Time is on our side

TFF GROUP

2017/2018 ANNUAL REPORT


TIME
IS ON
OUR
SIDE

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PROFILE

TFF GROUP IN 2018

LOCATED ON 5 CONTINENTS

A commercial presence **in 80 countries**
International turnover: **85%**

Share of **global market: > 25%**
Staff of 1,048 of which 442 internationally based

GLOBAL LEADER
FOR THE AGING OF WINES AND ALCOHOLS

CASK MAKING

STAVE MILLING AND FORESTING

WOOD PRODUCTS FOR ŒNOLOGY

WHISKY & BOURBON COOPERAGE

WINE COOPERAGE

STAINLESS STEEL VAT MAKING

TOWARDS A BALANCING OF OUR ACTIVITIES

64% wine business

36% spirit business

2 WORLD MARKETS

Premium wines

Alcohols

Bourbon, Beer, Cognac, Tequila, Whisky

5 COMPLEMENTARY BUSINESSES IN WOOD FOR AGING

Forestry and logging

Stave Milling

Cooperage

Cask making

Wood and oenological products

1 NEW DIVERSIFICATION : HIGH-END STAINLESS STEEL CONTAINERS

PROFILE

A MESSAGE FROM THE PRESIDENT

2017-2018, A STRONG YEAR FOR TFF GROUP

Dear Madam, Sir and Shareholder,

At this time last year and in the very same forum, I made a comment on the strength of the 2016/17 financial year, describing it as having been «beyond expectations for TFF Group», even as I set goals for the fiscal year and made strong commitments for the future.

Once again, I am proud to report that TFF Group has once again fulfilled its promises, and this in spite of all the uncertainties, climate-related for the wine businesses and market-related for the whisky division.

But perhaps the most bewildering part of this presentation of the year's figures is the evolution of exchange rates, in particular the parities between the Euro, Dollar and Pound, which have somewhat masked the strength of the year's very solid performance:

- A revenue of € 255.4 million on a constant currency basis, € 245.2 million in reported revenue, up + 7.6%
- a current operating income close to 20%, in line with objectives
- a net profit of € 30.6 million
- net debt down € 4.8 million to € 40.9 million, i.e. less than 13% of shareholders' equity
- a stable dividend of € 0.35 per share,
- a share price up by nearly 20% over the year.

In short, it was a year that yielded both results in line with all the objectives we set ourselves and a solid resistance to the negative impact of foreign exchange rates. Wiping € 10.2 million from sales, well above expectations, these impacts erased the full year's contribution of the two acquisitions that were made last year, i.e. + € 9.6 million.

The same is true for net income, impacted by - € 3.4 million, which would have stood at € 34 million in constant currencies.

On the wine market, our group's historic market, world consumption continued to rise, by 0.4% year-on-year, while the 2017 vintage was the result of one of the smallest harvests in 50 years.

Only Australia, New Zealand and South Africa, among the major producing countries, saw increased volumes.

On this market, our business grew by 1.0%, and by 1.3% in organic growth.

The alcohol market, as I explained last year, needs to be analyzed in a segmented way: on one hand the whiskies market and on the other the American whisky- or bourbon- market.

The whiskies market, after four years of sales growth, has seen a slow-down since 2014.

We had anticipated this «reversal of the downward cycle» by forecasting the resumption of growth in this market from 2017.

In fact, the strong resilience of the market, the good health of our maintenance / renovation / repair business and the dynamism of our trading activity have allowed us to achieve a turnover of 52 M €, and to limit the decline to less than 6%.

This performance was achieved despite the currency effect which penalized our activity by nearly € 6 million due to the unfavorable evolution of the Pound.

The Bourbon market is a market that continues to grow with an average annual growth of 5.9% in global bourbon sales between 2008 and 2017. It is a market on which we have exceeded our targets: with 245,000 casks produced and sold this year, we have achieved sales of $ 43 million.

a very good visibility on all our markets allows us to envisage new objectives for 2023

Bourbon has proven itself to be the major source of growth that I had forecast it to be and its operating profitability will carry on improving as our activity on this market continues to develop.

We remain confidently on track to reach our projected 2020 target of € 300 million in sales for an operating result of € 60 million and a 60/40 balance between wine and alcohol activities.

But beyond that, a very good visibility on all our markets allows us to envisage new objectives for 2023: around 350 M€ in turnover for an operational profitability that will remain close to 20%.

The bourbon business is now in its second phase with the installation of a new cooperage in Virginia, a new stave mill in Ohio, and a planned third stave mill in Virginia.

It is this strong development and the potential of this market that allow us to define these ambitious new objectives.

It is because we are able to position ourselves so confidently over the long term that we have chosen «time is our ally" as our motto.

The confidence, mobilization and determination of all our teams will continue to ensure the harmonious and balanced development of TFF Group. A development which should continue to translate into a valuation that reflects the quality of our company.

JÉRÔME FRANCOIS
CEO

HIGHLIGHTS

KEY FIGURES 2018

A ROBUST AND BALANCED ECONOMIC MODEL

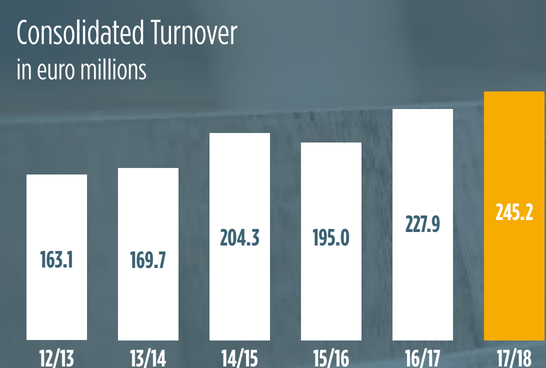
TURNOVER GROWTH

€245.2m

Turnover in 2017/2018

+7.6%

variation 2017/2018 vs 2016/2017



OPERATING INCOME

€48m

A year in line with targets at constant exchange rates

€48m
Operating income

€41m
Net financial debt

€30.6m
Net income

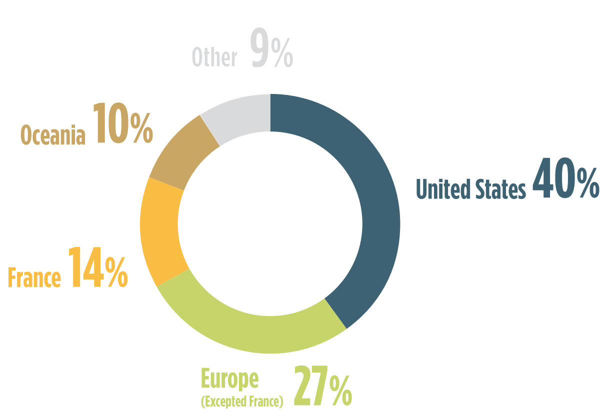
NET INCOME
in euro millions

EQUITY
in euro millions

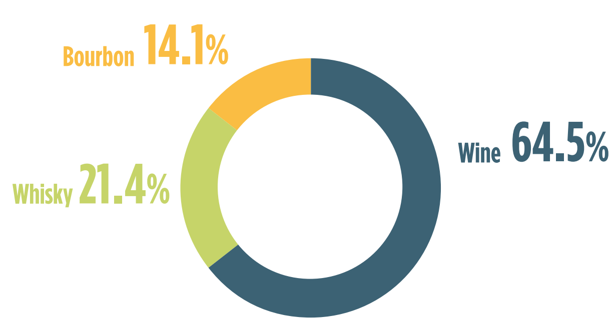
NET FINANCIAL DEBT
in euro millions

CASHFLOW FROM OPERATIONS
in euro millions

TURNOVER BY AREA



TURNOVER BY MARKET



HIGHLIGHTS

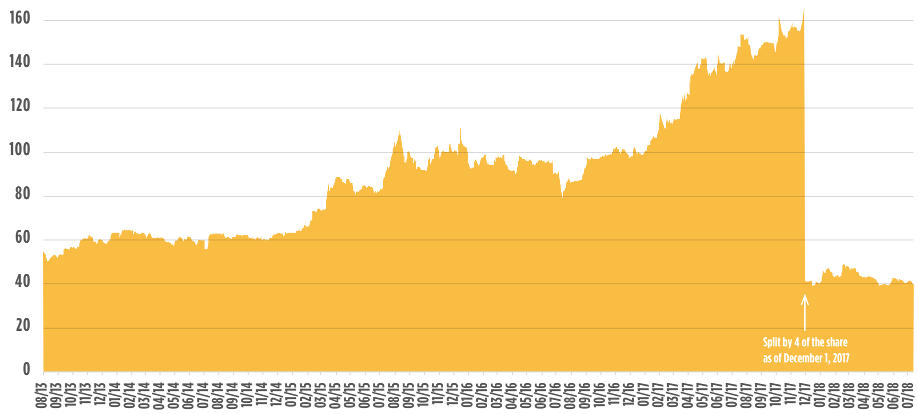
KEY FIGURES 2018

A DYNAMIC POLICY FOR SHAREHOLDERS

THE EVOLUTION OF DIVIDEND FROM 2013 TO 2018

* based on the new number of shares (x4 on 1st december 2017)

FIVE YEAR STOCK MARKET TREND(1)



€40.03(1)
Share price at July 12th, 2018

€868 m
Stock exchange valuation at July 12th, 2018

ALLOCATION OF CAPITAL AT APRIL 30TH, 2018

29% Public

71% FRANCOIS Family

Floated on the Second Market of the Paris Stock Exchange in January 1999

Eurolist - B
ISIN code FR 0000071904

Euroclear: 7190

Reuters: TEFE.PA

Bloomberg: TFF.FP

Eligible for PEA PME

Euronext ® Family Business

2018/2019 FINANCIAL COMMUNICATION CALENDAR

2018

12 september	First quarter turnover 2018/2019
26 october	General assembly
20 december	Second half turnover 2018/2019 Half year results

2019

5/16 mach	Third quarter sales 2018/2019
2/6 july	Annual results 2017/2018 Information meeting
October	General assembly

(1) Compte tenu de la division par 4 du titre au 1er décembre 2017

STRATEGY

TFF GROUP BUILT ON A UNIQUE AND DYNAMIC MODEL

OUR DEVELOPMENT MODEL IS BASED ON FIVE PILLARS

1 ORGANIC GROWTH

With organic growth a priority, TFF Group makes every effort to develop its companies all around the world.

