CONSOLIDATED FINANCIAL STATEMENTS OF THE REMY COINTREAU GROUP AT 31 MARCH 2018

Consolidated income statement

in € millions	*Notes*	**2018**	**2017**
Net sales	*15*	**1,127.0**	**1,094.9**
Cost of sales		(366.3)	(364.2)
Gross margin		**760.7**	**730.7**
Distribution costs	*16*	(432.7)	(416.7)
Administrative expenses	*16*	(91.7)	(88.5)
Other income/(expense) from operations	*16*	0.4	0.6
Current operating profit/(loss)	*15*	**236.8**	**226.1**
Other operating expenses	*18*	(13.7)	(4.8)
Operating profit/(loss)		**223.1**	**221.3**
Cost of net financial debt		(14.4)	(21.4)
Other financial income/(expense)		(7.6)	(10.5)
Net financial income/(expense)	*19*	**(22.0)**	**(31.9)**
Profit before tax		**201.0**	**189.4**
Income tax	*20*	(53.5)	(44.5)
Share in profit/(loss) of associates	*5*	0.5	(19.6)
Profit/(Loss) from continuing operations		**148.1**	**125.2**
Net profit/(loss) from deconsolidated and discontinued operations	*21*	-	65.0
Net profit/(loss) for the year		**148.1**	**190.2**
Of which:			
attributable to non-controlling interests		(0.2)	(0.0)
attributable to owners of the parent company		148.2	190.3
Net earnings per share – from continuing operations (€)			
basic		2.97	2.55
diluted		2.83	2.42
Net earnings per share - **attributable to owners of the parent company (€)**			
basic		2.98	3.87
diluted		2.83	3.68
Number of shares used for the calculation			
basic	*10.2*	49,789,269	49,123,523
diluted	*10.2*	52,434,796	51,782,976

Consolidated statement of comprehensive income

in € millions	**2018**	**2017**
Net profit/(loss) for the period	**148.1**	**190.2**
Movement in the value of hedging instruments	8.8	(5.6)
Actuarial difference on pension commitments	(0.2)	(2.1)
Related tax effect	(3.0)	2.7
Movement in translation differences	(3.0)	(0.5)
Total income/(expenses) recorded in equity	**2.6**	**(5.6)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**150.6**	**184.7**
Of which:		
attributable to owners of the parent company	151.0	184.6
non-controlling interests	(0.4)	0.1

Consolidated statement of financial position

in € millions	*Notes*	**2018**	**2017**
Brands and other intangible assets	*3*	509.4	526.1
Property, plant and equipment	*4*	242.9	237.3
Investments in associates	*5*	20.2	22.4
Non-current financial assets	*6*	166.2	166.7
Deferred tax assets	*20*	19.7	30.4
Non-current assets		**958.6**	**982.9**
Inventories	*7*	1,170.3	1,145.4
Trade and other receivables	*8*	209.8	224.0
Income tax receivables		4.9	6.6
Derivative financial instruments	*14*	10.0	3.3
Cash and cash equivalents	*9*	186.8	78.0
Assets held for sale		1.3	1.3
Current assets		**1,583.1**	**1,458.6**
TOTAL ASSETS		**2,541.6**	**2,441.5**
Share capital		80.4	79.5
Share premium		804.9	758.6
Treasury shares		(20.5)	(8.4)
Consolidated reserves and profit/(loss) for the year		518.4	445.9
Translation reserve		24.0	26.8
Shareholders' equity - attributable to owners of the parent company		**1,407.1**	**1,302.5**
Non-controlling interests		1.1	1.5
Shareholders' equity	*10*	**1,408.3**	**1,304.0**
Long-term financial debt	*11*	397.1	392.8
Provision for employee benefits	*23*	32.6	31.6
Long-term provisions for liabilities and charges	*12*	6.9	6.6
Deferred tax assets	*20*	81.0	98.9
Non-current liabilities		**517.7**	**529.9**
Short-term financial debt and accrued interest charge	*11*	72.5	75.3
Trade and other payables	*13*	517.3	503.6
Income tax payables		9.7	11.0
Short-term provisions for liabilities and charges	*12*	14.2	10.9
Derivative financial instruments	*14*	2.0	6.7
Liabilities held for sale		-	-
Current liabilities		**615.7**	**607.6**
TOTAL EQUITY AND LIABILITIES		**2,541.6**	**2,441.5**

Change in consolidated shareholders' equity

in € millions	Share capital and premium	Treasury shares	Reserves and net profit/(loss)	Translation reserve	Profit/(loss) recorded in equity	Attributable to: owners of the parent company	Attributable to: non-controlling interests	Total equity
At 31 March 2016	**773.3**	**(8.7)**	**333.8**	**27.5**	**(13.9)**	**1,111.9**	**1.4**	**1,113.3**
Net profit/(loss) for the period	-	-	190.3	-	-	190.3	(0.0)	190.2
Gains (losses) recorded in equity	-	-	-	(0.6)	(5.1)	(5.7)	0.1	(5.6)
Share-based payments	-	-	1.8	-	-	1.8	-	1.8
Transactions on treasury shares	-	0.4	-	-	-	0.4	-	0.4
Dividends	64.8	-	(77.8)	-	-	(13.0)	-	(13.0)
OCEANE[1]	-	-	16.3	-	-	16.3	-	16.3
Other movements	-	-	0.5	-	-	0.5	-	0.5
AT 31 March 2017	**838.1**	**(8.4)**	**464.9**	**26.8**	**(19.0)**	**1,302.5**	**1.5**	**1,304.0**
Net profit/(loss) for the period	-	-	148.2	-	-	148.2	(0.2)	148.1
Gains (losses) recorded in equity	-	-	-	(2.9)	5.6	2.7	(0.2)	2.5
Share-based payments	-	-	2.7	-	-	2.7	-	2.7
Capital reduction	(10.0)	14.8	(4.8)	-	-	-	-	-
Transactions on treasury shares	-	(26.9)	-	-	-	(26.9)	-	(26.9)
Dividends	57.1	-	(81.8)	-	-	(24.7)	-	(24.7)
OCEANE[2]	-	-	2.1	-	-	2.1	-	2.1
Other movements	-	-	0.4	-	-	0.4	-	0.4
At 31 March 2018	**885.3**	**(20.5)**	**531.8**	**24.0**	**(13.4)**	**1,407.1**	**1.1**	**1,408.3**

(1) On 7 September 2016, Rémy Cointreau S.A. issued bonds convertible or exchangeable into new or existing shares (OCEANE), with a par value of €275 million, maturing on 7 September 2026 (see Note **11.6** "Bonds"). The difference after tax between the par value of the bonds and their fair value on the date of issue, is recognised as equity.
(2) Impact related to the revaluation of deferred tax liabilities of 25.83% under the terms of the 2018 French Finance Act.

Consolidated statement of cash flows

in € millions	*Notes*	**2018**	**2017**
Current operating profit/(loss)		236.8	226.1
Depreciation, amortisation and impairment		21.6	20.4
Share-based payments		2.7	1.8
Dividends received from associates	*5*	0.5	0.4
EBITDA		**261.5**	**248.6**
Change in inventories		(33.0)	(25.9)
Change in trade receivables		3.5	4.0
Change in trade payables		16.4	18.2
Change in other receivables and payables		5.7	(31.5)
Change in working capital requirement		(7.4)	(35.3)
Net cash flow from operations		**254.1**	**213.3**
Other operating income/(expense)		(1.1)	(3.9)
Financial result		(12.0)	(22.5)
Income tax		(56.4)	(52.4)
Other operating cash flows		**(69.6)**	**(78.7)**
Net cash flow from operating activities – continuing operations		**184.5**	**134.6**
Impact of deconsolidated and discontinued operations		-	-
Net cash flow from operating activities		**184.5**	**134.6**
Capital expenditure and recurring administrative investments	*3/4*	(33.6)	(36.9)
Purchase of shares in associates and non-consolidated investments	*5/6*	-	(48.1)
Disposal of intangible assets and property, plant and equipment		0.8	0.4
Disposal of shares in associates and non-consolidated investments	*6*	0.5	1.3
Net cash flow from other investments	*6*	0.5	(0.8)
Net cash flow from investment activities – continuing operations		**(31.7)**	**(84.1)**
Impact of deconsolidated and discontinued operations		-	-
Net cash flow from investment activities		**(31.7)**	**(84.1)**
Treasury shares	*10*	(26.9)	0.4
Increase in financial debt		-	282.3
Repayment of financial debt		(0.1)	(287.5)
Dividends paid		(24.7)	(13.0)
Net cash flow from financing activities – continuing operations		**(51.6)**	**(17.8)**
Impact of deconsolidated and discontinued operations		-	-
Net cash flow from financing activities		**(51.6)**	**(17.8)**
Translation differences on cash and cash equivalents		7.6	(1.6)
Change in cash and cash equivalents		**108.7**	**31.1**
Cash and cash equivalents at start of year	*9*	**78.0**	**46.9**
Cash and cash equivalents at end of year	*9*	**186.8**	**78.0**

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 5 June 2018. They will be submitted for shareholders' approval at the Shareholders' Meeting on 24 July 2018.

