1	344.1	196.6	540.7
Cash and cash equivalents (note **9**)	-	(46.9)	(46.9)	-	(74.1)	(74.1)
Net financial debt	**172.0**	**286.2**	**458.2**	**344.1**	**122.5**	**466.6**

NOTE 11.2 GROSS FINANCIAL DEBT BY TYPE

	2016			2015		
(in € millions)	Long term	Short term	Total	Long term	Short term	Total
Bonds	-	204.0	204.0	202.7	-	202.7
Private bond placement	79.7	-	79.7	79.7	-	79.7
Private placement	-	-	-	-	140.0	140.0
Drawdown on syndicated loan	30.0	-	30.0	-	-	-
Upfront fees on syndicated loan	(1.4)	-	(1.4)	(1.9)	-	(1.9)
Current-account agreement (note **25**)	-	60.0	60.0	-	-	-
Other financial debt and overdrafts	-	0.1	0.1	-	-	-
Accrued interest	-	4.1	4.1	-	7.5	7.5
Total Rémy Cointreau SA	**108.3**	**268.2**	**376.5**	**280.5**	**147.5**	**428.0**
Bonds	63.7	-	63.7	63.5	-	63.5
Other financial debt and overdrafts	-	55.3	55.3	0.1	35.7	35.8
Accrued interest	-	1.7	1.7	-	1.7	1.7
Borrowings by special purpose entities	-	7.9	7.9	-	11.7	11.7
Total subsidiaries	**63.7**	**64.9**	**128.6**	**63.6**	**49.1**	**112.7**
Gross financial debt	**172.0**	**333.1**	**505.1**	**344.1**	**196.6**	**540.7**

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 2017	-	333.1
11 April 2019	28.6	-
13 August 2023	63.7	-
27 February 2025	79.7	-
TOTAL	**172.0**	**333.1**

NOTE 11.4 GROSS FINANCIAL DEBT BY TYPE OF RATES

	2016			2015		
(in € millions)	Long term	Short term	Total	Long term	Short term	Total
Fixed interest rate	143.4	264.0	407.4	345.9	140.0	485.9
Variable interest rate	28.6	63.3	91.9	(1.8)	47.4	45.6
Accrued interest	-	5.8	5.8	-	9.2	9.2
Gross financial debt	**172.0**	**333.1**	**505.1**	**344.1**	**196.6**	**540.7**

	2016			2015		
(in € millions)	Long term	Short term	Total	Long term	Short term	Total
Drawdown on syndicated loan	30.0	-	30.0	-	-	-
Upfront fees on syndicated loan	(1.4)	-	(1.4)	(1.9)	-	(1.9)
Other	-	63.3	63.3	0.1	47.4	47.5
Total variable-rate debt	**28.6**	**63.3**	**91.9**	**(1.8)**	**47.4**	**45.6**

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

	2016			2015		
(in € millions)	Long term	Short term	Total	Long term	Short term	Total
Euro	172.0	325.0	497.0	344.1	196.0	540.1
US dollar	-	0.9	0.9	-	0.6	0.6
Hong Kong dollar	-	7.2	7.2	-	-	-
Gross financial debt	**172.0**	**333.1**	**505.1**	**344.1**	**196.6**	**540.7**

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 on 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 “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 some €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.

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 2016, the A ratio was 2.29 (September 2015: 2.53; March 2015: 2.64).

NOTE 12 PROVISIONS FOR RISKS AND LIABILITIES

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.

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 12.1 ANALYSIS OF CHANGE

(in € millions)	Restructuring	Litigation	Total
At 31 March 2015	**0.8**	**28.9**	**29.7**
Increase	-	1.4	1.4
Reversals – Used	(0.7)	(6.5)	(7.2)
Reversals – Unused	-	(4.4)	(4.4)
Translation reserve	-	(0.6)	(0.6)
At 31 March 2016	**0.1**	**18.8**	**18.9**

"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.

NOTE 12.2 MATURITY

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

(in € millions)	2016	2015
Long-term provisions (or unknown maturity)	5.6	10.2
Short-term provisions	13.3	19.5
TOTAL	**18.9**	**29.7**

NOTE 13 TRADE AND OTHER PAYABLES

Trade payables, which are generally settled within three months, are stated at nominal value.