2 VERTICAL INTEGRATION

Vertical integration allows TFF Group to control the entire value-creation chain, from sourcing to distribution. This means both value for customers and margins for the Group.

3 SYNERGIES

Pooling resources across the Group creates synergies and allows the pooling of both expertise and best practice. The pooled power of TFF Group then benefits each of its companies.

4 A BALANCE OF ACTIVITIES

TFF Group has given itself the means to develop by balancing its various activities and through its healthy geographical distribution. This balance allows the Group to withstand the vagaries of both economic and climatic cycles.

5 A DECENTRALIZED AND REACTIVE ORGANIZATION

The way TFF Group works ensures that its companies have a high level of responsiveness through a proximity to their customers that allows rapid decision-making. This organization encourages individual initiatives and motivates employees with a long-term view.

STRATEGY

AN AGILE GROUP

THAT HAS BEEN ADAPTING, INNOVATING AND TRANSFORMING ITSELF FOR MORE THAN A CENTURY

For more than a century, TFF Group has been demonstrating the agility that has been one of the key drivers of its growth.

Experience-based know-how is about managing change by seeking to drive and shape it.

One of the key strengths that distinguishes TFF Group is its ability always to aim for new goals. Today's challenges do not differ so much from the ones we've overcome in the past, and after becoming the world's leading producer of wine aging products, we logically turned to the spirits market through a significant position in the scotch and whisky markets. Aware that our actions must continually take into account the expectations of the market and the changes taking place on it, we naturally turned, after careful analysis, towards the Bourbon market which offers strong development prospects.

Sustainability, alongside the strategic priorities that define our growth objectives, is an integral part of the way we conduct our business and create value for all of our stakeholders. It is because we know how to combine patience with action that time is our ally.

There is no doubt: **Time is on our side.**

1910
Creation of the cooperage at Saint Romain **by Joseph FRANÇOIS**

2008
The group becomes the leader on the **Whisky market**

2012
N°1 on the **Wine market**

2016
The group becomes a major player on the **Bourbon market**

RESULTS

THE BOURBON MARKET

CONTINUED GROWTH AND EXCELLENT PROSPECTS

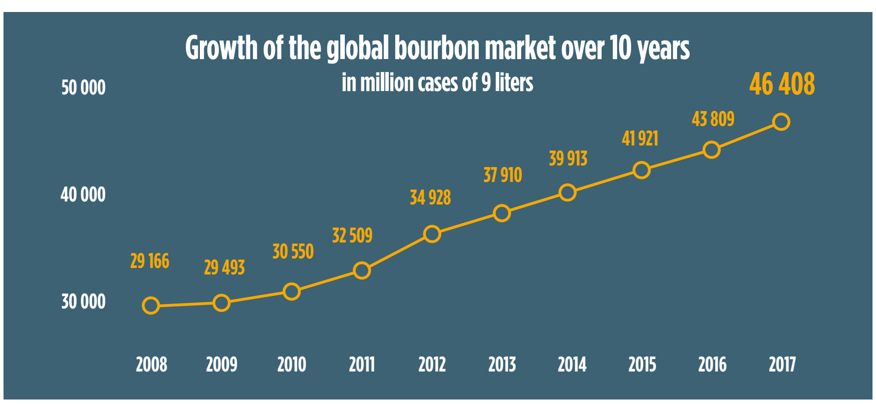
BOURBON, A PROMISING NEW MARKET

Bourbon, or American whisky, is a truly American product. In 1964 the US Congress decided to declare bourbon an official product of the United States, giving it the name « Bourbon Whisky ».

In order to use the name, the whisky must be manufactured in the United States, made of at least 51% corn (the rest must be rye, malted barley or wheat), distilled to 80% maximum and raised in new oak barrels.

Over the last ten years, the global bourbon market has seen strong sales growth of 5.9% per year. It is now benefiting from the many investments made by major American distilleries, like Buffalo Trace, Campari and Heaven Hill. These foreshadow growth perspectives of 14% by 2020, the strongest growth in the global spirits market, according to the IWSR's latest study.

The bourbon market continues to grow, showing good progress in recent years thanks to the growth of the domestic American market, the strength of exports and the new consumption patterns emerging around bartenders, renamed «mixologists» for the most talented - a mode of consumption that has gone global thanks to social networks and the digital campaigns of large groups like Diageo and Pernod Ricard.



2017/2018: WITH GROWTH OF 140% IT WAS AN EXCEPTIONAL YEAR FOR THE GROUP ON THE BOURBON MARKET

After investing more than $ 50M since 2016 in a cooperage, a stave mill and in stave stocks to ensure the production of more than 400 000 barrels by 2020, the Group exceeded the target set for its second year of production, with a turnover of $ 43 million and 245,000 American oak barrels produced.

RESULTS

THE BOURBON MARKET

GROWTH AIMED AT CAPTURING THE FULL POTENTIAL OF THE MARKET

- **Production capacity of 700,000 / 800,000 barrels on 2 production sites**
- **3 stave mills to provide 60-70% of own supplies**
- **A forecast turnover of $120 million with about 20% EBITDA after $150 million Capex**

Goals for 2023 Turnover	Goals for 2023 Ebitda about
$120m	20%

TFF GROUP'S INVESTMENTS ON THE BOURBON MARKET

In a Bourbon market with a growth potential of + 14% by 2020, TFF Group is more optimistic, confident and determined than ever.

In order to stay one step ahead and become one of the leaders on the bourbon market, TFF Group is strengthening its position with the creation of a new cooperage and two stave mills.

A NEW COOPERAGE

Acquisition of a production site to create a cooperage in Atkins, Virginia

A site of 25,000 m^2

Start of production: January 2020.

Production target in 2023: 400,000 barrels

TWO STAVE MILLS

Acquisition of OCI's stave mill business in Waverly, Ohio

A site that will supply and develop three production lines

Start of production: July 2018

Acquisition of land in Glade Springs, Virginia for the construction of a third stave mill

A production capacity of 180,000 barrels

Start of production: July / August 2019

The Group thus confirms its ability to adapt its production model in order to capture market growth, and win over and retain its customers by accompanying them in their development.

RESULTS

SCOTCH AND WHISKIES

A MARKET THAT REMAINS STRONG

Whisky Turnover 2008/2017

287 %

+26% a year in £

Whisky market (in million cases)

+27 %

2,7 % a year 2008/2017

THE SCOTCH AND WHISKEY MARKETS ARE, ON THE WHOLE, WELL ORIENTED.

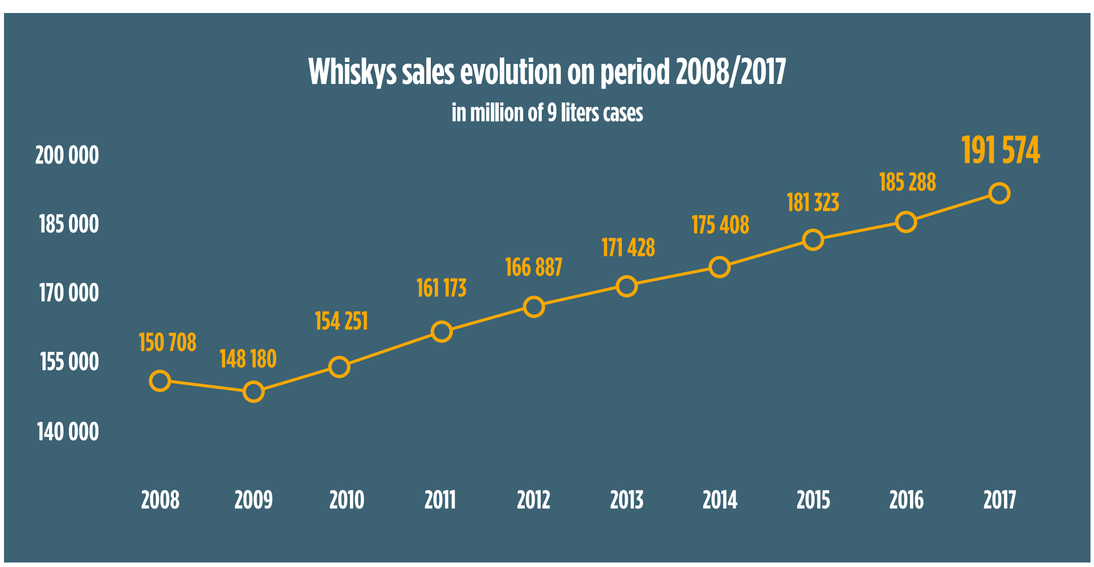
Scotch has been growing slowly but steadily, in the order of + 0.4% per year over the last ten years, while other whiskies, excluding Bourbon, recorded sales growth of 6.1% over the same period, from 2008-2017.

Faced with the growth in world production, the outlook for world consumption is + 2.3% per year for the period 2016-2020 (source: Scotch Whiskey Association)

In this market, the fundamentals of TFF Group are more relevant than ever as it seeks to benefit from the market's return to growth.

TFF GROUP: a leading position

TFF GROUP occupies a major position on the whisky market through its 7 production sites - 3 in the United States and 4 in Scotland- and its 5 complementary brands which allow it to supply 80% of the independent barrel production in the United Kingdom.



RESULTS

SCOTCH AND WHISKIES

SEVEN PRODUCTION SITES: THE WINNING STRENGTH OF TFF GROUP

BARRELS UNLIMITED

With a presence in California, Barrels Unlimited Inc is proud to present itself as a «full circle» cooperage convinced that sustainable development is an opportunity rather then a constraint for its business

BARRELS UNLIMITED

With a presence in Indiana, Barrels Unlimited Inc is proud to present itself as a «full circle» cooperage convinced that sustainable development is an opportunity rather then a constraint for its business

CAMLACHIE COOPERAGE LIMITED IMPORTS & EXPORTS

Founded in Glasgow, Scotland, in 1961, Camlachie is synonymous with high quality used barrels and first-rate customer service.

Isla Cooperage Co Ltd

Established in Keith, since 1989, near the legendary Glenfiddich, Glenlivet, Macallan and Mortlach distilleries, Isla Cooperage is proud to accompany the biggest names in Scotch Whiskey.

SPEYSIDE COOPERAGE ACORN CASK

From its site near Edinburgh, Speyside Aloa supplies the finest distilleries in Scotland and the world with the highest quality barrels.