NOTE 1 SUMMARY OF SIGNIFICANT 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 2018.

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 2017 are as follows:

- IFRS annual improvement cycle 2014-2016;
- Amendments to IAS 7: "Statement of cash flows, disclosure initiative";
- Amendments to IAS 12: "Recognition of Deferred Tax Assets for Unrealised Losses".

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

The standards, interpretations and amendments whose application is compulsory after 31 March 2018 and for which the Group did not choose early application for the consolidated financial statements for the year ended 31 March 2018 are as follows:

- IFRS 9 "Financial Instruments", with mandatory application for annual periods beginning on or after 1 January 2018 in accordance with the IASB. Rémy Cointreau is mainly concerned by the possibility of deferring the time value of exchange rate option contracts in equity as for forward hedging in order to only impact income at the date of realisation of the hedged transactions. The impact of the change in method over the financial year ended 31 March 2018 would have been the reclassification of an expense of €2.2 million in change in net position. The "classification and measurement" and "impairment tests" items will not have a significant impact on the financial statements;
- IFRS 15 "Revenue from Contracts with Customers", with mandatory application for annual periods beginning on or after 1 January 2018 in accordance with the IASB. The Group forecasts that its application will mainly have an effect on the reclassification between net sales and distribution costs of certain expenses, notably advertising and promotion expenses. This reclassification, which is neutral for current operating profit, will reduce net sales by around 8% and will have an accretive effect of around 1.5 points on the current operating margin;
- IFRS 16 "Leases", with mandatory application for annual periods beginning on or after 1 January 2019 in accordance with the IASB. Rémy Cointreau intends to apply this standard early from the financial year opening on 1 April 2018. The transition method adopted is the simplified retrospective method. Restatements will mainly impact office lease contracts. The Group forecasts that the main effect of its application will be an increase in fixed assets by around €30 million offset by the financial debt. Application of this standard on current operating profit, profit (loss) for the period and the A ratio will not be significant;
- IFRS 17 "Insurance Contracts";
- Amendments to IAS 40 "Transfers of investment property";
- Amendments to IFRS 2 "Classification and measurement of share-based payment transactions";
- Amendments to IFRS 10 and IAS 28 "Sale or contributions of assets between an investor and its associate or joint venture";
- IFRIC 22 "Foreign Currency Transactions and Advance Consideration";
- IFRIC 23 "Un-cer-tainty over Income Tax Treat-ments".

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 CONSOLIDATION METHODS

Rémy Cointreau is the consolidating company.

The financial statements of the companies under the exclusive control of Rémy Cointreau are fully consolidated. An investor controls an issuing entity when it is exposed or has rights to variable returns due to its ties with the issuing entity and it has the ability to influence these returns due to the power that it holds over the entity. Consequently, the investor controls an issuing entity if, and only if, all the items below are present:

- it holds power over the issuing entity;
- it is exposed to or has rights to variable returns due to its ties with the issuing entity (ad hoc entities, see also note **1.7**);
- it has the ability to exercise its power over the issuing entity in such a way as to influence the expected returns that it obtains.

Equity investments in companies in which the Group exercises significant influence (associates) are accounted for by the equity method. A significant influence is presumed to exist, unless it is clearly shown that this is not the case, when the parent company holds, directly or indirectly, 20% or more of the voting rights in the company.

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 using the closing exchange rate for the year. The resulting differences are recognised in either the operating profit/(loss) or net financial income/(expense) 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 differences".

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 income and 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 customer, 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/(loss), operating profit/(loss), net profit/(loss) from discontinued operations

Current operating profit/(loss) comprises all elements relating to the Group's activities with the exception of:

- the operating profit/(loss) from operations deconsolidated or discontinued during the period or for which plans to this effect have been approved by the Board of Directors. The corresponding operating profit/(loss) is reclassified in the item "Net 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 + depreciation and amortisation expenses on property, plant and equipment and intangible assets for the period + expenses relating to stock option and similar plans + dividends paid by associates during the period.

D) Net debt

This measure is used to calculate certain ratios. It corresponds to: long-term financial debt + short-term financial debt and accrued interest - 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 statement of financial position 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

No changes were made to the consolidation scope during the financial year ended 31 March 2018.

NOTE 3 BRANDS AND OTHER INTANGIBLE ASSETS

With the exception of software licences, "Brands and other intangible assets" mainly comprise the value of 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 statement of financial position 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 Rémy Cointreau 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;
- purchase price of 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 twelve 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 2017	**51.8**	**513.2**	**7.7**	**40.9**	**613.6**
Acquisitions	-	-	-	5.3	5.3
Disposals, items scrapped	-	-	-	(0.1)	(0.1)
Other movements	-	(0.2)	0.6	(0.0)	0.3
Translation reserve	(4.3)	(3.0)	(0.5)	(1.2)	(9.1)
Gross value at 31 March 2018	**47.4**	**510.0**	**7.8**	**44.8**	**610.0**
Accumulated depreciation, amortisation and impairment at 31 March 2017	**-**	**53.1**	**5.4**	**29.0**	**87.5**
Increase	-	-	-	2.8	2.8
Disposals, items scrapped	-	-	-	(0.1)	(0.1)
Impairment	2.0	7.7	2.1	-	11.8
Other movements	-	-	0.6	-	0.6
Translation reserve	(0.1)	(0.7)	(0.3)	(0.8)	(1.9)
Accumulated depreciation, amortisation and impairment at 31 March 2018	**1.9**	**60.0**	**7.8**	**31.0**	**100.6**
Net carrying amount at 31 March 2017	**51.8**	**460.1**	**2.4**	**11.9**	**526.1**
Net carrying amount at 31 March 2018	**45.6**	**450.0**	**0.0**	**13.8**	**509.4**

"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 the goodwill arising from the acquisition of Bruichladdich Distillery Ltd in September 2012, the goodwill arising from the acquisition of the Mount Gay Rum Refinery in May 2014 and the goodwill arising from the acquisitions of *Domaine des Hautes Glaces* and Westland in January 2017.

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

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, Bruichladdich and Westland are acquired brands. The other brands held by the Group were created and do not have any carrying value on the balance sheet.

Tests carried out during the financial year ended 31 March 2018 led the Group to fully write-off the intangible assets linked to the Mount Gay brand for a total of €11.8 million (goodwill: €2.0 million, brands: €7.7 million, distribution rights: €2.1 million). The new strategy for this brand, which has been in the Group's portfolio for almost 30 years, has led it to completely rethink its long-term business model, which cannot be taken into account by the impairment tests recommended under IFRS. During the financial year, the Group invested significant amounts in Barbados as part of a plan to relaunch the brand with a higher range positioning.

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 2018, the main assumptions were as follows:

			Impact of a change of 50 bps		
	Discount rate before tax (A)	Perpetual growth rate (B)	+50 bps on the discount rate	-50 bps on the perpetual growth rate	Impairment
Mount Gay	9.26%	1.50%	(3.4)	(0.6)	yes
Bruichladdich	7.74%	1.50%	(6.7)	(2.0)	no
Metaxa	9.36%	1.50%	(13.9)	(8.0)	no
Sub-total			**(24.0)**	**(10.6)**	
For memory, total tested net carrying amount			**190.0**	**190.0**	

(1) For Metaxa, a variation of 10% in cash flows would generate an impact of approximately €19 million. A discount rate of 10.34% would make the Brand valuation equal to its net carrying amount.

Given the recent date of the acquisition of Westland and the absence of impairment indicators, the intangible assets associated with this business will be included in the above summary for the next financial year.

At 31 March 2018, the total provision for impairment of intangible assets was €63.9 million (2017: €53.1 million), including €45.0 million for the Greek brandy Metaxa, €11.2 million for intangible assets associated with the Mount Gay brand, and €7.7 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 2017	**14.2**	**130.3**	**279.0**	**5.3**	**428.8**
Acquisitions	0.3	5.1	14.5	11.5	31.4
Disposals, items scrapped	(0.2)	(1.1)	(5.1)	-	(6.5)
Other movements	0.3	1.5	(3.1)	1.5	0.2
Translation reserve	(0.4)	(2.9)	(6.1)	(1.0)	(10.4)
Gross value at 31 March 2018	**14.2**	**132.9**	**279.1**	**17.4**	**443.5**
Accumulated depreciation, amortisation and impairment at 31 March 2017	**3.3**	**49.9**	**138.4**	**-**	**191.6**
Increase	0.4	3.8	14.6	-	18.7
Disposals, items scrapped	(0.2)	(1.0)	(5.0)	-	(6.2)
Other movements	-	-	0.1	-	0.1
Translation reserve	-	(0.5)	(3.0)	-	(3.6)
Accumulated depreciation, amortisation and impairment at 31 March 2018	**3.4**	**52.1**	**145.1**	**-**	**200.6**
Net carrying amount at 31 March 2017	**10.9**	**80.4**	**140.6**	**5.3**	**237.3**
Net carrying amount at 31 March 2018	**10.7**	**80.8**	**134.0**	**17.4**	**242.9**

As of 31 March 2018, no property, plant or equipment owned by the Group was subject to impairment provisions. These non-current assets are unencumbered.