(in € millions)	2016	2015
Trade payables – *eaux-de-vie*	255.8	244.7
Other trade payables	55.4	83.7
Advances from customers	2.4	3.5
Payables related to tax and social charges (excl. income tax)	71.8	70.1
Excise duties	4.1	3.6
Advertising expenses payable	64.5	68.0
Miscellaneous deferred income	1.8	4.5
Other liabilities	43.3	54.4
TOTAL	**499.1**	**532.5**

NOTE 14 FINANCIAL INSTRUMENTS AND MARKET RISKS

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.

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.

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.

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 2016

(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*	94.7	94.7	90.1	2.2	2.4	-
Trade and other receivables	*8*	232.8	232.8	232.8	-	-	-
Derivative financial instruments	*14*	10.6	10.6	-	4.7	-	5.9
Cash and cash equivalents	*9*	46.9	46.9	-	46.9	-	-
ASSETS		**385.0**	**385.0**	**322.9**	**53.8**	**2.4**	**5.9**
Long-term financial debt	*11*	172.0	172.0	172.0	-	-	-
Short-term financial debt and accrued interest charge	*11*	333.1	333.1	333.1	-	-	-
Trade and other payables	*13*	499.1	499.1	499.1	-	-	-
Derivative financial instruments	*14*	1.2	1.2	-	0.5	-	0.7
LIABILITIES		**1,005.4**	**1,005.4**	**1,004.2**	**0.5**	**-**	**0.7**

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

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*	532.5	532.5	532.5	-	-	-
Derivative financial instruments	*14*	29.8	29.8	-	0.6	-	29.2
LIABILITIES		**1,103.0**	**1,103.0**	**1,073.2**	**0.6**	**-**	**29.2**

(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)	2016	2015
Assets		
Interest rate derivatives	-	-
Exchange rate derivatives	10.6	0.8
TOTAL	**10.6**	**0.8**
Liabilities		
Interest rate derivatives	-	0.5
Exchange rate derivatives	1.2	29.3
TOTAL	**1.2**	**29.8**

NOTE 14.4 INTEREST RATE DERIVATIVES

At 31 March 2016 the Group no longer has any interest rate derivatives in its portfolio, the private placement having matured (note **11.4**).

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.

Breakdown of all currency hedging instruments in the portfolio at 31 March 2016:.

(€ millions)	Nominal[(1)]	Initial value	Market value	Of which: CFH[(2)]	Of which: Trading [(2)]
Put options and tunnel options					
Seller USD (vs. EUR)	131.8	3.6	2.3	2.3	-
Other currencies (vs. EUR)	24.8	0.5	0.5	0.5	-
	156.5	**4.1**	**2.8**	**2.8**	**-**
Forward sales					
Seller USD (vs. EUR)	87.8	-	2.0	2.0	-
Other currencies (vs. EUR)	33.0	-	0.4	0.4	-
	120.8	**-**	**2.4**	**2.4**	**-**
Purchase/(sale) of currency swaps (operating activities)[(3)]					
Seller USD (vs. EUR)	(43.6)	-	0.7	-	0.7
Other currencies (vs. EUR)	(0.7)	-	0.1	-	0.1
	(44.3)	**-**	**0.8**	**-**	**0.8**
Purchase/(sale) of currency swaps (financing activities)[(3)]					
Seller USD (vs. EUR)	(60.8)	-	2.9	-	2.9
Other currencies (vs. EUR)	(44.7)	-	0.5	-	0.5
	(105.5)	-	3.4	-	3.4
Total	**127.4**	**4.1**	**9.4**	**5.2**	**4.2**

(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

Breakdown of exchange rate risk hedging instruments in the portfolio at 31 March 2015:

(€ millions)	**Nominal[1]**	**Initial value**	**Market value**	**Of which CFH [2]**	**Of which 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] Fair Value Hedge: fair value hedge; Cash flow hedge: Cash flow hedge

Trading: held for trading

[3] Difference between closing rate and forward rate

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:

	2016		**2015**	
	US dollar sensitivity		**US dollar sensitivity**	
Benchmark value	1.1385		1.0759	
	+10%	-10%	+10%	-10%
EUR/USD rate	1.25	1.02	1.18	0.97
Net profit for the period	(2.9)	3.2	(1.2)	0.5
Equity excluding net profit/(loss)	10.7	(6.4)	8.1	(9.9)
Change in value of financial instruments	20.4	(15.3)	20.3	(26.4)
Nominal amount at balance sheet date:				
• USD instruments in the portfolio	160.0	195.5	175.0	213.8
• USD receivables potentially exposed	85.0	103.9	91.2	111.5

NOTE 14.6 LIQUIDITY RISK

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 2016 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 for those resources reaching maturity. The Group obtains its financing from leading financial institutions.