SPEYSIDE COOPERAGE ACORN CASK

Founded in 1947 by the Taylor family, Speyside Cooperage, based in Scotland and the United States, is proud to call itself the largest independent cooper in the UK.

SPEYSIDE COOPERAGE ACORN CASK

From its site near Edinburgh, Speyside Aloa supplies the finest distilleries in Scotland and the world with the highest quality barrels.

RESULTS

WINES: TFF GROUP, THE GLOBAL LEADER

2017-2018: A VERY GOOD YEAR

On a wine market that saw worldwide production fall by 23.6 million hl in 2017 to 250 million hl, TFF Group is positioning itself as the world leader in barrels, large containers and products for oenology, with a strong presence in three major geographical areas: Western Europe, Australasia and North America.

The 2017 vintage was marked by the lowest level of global production since 1957, with consumption remaining generally stable.

This historically low production, especially in Italy, Spain, France and Germany, was mainly due to unfavorable weather conditions in the European Union. In France, the world's second largest producer in 2017, the spring frosts particularly affected Bordeaux, Charentes, the Jura and Alsace.

The 2017 harvest weather conditions were hot and humid which led to the appearance of mildew or shot berries.

The trend in the United States was fairly satisfactory despite the fires in California.

A very good year for TFF Group, supported by its emblematic brands

With 22 production sites and a presence in 80 countries through 18 established brands, TFF Group achieved very strong results: 1.3% growth on a like-for-like and constant exchange rate basis

A portfolio of diversified and complementary brands

The strength of TFF Group lies in the wealth of its brand portfolio, which allows it to meet the expectations of many different categories of customers in all the various businesses related to aging products for wine: coopering, wood products, large wood and stainless-steel containers.

In addition to this market coverage, the Group's success also lies in its excellent control of its sourcing of the raw material, allowing it to integrate its margins throughout the entire chain of value creation.

Promising horizons

2018 promises to be another great year, with global production expected to rebound as Chinese and US consumption continue to increase thanks to the growth of the middle classes and their appetite for luxury.

€158 m
Turnover 2017/2018

€170 m
Turnover target 2020

18
brands

22
production sites

+1.3%
like-on-like growth

REASONS

SIX REASONS TO BELIEVE IN THE FUTURE

1 The strength of our brands

Building on their history yet resolutely turned towards the future, TFF Group's companies cultivate their know-how and heritage, renewing themselves continually in their constant reach for quality. From production to distribution, employees strive to enrich and transmit their extraordinary skills in order to ensure the excellence of their products.

2 The vertical integration of our trades

Vertical integration allows TFF Group to control the entire production chain, from the sourcing of the raw material- the oak that is used for the manufacture of staves and for wood products for oenology - to production and distribution. This creates both value for our customers and margins for the Group.

3 A unique footprint in global wine and spirits markets

With its presence on the wine market through barrels, large wood and stainless-steel containers, wood for oenology, logging and stave milling, and on the whisky, bourbon and spirits markets on five continents, TFF Group is able to detect both the trends and expectations of its markets, thus adapting itself in real time to their evolutions.

4 A successful organization built around the excellence of its teams

In a world where responsiveness is key, the Group's decentralized organization, its entrepreneurial spirit and the high quality of its teams, allow TFF Group to remain close to its customers, constantly adapting itself to their various expectations globally.

5 Operational excellence

Operational excellence is TFF Group's way of ensuring that it is THE reference in the oak aging business.

A continual reach to improve the efficiency of our production and the quality of our products lies at the heart of the efforts of all of our companies as we strive to remain the global leader.

6 Social and Environmental Responsibility

TFF Group has always integrated into its business model the principles of sustainable development. Those principles have been at the heart of our diversification and globalization through growth that is sustainable, responsible and fair.

Thanks to these strengths and through its proximity to all its markets, TFF Group looks confidently towards achieving its ambitious goals: an average annual growth of between 5 to 10% of its turnover with profitability levels that remain close to 20% over the next five years.

ADMINISTRATION AND MANAGEMENT

Supervisory Board and Management Board

Monsieur Jean François
Chairman of the Supervisory Board

Monsieur Jerôme François
Chairman of the Management Board

Madame Noëlle François
Member of the Management Board

Madame Nathalie Meo
Supervisory Board member

Monsieur Patrick Fenal
Supervisory Board member

Mademoiselle Philippine François
Supervisory Board member

SUMMARY

MANAGEMENT BOARD'S MANAGEMENT REPORT PRESENTED TO THE COMBINED SHAREHOLDERS' MEETING OF OCTOBER 26, 2018

Ladies and gentlemen,

The General Meeting was convened to deliberate on the financial statements for the fiscal year that ended on April 30th, 2018; also to allocate the profits of said financial year, to rule on any regulated agreements entered into or continued during the same fiscal year and to look at other points, more fully described hereinafter.

The meeting will also allow us to give you an overview of the situation of the Company and of the Group (TFF Group) during the past financial year, of its foreseeable evolution, of its research and development activities, of any important events included between the closing date and the date of preparation of this report, of the main characteristics of internal control procedures and risk management, as well as the social and environmental consequences of the activity.

We would like to point out that any quantitative information is subject to the approval of the accounts as presented to you.

The management report and the consolidated « Group » management report are included below.

I. CHANGES TO COMPANY CAPITAL

The amount of the capital did not change during the financial year that ended on April 30th, 2018, and thus amounts to 8,672,000 euros.

With effect from December 1st, 2017, and in line with the decisions taken by the Extraordinary General Meeting of June 29th, 2017, the nominal value of the TFF GROUP shares was divided by 4, and the number of shares multiplied by 4.

This transaction was intended to increase the accessibility and liquidity of the security. Thus, the share capital was increased from 5,420,000 shares of € 1.60 each to 21,680,000 shares of € 0.40 par value each, the total amount of capital remaining unchanged.

In accordance with the provisions of Article L 225-184 of the French Commercial Code, we inform you that there is no current plan relating to share subscription or purchase options.

II. ACQUISITIONS FOR THE YEAR – DISPOSAL OF INVESTMENTS

TFF Group made no acquisitions over the course of the financial year.

There was no sale of any assets over the course of the year.

III. CONSOLIDATED FINANCIAL PERFROMANCE AND STRUCTURAL RATIOS

1 -The consolidated financial elements can be summarized as follows (IFRS norms):

Consolidated financial statements at April 30th (in K€)	30/04/18	30/04/17
Turnover	245,182	227,880
Current operating income	48,033	45,639
Operating profit after MEE companies shares	47,911	45,611
Profit before Tax	44,078	46,394
Net income	30,555	32,448
Profit group share	30,229	32,077

Balance Sheet Accounts (in K€)		
Shareholder equity	314,087	300,710
Net banking debt	40,899	45,721
Banking debt/own funds	0.130	0.152
Net inventories	198,886	189,718

2 - Evolution business and results – Progress made and challenges met

For fiscal year 2017/2018, consolidated sales amounted to 245.2 million euros, up 7.6% over the previous year, and up 7, 8% like-on-like (excluding currency and perimeter effects).

On a like-for-like basis, activity was up 1.3% in the wine business and up 22.3% in the alcohol business.

On the wine market, organic growth was driven mainly by export markets outside Europe, while the 2017 global harvest was described as historically low.

The large container and wine cooperage businesses achieved growth, while the other activities fell slightly overall.

On the liquor market, the Bourbon division's business- at more than $ 40 million- continued to grow at a sustained pace in a market that has long-term strength.

The whisky division perfectly mastered and limited its decline in activity.

Current operating income (after share of equity affiliates) increased by 5.3% to 48.0 million euros compared to 45.6 million euros in 2017, standing at 19.6% of turnover.

The ramp-up of the Bourbon business, whose levels of profitability are today diminished by the heavy investments made to ensure development, mitigated the growth in current operating income.

Group operating income totaled € 47.9 million, up + 5.0% after the inclusion of non-recurring costs related to the start of the bourbon division's upstream activities.

Financial income for the year amounted to - € 3.8 million, including a - € 3.4 million foreign exchange impact attributable to intra-group currency positions.

Net income came to 30.6 million euros (12.5% of sales), down -5.8%.

3 – Description of the main risks and uncertainties facing the company

Financial and market risks

Market risk represents the risk of adverse changes in the value of a financial instrument caused by changes in exchange rates, interest rates or stock market prices. The Company is subject only to market risk resulting from changes in exchange or interest rates.

In addition, the Company considers that it is not subject to liquidity risks.

The detailed report on the management of these risks is presented in the notes to the consolidated financial statements.

Legal risks

The Company carries out manufacturing and / or distribution activities throughout the world through its subsidiaries or through contracts with third parties in the fields of cooperage, stave-milling, cask making, wood products, logging and large stainless steel containers. In this respect, it is subject to a complex regulatory environment, linked to the fields and/or the location of activity. The risks it incurs are the usual ones for companies in similar fields: defective products, methods of marketing and relations with suppliers and / or distribution networks.

In the normal course of business, the Company may be subject to litigation. With the exception of the deductibles applicable to it, TFF Group considers that it has taken out adequate civil liability insurance to cover it against any material financial loss resulting from the application of its Civil Liability.

Insurance

As at April 30, 2018, TFF Group regroups under a «master» policy in France the risks of property damage, business interruption, civil liability and maritime transport. Depending on insurance risks, policies are subscribed to locally and sometimes abounded by the TFF Group master policy.

Civil liability insurance is taken out to cover all risks arising from the usual production activities of all TFF Group entities. In addition, product liability insurance protects the company from potential complaints arising from the use of TFF Group products.

The list of insurance plans taken out by the Group is provided in note 6.3 below.

4 – Information on the use of financial instruments

Please refer to the notes to the consolidated financial statements.

IV ACTIVITIES OF THE PARENT COMPANY AND SUBSIDIARIES AND INVESTMENTS

1. Parent company

It is specified that the annual accounts for the year ended at April 30th, 2018, which are subject to shareholder approval, have been prepared in accordance with the presentation rules and the valuation methods provided for by the regulations in force.

The presentation rules and the evaluation methods are identical to those of the last year.

The scope of consolidation of TFF Group is included in the notes to the consolidated financial statements.

Turnover excluding taxes amounted to 37,361 K€ compared to 32,576 K€ the previous year.

The operating result shows a profit of 10,355 K€ against 8,542 K€ the previous year.

The financial result shows a loss of - € 707 thousand.