For the financial year ended 31 March 2018, the acquisitions amounting to €31.4 million mainly correspond to the ongoing modernisation of IT systems and manufacturing tools, the purchase of barrels facilities for spirits undergoing ageing and the extension of the storage facilities at various sites.

NOTE 5 INVESTMENTS IN ASSOCIATES

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

in € millions	Dynasty	Diversa	Spirits Plat-form	Total
AT 31 March 2017	**14.7**	**6.5**	**1.2**	**22.4**
Dividend paid	-	(0.3)	(0.1)	(0.5)
Profit/(loss) of the year	-	0.3	0.2	0.5
Translation reserve	(2.1)	-	(0.2)	(2.2)
At 31 March 2018	**12.6**	**6.5**	**1.1**	**20.2**

NOTE 5.1 DYNASTY

The 27% interest in the Dynasty Group (336.5 million shares) originated in a wine production joint venture 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. To date, it has not been relisted. However, on 8 December 2017, the Dynasty Group published its provisional financial statements for the 2012, 2013, 2014 and 2015 financial years and, on 15 February 2018, its provisional financial statements for 2016. The publication of the 2017 provisional financial statements has been postponed a number of times but is expected imminently.

Before publishing these provisional financial statements, the Group had regularly announced that it was running at a loss. The financial statements confirm accumulated losses over five years of 1.4 million Hong Kong dollars (approx. €146 million) and a 60% drop in net sales. However, after reaching a peak during the 2013 financial year, the losses have been steadily decreasing, suggesting a potential return to equilibrium.

Due to this unprecedented extended delay, the assessment of this holding since the end of the 2012/2013 financial year is a source of uncertainty and technical difficulties. At the end of each period, Rémy Cointreau carries out valuations with the help of independent experts, using all information available to it.

The valuation has changed as follows:

Dates	Valuation method	Value per share (HK$/share)
31 March 2012	Carrying value	1.88
22 March 2013	Last closing price before suspension	1.44
31 March 2013	Impairment test	1.27
31 March 2014	Impairment test	0.94
31 March 2015	Impairment test	0.94
31 March 2016	Impairment test	0.84
31 March 2017	Impairment test	0.36

At 31 March 2018, the valuation model was updated with the help of an independent expert. Taking into account the published provisional financial statements and the external information available, the test would indicate that the value ranges between HK$0.42 and HK$0.58 per share. Adopting a prudent approach, Rémy Cointreau's management decided that the value of HK$0.36 per share used at 31 March 2017 was still appropriate. In light of the unfavourable currency movements, resulting in a negative translation difference of €2.1 million, this investment is valued at €12.6 million at 31 March 2018 (2017: €14.7 million).

The model is a DCF-type model over seven years with a discount rate of 14.8% (calculated by an independent expert) and a long-term growth rate of 2.6% (corresponding to the long-term inflation forecast in China). The assumptions concerning the increase in Dynasty's market share and profitability were revised compared to the test carried out for the financial year ended 31 March 2017. Market studies indicate that Dynasty is still the fifth largest player on the Chinese wine market, a market that has recovered its strong potential.

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

In terms of sensitivity, one cent of a HK$ in the share value corresponds to an approximate €0.4 million change in the value of Rémy Cointreau's interest.

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

NOTE 5.2 DIVERSA

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

At 31 March 2018, Diversa GmbH's net sales were €89.1 million (2017: €93.4 million). Its total assets amounted to €34.4 million at 31 March 2018 (2017: €34.1 million).

For the year ended 31 March 2018, the Rémy Cointreau Group generated net sales of €20.2 million with Diversa (2017: €20.7 million).

As a result of discussions with the Underberg Group about the future of this investment, a provision was made at 31 March 2017 for impairment of goodwill in the amount of €0.8 million.

NOTE 5.3 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 2018 totalled €48.5 million (€42.6 million at 31 March 2017). Its total assets amounted to €17.9 million at 31 March 2018 (2017: €15.5 million).

In the year to 31 March 2018, the Rémy Cointreau Group generated net sales of €7.9 million with Spirits Platform (2017: €8.7 million).

NOTE 6 OTHER FINANCIAL ASSETS

in € millions	**2018**	**2017**
Non-consolidated equity investments (note **6.1**)	1.5	1.5
Vendor loan (note **6.2**)	88.2	88.5
Other equity investment financial assets (note **6.3**)	71.3	71.3
Loan to non-consolidated investments	0.4	0.4
Liquidity account excluding Rémy Cointreau shares (note **6.4**)	3.3	3.3
Other	1.5	1.6
TOTAL	**166.2**	**166.7**

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 a provision for impairment 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**	**2018**	**% held**	**2017**
Dettling & Marmot (Switzerland)	25.0%	1.0	25.0%	1.0
Balachoa-Vinhos de Portugal (Portugal)	0.8%	0.5	0.8%	0.5
TOTAL		**1.5**		**1.5**

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 2018, 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 2017 and payable in July 2018 is recognised as other receivables.

NOTE 6.3 OTHER EQUITY INVESTMENT FINANCIAL ASSETS

This item comprises the fair value of assets assigned to the Passoã SAS joint venture at the time of its creation with the Dutch spirits group Lucas Bols NV on 1 December 2016. Under the terms of the agreements, Lucas Bols NV assumes the operational control and financial management of the joint venture. Consequently, this entity is not consolidated within Rémy Cointreau.

NOTE 6.4 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 Rémy Cointreau 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 eau-de-vie (cognac, brandy, rum, malt Scotch whisky) that are undergoing ageing. These inventories may be held for periods ranging from 3 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	2018	2017
Raw materials	34.2	39.2
Ageing wines and *eaux-de-vie*[1]	1,044.7	1,008.1
Goods for resale and finished goods	94.8	102.6
Gross cost	**1,173.6**	**1,149.8**
Provision for impairment	(3.3)	(4.4)
Carrying amount	**1,170.3**	**1,145.4**

(1) Of which AFC inventories (March 2018: €276.2 million, March 2017: €270.5 million)

As of 31 March 2018, some inventories were subject to agricultural warrants for €64.0 million (2017: €54.0 million).

NOTE 7.2 ANALYSIS OF CHANGE

in € millions	Gross cost	Impairment	Carrying amount
Balance at 31 March 2017	**1,149.8**	**(4.4)**	**1,145.4**
Movement	33.0	1.0	34.0
Translation reserve	(9.2)	0.1	(9.0)
Balance at 31 March 2018	**1,173.6**	**(3.3)**	**1,170.3**

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	**2018**	**2017**
Trade receivables	141.8	155.2
Receivables related to taxes and social charges (excl. income tax)	9.9	6.8
Sundry prepaid expenses	8.3	8.4
Advances paid	33.3	38.2
Receivables related to asset disposals	0.1	0.1
Other receivables	16.4	15.3
TOTAL	**209.8**	**224.0**
Of which provision for doubtful debts	(2.3)	(2.4)

At 31 March 2018, the breakdown of trade receivables by maturity was as follows:

in € millions			**Due**	
	TOTAL	**Current**	**Less than 3 months**	**More than 3 months**
Trade receivables gross	**144.1**	**128.0**	**15.7**	**0.3**

The Group implemented factoring programmes during the year which had the effect of accelerating customer payments. These totalled €49.0 million at 31 March 2018 (2017: €42.4 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	**2018**	**2017**
Short-term deposits	-	-
Cash at bank	186.8	78.0
TOTAL	**186.8**	**78.0**

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 2017	**49,692,184**	**(112,366)**	**49,579,818**	**79.5**	**758.6**	**(8.4)**
Partial payment of dividend in shares	635,254	-	635,254	1.0	56.1	-
Grant of bonus share plan 2015A	-	64,750	64,750	-	-	4.8
Share buyback plan	-	(273,009)	(273,009)	-	-	(26.3)
Cancellation of shares	(103,638)	103,638	-	(0.2)	(9.8)	10.0
Liquidity account	-	(3,310)	(3,310)	-	-	(0.5)
At 31 March 2018	**50,223,800**	**(220,297)**	**50,003,503**	**80.4**	**804.9**	**(20.5)**

Share capital and premium

At 31 March 2018, the share capital consisted of 50,223,800 shares with a par value of €1.60.

On 12 September 2017, 635,254 shares were issued following the option offered to shareholders to receive partial payment of the dividend in shares.

As part of a share buyback plan implemented between 1 August 2017 and 29 December 2017, Rémy Cointreau acquired 273,009 shares for a total sum of €26.3 million. The Board of Directors of Rémy Cointreau, meeting on 17 January 2018, decided to cancel 103,638 treasury shares through a capital reduction as a result of this share buyback plan.

Treasury shares

Treasury shares: Group investments in Rémy Cointreau shares are deducted from consolidated 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 2018, Rémy Cointreau held 210,785 treasury shares intended to cover current or future bonus share plans and 9,512 treasury shares under the liquidity contract.

NOTE 10.2 NUMBER OF SHARES USED TO CALCULATE 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.