The following table shows the contractual maturity profile of disbursements relating to financial liabilities recognised as of 31 March 2016.

(in € millions)	**Before 31 March 2017**	**Before 31 March 2018**	**Before 31 March 2019**	**Before 31 March 2020**	**Beyond**	**Total**
Financial debt and accrued interest	334.1	-	-	30.0	145.0	509.1
Trade and other payables	499.1	-	-	-	-	499.1
Liabilities recognised at 31 March 2016	**833.2**	**-**	**-**	**30.0**	**145.0**	**1,008.2**
Future interest on financial debt	17.1	8.6	6.3	5.9	22.2	60.1
Total disbursements	**850.3**	**8.6**	**6.3**	**35.9**	**167.2**	**1,068.3**

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

(in € millions)	**2016**	**2015**
Fixed-rate resources	410.0	490.0
Variable-rate resources	255.0	255.0
Total	**665.0**	**745.0**
Long-term	400.0	605.0
Short-term	265.0	140.0
Total	**665.0**	**745.0**
Availability subject to compliance with the A ratio	335.0	475.0
Available with no ratio restrictions	330.0	270.0
Total	**665.0**	**745.0**
Unused at 31 March	225.0	255.0
Unused at 31 March as % of available resources	34%	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 2.29 at 31 March 2016. 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 2016: Standard & Poor's: BB+, outlook stable – Moody's: Baa3, outlook negative.

NOTE 15 SEGMENT REPORTING

Breakdown by sector

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 15.1 BUSINESSES

Note 15.1.1 Breakdown of net sales and current operating profit

	Net sales		Operating profit current	
(in € millions)	**2016**	**2015**	**2016**	**2015**
Rémy Martin	647.8	564.8	139.7	117.4
Liqueurs & Spirits	273.7	262.9	48.1	51.8
Group brands	**921.5**	**827.8**	**187.8**	**169.2**
Partner Brands	129.2	137.3	6.0	7.3
Holding	-	-	(15.4)	(20.5)
TOTAL	**1,050.7**	**965.1**	**178.4**	**156.0**

There are no intra-segment sales.

Note 15.1.2 Breakdown of the statement of financial position

AT 31 MARCH 2016

(in € millions)	Rémy Martin	Liqueurs & Spirits	Partner Brands	Unallocated	Total
Non-current assets	383.4	326.5	0.9	164.2	875.0
Current assets	1,106.0	136.3	67.6	38.6	1,348.5
Derivative financial instruments	-	-	-	10.6	10.6
Assets held for sale	-	-	-	0.5	0.5
Cash and cash equivalents	-	-	-	46.9	46.9
TOTAL ASSETS	**1,489.4**	**462.8**	**68.5**	**260.8**	**2,281.5**
Equity	-	-	-	1,113.3	1,113.3
Financial debt and accrued interest	-	-	-	505.1	505.1
Provisions for liabilities and charges	31.3	7.3	3.6	7.4	49.6
Deferred and current tax assets	-	-	-	110.8	110.8
Trade and other payables	391.7	53.3	22.8	31.3	499.1
Derivative financial instruments	-	-	-	1.2	1.2
Liabilities held for sale	-	-	-	2.4	2.4
Total equity and liabilities	**423.0**	**60.6**	**26.4**	**1,771.5**	**2,281.5**
Brands and other intangible assets not included in the basis of calculation of return on capital employed (ROCE)	236.3	242.9	-		479.2
ROCE basis of calculation	**830.1**	**159.3**	**42.1**		**1,031.5**

AT 31 MARCH 2015

(in € millions)	Rémy Martin	Liqueurs & 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**
Equity	-	-	-	1,075.7	1,075.7
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	-	-	-	98.5	98.5
Trade and other payables	413.5	65.3	29.4	24.3	532.5
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**

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 intangibles (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 2016

(in € millions)	Capital employed	Operating profit current	%
Rémy Martin	830.1	139.7	16.8%
Liqueurs & Spirits	159.3	48.1	30.2%
Sub-total Group brands	**989.4**	**187.8**	**19.0%**
Partner Brands	42.1	6.0	14.3%
Holding	-	(15.4)	-
Total	**1,031.5**	**178.4**	**17.3%**