Profit from recurring profit amounted to 9,648 K€ versus 12,037 K€ the previous year.

The exceptional result is a profit of € 513,000.

The net result shows a profit of € 6,777,000 compared to € 8,664,000 the previous year, taking into account a corporation tax of € 3,032,000 and employee profit-sharing of € 352,000.

In accordance with the provisions of Articles 223 quater and 223 quinquies of the General Tax Code, we note that the accounts for the parent company's current financial year cover those expenses that are not deductible from the taxable income as referred to in Article 39.4 of the General Code Of Taxes, to the amount of 14,998 euros.

2. Subsidiaries and shareholdings

• French subsidiaries

French cooperages continued to maintain high levels of profitability despite the small European wine harvest.

French stave mills increased their activity levels.

The large vat business grew.

The turnover for wood products for oenology rose.

• Foreign subsidiaries

In the «Wine» businesses, the evolutions were as follows:

• Revenues and profitability of US companies evolved favorably

• Australian and New Zealand subsidiaries, on the whole, maintained their activity levels and results,

• The activity of the Spanish subsidiary declined,

• The Chinese subsidiary maintained a moderate level of activity, as compared to last year.

Business levels for whisky barrels in Scotland and the United States proved resilient, but are expected to decline.

Operational profitability levels were maintained.

In the wood products for oenology sector, activity fell in the USA as a result of the low harvest.

The activity of direct subsidiaries is summarized in the attached table.

In the context of the provisions of Article L.232-1 II of the French Commercial Code, it is specified that TFF Group does not have branches.

V. SHAREHOLDINGS

In order to fulfill the legal obligation to disclose the identity of natural or legal persons owning more than one twentieth, one tenth, one fifth, one third or one half of the share capital, we hereby inform you that as of April 30th, 2018, the breakdown of the Company's capital and voting rights was as follows:

Situation at April 30th, 2018

	Number of shares	Number of voting rights	% of capital	% voting
SAS La Demignière (famille François)	10,314,800	10,314,800	47.58%	47.58%
SARL Familiale François (famille François)	4,040,840	4,040,840	18.64%	18.64%
Mr et Mme Jean François	287,040	287,040	1.32%	1.32%
Mr Jérôme François	697,636	697,636	3.22%	3.22%
Autres (dont Public)	6,339,684	6,339,684	29.24%	29.24%
Total	**21,680,000**	**21,680,000**	**100.00**	**100.00**

VI – INTERNAL CONTROL PROCEDURES PUT IN PLACE BY TFF GROUP

In accordance with the provisions of Article L.225-100-1 of the French Commercial Code, you will find below the main characteristics of the internal control and risk management procedures implemented by TFF Group, relating to the preparation and processing of accounting and financial information.

6.1 The purpose of internal control

The internal control system is defined as a set of devices aimed at controlling activities and risks of all kinds and allowing for the regularity, safety and efficiency of operations. It is therefore characterized by the objectives that are assigned to it:

- financial performance, through the efficient and adequate use of group assets and resources as well as protection against the risk of loss;
- exhaustive, precise and regular knowledge of the data necessary for decision-making and risk management;
- respect of internal and external rules;
- prevention and detection of fraud and errors;
- accuracy, completeness of accounting records and timely establishment of reliable accounting and financial information.

Thus, the internal control system is, within SA TONNELLERIE FRANCOIS FRERES and more generally TFF Group:

- a system designed to create and maintain an organization that prevents and control risks, particularly economic, industrial, financial, and legal ones, to which the Company and its subsidiaries in France and abroad might be exposed,
- a mechanism to ensure that the Group's financial and accounting information is reliable and honestly prepared so that the Group's assets are safeguarded.

However, like any control system, it can not provide an absolute guarantee that such risks of error or fraud have been totally eliminated or mastered.

6.2 General organization of the internal control procedures

Internal control is everyone's business. Thus, each employee, by checking his own tasks or the work of another member of the team, contributes to the proper functioning of the internal control systems of the business.

The organizational principles and components of the internal control systems of SA TONNELLERIE FRANCOIS FRERES and more generally TFF Group include:

- a comprehensive coverage of activities and risks,
- the implication of all the staff,
- a clear definition of tasks,
- a separation of engagement and checking roles,
- Formalized and up-to-date delegations.

6.3 Summary description of the company's internal control and risk management system

At TFF Group, the main players in internal control are:

- The Management Board and the Presidents of the subsidiaries,
- The Finance Department, particularly with regard to cash management, consolidation and financial communication.

6.3.1 The Management Board defines the general principles of Internal Control and ensures their correct implementation within the Group. In this regard, the Management Board is in permanent contact with the Finance Department and with subsidiary managers. It should be noted that each group subsidiary has its own manager. The parent company, Tonnellerie François Frères, also has a role at group holding level, defining, in a general way, through its Executive Board, the main general orientations of the group, its policy and control systems as well as actively managing the subsidiaries of the group. The Management Board also decides on external growth operations within the group.

The Management Board of SA Tonnellerie François Frères set up an executive committee at the parent company level, which met for the first time in April 2012. It is composed of the Chairman of the Management Board, of the financial management of the group, and of the main managers of the subsidiaries. It meets quarterly. The committee discusses business processes, the group's strategy, opportunities for external and organic growth, and attempts to detect risks in order to anticipate them.

At the Group's subsidiary level, the scope of day-to-day management performed by the entities' personnel are controlled by the management teams of each entity. Actions taken outside the ordinary course of business are regularly reviewed by the parent company management team, in its capacity as holding company of the group.

6.3.2 * The Group Finance Department, part of TFF's parent company, which acts as a holding company (SA Tonnellerie François Frères - TFF Group), is also in permanent contact with the accountants of each subsidiary, ensuring internal control oversight, particularly with regard to the Treasury (centralized management of the cash flow of French companies, followed by the treasury of foreign subsidiaries) and consolidation (annual and half-yearly consolidation operations are managed by the Finance Department)

There is also a monthly financial reporting system, covering the main economic indicators (turnover achieved by country, by type of product, average selling price, investments made, barrels produced ...).

This financial information is compiled through the accounting systems specific to each company It enables the Finance Department and the Management Board to monitor the performance of each of the Group's companies in order to compare them with the budgets set at the beginning of the year. It should be noted that once a year, the subsidiaries report to the Group in order to outline their budget forecasts.

A consolidated budget is established which then serves as the basis for the comparison for the monthly results. This budget is regularly updated.

This financial information is also checked against the half-yearly and annual consolidations prepared by the Group Finance Department, in order to analyze the causes of any discrepancies.

CSR reporting is established under the direction and coordination of the Group Chief Financial Officer, assisted by the Health, Safety and Security Committee of François Frères Management, in accordance with a data collection questionnaire and consolidation tools. In this respect, information on social and environmental responsibility is included in the annual management report. An independent third party also provides an assessment (Veritas). This report is updated and completed annually.

* More specifically, concerning TONNELLERIE FRANCOIS FRERES, our parent company, the Finance Department performs the following internal controls.

The Financial Department manages the chart of accounts and associated standards, ensures consistency and completeness checks, and prepares in a timely manner the individual financial statements and the tax declarations that are its responsibility. By preparing accounting information, the Financial Department also contributes to the development of financial information.

The general accounting of SA TONNELLERIE FRANCOIS FRERES is centralized. Each accounting employee has a clearly defined role and responsibilities. In addition to the accounting records, they constantly monitor the accounts that are under their responsibility. In this context, they conduct regular checks of recorded balances and transactions with external information of all kinds (direct confirmation of third parties, banking comparisons, ...).

The Finance Department carefully supervises the work of its team and actively participates in the preparation of annual and interim reports. On the basis of these elements and of additional information from other sources, it carries out a second-level check of the work of its team and the results that emerge from the accounting of operations. It works in direct liaison with the management to communicate to it all accounting information linked to the management of the company as well as ensuring the regular monitoring of cash.

* Management and prevention of foreign exchange risk: given the company's exposure to foreign exchange risk, a hedging policy is implemented, especially on North American currencies.

On this point, the Group's policy is to reduce its exposure to interest rate and currency fluctuations, and not to take speculative positions. TFF Group only uses derivative instruments for hedging purposes and gains and losses are accounted for symmetrically with the results achieved on the hedged items.

* The Finance Department also coordinates with the work of the Statutory Auditors and the Supervisory Board.

6.3.3 Insurance: TFF Group is covered by several insurance policies that cover the following risks:

Damage to assets and operating losses (either through a group master policy or through a local policy depending on the country):

- buildings, rental risks and equipment, valued at as-new prices,
- merchandise,
- litigation from neighbors and third parties,
- automatic guarantee of investments,
- operating loss

Civil liability (through a group master policy or local policy depending on the country)

Maritime Transport Insurance (group contract applicable to a large majority of group companies)

Fleet of cars (group contract applicable to a large majority of French companies)

Insurance of corporate officers

6.3.4 Fight against corruption and trading in influence:

TFF Group does not take any action that could promote corruption, and aims in particular:

- to adopt fair behavior in commercial relations,
- to exclude any abusive or unlawful conduct as well as any anti-competitive practices,
- to exclude any behavior or acts that may be characterized as active or passive bribery, complicity in influence peddling or favoritism, in the negotiation and execution of contracts.

The law of September 9th, 2016 on transparency, the fight against corruption and the modernization of economic life (the so-called «Sapin II» law) obliges companies to put in place an anti-corruption plan based in particular on a map of risks, a code of conduct, a risk assessment procedure and an internal alert system.

During the past financial year, TFF Group has:

- joined Middlenext, an association representing medium-sized stocks listed on Euronext in order to :
  - benefit from the work carried out by its teams on the SAPIN II law and the anti-corruption mechanism,
  - participate in exchanges organized with the French Anti-Corruption Agency, the body in charge of the control of the application of the SAPIN II law,
  - monitor the evolution of the regulatory framework resulting from the SAPIN II law and its transposition at the level of listed companies.
- proceeded to the appointment of an ethical referent / person responsible for compliance, who aims to (i) be the interlocutor of employees of the group on the subject of anticorruption (information, training on the law and the instructions for use of the anticorruption system, and (ii) contribute to the deployment of the mechanism in consultation with the Ethics Committee.
- proceeded to the appointment of an ethics committee whose missions are as follows:
  - collect and process alerts that are submitted to it; carry out the appropriate investigations and submit to the management any appropriate actions and sanctions
  - bring to the attention of the authorities any reports received via the alert system,
  - report regularly to the Supervisory Board, which fulfills the role of audit committee within TFF Group.
- adopted a Code of Conduct based on the Middlenext model, which refers to the UN Convention. This Code of Conduct defines (i) the principles and rules to guide the behavior of each employee in the performance of his duties and (ii) illustrates the different types of bribery and similar prohibited acts.
- developed a risk map. This documentation will be regularly updated, and is intended to identify, analyze and prioritize the exposure risks of TFF Group to external solicitations for the purpose of corruption, depending in particular on the business sectors and geographical areas in which TFF Group operates.
- put in place information and awareness-raising initiatives for the Executive Board and the Group's managers and employees.