	2018	2017
Average number of shares (basic):		
Average number of shares	50,033,464	49,235,889
Average number of treasury shares	(244,195)	(112,366)
Total used to calculate basic earnings per share	**49,789,269**	**49,123,523**
Average number of shares (diluted):		
Average number of shares (basic)	49,789,269	49,123,523
Dilution effect of bonus share plans	158,852	175,262
Dilutive effect on OCEANE	2,486,675	2,484,191
TOTAL USED TO CALCULATE DILUTED EARNINGS PER SHARE	**52,434,796**	**51,782,976**

NOTE 10.3 BONUS SHARE PLANS

Grant date[1]	Plan No.	Vesting period	Minimum retention period	Rights initially granted	Value of rights on grant date	Lapsed rights	Rights granted at the end of the vesting period	Rights outstanding at 31 March 2018
27 January 2015	2015A	3 years	2 years	82,500	64.26	17,750	64,750	-
24 November 2015	2015B	3 years	2 years	88,800	66.64	14,200	-	74,600
22 November 2016	2016	3 years	2 years	73,600	74.44	6,100	-	67,500
21 November 2017	2017	3 years	2 years	50,900	111.40	3,500	-	47,400
TOTAL				**295,800**		**41,550**	**64,750**	**189,500**

(1) The grant date is the date of the meeting of the Board of Directors which decided the allocation of each plan. The 2015A and 2015B plans were authorised by the Combined Shareholders' Meeting of 24 July 2014. The 2016 and 2017 plans were authorised by the Combined Shareholders' Meeting of 26 July 2016.

Plans 2015A, 2015B, 2016 and 2017 are indexed plans (AGAI). The shares issued to beneficiaries at the end of the vesting period are subject to their continued employment with the Group. The number of shares will depend on the achievement of external criteria.

Plan 2015A: this plan expired on 27 January 2018. There were 64,750 rights outstanding, all of which have been granted. In accordance with the rules of this plan, the maximum number of shares will be granted if the share price has increased by 30% or more between 27 January 2015 and 27 January 2018, with a target price of €75.39. The actual price was €112.37. This plan was serviced in full by the delivery of shares held by Rémy Cointreau

Plan 2015B: the maximum number of shares will be granted 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. As at the closing date, the plan was expected to be serviced in full by the delivery of shares held by Rémy Cointreau.

2016 Plan: the maximum number of shares will be granted if the overall performance of Rémy Cointreau stock (TSR – Total Shareholder Return) as at the end of the vesting period is superior to that of a panel of nine luxury goods and/or premium spirits companies. 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. As at the closing date, the plan was expected to be serviced in full by the delivery of shares held by Rémy Cointreau.

Plan 2017: the maximum number of shares will be granted if the overall performance of Rémy Cointreau stock (TSR – Total Shareholder Return) as at the end of the vesting period is superior to that of a panel of eight luxury goods and/or premium spirits companies. 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. As at the closing date, the plan was expected to be serviced in full by the delivery of shares held by Rémy Cointreau.

Calculation of the charge for the year

In accordance with IFRS 2, a charge representing the value of the benefit granted to the beneficiaries of these plans is recognised as operating profit, spread over the vesting period.

The fair value of the rights granted was calculated by independent actuaries.

in € millions	Fair value per right (€)	Total value	2018 charge
Plan 2015A	28.11	1.8	0.5
Plan 2015B	27.81	2.1	0.6
Plan 2016	51.12	3.5	1.1
Plan 2017	85.37	4.0	0.5
Total		**11.4**	**2.7**

The charge recorded for the year ended 31 March 2017 was €1.8 million.

The social security charges relating to these plans are recorded under general expenses in accordance with the regulations in force on the grant date of the plans (plans 2015A and 2015B: charges due on the grant date; plans 2016 and 2017: provisional charges due on the vesting date *prorata temporis* to the vesting period).

NOTE 10.4 DIVIDENDS

The Shareholders' Meeting of 25 July 2017 approved the payment of an ordinary dividend of €1.65 per share for the year ended 31 March 2017, with an option for payment of the entire dividend in shares.

The dividend was paid on 4 September for a total amount of €81.8 million, of which €24.7 million was paid in cash and €57.1 million in shares.

NOTE 10.5 NON-CONTROLLING INTERESTS

in € millions	2018	2017
Non-controlling interests in Mount Gay Distilleries	1.1	1.5
TOTAL	**1.1**	**1.5**

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

	2018			2017		
in € millions	Long term	Short term	TOTAL	Long term	Short term	TOTAL
Gross financial debt	397.1	72.5	469.6	392.8	75.3	468.1
Cash and cash equivalents (note **9**)	-	(186.8)	(186.8)	-	(78.0)	(78.0)
Net financial debt	**397.1**	**(114.3)**	**282.8**	**392.8**	**(2.7)**	**390.1**

The change in net financial debt over the financial year breaks down as follows:

	2017	Change in cash	Change due to exchange rates	Amortisation of issue costs and premium	Amortisation of OCEANE Equity component	2018
Financial debt of more than one year	392.8	(0.1)	-	1.0	3.5	397.1
Financial debt of less than one year	75.3	-	(2.8)	-	-	72.5
Gross financial debt	**468.1**	**(0.1)**	**(2.8)**	**1.0**	**3.5**	**469.6**
Cash and cash equivalents	(78.0)	(111.6)	2.8	-	-	(186.8)
Net financial debt	**390.1**	**(111.7)**	**-**	**1.0**	**3.5**	**282.8**

NOTE 11.2 GROSS FINANCIAL DEBT BY TYPE

	2018			2017		
in € millions	Long term	Short term	Total	Long term	Short term	Total
Private bond placement	79.8	-	79.8	79.8	-	79.8
Convertible bonds (OCEANE)	253.6	-	253.6	249.9	-	249.9
Drawdown on syndicated loan	-	-	-	-	-	-
Upfront fees on syndicated loan	(0.5)	-	(0.5)	(1.0)	-	(1.0)
Partner current account	-	60.0	60.0	-	60.0	60.0
Accrued interest	-	1.2	1.2	-	1.2	1.2
Total Rémy Cointreau SA	**332.9**	**61.2**	**394.1**	**328.7**	**61.2**	**389.9**
Bonds	64.0	-	64.0	63.9	-	63.9
Other financial debt and overdrafts	0.2	2.3	2.5	0.3	5.4	5.6
Accrued interest	-	1.6	1.6	-	1.7	1.7
Borrowings by special purpose entities	-	7.3	7.3	-	7.1	7.1
Total subsidiaries	**64.2**	**11.3**	**75.4**	**64.1**	**14.1**	**78.2**
Gross financial debt	**397.1**	**72.5**	**469.6**	**392.8**	**75.3**	**468.1**

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 2019	-	72.5
11 April 2019	(0.5)	-
13 August 2023	64.0	-
27 February 2025	79.8	-
7 September 2026	253.6	-
Other	0.2	-
TOTAL	**397.1**	**72.5**

NOTE 11.4 GROSS FINANCIAL DEBT BY RATE TYPE

	2018			2017		
in € millions	Long term	Short term	Total	Long term	Short term	Total
Fixed interest rate	397.6	60.0	457.6	393.7	60.0	453.7
Variable interest rate	(0.5)	9.6	9.1	(1.0)	12.5	11.5
Accrued interest	-	2.9	2.9	-	2.9	2.9
Gross financial debt	**397.1**	**72.5**	**469.6**	**392.8**	**75.3**	**468.1**

	2018			2017		
in € millions	Long term	Short term	Total	Long term	Short term	Total
Drawdown on syndicated loan	-	-	-	-	-	-
Upfront fees on syndicated loan	(0.5)	-	(0.5)	(1.0)	-	(1.0)
Other	-	9.6	9.6	-	12.5	12.5
Total variable-rate debt	**(0.5)**	**9.6**	**9.1**	**(1.0)**	**12.5**	**11.5**

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

	2018			2017		
in € millions	Long term	Short term	Total	Long term	Short term	Total
Euro	397.1	70.4	467.5	392.8	70.2	463.0
US dollar	-	0.2	0.2	-	0.3	0.3
Hong Kong dollar	-	1.9	1.9	-	4.8	4.8
Gross financial debt	**397.1**	**72.5**	**469.6**	**392.8**	**75.3**	**468.1**

NOTE 11.6 BONDS

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 ten-year maturity. This bond stood at €79.8 million at 31 March 2018, taking into account €0.2 million of issue expenses.

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.

Convertible bonds (OCEANE)

On 7 September 2016, as part of a private placement with institutional investors, Rémy Cointreau issued bonds with an option to convert to and/or exchange for new and/or existing shares (OCEANE), with a maturity date of 7 September 2026 and a nominal amount of €275 million, or 2,484,191 OCEANE with a nominal value of €110.70 each.

The par value of the OCEANE bonds incorporates an issue premium of 40% based on the reference price of the Company's shares on the Euronext Paris regulated market. OCEANE bondholders are entitled to new and/or existing Rémy Cointreau shares, at the conversion rate of one share per

OCEANE, subject to potential subsequent adjustments exercisable on 7 September 2023. This conversion rate was increased to 1.001 share per OCEANE following the payment of the dividend of €1.65 per share on 4 September 2017.