AT 31 MARCH 2015

(in € millions)	Capital employed	Operating profit current	%
Rémy Martin	805.5	117.4	14.6%
Liqueurs & Spirits	137.2	51.8	37.7%
Sub-total Group brands	**942.7**	**169.2**	**17.9%**
Partner Brands	55.9	7.3	13.0%
Holding	-	(20.5)	-
Total	**998.6**	**156.0**	**15.6%**

Note 15.1.4 Capital expenditure and amortisation expense

	Capital expenditure and acquisition of intangible assets		Depreciation and amortisation charges	
(in € millions)	**2016**	**2015**	**2016**	**2015**
Rémy Martin	15.3	14.6	11.8	12.1
Liqueurs & Spirits	17.1	21.1	6.7	6.2
Partner Brands	0.1	0.6	0.3	0.3
Total	**32.5**	**36.3**	**18.8**	**18.6**

NOTE 15.2 GEOGRAPHIC AREAS

Net sales

(in € millions)	Net sales	
	2016	**2015**
Europe-Middle East-Africa(1)	359.6	329.2
Americas	394.6	342.7
Asia Pacific	296.5	293.2
TOTAL	**1,050.7**	**965.1**

(1) *net sales for France totalled €31.9 million at 31 March 2016 (March 2015: €33.4 million)*

Balance sheet

AT 31 MARCH 2016

(in € millions)	Europe-Middle East-Africa	Americas	Asia Pacific	Unallocated	**Total**
Non-current assets	775.4	60.7	38.9	-	875.0
Current assets	1,147.2	87.3	114.0	-	1,348.5
Derivative financial instruments	-	-	-	10.6	10.6
Assets held for sale	0.5	-	-	-	0.5
Cash and cash equivalents	-	-	-	46.9	46.9
TOTAL ASSETS	**1,923.1**	**148.0**	**152.9**	**57.5**	**2,281.5**
Equity	-	-	-	1,113.3	1,113.3
Financial debt and accrued interest	-	-	-	505.1	505.1
Provisions for liabilities and charges	39.3	-	10.3	-	49.6
Deferred and current tax assets	105.9	0.3	4.6	-	110.8
Trade and other payables	392.8	48.9	57.4	-	499.1
Derivative financial instruments	-	-	-	1.2	1.2
Liabilities held for sale	2.4	-	-	-	2.4
Total equity and liabilities	**540.4**	**49.2**	**72.3**	**1,619.6**	**2,281.5**

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**
Equity	-	-	-	1,075.7	1,075.7
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	91.4	2.1	5.0	-	98.5
Trade and other payables	401.8	45.2	85.5	-	532.5
Derivative financial instruments	-	-	-	29.8	29.8
Total equity and liabilities	**543.2**	**47.3**	**101.9**	**1,646.2**	**2,338.6**

Investments

(in € millions)	Capital expenditure and acquisition of intangible assets	
	2016	**2015**
Europe-Middle East-Africa	26.6	17.9
Americas	5.2	17.8
Asia Pacific	0.7	0.6
TOTAL	**32.5**	**36.3**

NOTE 16 ANALYSIS OF OPERATING EXPENSES BY TYPE

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.

(in € millions)	**2016**	**2015**
Personnel costs	(175.9)	(167.6)
Advertising and promotion expenses	(244.1)	(219.4)
Depreciation, amortisation and impairment of non-current assets	(18.8)	(18.6)
Other expenses	(104.2)	(110.8)
Expenses allocated to inventories and production costs	54.7	52.8
TOTAL	**(488.3)**	**(463.6)**
Of which:		
Distribution costs	(406.7)	(374.2)
Administrative expenses	(81.6)	(89.4)
TOTAL	**(488.3)**	**(463.6)**

Personnel costs consist of the following:

(in € millions)	**2016**	**2015**
Salaries and social charges	(166.7)	(154.6)
Pension and other similar benefits	(5.6)	(8.1)
Employee profit-sharing	(2.2)	(2.8)
Share-based payments	(1.4)	(2.1)
TOTAL	**(175.9)**	**(167.6)**

NOTE 17 NUMBER OF EMPLOYEES

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

	2016	2015
France	690	705
Europe (outside France) – Africa	353	332
Americas	342	342
Asia Pacific	377	429
TOTAL	**1,762**	**1,808**

NOTE 18 OTHER OPERATING INCOME/(EXPENSES)

"Other operating income/(expenses)" include 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 notably include impairment provisions in respect of brands and other non-current assets recognised as a result of impairment tests, provisions for restructuring and litigation, and significant gains and losses on the sale of assets other than those relating to operations that have already been, or are to be, discontinued (see **note 1.6**).