In order to reinforce this anti-corruption system, and in a non-exhaustive way, other tools will continue to be used to support the plan implemented by TFF Group (the training of employees, the reinforcement of due diligence, in particular during the acquisitions of companies, internal alert systems ...).

6.3.5 Information on the consequences of climate change: TFF Group, aware of the risks associated with climate change, has sought to diversify its activities in order to limit any potential impacts. For the moment, its sites are not directly affected by restrictive measures on the part of local or national authorities.

The main risks for TFF Group in this area are the potential consequences of global warming, which could lead to an increase in high temperatures, which could lead to lower crop yields for the wine business.

TFF Group's business itself does not position it as a major contributor to greenhouse gas emissions, only travel and logistics remains a point of emission that TFF Group strives to reduce by streamlining the transportation of goods and by carefully planning the movement of personnel.

All of the Group's French subsidiaries are covered by a civil liability policy for environmental risks.

6.4 External control procedures

6.4.1 The Statutory Auditors, through their various controls, implement the checks specific to their profession. They are kept informed of the processes used in drawing up the accounts, and then present the summary of their work to the Finance Department on the occasion of the half-yearly and the annual statements.

It should be noted that the company has two Statutory Auditors and two substitute Auditors, in accordance with the applicable legislation.

The current Auditors are as follows:

Statutory Auditors:

- The « Cabinet Expertise Comptable et Audit », whose contract expires at the end of the annual ordinary general meeting called to approve the financial statements for the fiscal year ended April 30th, 2018.
- SARL CLEON MARTIN BROICHOT ET ASSOCIES AUDITEURS ET CONSEILS whose term expires at the end of the Annual General Meeting called to approve the financial statements for the year ended April 30th, 2018.

Alternate Auditors:

- Mr. Claude Cornuot, whose term expires at the end of the Annual General Meeting called to approve the financial statements for the fiscal year ended April 30,th 2018.
- Compagnie Générale d'Audit & Associés, whose mandate expires at the end of the Annual General Meeting called to approve the financial statements for the fiscal year ended April 30th, 2018.

It is specified in this regard that the General Meeting of October 26th, 2018 will therefore have to decide on the renewal of the terms of office of the co-statutory auditors and alternates.

The operating subsidiaries, both French and foreign, appoint Statutory Auditors or Auditors in line with applicable regulations.

6.4.2 Quality certifications:

Some of the Group's subsidiaries are ISO 9001 certified (2000 version - quality management system). The Hungarian subsidiary benefits from ISO 14001 (environmental protection). These certifications are up to date.

VII. STATEMENT OF SHAREHOLDERS' EQUITY IN THE SHARE CAPITAL ON THE LAST DAY OF THE FINANCIAL YEAR

None.

VIII. INFORMATION CONCERNING TRANSACTIONS OF LISTES SHARES CARRIED OUT BY THE OFFICERS OR DIRECTORS AND THEIR FAMILY AND FRIENDS

Attached to this report is a summary of the transactions carried out by those in positions of responsibility and their relatives over the course of the last financial year (AMF, General Regulation, new Article 222-15-3).

IX. SOCIAL AND ENVIRONMENTAL CONSEQUENCES OF OUR ACTIVITY

In accordance with the provisions of Article L.225-102-1, paragraph 4, of the French Commercial Code, we provide below all the necessary information with regard to the social and environmental consequences of our business.

STATEMENT BY JÉRÔME FRANÇOIS CEO OF TFF GROUP

Our 100-year-old, family-owned group, already the world leader on the wine and whisky markets, is now experiencing strong growth on the bourbon market after opening our first bourbon cooperage, Speyside Bourbon Cooperage Inc in Ohio, in 2016.

Both the cooperage and its manufacturing process have been developed in partnership with American and European machine designers.

The result of this collaboration has been the design of an ergonomic and secure work environment, which integrates environmental requirements and reduced energy use. In addition, the cooperage, which has a very high production capacity, allies a rigorous concern for quality with optimized working conditions for employees.

In 2017, the creation in Virginia of Speyside Bourbon Stave Mill - specially dedicated to supplying part of the bourbon cooperage's American oak needs - will ensure a better handling of the raw material's first transformation while rationalizing upstream sourcing, thus improving our carbon footprint.

The Group, with these first steps on this new market, has sought successfully to replicate the economic model that has already worked so well on the wine and whisky markets – a model based on the vertical integration of trades and on the building of strong relationships with all of the company's stakeholders.

Our values, be they ethical or linked to social responsibility or respect for the environment, are essential to the sustainability of our activities and represent the very foundation of the group's success.

With the entry into force of the Sapin II law, we have taken a new step by adopting the «Middlenext Anti-Corruption Code of Conduct».

This Code of Conduct, which is consistent with our historic commitments, aims to guide the group and everyone within it in the exercise of their responsibilities.

I hope that all of TFF Group's companies and employees will make this Code of Conduct their own. As ambassadors of TFF Group, we must contribute, through our exemplary behavior, to the strengthening of its image and reputation everywhere in the world.

I ask that you all work to ensure that these values and principles continue to form the basis of our approach to sustainable development.

Jérôme François

REPORTING METHODOLOGY

The scope of the group's consolidated companies is evolving with the creation of a stave mill that will supply the Speyside Bourbon Cooperage: the Speyside Bourbon Stave Mill.

This company will be included in the CSR scope as of the 2018/2019 financial year, given that production there only began there in June 2018.

Our CSR reporting is carried out for the period that runs from May 1st, 2017 to April 30th, 2018, and follows the GRI 3 model. It complies with AMF recommendations on the basis of a diagnosis that corresponds to the ISO 26000 standard.

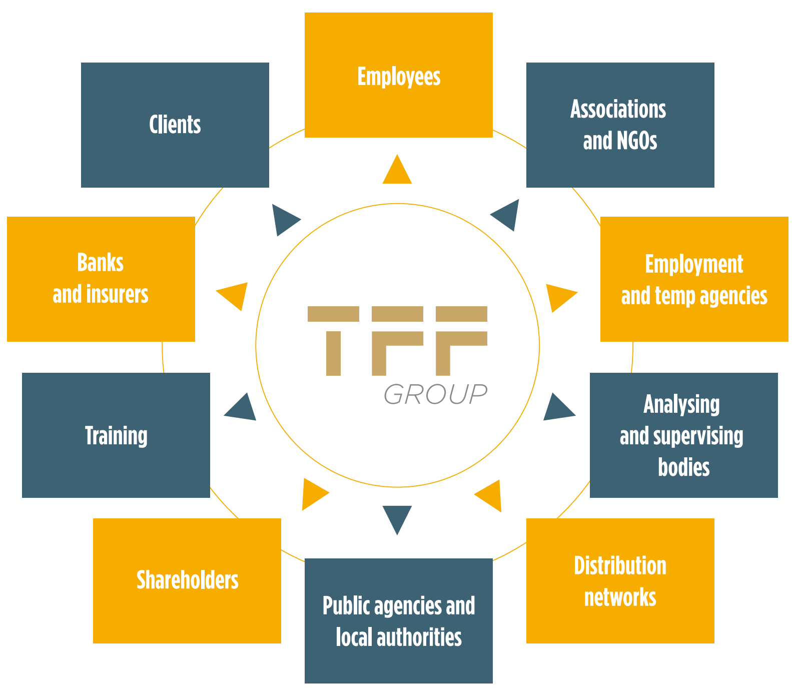
The collection of information is carried out within each subsidiary via the Opera Amelkis software. Data checking is performed at both subsidiary and head office level.

Consolidation is then carried out at the head office.

We have not excluded any indicators this year.

CSR reporting is supervised by TFF Group's Financial Director, and carried out by the Health, Safety and Security referent of François Frères management.

TFF Group's Stakeholders :



CLIENT SATISFACTION AND CONSUMER HEALTH AND SAFETY

RESEARCH AND DEVELOPMENT

This year, TFF Group is continuing its development on the Bourbon market with the creation of the Speyside Bourbon Stave Mill, which will supply the Speyside Bourbon Cooperage.

The mill in Milboro, Bath County, Virginia, is expected eventually to create about 30 jobs and source its American oak in Virginia.

The proximity between the two sites takes into account the environmental impact related to our activities.

« All of the staff at Speyside Bourbon Cooperage are very excited about moving to Bath County,» said Darren Whitmer, Managing Director of Speyside Bourbon Cooperage, Inc. «The search for the perfect location for this business started more than a year ago.

Many states and locations were considered. The various authorities in Virginia have been invaluable in the selection of our location.

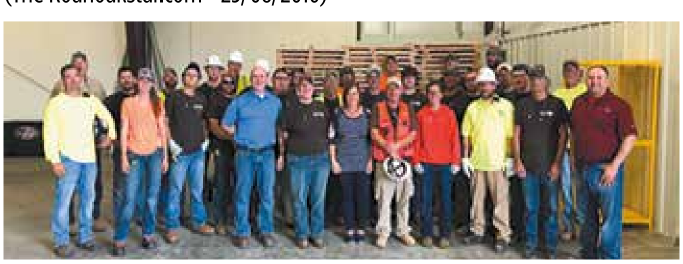
Our goal has always been to establish the stave mill in the Shenandoah Valley area because of the availability of white oak and the strength of the wood industry there. It was a real team effort carried out in partnership with the state. We look forward to establishing our new business in Millboro. »

«The Bath County Economic Development Authority could not be happier to be hosting Speyside Bourbon Stave Mill in the Millboro Industrial Park,» said Mason Cauthorn, Chair of the Bath County Economic Development Authority.

«Speyside is a major player in its market, and this stave mill will benefit the economy of our region. We have the natural resources and manpower available to support this business and we are pleased that Speyside and TFF Group chose us.