The OCEANE bonds bear interest at a nominal annual rate of 0.125%, payable in arrears on 7 September each year.

The difference of €24.9 million between the par value of the bond and its fair value on the issue date is recorded in equity.

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. This bond stood at €64.0 million at 31 March 2018, taking into account €(1.0) million of issue premiums and expenses.

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%.

NOTE 11.7 SYNDICATED LOAN

On 11 April 2014, Rémy Cointreau signed an amendment and extension to its syndicated loan with a pool of ten banks, extending its term by 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 loan, in the amount of €255 million, 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 2018, the A ratio was 1.48 (September 2017: 1.66; March 2017: 1.78).

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 result.

NOTE 12.1 ANALYSIS OF CHANGE

in € millions	**Restructuring**	**Litigation**	**Total**
At 31 March 2017	**-**	**17.6**	**17.6**
Increase	2.5	6.1	8.7
Reversals – Used	(0.5)	(4.4)	(4.9)
Reversals – Unused	-	(0.6)	(0.6)
Translation reserve	-	(0.9)	(0.9)
Reclassification	-	1.2	1.2
At 31 March 2018	**2.1**	**19.0**	**21.1**

"Restructuring" covers costs for the restructuring, closure and/or transfer of sites in Germany. "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	**2017**	**2017**
Long-term provisions (or unknown maturity)	6.9	6.6
Short-term provisions	14.2	10.9
TOTAL	**21.1**	**17.6**

NOTE 13 TRADE AND OTHER PAYABLES

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

in € millions	**2018**	**2017**
Trade payables – eaux-de-vie	284.1	269.2
Other trade payables	78.6	66.7
Advances from customers	2.2	1.7
Payables related to tax and social charges (excl. income tax)	60.6	61.2
Excise duties	3.1	3.2
Advertising expenses payable	44.3	50.6
Miscellaneous deferred income	2.5	4.4
Other liabilities	42.0	46.7
TOTAL	**517.3**	**503.6**

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" (and its subsequent amendments), as approved by the European Union on 19 November 2004.

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 statement of financial position analysed by the measurement categories defined in IAS 39.

AT 31 MARCH 2018

in € millions	*Notes*	**Carrying amount**	**Fair value**	**Loans and receivables at amortised cost**	**Fair value through profit or loss**	**Available for sale**	**Hedging instruments**
Non-current financial assets	*6*	166.2	166.2	90.1	74.6	1.5	-
Trade and other receivables	*8*	209.8	209.8	209.8	-	-	-
Derivative financial instruments	*14*	10.0	10.0	-	1.0	-	9.0
Cash and cash equivalents	*9*	186.8	186.8	-	186.8	-	-
ASSETS		**572.7**	**572.7**	**299.9**	**262.4**	**1.5**	**9.0**
Long-term financial debt	*11*	397.1	397.1	397.1	-	-	-
Short-term financial debt and accrued interest charge	*11*	72.5	72.5	72.5	-	-	-
Trade and other payables	*13*	517.3	517.3	517.3	-	-	-
Derivative financial instruments	*14*	2.0	2.0	-	1.0	-	1.0
LIABILITIES		**988.9**	**988.9**	**986.9**	**1.0**	**-**	**1.0**

AT 31 MARCH 2017

in € millions	*Notes*	**Carrying amount**	**Fair value**	**Loans and receivables at amortised cost**	**Fair value through profit or loss**	**Available for sale**	**Hedging instruments**
Non-current financial assets	*6*	166.7	166.7	90.6	74.6	1.5	-
Trade and other receivables	*8*	224.0	224.0	224.0	-	-	-
Derivative financial instruments	*14*	3.3	3.3	-	0.9	-	2.4
Cash and cash equivalents	*9*	78.0	78.0	-	78.0	-	-
ASSETS		**472.0**	**472.0**	**314.6**	**153.5**	**1.5**	**2.4**
Long-term financial debt	*11*	392.5	392.5	392.5	-	-	-
Short-term financial debt and accrued interest charge	*11*	75.6	75.6	75.6	-	-	-
Trade and other payables	*13*	503.6	503.6	503.6	-	-	-
Derivative financial instruments	*14*	6.7	6.7	-	2.1	-	4.7
LIABILITIES		**978.5**	**978.5**	**971.7**	**2.1**	**-**	**4.7**

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	**2018**	**2017**
Assets		
Interest rate derivatives	-	-
Exchange rate derivatives	10.0	3.3
TOTAL	**10.0**	**3.3**
Liabilities		
Interest rate derivatives	-	-
Exchange rate derivatives	2.0	6.7
TOTAL	**2.0**	**6.7**

NOTE 14.4 INTEREST RATE DERIVATIVES

At 31 March 2018, the Group had no interest rate derivatives in its portfolio.

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 2018:

(in € millions)	**Nominal[1]**	**Initial value**	**Market value**	**Of which: CFH [2]**	**Of which: Trading [2]**
Put options and tunnel options					
Seller USD (vs. EUR)	146.1	3.1	5.0	5.0	-
Other currencies (vs. EUR)	53.2	1.2	0.6	0.6	-
	199.3	**4.3**	**5.6**	**5.6**	**-**
Forward sales					
Seller USD (vs. EUR)	93.4	-	1.7	1.7	-
Other currencies (vs. EUR)	63.5	-	0.6	0.6	-
	156.9	**-**	**2.3**	**2.3**	**-**
Purchase/(sale) of currency swaps (operating activities)[3]					
Seller USD (vs. EUR)	(62.4)	-	(0.6)	-	(0.6)
Other currencies (vs. EUR)	(35.6)	-	(0.1)	-	(0.1)
	(98.0)	**-**	**(0.7)**	**-**	**(0.7)**
Purchase/(sale) of currency swaps (financing activities)[3]					
Seller USD (vs. EUR)	(74.7)	-	0.7	-	0.7
Other currencies (vs. EUR)	(36.2)	-	0.1	-	0.1
	(111.0)	**-**	**0.8**	**-**	**0.8**
TOTAL	**147.2**	**4.3**	**8.1**	**7.9**	**0.1**

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

(2) FVH: fair value hedge; CFH: cash flow hedge; Trading: held for trading

(3) Difference between closing rate and forward rate

Breakdown of all currency hedging instruments in the portfolio at 31 March 2017:

(in € millions)	**Nominal[1]**	**Initial value**	**Market value**	**Of which: CFH [2]**	**Of which: Trading [2]**
Put options and tunnel options					
Seller USD (vs. EUR)	182.5	4.4	0.4	0.4	-
Other currencies (vs. EUR)	36.5	0.7	0.2	0.2	-
	219.0	**5.1**	**0.6**	**0.6**	**-**
Forward sales					
Seller USD (vs. EUR)	56.2	-	(2.6)	(2.6)	-
Other currencies (vs. EUR)	43.3	-	(0.2)	(0.2)	-
	99.5	**-**	**(2.9)**	**(2.9)**	**-**
Purchase/(sale) of currency swaps (operating activities)[3]					
Seller USD (vs. EUR)	(58.7)	-	(0.4)	-	(0.4)
Other currencies (vs. EUR)	1.8	-	(0.0)	-	(0.0)
	(56.9)	**-**	**(0.5)**	**-**	**(0.5)**
Purchase/(sale) of currency swaps (financing activities)[3]					
Seller USD (vs. EUR)	(103.6)	-	(0.1)	-	(0.1)
Other currencies (vs. EUR)	(48.0)	-	(0.6)	-	(0.6)
	(151.6)	**-**	**(0.7)**	**-**	**(0.7)**
TOTAL	**110.1**	**5.1**	**(3.4)**	**(2.3)**	**(1.2)**

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

(2) FVH: fair value hedge; CFH: 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:

	2018		2017	
	US dollar sensitivity		US dollar sensitivity	
Benchmark value	1.2319		1.0685	
	+ 10%	- 10%	+ 10%	- 10%
EUR/USD rate	1.36	1.11	1.18	0.96
Net profit/(loss) for the period	(3.6)	0.8	(2.1)	2.8
Equity excluding net profit/(loss)	13.8	(9.0)	6.8	(6.7)
Change in value of financial instruments	24.2	(23.0)	16.7	(17.7)
Nominal amount at balance sheet date:				
• USD instruments in the portfolio	161.0	196.8	163.6	200.0
• USD receivables potentially exposed	86.3	105.5	95.3	116.5

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 2018 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 2018.

in € millions	Before 31 March 2019	Before 31 March 2020	Before 31 March 2021	Before 31 March 2022	Beyond	TOTAL
Financial debt and accrued interest	72.7	-	-	-	420.0	492.7
Trade and other payables	517.3	-	-	-	-	517.3
Liabilities recognised at 31 March 2017	**590.0**	**-**	**-**	**-**	**420.0**	**1,010.0**
Future interest on financial debt	7.2	5.3	5.3	5.3	14.0	37.1
Total disbursements	**597.2**	**5.3**	**5.3**	**5.3**	**434.0**	**1,047.0**

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

in € millions	2018	2017
Fixed-rate resources	480.0	480.0
Variable-rate resources	255.0	255.0
Total	**735.0**	**735.0**
Long-term	675.0	675.0
Short-term	60.0	60.0
Total	**735.0**	**735.0**
Availability subject to compliance with the A ratio	335.0	335.0
Available with no ratio restrictions	400.0	400.0
Total	**735.0**	**735.0**
Unused at 31 March	255.0	255.0
Unused at 31 March as % of available resources	35%	35%

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 1.48 at 31 March 2018. 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 2018: Standard & Poor's awarded a "BB+, outlook stable" rating and Moody's a "Baa3, outlook stable" rating.