(in € millions)	2016	2015
Net proceeds from the disposal of the Izarra brand	0.2	-
Tax adjustment excluding income taxes	0.1	1.2
Expenses related to the acquisition of Larsen	-	(0.7)
TOTAL	**0.3**	**0.5**

NOTE 19 FINANCIAL RESULT

NOTE 19.1 NET BORROWING COST BY TYPE

(in € millions)	2016	2015
Bonds	(14.7)	(14.7)
Private bond placement	(2.4)	(0.2)
Private placement	(1.0)	(5.3)
Syndicated loan and unconfirmed lines	(2.6)	(3.3)
Partner current account	(0.7)	-
Finance costs of special purpose entities	(2.5)	(2.5)
Interest flows on hedging interest rate derivatives	-	(2.1)
Ineffective portion of hedging interest rate derivatives	-	1.8
Other financial expenses	(0.2)	(0.5)
Sub-total	**(24.1)**	**(26.8)**
Effect of non-hedging interest rate derivatives	-	(0.1)
Cost of gross financial debt	**(24.1)**	**(26.9)**
Interest income	0.1	2.9
Cost of net financial debt	**(24.0)**	**(24.0)**

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

NOTE 19.2 OTHER FINANCIAL INCOME/(EXPENSE)

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)	**2016**	**2015**
Currency gains	0.8	-
Vendor loan – interest accrued and revaluation	4.6	4.6
Other financial income	**5.4**	**4.6**
Currency losses	-	(2.0)
Other financial expenses of special *purpose entities*	(7.7)	(7.3)
Other	(1.0)	(1.0)
Other financial expenses	**(8.7)**	**(10.3)**
Other Financial income/(expense)	**(3.3)**	**(5.7)**

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

(in € millions)	**2016**	**2015**
Ineffective portion of currency hedges	1.7	(1.0)
Other	(0.9)	(1.0)
Currency gains/(losses)	**0.8**	**(2.0)**

NOTE 20 INCOME TAX

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 reporting 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 20.1 NET INCOME TAX EXPENSE

(in € millions)	**2016**	**2015**
Current tax/(expense) income	(31.5)	(32.2)
Deferred tax/(expense) income	(12.6)	(1.3)
Total	**(44.1)**	**(33.5)**
Effective tax rate	-29.1%	-26.4%

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)	2016	2015
Breakdown by type		
Pension provisions	9.0	10.5
Regulated provisions	(20.7)	(18.9)
Other provisions	6.1	9.4
Brands	(99.4)	(99.0)
Non-current assets	(6.4)	(8.6)
Margins on inter-company inventories	21.7	27.0
Losses carried forward	1.3	6.9
Other timing differences	16.3	25.3
Net liability	**(72.1)**	**(47.4)**
Breakdown by tax group		
France	(87.2)	(70.6)
US	7.3	7.2
Netherlands	-	(6.8)
Other	7.8	22.8
Net liability	**(72.1)**	**(47.4)**
Deferred tax asset	28.9	41.7
Deferred tax liability	(101.0)	(89.1)
Net liability	**(72.1)**	**(47.4)**

NOTE 20.4 TAX LOSSES AND CAPITAL LOSSES CARRIED FORWARD

As of 31 March 2016, tax losses carried forward totalled €20.1 million (2015: €43.2 million). The potential tax saving arising from the use of these losses is €3.5 million (2015: €10.4 million). Of these losses, the Group recognised a net asset of €1.3 million, of which it plans to recover €0.4 million by March 2019.

NOTE 20.5 TAX RECONCILIATION

In 2016, income tax expense amounted to €44.1 million. The difference with the theoretical tax expense based on the French statutory rate (38.0% in 2016 and 2015) is as follows:

(in € millions)	2016	2015
Theoretical tax charge	(57.5)	(48.2)
Actual tax charge	(44.1)	(33.5)
Difference	**13.4**	**14.7**
Permanent differences between consolidated profit and taxable profit	(4.4)	9.0
Use of tax losses or timing differences not previously recognised	0.4	-
Unused losses from subsidiaries that are loss-making from a tax point of view	(4.0)	(0.4)
Difference in tax rates applicable to foreign subsidiaries	18.1	18.7
Adjustment to the tax charge for prior years	3.3	(12.6)
TOTAL	**13.4**	**14.7**

NOTE 21 NET PROFIT/(LOSS) FROM 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 by using: “Impact of discontinued operations” for investment cash flows.