The Commonwealth has partnered with Bath County and Speyside Bourbon Cooperage Inc. to support this project through the Agricultural and Forestry Industries Development Fund, administered by the Governor of the Virginia Department of Agriculture and Consumer Services.

Governor McAuliffe approved a $ 250,000 grant from the AFID Fund to finance part of the project. Bath County contributed the same amount to this funding. (The Roanoakstar.com - 25/08/2016)



QUALITY AND TRACEABILITY

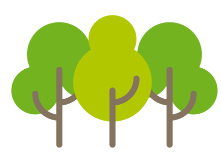
The creation of Speyside Bourbon Stave Mill is an example of TFF Group's desire to ensure the quality and traceability of its staves, in order to best meet the needs of its customers.

The vertical integration policy pursued by the group for several years, particularly in the trades relating to the wine market, allows us to control our supplies of quality raw material.

Our stave mills supply

Of the oak used by the group in France

80% of the oak bought in France comes from the National Forestry Agency;



UTILISATION DURABLE DES RESSOURCES

62.7% of the oak bought by the group is PEFC certified

Change over three years	N-2	N-1	2017-2018
% of PEFC wood purchased	47.63%	68.15%	62.7%

(EN12 GRI 3)

In France, 60% of our cooperages, 100% of our stave mills and forestry activities are PEFC certified

The decrease in 2017-18 in the proportion of PEFC wood in TFF Group's total purchases is the result of to the rapid expansion of the Speyside Bourbon Cooperage. The American oak purchases made by this business are not PEFC certified, so their increasing weight in the Group's purchases mean a drop in the overall proportion of PEFC wood purchases.

TFF Group continues to favor the purchase of certified wood from its suppliers whenever possible, and sources its oak from sustainably managed forests in France and the USA. *(HR 2 GRI3)*

The provenance of our woods, 26.30% of French oak and 67.32% of American oak, contributes to the sustainable exploitation of the forests and to the respect of the biodiversity of forest ecosystems. *(EN 12 GRI3)*

In order to take into account environmental issues, eight out of twelve companies in France and six out of eleven production units abroad employ a person in charge of Health and Safety Environment (AP John - Camlachie - Speyside Bourbon - Speyside Kentucky - Demptos USA - Isla)

Environmental awareness actions are provided internally. *(LA 10 GRI3)*

FOOD SAFETY

TFF Group, aware of the food-related risks to its customers, makes every effort to ensure that the rules of hygiene and best practice within the cooperages are respected. Regular analysis of both raw materials and finished products are carried out by independent laboratories recognized by professionals in the sector (Dubernet, Vect'oeur, Oenoconseil, ETS, LEC).

No substances that do not comply with food safety rules are used in our products. *(PR 1 GRI3)*

1/3 of French subsidiaries have put in place a Quality Management System and/or a HACCP process

RESPONSIBLE GROWTH AND SOCIAL COMMITMENT

RESPONSIBLE GROWTH

This year, TFF Group decided to reassess its carbon footprint, first in order to check the assessment made by ADEME in previous years, and secondly to better understand its CO_2 emissions as a result of the diversification of its activities.

This year's carbon footprint is based on emissions from wine cooperages, and will be extended to other activities next year.

As a result of this mapping of its carbon footprint, TFF Group will be able to determine with more precision, the areas that might be further improved, even though the development of the group has always been based on sites located close to both customers and raw materials, in order to keep the Group's carbon footprint minimal.

The activities and locations of TFF Group sites do not, to our knowledge, cause competition with the populations of the countries concerned, with regard to land use. We did not observe any negative impact on local biodiversity as a result of the activities of TFF Group subsidiaries. *(EN 12 GRI 3)*

RESOURCES

Purchases and consumption of wood are up sharply this year, mainly due to the strong growth of the Speyside Bourbon Cooperage, whose production alone represents more than the entire wine barrel production of the Group. *(EN 1 GRI3)*

	N-2	N-1	2017-2018
Total wood use (m^3)	57,244	67,279	81,377
Total wood purchases (m^3)	**58,844**	**151,500**	**163,229**

Note: wood purchases and consumption tend to be overestimated because they include purchases and consumption of logs and staves from wood purchased within the group.

The consumption of wood was strongly impacted by the growth of Speyside Bourbon Cooperage, which saw its consumption multiplied by 2.6 points.

Its purchases of wood had increased significantly last year in order to build an oak stock capable of meeting future needs. Purchases for the year increased by only 1.4 points, with storage levels gradually reaching the target.

The stainless steel cask business recorded a decrease in both purchases (10.3%) and consumption of stainless steel (6.6%) compared to last year.

	N-1	2017-2018
Total use of stainless steel (Tons)	299	279
Total purchases of stainless steel (Tons)	**299**	**268**

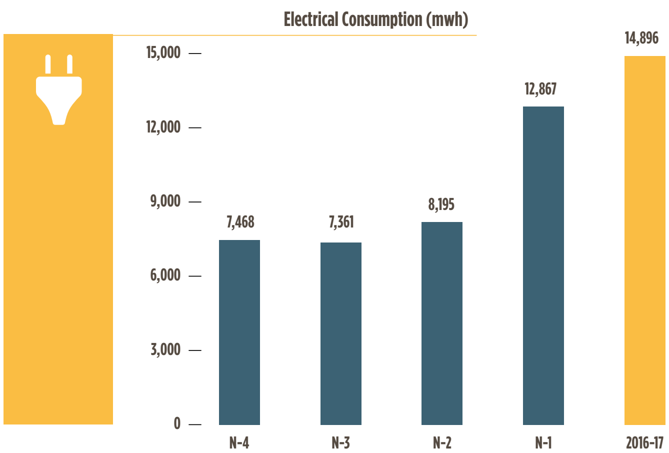
All of our stainless steel suppliers are European and subject to European regulations.

TFF Group reduces its environmental impact in the whisky sector by recycling used barrels taken from its own production sites but also from other cooperages. This year the number of barrels recycled represented 1.41 barrels for every barrel produced. TFF Group did not recycle fewer barrels, but rather the increase in the production of new barrels on the Bourbon market led to a reduction in the recycling rate. *(EN 2 GRI3)*

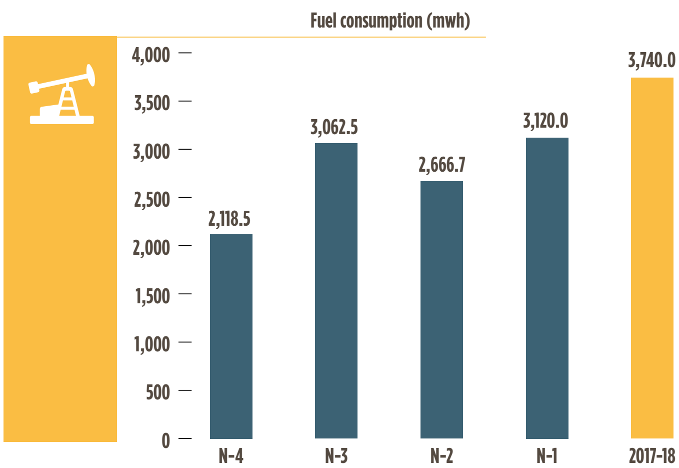
Nombre de fûts recyclés pour 1 fût neuf produit

ENERGY

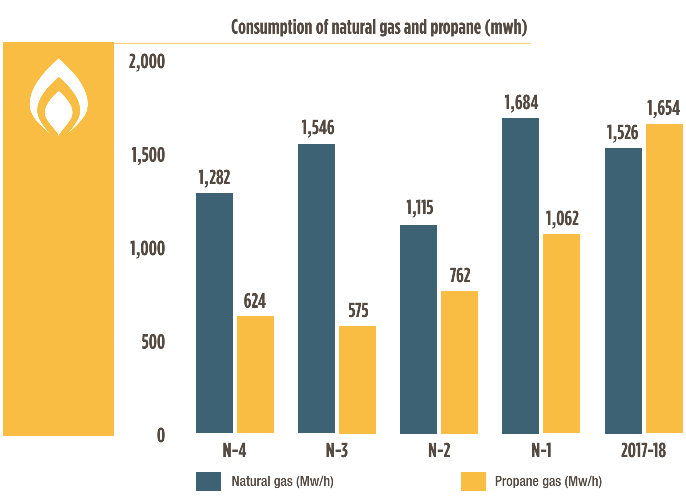
TFF Group's overall energy consumption doubled over the last 5 years, with all energy levels rising in varying proportions. TFF Group's first energy source is electricity, followed by fuel, then propane and natural gas.



(EN 4 GRI3)



(EN 3 GRI3)



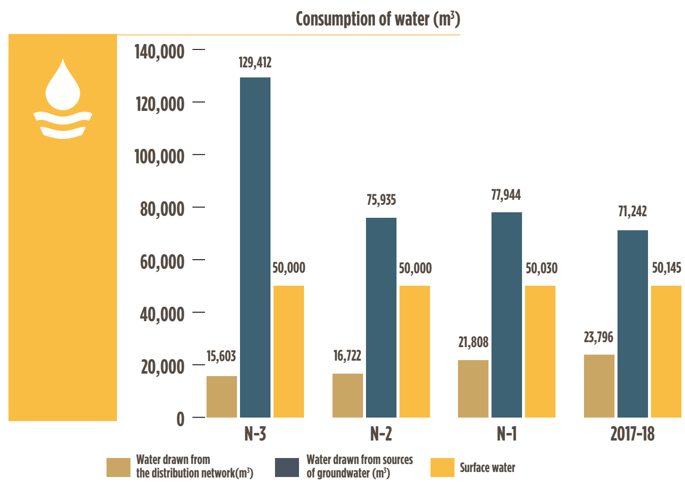
(EN 3 GRI3)

TFF Group has for many years implemented measures that seek to improve energy efficiency measures that remain in force today. This year, there were no additional investments in this area. *(EN 5 GRI3)*

Initiatives to reduce energy consumption

The François Frères cooperage has gradually replaced its workshop lighting with LED lighting. *(EN 7 GRI3)*

WATER MANAGEMENT



Data consolidated over calendar year (EN 8 GRI3)

TFF Group's water supply comes mainly from groundwater (49.07%), but also from surface water (34.54%), while the remaining 16.39% comes from the distribution network. *(EN 9 GRI3)*

TFF Group recycles the water used for watering its wood several times, from a pool fed with rainwater. This process greatly reduces the impact of TFF Group's water usage. *(EN10 GRI3)*

Environnemental Management

PREVENTION AND MANAGEMENT OF WASTE

	N-2	N-1	2017-2018
Production of hazardous waste (tons)	3	7	15.5
Production of non-hazardous waste (tons)	8,722	35,363	46,673

(EN 22 GRI3)

TFF Group reuses 75.11% of the by-products of its production- i.e. sawdust, chips and pieces of wood that are turned into compressed wood, firewood, and wood to feed cooperage heaters. Other waste is collected and recycled (with cardboard-plastic and metals reused).