NOTE 15 SEGMENT REPORTING

Breakdown by sector

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

A) Business segment

The segments to be presented are those operating segments for which separate financial information is available internally and which are used by the "main operational decision-maker" to make operational decisions. Rémy Cointreau's main operational decision-maker is the Executive Committee. This committee reviews operational performance and allocates resources based on the financial data analysed for the Rémy Martin, Liqueurs & Spirits and Partner Brands businesses. Consequently, the Group has identified these 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 of the "Liqueurs & Spirits" business are Cointreau, Metaxa, St-Rémy, Mount Gay, Bruichladdich, Westland and *Domaine des Hautes Glaces.*

The "Partner Brands" business includes brands which are not controlled 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 covered are: Europe/Middle-East/Africa, Americas, 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/(loss)

	Net sales		**Current operating profit/(loss)**	
in € millions	**2018**	**2017**	**2018**	**2017**
Rémy Martin	760.0	707.5	204.4	185.2
Liqueurs & Spirits	266.8	276.3	42.8	57.5
Group brands	**1,026.8**	**983.8**	**247.2**	**242.7**
Partner Brands	100.2	111.0	5.3	2.0
Holding	-	-	(15.7)	(18.6)
TOTAL	**1,127.0**	**1,094.9**	**236.8**	**226.1**

There are no intra-segment sales.

Note 15.1.2 Breakdown of the statement of financial position

AT 31 MARCH 2018

in € millions	Rémy Martin	Liqueurs & Spirits	Partner Brands	Unallocated	Total
Non-current assets	396.9	355.1	0.4	206.2	958.6
Current assets	1,182.5	146.4	37.1	19.0	1,385.0
Derivative financial instruments	-	-	-	10.0	10.0
Assets held for sale	-	-	-	1.3	1.3
Cash and cash equivalents	-	-	-	186.8	186.8
Total assets	**1,579.4**	**501.5**	**37.5**	**423.2**	**2,541.6**
Shareholders' equity	-	-	-	1,408.3	1,408.3
Financial debt and accrued interest	-	-	-	469.6	469.6
Provisions for liabilities and charges	27.2	9.7	2.9	13.9	53.7
Deferred and current tax assets	-	-	-	90.7	90.7
Trade and other payables	431.2	54.8	18.2	13.2	517.3
Derivative financial instruments	-	-	-	2.0	2.0
Total equity and liabilities	**458.4**	**64.5**	**21.1**	**1,997.6**	**2,541.6**
Brands and other intangible assets not included in the basis of calculation of Return on Capital Employed (ROCE)	236.3	259.3	-	-	495.6
ROCE basis of calculation	**884.7**	**177.7**	**16.4**		**1,078.8**

AT 31 MARCH 2017

in € millions	Rémy Martin	Liqueurs & Spirits	Partner Brands	Unallocated	Total
Non-current assets	390.2	331.6	0.6	260.4	982.9
Current assets	1,155.8	139.3	52.5	28.4	1,376.0
Derivative financial instruments	-	-	-	3.3	3.3
Assets held for sale	-	-	-	1.3	1.3
Cash and cash equivalents	-	-	-	78.0	78.0
Total assets	**1,546.0**	**471.0**	**53.1**	**371.5**	**2,441.5**
Shareholders' equity	-	-	-	1,304.0	1,304.0
Financial debt and accrued interest	-	-	-	468.1	468.1
Provisions for liabilities and charges	30.7	8.3	3.4	6.6	49.2
Deferred and current tax assets	-	-	-	109.9	109.9
Trade and other payables	410.4	56.8	18.5	17.9	503.6
Derivative financial instruments	-	-	-	6.7	6.7
Total equity and liabilities	**441.2**	**65.2**	**22.0**	**1,913.2**	**2,441.5**
Brands and other intangible assets not included in the basis of calculation of Return on Capital Employed (ROCE)	236.3	240.8	-	37.2	514.3
ROCE basis of calculation	**868.5**	**165.0**	**31.1**		**1,064.7**

Note 15.1.3 Return on Capital Employed (ROCE)

Return on capital employed is measured using the following indicators:

- current operating profit/(loss) 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/(loss) 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 2018

in € millions	Capital employed	Current operating profit/(loss)	%
Rémy Martin	884.7	204.4	23.1%
Liqueurs & Spirits	177.7	42.8	24.1%
Sub-total Group brands	**1,062.4**	**247.2**	**23.3%**
Partner Brands	16.4	5.3	32.6%
Holding	-	(15.7)	-
Total	**1,078.8**	**236.8**	**21.9%**

AT 31 MARCH 2017

in € millions	Capital employed	Current operating profit/(loss)	%
Rémy Martin	868.5	185.2	21.3%
Liqueurs & Spirits	165.0	57.5	34.8%
Sub-total Group brands	**1,033.5**	**242.7**	**23.5%**
Partner Brands	31.1	2.0	6.5%
Holding	-	(18.6)	-
Total	**1,064.7**	**226.1**	**21.2%**

Note 15.1.4 Capital expenditure and depreciation expense

	Capital expenditure and acquisition of property, plant and equipment and intangible assets		Depreciation and amortisation of property, plant and equipment and intangible assets	
in € millions	**2018**	**2017**	**2018**	**2017**
Rémy Martin	21.1	20.9	13.6	13.0
Liqueurs & Spirits	15.5	13.7	7.7	7.1
Partner Brands	0.1	0.2	0.2	0.3
Total	**36.7**	**34.9**	**21.6**	**20.4**

NOTE 15.2 GEOGRAPHIC AREAS

Net sales

in € millions	Net sales	
	2018	**2017**
Europe/Middle-East/Africa[1]	342.3	345.3
Americas	435.8	434.2
Asia-Pacific	348.9	315.4
TOTAL	**1,127.0**	**1,094.9**

[1] *Net sales for France totalled €10.8 million at 31 March 2018 (March 2017: €19.5 million)*

Balance sheet

AT 31 MARCH 2018

in € millions	Europe/Middle-East/Africa	Americas	Asia-Pacific	Unallocated	**Total**
Non-current assets	857.7	81.4	19.4	-	958.6
Current assets	1,186.4	90.3	108.3	-	1,385.0
Derivative financial instruments	-	-	-	10.0	10.0
Assets held for sale	1.3	-	-	-	1.3
Cash and cash equivalents	-	-	-	186.8	186.8
Total assets	**2,045.4**	**171.8**	**127.7**	**196.7**	**2,541.6**
Shareholders' equity	-	-	-	1,408.3	1,408.3
Financial debt and accrued interest	-	-	-	469.6	469.6
Provisions for liabilities and charges	50.3	-	3.5	-	53.7
Deferred and current tax assets	82.6	0.3	7.7	-	90.7
Trade and other payables	410.3	46.2	60.9	-	517.3
Derivative financial instruments	-	-	-	2.0	2.0
Liabilities held for sale	-	-	-	-	-
Total equity and liabilities	**543.2**	**46.5**	**72.1**	**1879.8**	**2,541.6**

AT 31 MARCH 2017

in € millions	Europe/Middle-East/Africa	Americas	Asia-Pacific	Unallocated	**Total**
Non-current assets	857.8	103.7	21.3	-	982.9
Current assets	1,151.6	98.9	125.4	-	1,376.0
Derivative financial instruments	-	-	-	3.3	3.3
Assets held for sale	1.3	-	-	-	1.3
Cash and cash equivalents	-	-	-	78.0	78.0
Total assets	**2,010.8**	**202.6**	**146.8**	**81.3**	**2,441.5**
Shareholders' equity	-	-	-	1,304.0	1,304.0
Financial debt and accrued interest	-	-	-	468.1	468.1
Provisions for liabilities and charges	41.3	0.0	7.9	-	49.2
Deferred and current tax assets	102.9	0.3	6.6	-	109.9
Trade and other payables	395.1	53.4	55.1	-	503.6
Derivative financial instruments	-	-	-	6.7	6.7
Liabilities held for sale	-	-	-	-	-
Total equity and liabilities	**539.3**	**53.8**	**69.6**	**1,778.9**	**2,441.5**

Investments

in € millions	Capital expenditure and acquisition of property, plant and equipment and intangible assets	
	2018	**2017**
Europe/Middle-East/Africa	24.8	26.0
Americas	9.9	5.7
Asia-Pacific	2.0	3.2
TOTAL	**36.7**	**34.9**