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, the profit/(loss) from discontinued operations and the contribution on the distribution of cash dividends.

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)	**2016**	**2015**
Net profit/(loss) – attributable to the owners of the parent	**102.4**	**92.6**
Provision for impairment on Dynasty Fine Wines Group shares (note **5.1**)	3.7	-
Provision for the estimated exit costs of the Lixir joint venture (note **5.2**)	2.4	-
Net proceeds from the disposal of the Izarra brand	(0.2)	-
Tax adjustment excluding income taxes	(0.1)	(1.2)
Expenses related to the acquisition of Larsen	-	0.7
Other	-	1.2
Tax effect	-	(0.1)
3% contribution on distribution of cash dividend	2.2	1.4
Net profit/(loss) excluding non-recurring items – attributable to owners of the parent	**110.4**	**94.6**

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

(in € millions)	***Notes***	**2016**	**2015**
Net profit excluding non-recurring items			
• attributable to owners of the parent		110.4	94.6
Number of shares			
• basic	*10.2*	48,579,832	48,432,694
• diluted	*10.2*	48,682,638	48,479,943
Per share (in €)			
• basic		2.27	1.95
• diluted		2.27	1.95

NOTE 23 PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS

The valuation of pension commitments and other post-employment benefits is determined using actuarial methods that involve assumptions in respect of the discount rate, expected rate of return of 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.

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 19R.

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 23.1 DEFINED-BENEFIT PENSION PLANS

At 31 March 2016, 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 628 people;
- three defined-benefit supplementary pension plans sponsored by the Group in France, one in Germany and one in Belgium, affecting 145 people of which 46 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)	**2016**	**2015**
Retirement indemnities	11.3	11.9
Supplementary pension plans	18.2	18.5
Long-service awards	0.7	0.7
Post-employment healthcare benefits	0.5	0.6
TOTAL	**30.7**	**31.7**

(in € millions)	**2016**	**2015**
Present value of obligation at start of year	**35.5**	**29.6**
Service cost	1.7	1.7
Interest cost	0.4	0.8
Impact of changes to schemes	-	1.4
Benefits paid	(1.5)	(1.1)
Actuarial gain (losses)	(0.8)	3.1
Past service costs	-	-
Translation reserve	-	-
Present value of obligation at end of year	**35.3**	**35.5**
Not funded	35.3	23.6
Partly funded	-	11.9
Carrying amount of plan asset at start of year	**3.8**	**3.2**
Expected return	-	0.1
Contributions received	0.5	0.6
Curtailment or settlement	-	-
Benefits paid	(0.1)	(0.2)
Actuarial gain (losses)	0.4	0.1
Translation reserve	-	-
Carrying amount of plan asset at end of year	**4.6**	**3.8**
Funded status	**30.7**	**31.7**
Unrecognised past service costs	-	-
Net commitment	**30.7**	**31.7**
LIABILITIES	**30.7**	**31.7**
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)	**2016**	**2015**
Service cost	(1.7)	(1.7)
Interest cost	(0.4)	(0.8)
Expected return	-	0.1
Amortisation of other items not recognised	-	-
Impact of changes to scheme	-	(1.4)
Total income (expense)	**(2.1)**	**(3.8)**
Benefits paid	1.6	1.0
Employer's contribution	0.5	0.6
Total net income (expense)	**-**	**(2.2)**
Assumptions		
Average discount rate	1.39%	1.19%
Average salary increase	2.34%	2.10%
Expected working life	21 years	18 years
Expected rate of return of plan assets	0.53%	0.53%
Increase in medical costs	5.00%	5.00%
Estimated payments for the next five years:	11.8	9.6
Sensitivity to an increase of 0.50% in the discount rate on the gross actuarial debt	(1.0)	(1.3)
Sensitivity to an increase of 0.50% in the discount rate on the service cost	(0.1)	(0.1)