THE CIRCULAR ECONOMY

TFF Group integrates the circular economy principle at all stages of the life of its wood industry products (new or used barrels, large casks, and wood products):

- Upstream through sustainable purchases and the proximity of raw materials
- During production processes, through the rationalization of the use of the raw material and by using some of the wood for oenological products and for heating barrels or premises.
- Downstream:
• By purchasing and renovating used barrels in order to give them a second life as alcohol barrels
• By re-selling wood waste as firewood
• Through a final transformation of the barrels into furniture or decorative objects.

FOOD WASTE

TFF Group is not directly concerned by this indicator because we do not have collective catering within the group's companies.

TFF Group recycles 75% of its waste

TFF Group does not use CFCs in its production processes. The air-conditioned premises represent an area of just over 3,200 m^2 for all of TFF Group. *(EN 19 GRI3)*

During the financial year, TFF Group launched a re-evaluation of its carbon emissions, in order to follow the evolution of its various activities. This process began with the evaluation of two cooperages, and will progressively extend to vats, wood products, stave mills, whisky barrels and bourbon casks.

The evolution of TFF Group's carbon emissions mirrors the evolution of its production, increasing sharply compared to last year, as a result of the increase in production generated by the development of Speyside Bourbon Cooperage.

TFF Group's carbon footprint remains relatively modest, as production units are generally located close to their customers and sources of supply. This carbon footprint only applies to TFF Group's wine cooperage activities. *(EN 16 GRI3)*

	N-2	N-1	2017-2018
Carbon footprint in tons equivalent CO_2	15,939	26,581	38,073

TFF Group, aware of the risks associated with climate change, is diversifying its activities in order to limit potential impacts. To date, its sites have not directly been affected by restrictive measures imposed either locally or nationally, but the group remains attentive to areas where water resources are becoming scarce, particularly in California. *(EC 2 GRI3)*

TFF Group's activity does not position it as a major contributor to greenhouse gas emissions. Only travel and logistics remain a source of emissions that TFF Group strives to reduce by streamlining the transportation of goods and by carefully planning the movement of personnel. *(EN30 GRI3)*

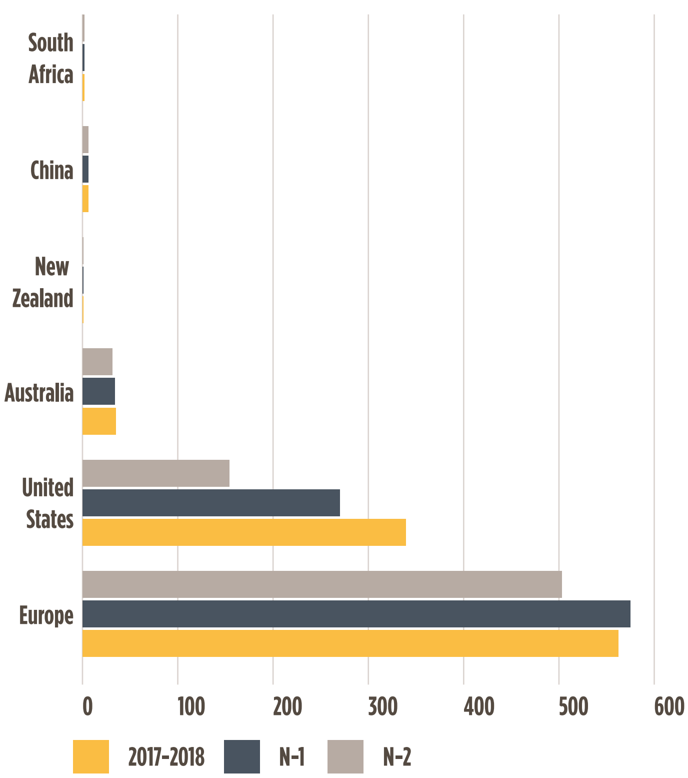
All of the Group's French subsidiaries are covered by a civil liability for environmental risks. *(EN28 GRI3)*

SOCIAL DATA

Staffing by region:

The workforce of TFF Group stood at 945 people at the end of the year, with a notable increase in the United States where 54 people were recruited over the period by Speyside Bourbon Cooperage. *(LA1 GRI3)*

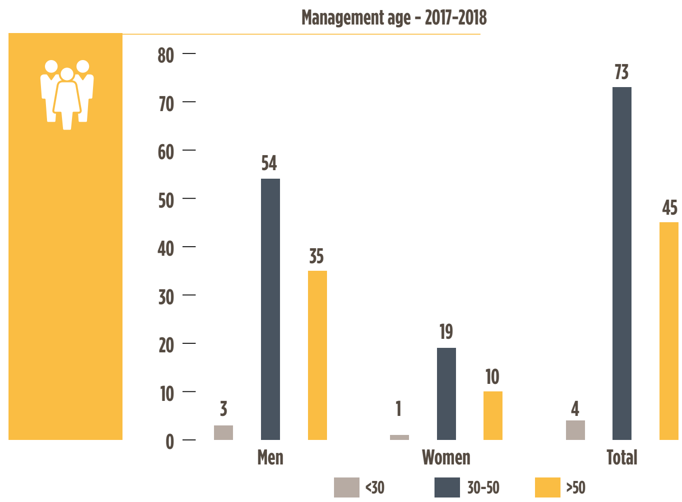
Zones	N-2	N-1	2017-18
Europe	503	575	562
United-States	154	270	339
Australia	31	34	35
New Zealand	1	1	1
China	6	6	6
South Africa	2	2	2
TOTAL	**697**	**888**	**945**

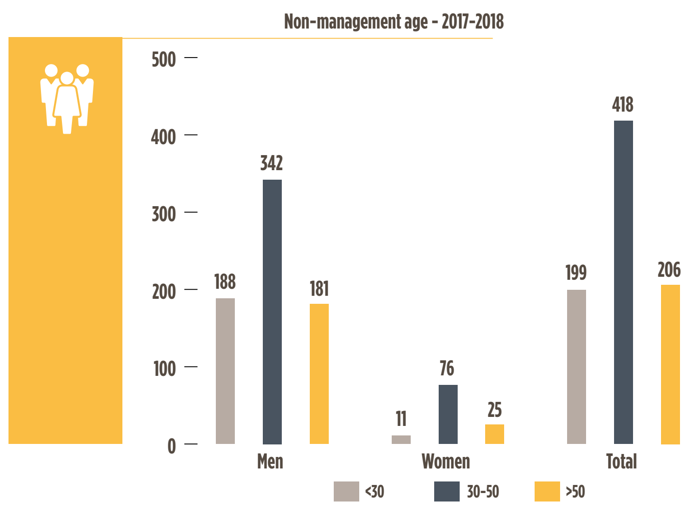


Staff by age:

TFF Group's staff is composed mainly of people aged between 30 and 50, with under-30s and over 50s being fairly distributed among non-executives.

Supervisory staff have a large deficit in people under thirty. *(LA1 GRI3)*





Turnover (LA2 GRI3) :

	N-2	N-1	2017-18
Turn Over	19,03%	34,36%	30,91%

The turnover rate was 12.79% in France, a half point decrease on last year. (The average rate of French companies was 16.8% in the first quarter of 2015 - source Dares Indicators N ° 054 - July 2015).

In foreign companies the rate was higher (49.44%), especially in the United States because of a significant hiring cycle in the bourbon business.

Number of hirings	303
Number of departures	246
Including : firings	72

The overall rate for TFF Group is 30.91%, due to an entry rate that remains high in the US.

Men / Women (LA13 GRI3)

Women make up 15% of TFF Group's workforce. They represent 24.6% of management, compared to 23.1% last year, as well as half of the members of the Management Board and of the Supervisory Board of TFF Group.

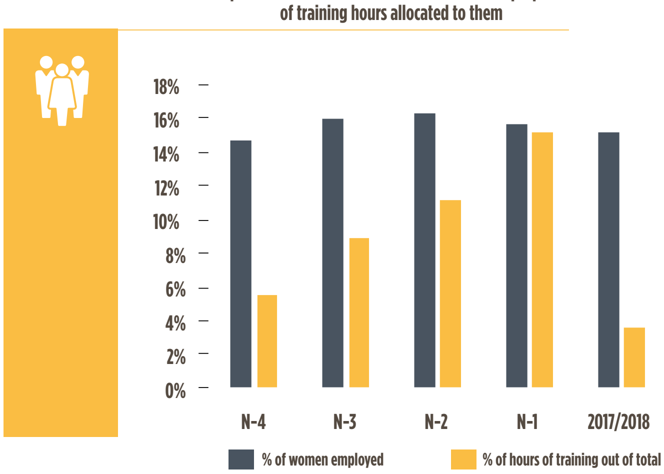
The French subsidiaries of TFF Group are covered by a branch professional agreement concerning professional and wage equality between men and women, which was signed on the 5th of July, 2011.

Three subsidiaries with more than 50 employees entered into gender equality agreements in 2014, in accordance with the legislation. Foreign subsidiaries in the United States and China have a parity clause included in the employment contract, in accordance with local regulations.

The female training rate is 56.64% (53.95% in N-1), with an average of 14.71 hours per employee trained (15.56 hours in N-1, 22 hours in N-2).

By comparing the proportion of women in the workforce to the proportion of training hours allocated to them, we find that women received fewer hours of training than men. While they represented between 14 and 16% of the average workforce over the last 5 years, the percentage of training hours allocated to them averaged 8.87% over the same period. However, the proportion of women trained was slightly higher than that of men (56.64%). Women therefore got slightly more training than men, but their training was much shorter.