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	**2018**	**2017**
Personnel costs	(184.6)	(178.3)
Advertising and promotion expenses	(264.7)	(252.9)
Depreciation, amortisation and impairment of non-current assets	(21.5)	(20.0)
Other expenses	(110.4)	(109.7)
Expenses allocated to inventories and production costs	56.9	55.6
TOTAL	**(524.4)**	**(505.2)**
Of which:		
Distribution costs	(432.7)	(416.7)
Administrative expenses	(91.7)	(88.5)
TOTAL	**(524.4)**	**(505.2)**

Personnel costs consist of the following:

in € millions	**2018**	**2017**
Salaries and social charges	(170.6)	(166.8)
Pension and other similar benefits	(7.0)	(5.4)
Employee profit-sharing	(4.4)	(4.3)
Share-based payments	(2.7)	(1.8)
TOTAL	**(184.6)**	**(178.3)**

NOTE 17 NUMBER OF EMPLOYEES

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

	2018	2017
France	704	685
Europe (outside France) – Africa	384	363
Americas	377	368
Asia-Pacific	396	394
TOTAL	**1,861**	**1,810**

NOTE 18 OTHER OPERATING INCOME AND EXPENSES

"Other operating income and 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	2018	2017
Write-off of Mount Gay goodwill, brands and distribution rights (Note **3**)	(11.8)	-
Provision for network restructuring costs	(2.5)	-
Costs related to the acquisition of Westland and *Domaine des Hautes Glaces*	(0.0)	(0.7)
Provision for disputes relating to distribution contracts	0.2	(2.9)
Provision for impairment on non-strategic assets	-	(1.2)
Other items	0.4	
TOTAL	**(13.7)**	**(4.8)**

NOTE 19 FINANCIAL RESULT

NOTE 19.1 COST OF NET FINANCIAL DEBT BY TYPE

in € millions	2018	2017
Bonds	(2.8)	(11.2)
Convertible bonds (OCEANE)	(4.1)	(2.3)
Private bond placement	(2.4)	(2.4)
Syndicated loan and unconfirmed lines	(1.7)	(2.2)
Partner current account	(0.8)	(0.8)
Finance costs of special *purpose entities*	(2.5)	(2.5)
Other financial expenses	(0.2)	(0.1)
Sub-total	**(14.5)**	**(21.5)**
Effect of non-hedging interest rate derivatives	-	-
Cost of gross financial debt	**(14.5)**	**(21.5)**
Interest income	0.0	0.0
Cost of net financial debt	**(14.4)**	**(21.4)**

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

NOTE 19.2 OTHER FINANCIAL INCOME AND 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	2018	2017
Currency gains	-	-
Vendor loan – interest accrued and revaluation	4.7	4.6
Other financial income	**4.7**	**4.6**
Currency losses	(2.9)	(5.4)
Other financial expenses of special *purpose entities*	(8.4)	(8.2)
Other	(1.0)	(1.6)
Other financial expenses	**(12.3)**	**(15.1)**
Other financial income/(expense)	**(7.6)**	**(10.5)**

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	2018	2017
Ineffective portion of currency hedges	2.1	(2.9)
Other	(4.9)	(2.5)
Currency gains/(losses)	**(2.9)**	**(5.4)**

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	**2018**	**2017**
Current tax (expense)/income	(61.9)	(54.1)
Deferred tax (expense)/income	8.4	9.6
Income tax	**(53.5)**	**(44.5)**
Effective published tax rate	-26.6%	-23.5%
Effective tax rate excl. non-recurring items	-29.7%	-30.7%

The 2018 Finance Bill has changed the tax rate to 25.83% for all financial years beginning on or after 1 January 2022. As a result, long-term deferred taxes, mainly related to the acquired brands, have been remeasured using this rate, generating a deferred tax income of €7.9 million. The deferred taxes recorded by the Group's US companies have also been remeasured to take into account the reduction in the federal tax rate to 21%, generating a deferred tax expense of €2.2 million.

The repayment of the 3% contribution on distribution of cash dividends generated a tax income of €7.0 million. An expense of €2.3 million has also been recorded in respect of the exceptional corporate tax contribution in France.

During the previous financial year, a deferred tax income of €14.1 million was recognised to take account of the future impacts of the 2017 Finance Bill, which decreased the tax rate to 28.92% for all financial years beginning on or after 1 January 2020.

These impacts are adjusted in the calculation of the effective tax rate excluding non-recurring items and of the net profit/loss excluding non-recurring items (Note **22**).

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 THE ORIGIN AND BREAKDOWN OF DEFERRED TAXES

in € millions	2018	2017
Breakdown by type		
Pension provisions	8.1	9.8
Regulated provisions	(20.0)	(23.9)
Other provisions	4.2	7.1
Brands	(77.3)	(85.1)
Non-current assets	(3.7)	(5.9)
Convertible bonds (OCEANE)	(5.1)	(7.9)
Margins on inter-company inventories	22.1	20.7
Losses carried forward	1.3	0.7
Other timing differences	9.1	16.0
Net liability	**(61.3)**	**(68.5)**
Breakdown by tax group		
Tax group – France	(67.4)	(82.7)
Tax group – United States	2.6	7.4
Other	3.5	6.8
Net liability	**(61.3)**	**(68.5)**
Deferred tax asset	19.7	30.4
Deferred tax liability	(81.0)	(98.9)
Net liability	**(61.3)**	**(68.5)**

NOTE 20.4 TAX LOSSES AND CAPITAL LOSSES CARRIED FORWARD

As at 31 March 2018, tax losses carried forward totalled €18.6 million (2017: €18.9 million). The potential tax saving arising from the use of these losses is €3.3 million (2017: €2.9 million). Of these losses, the Group recognised a net asset of €1.3 million, of which it plans to recover €1.2 million by March 2021.

NOTE 20.5 TAX RECONCILIATION

In 2018, the income tax expense amounted to €53.5 million. The difference compared to the theoretical tax expense based on the French statutory rate (34.43%) breaks down as follows:

in € millions	2018	2017
Theoretical tax charge	(69.2)	(65.2)
Actual tax charge	(53.5)	(44.5)
Difference	**15.7**	**20.7**
Permanent differences between consolidated profit and taxable profit	(4.7)	(4.5)
Use of tax losses or timing differences not previously recognised	1.5	-
Unused losses from subsidiaries that are loss-making from a tax point of view	(1.9)	(2.4)
Difference in tax rates applicable to foreign subsidiaries	16.3	14.3
Adjustment to the tax charge for prior years	(5.9)	(0.4)
Impact of tax rate changes on the deferred taxes in France and the USA	5.8	14.1
3% contribution on distribution of cash dividends and refund	7.0	(0.4)
Exceptional corporate tax contribution in France	(2.3)	-
TOTAL	**15.7**	**20.7**

NOTE 21 NET PROFIT/(LOSS) OF DECONSOLIDATED AND 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 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 deconsolidated or 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 deconsolidated and discontinued operations”. A similar reclassification is made in the statement of cash flows by using: "Impact of deconsolidated and 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 deconsolidated and discontinued operations”;
- the profit generated by the disposal, net of transaction costs and tax, is also recognised under “Net profit/(loss) from deconsolidated and 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 deconsolidation 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 deconsolidated and discontinued operations”. A similar reclassification is made in the statement of cash flows by using: "Impact of deconsolidated and discontinued operations" for investment cash flows.

in € millions	**2018**	**2017**
Fair value of assets transferred to Passoã SAS	-	71.3
Net carrying amount of assets transferred	-	(1.0)
Provision for costs and expenses and transaction costs	-	(4.3)
Tax	-	(1.0)
TOTAL	**-**	**65.0**

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

Net profit/(loss) excluding non-recurring items corresponds to the net profit/(loss) for the period adjusted to reflect the other **operating income** and expenses 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 company is reconciled with net profit/(loss) attributable to the owners of the parent company as follows:

in € millions	2018	2017
Net profit/(loss) – attributable to the owners of the parent company	**148.2**	**190.3**
Provision for impairment on Dynasty Fine Wines Group shares (note **5**)	-	18.8
Provision for impairment on Diversa (note **5**)	-	0.8
Profit/(loss) recorded under “Other operating income and expenses” (note **18**)	13.7	4.8
Tax on “Other operating income and expenses”	0.2	(1.4)
Impact of tax rate changes on the deferred taxes in France and the USA (note **20**)	(5.8)	(14.1)
3% contribution on distribution of cash dividends and refund (note **20**)	(7.0)	0.4
Exceptional corporate tax contribution in France (note **20**)	2.3	
“Net profit/(loss) from deconsolidated and discontinued operations” (note **21**)	-	(65.0)
Other	(0.3)	0.5
Net profit/(loss) excluding non-recurring items – attributable to owners of the parent company	**151.3**	**135.0**

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

in € millions	***Notes***	2018	2017
Net profit/(loss) excluding non-recurring items			
• attributable to owners of the parent company		151.3	135.0
Number of shares			
• basic	*10.2*	49,789,269	49,123,523
• diluted	*10.2*	52,434,796	51,782,976
Per share (in €)			
• basic		3.04	2.75
• diluted		2.89	2.61

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 2018, 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 636 people;
- three defined-benefit supplementary pension plans sponsored by the Group in France, one in Germany and one in Belgium, affecting 132 people of which 37 current and 95 retired or deferred;
- a post-employment healthcare scheme in France affecting a closed population of 26 retirees.