NOTE 23.3 ACTUARIAL GAINS AND LOSSES

(in € millions)	**2016**	**2015**
Opening balance	**(27.9)**	**(24.7)**
Movement for the year	1.1	(3.2)
of which experience adjustments	1.0	0.4
Closing balance	**(26.8)**	**(27.9)**

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

NOTE 24.1 OPERATING ACTIVITY COMMITMENTS

(in € millions)	**2016**	**2015**
Purchase commitments – non-current assets	13.9	4.2
Leasing commitments – offices	31.1	31.1
Leasing commitments – equipment	2.0	2.1
Purchase commitments – *eaux-de-vie* (individual agreements)	42.5	46.1
Purchase commitments – *eaux-de-vie* (collective agreements)	54.5	95.0
Purchase commitments – wine	1.7	3.0
Other purchase commitments	27.0	-

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.

Other purchase commitments comprise purchase commitments for packaging items, advertising and promotion spending commitments and other miscellaneous purchase commitments.

Breakdown of commitments by maturity as of 31 March 2016:

(in € millions)	**Total**	**2017**	**Beyond**
Purchase commitments – non-current assets	13.9	5.9	8.0
Leasing commitments – offices	31.1	6.3	24.8
Leasing commitments – equipment	2.0	0.9	1.1
Purchase commitments – *eaux-de-vie* (individual agreements)	42.5	14.0	28.5
Purchase commitments – *eaux-de-vie* (collective agreements)	54.5	-	54.5
Purchase commitments – wine	1.7	0.6	1.1
Other purchase commitments	27.0	6.7	20.3

NOTE 24.2 FINANCING COMMITMENTS, DEPOSITS AND SIMILAR GUARANTEES

(in € millions)	**2015**	**2015**
Tax deposits	0.3	0.5
Customs deposits	19.7	16.4
Export deposits	-	0.5
Environmental deposits	2.9	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	35.9	20.6
Other guarantees	0.3	0.2

Breakdown of commitments by maturity as of 31 March 2016:

(in € millions)	**Total**	**2017**	**Beyond**
Tax deposits	0.3	-	0.3
Customs deposits	19.7	8.3	11.4
Export deposits	-	-	-
Environmental deposits	2.9	-	2.9
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	35.9	35.9	-
Other guarantees	0.3	-	0.3

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 2016 were as follows:

Disposal transaction	Transaction date	Nature of outstanding guarantees	Maturity	Maximum amount
Izarra – Distillerie de la Côte Basque	27 October 2015	Tax items Other items	Legal period +30 days 30 October 2016	€200,000

NOTE 24.4 OTHER CONTINGENT LIABILITIES

At 31 March 2016, 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 2016, the Rémy Cointreau Group's main associates were Dynasty Fine Wines Group Ltd, Lixir, Diversa and Spirits Platform Pty Ltd.

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)	**2016**	**2015**
Service fees paid	2.7	3.1
Current-account agreement[1]	60.0	-
Trade payables and other liabilities	-	-

[1] 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.

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)	**2016**	**2015**
Purchases of non-current assets	3.9	3.7
Other purchases	0.9	0.7
Trade payables	0.7	0.5

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)	**2016**	**2015**
Short-term benefits	9.0	5.1
End of contract indemnities	1.1	1.2
Post-employment benefits(1)	0.4	0.3
Share-based payments	0.6	1.1
Directors' fees paid to members of the Board of Directors	0.4	0.4
TOTAL	**11.5**	**8.1**

*(1) Primarily a defined-benefit pension plan (see note **23**). The corresponding liabilities for the management bodies were €2.0 million at 31 March 2016*

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 2016, the scope of consolidation included 49 companies (49 at 31 March 2015). Forty-five companies were fully consolidated, and four were accounted for using the equity method. All companies have a 31 March year-end, except for Dynasty Fine Wines Group Ltd and Lixir, which have a 31 December year-end, and Spirits Platform Pty Ltd, which has a 30 September year-end.

Company	Activity	% interest March 2016	% interest March 2015
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
Alliance Fine Champagne[2]	Special *purpose entity*	100.0	100.0
Lixir[6]	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 2016	% interest March 2015
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) (6)	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			
Spirits Platform Pty Ltd(3)(4)	Distribution	37.0	-
Izarra - Distillerie de la Côte Basque(5)	Production	-	100.0

(1) Company included in the French tax group.

(2) Special-purpose entity.

(3) Equity-accounted company.

(4) Acquired during the year.

(5) Sold during the year.
(6) Being discontinued or liquidated