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

in € millions	**2018**	**2017**
Retirement indemnities	9.5	9.8
Supplementary pension plans	21.9	20.6
Long-service awards	0.7	0.7
Post-employment healthcare benefits	0.5	0.5
TOTAL	**32.6**	**31.6**

in € millions	**2018**	**2017**
Present value of obligation at start of year	**36.2**	**35.3**
Service cost	2.7	2.1
Interest cost	0.4	0.5
Impact of changes to schemes	(0.3)	(1.5)
Benefits paid	(1.7)	(2.2)
Actuarial gains (losses)	(0.3)	2.0
Translation reserve	-	-
Present value of obligation at end of year	**37.0**	**36.2**
Not funded	19.0	20.9
Partly funded	18.0	16.2
Carrying amount of plan asset at start of year	**4.6**	**4.6**
Expected return	0.0	0.1
Contributions received	0.6	0.6
Curtailment or settlement	-	-
Benefits paid	(0.4)	(0.6)
Actuarial gain (losses)	(0.4)	(0.1)
Translation reserve	-	-
Carrying amount of plan asset at end of year	**4.4**	**4.6**
Pension commitments	**32.6**	**31.6**
LIABILITIES	**32.6**	**31.6**
ASSETS	**-**	**-**

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

NOTE 23.2 COST FOR THE YEAR

in € millions	**2018**	**2017**
Service cost	(2.7)	(2.1)
Interest cost	(0.4)	(0.5)
Expected return	0.0	0.1
Impact of changes to scheme	0.3	1.5
Total income (expense)	**(2.8)**	**(1.0)**
Benefits paid	2.1	2.8
Employer's contribution	0.6	0.6
Total net income (expense)	**(0.1)**	**2.4**
Assumptions		
Average discount rate	1.26%	1.27%
Average salary increase	2.35%	2.33%
Expected working life	19 ans	21 ans
Expected rate of return of plan assets	0.49%	0.40%
Increase in medical costs	5.00%	5.00%
Estimated payments for the next five years:	13.6	11.2
Sensitivity to an increase of 0.50% in the discount rate on the gross actuarial debt	(1.3)	(1.3)
Sensitivity to an increase of 0.50% in the discount rate on the service cost	(0.3)	(0.1)

NOTE 23.3 ACTUARIAL GAINS AND LOSSES

in € millions	**2018**	**2017**
Opening balance	**(28.9)**	**(26.8)**
Gains/(losses) for the financial year	(0.1)	(2.1)
of which experience adjustments	0.1	(1.3)
Closing balance	**(29.0)**	**(28.9)**

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

NOTE 24.1 OPERATING ACTIVITY COMMITMENTS

In € million	**2018**	**2017**
Beyond Purchase commitments – non-current assets	7.1	8.4
Leasing commitments – offices	24.0	28.0
Leasing commitments – equipment	2.6	2.1
Purchase commitments – *eaux-de-vie* (individual agreements)	56.2	50.3
Purchase commitments – *eaux-de-vie* (collective agreements)	45.7	79.9
Purchase commitments – wine	-	1.1
Other purchase commitments	17.0	20.5

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 those of the head offices of the subsidiaries Rémy Cointreau USA in New York, E. Rémy Rentouma Trading Ltd in Shanghai and Rémy Cointreau International Pte Ltd in Singapore.

Eaux-de-vie purchasing commitments mainly relate to multi-year contracts in place with distillers. These commitments are valued based on the prices known at the balance sheet date.

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 2018:

In € million	TOTAL	2019	Beyond
Beyond Purchase commitments – non-current assets	7.1	7.1	-
Leasing commitments – offices	24.0	6.5	17.5
Leasing commitments – equipment	2.6	0.9	1.7
Purchase commitments – *eaux-de-vie* (individual agreements)	56.2	12.9	43.3
Purchase commitments – *eaux-de-vie* (collective agreements)	45.7	-	45.7
Purchase commitments – wine	-	-	-
Other purchase commitments	17.0	17.0	-

NOTE 24.2 FINANCING COMMITMENTS, DEPOSITS AND SIMILAR GUARANTEES

In € million	2018	2017
Tax deposits	-	0.2
Customs deposits	21.6	18.7
Environmental deposits	2.8	2.8
Guarantees granted to suppliers	-	6.3
Factoring guarantees	10.0	10.0
Agricultural warrants on AFC inventories	64.0	54.0
Guarantee on €65 million bond issue	65.0	65.0
Miscellaneous guarantees on credit lines	33.2	37.3
Other guarantees	1.4	1.6

Breakdown of commitments by maturity as of 31 March 2018:

In € million	TOTAL	2019	Beyond
Tax deposits	-	-	-
Customs deposits	21.6	9.7	11.9
Environmental deposits	2.8	-	2.8
Guarantees granted to suppliers	-	-	-
Factoring guarantees	10.0	-	10.0
Agricultural warrants on AFC inventories	64.0	64.0	-
Guarantee on €65 million bond issue	65.0	-	65.0
Miscellaneous guarantees on credit lines	33.2	33.2	-
Other guarantees	1.4	0.2	1.2

As part of the creation of the Passoã SAS joint venture with Lucas Bols, the parties issued put and call options on their respective securities in Passoã SAS, which may not be exercised before 1 December 2020. Unwinding of these instruments could enable Lucas Bols to acquire all the securities held by Rémy Cointreau in Passoã SAS. The exercise amount is currently estimated at €71.3 million.

NOTE 24.3 CONTINGENT ASSETS AND LIABILITIES RELATING 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 2018 were as follows:

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

NOTE 24.4 OTHER CONTINGENT LIABILITIES

At 31 March 2018, 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 2018, the Rémy Cointreau Group's main associates were Dynasty Fine Wines Group Ltd, Diversa and Spirits Platform Pty Ltd.

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

NOTE 25.2 RELATIONS 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	**2018**	**2017**
Service fees paid	2.7	2.6
Current-account agreement [1]	60.0	60.0
Trade receivables and other receivables	0.4	0.5
Trade payables and other liabilities	-	-

[1] (1) A shareholder current account advance agreement between Rémy Cointreau SA and Orpar SA was signed on 31 March 2015 for €60 million at an interest rate of 1.25%.

NOTE 25.3 RELATIONS 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	**2018**	**2017**
Purchases of non-current assets	3.8	3.4
Other purchases	0.8	0.8
Trade payables	0.3	0.1

NOTE 25.4 MANAGEMENT BODIES

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

The Executive Committee is comprised of the Chief Executive Officer and 11 members.

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	**2018**	**2017**
Short-term benefits	8.5	8.8
End of contract indemnities	-	0.9
Post-employment benefits (1)	1.4	1.2
Share-based payments	1.5	1.1
Directors' fees paid to members of the Board of Directors	0.5	0.4
TOTAL	**11.8**	**12.5**

*(1) Primarily a defined-benefit pension plan (note **23**). The corresponding liabilities for the management bodies were €5.5 million at 31 March 2018.*

NOTE 26 EVENTS AFTER THE REPORTING PERIOD

None.

NOTE 27 LIST OF CONSOLIDATED COMPANIES

At 31 March 2018, the scope of consolidation included 47 companies (49 at 31 March 2017). 44 companies were fully consolidated, and 3 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.

		% interest	
Company	**Activity**	**March 2018**	**March 2017**
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
Domaine des Hautes Glaces [1]	Production	95.5	95.5
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
Other countries			
Rémy Cointreau Nederland Holding NV (Netherlands)	Holding/Finance	100.0	100.0
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
Rémy Cointreau International Spirits Ltd (United Kingdom)	Holding/Finance	100.0	100.0
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
The Westland Distillery Company	Production	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

Company	Activity	% interest	
		March 2018	March 2017
ASIA/PACIFIC/AFRICA			
China/Hong Kong			
Dynasty Fine Wines Group Ltd (3)	Production	27.0	27.0
Rémy Cointreau Shanghaï Ltd	Distribution	100.0	100.0
E. Rémy Rentouma Trading Ltd	Distribution	100.0	100.0
Shanghaï 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
RM Cointreau Vietnam Company Ltd (Vietnam)	Distribution	100.0	100.0
Rémy Cointreau South Africa Pty Ltd (South Africa)	Distribution	100.0	100.0
Rémy Cointreau Malaysia (Malaysia)	Distribution	100.0	100.0
Spirits Platform Pty Ltd (Australia) (3)	Distribution	37.0	37.0
CHANGES IN CONSOLIDATION SCOPE			
Rémy Cointreau India Private Ltd (India) (4)	Distribution	-	100.0
HDHG (France) (5)	Holding/Finance	-	100.0

(1) Company included in the French tax group.

(2) Special purpose entity.

(3) Equity-accounted company.

(4) Merged or liquidated during the year.

(5) Company which has been subject to a universal transfer of assets within Rémy Cointreau Services.