Comparison between female staff levels and the proportion of training hours allocated to them



Insertion of people with disabilities

TFF Group employs 32 people with disabilities worldwide, including 23 people in France, or 5.20% of the workforce in France (4.56% in N-1, 4.22 in N-2). The number of people with disabilities employed in France has increased steadily over the last 3 years. To meet its obligations, TFF Group uses ESATs or equivalent to perform certain subcontracting tasks. *(LA13 GRI3)*

Measures taken for accessibility

The François Frères cooperage has renovated the toilets and showers of its workshop by incorporating standards related to disability.

Employment and Occupational Discrimination

We did not have any reported incidents of discrimination within TFF Group. *(HR4 GRI3)*

HEALTH AND SAFETY POLICY

TFF Group is seeking to modernize its production tools and to improve working conditions. Improvement is constantly sought with regard to the ergonomics of workstations. Our production tools are produced in collaboration with our suppliers, and then supervised by our internal machine designer and by the managers of TFF Group companies. The demands of employees are taken into account during the selection of machines, but also after their installation, in order to optimize their ergonomics and use. In the same way, non-automated workstations are constantly being improved (shelves for placing tools, storage lockers, height adjustment of certain workstations, lift tables, etc.).

Some examples of amenities:

- Demptos has invested in the construction of two laser booths to protect operators from fumes when marking barrels. It has also invested in a cylinder for the extraction of large barrels, thus avoiding the lifting of heavy loads for the operator. The roads have been renovated to improve the quality of traffic on the site and thus avoid pedestrian accidents or the overturning of forklifts.
- Tonnellerie François Frères has automated the turning of barrels on an automatic sander to avoid the heavy load handling that was involved for the operator. Mobile platforms have been created to raise the position of operators at the stacking station to avoid awkward postures.

Accidents, occupational diseases and absenteeism (LA7 GRI3)

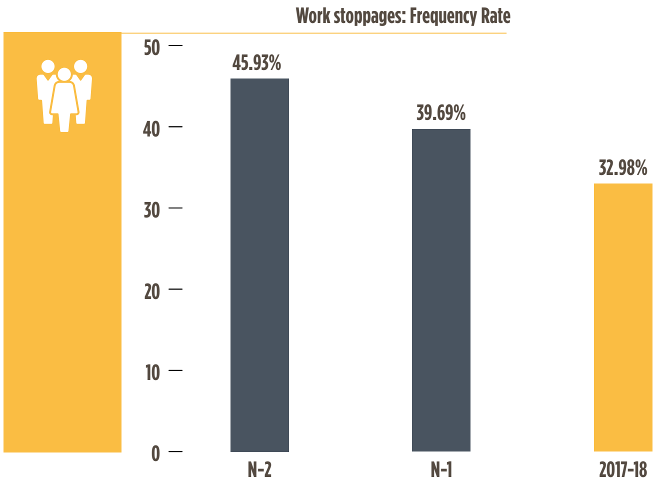
The absenteeism rate for the group's employees has stabilized around 4.5% over the last three years, a rate identical to the average absenteeism rate observed in France over the last few years, all branches combined.

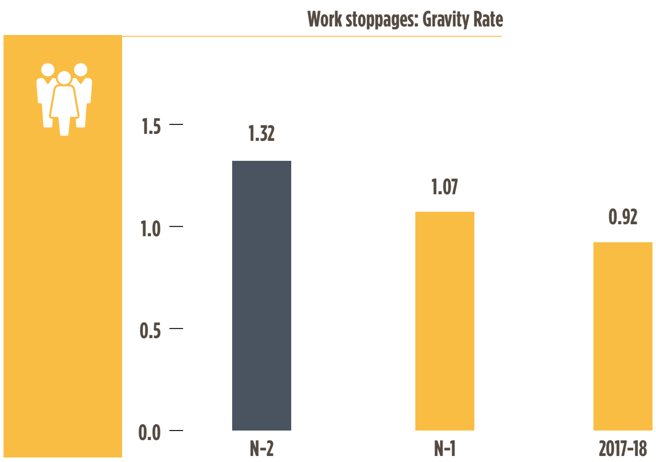
The accident frequency rate is 32.98. This rate has been steadily decreasing over the last three years and is twice as low as the cooperage sector's rate, as observed in 2016, i.e. a rate of 61.9.

The number of work accidents decreased to 54 leading to work stoppage this year (57 in N-1). The severity rate of these accidents has been steadily decreasing over the last three years. This rate is three times lower than that of the cooperage sector.

	N-2	N-1	2017-2018
Absenteeism Rate	4.59%	4.39%	4.66%
Work stoppage frequency rate *	45.93	39.69	32.98
Work stoppage gravity rate *	1.32	1.07	0.92

** Frequency rate for the cooperage businesses: 61.9 in 2016*
Gravity rate for the cooperage businesses : 3.4





TFF Group has one reported case of an occupational disease for the 2017-2018 fiscal year. TFF Group regularly invests in improving the ergonomics of positions in order to prevent occupational diseases due the handling of heavy loads.

THE MAINTENANCE AND DEVELOPMENT OF COMPETENCIES / KNOW-HOW

TFF Group favors the in-house training of its employees in order to maintain and develop their skills and business know-how, both of which are essential to our high standards of production. In terms of health and safety training, TFF Group uses external organizations to train its employees.

Budgets and training hours are managed within each subsidiary of the group according to the specific needs of their activities.

Total number of training hours (LA10 GRI3)

TFF Group employees benefited from 33,350 hours of training this year. Strong growth that is due to the fact that Speyside Broxburn Cooperage's internal training hours were taken into account (21,145 hours).

	N-2	N-1	2017-2018
Hours of training	13,169	7,710	33,350

Skills Development (LA11 GRI3)

New skills within TFF Group are acquired either through apprenticeship or through the development of in-house skills and know-how, with coopers already carrying a diploma in coopering. Complementary training is provided at the request of employees throughout their career.

Percentage of employees trained:

69.10% of TFF Group's workforce was trained for an average of 51 hours. The average duration of training in France was 18.7 hours per trained employee (13 hours in N-1), and 64 hours for foreign affiliates (17 hours in N-1). The increase in the number of overseas training hours is due to the fact that Speyside Broxburn's in-house training hours have been taken into account in Scotland.

19.7% of employees in France and 49.42% of employees abroad had training during the year.

SPIRIT OF PARTNERSHIP AND DIALOGUE

TFF Group favors recruitment based on permanent contracts. During the year, the use of fixed-term contracts and temporary workers fell.

Staff by type of contract:

Types of contract	N-2	N-1	2017-2018
Staff position	97.1%	92.5%	93.02%
Fixed term position	2.9%	7.5%	6.98%

Changes in the numbers of temps and apprentices:

Types of contract	N-2	N-1	2017-2018
Temps	39	52	49
Apprentices	15	17	23

Temps in 2017/2018:

	N-2	N-1	2017-2018
Entries	128	188	144
Exits	127	180	145

Temporary staff entries and exits correspond to the actual entries and exits of the personnel as long as their successive contracts have not been interrupted. There is an entry at the first hiring, and as long as the contract is renewed without interruption, there are no additional entries or exits recorded.

In terms of the organization of working time, TFF Group focuses on daytime work. Two subsidiaries use shift work, with 61 employees who work in 2x8, including 7 women, and 3 men who work in 3x8, i.e. 6.77% of the group's workforce.

Arrangements for schedules that suit family or personal constraints are possible and depend on negotiations within the different entities of the group.

The remuneration policy of TFF Group is decided by each subsidiary with the approval of the General Management of TFF Group, according to the regulations in force in each country. Each subsidiary practices regular salary indexation to promote and encourage the efforts of its employees. *(EC1 et EC5 GRI3)*

	2016-17	2017-18	Variation
Brut remuneration paid to employees within the new subsidiaries (K€)*	34 173	37 411	9.48%
Staff	978	1048	1.07%

** The data is consolidated over the entire group, and takes into accounts the entire workforce of TFF Group, including companies outside the CSR scope.*

The organization of social dialogue is carried out within each subsidiary in compliance with the laws in force, between the delegates or representatives of the personnel and the management of the various companies.

Regarding the freedom of association and collective bargaining rights, TFF Group did not find any incidents during the reference period. *(HR5 GRI3)*

Collective agreements

In France, an annualization agreement on working time, a gender equality agreement, as well as a mandatory negotiation agreement and two profit-sharing agreements were signed this year. No agreement was signed in the foreign subsidiaries. *(LA4 and LA9 GRI3)*

The group's coverage rate for employee representation by employee representatives was 41% this year compared to 43% last year, of which 79.6% were employees in France. *(LA6 GRI3)*

In France, 46% of employees were covered by a CHSCT (last year 47%), abroad six subsidiaries out of sixteen had staff members who belong to a health and safety authority. *(LA9 GRI3)*

DIALOGUE WITH STAKEHOLDERS

By ensuring the complete integration of its supply chain, TFF Group avoids creating any economic dependence on its suppliers. (EC 6 GRI3)

TFF Group has a long-term investment policy and its purchases, mainly of oak wood (62.7% of which are PEFC certified), come from identified and secure supply chains coming mainly from three countries: France, the United States and Hungary.

64% of French subsidiaries are currently PEFC certified: 4 cooperages, 1 large vat maker, 3 stave mills and 1 logging company. This certification contains a clause of respect for Human Rights. All TFF Group subsidiaries comply with the rules of the International Labor Organization.

TFF Group is committed to helping promote heritage, culture, sports through philanthropic actions, but also at the environmental level by organizing visits to the forest, and by participating in the preservation of wine-growing areas through patronage as well as through the loan of staff or material for local events. *(SO 5 GRI3)*

TFF Group's policy is to retain existing staff when it buys companies, and to recruit locally as a matter of priority. This policy makes it possible to maintain the know-how that is essential to the functioning of the structures, and to maintain relations of trust with our partners. *(SO 1 GRI3)*

Regarding the risks of corruption, with the implementation of the Sapin II law, TFF Group has adopted the Middlenext «anti-corruption» Code of Conduct. This Code is intended for all employees, members of the Supervisory Board, the Executive Board and the Executive Committee. It sets out the fundamental principles and rules that employees must adhere to as part of their activities and TFF Group will ensure that its partners share the same values.

Adherence to the Code of Conduct is a condition of employment for all employees of the Group and it forms an integral part of the internal regulations of each company. Each collaborator will have to read, understand and respect it.

Our values with regard to both ethics and social responsibility are the foundation of our success and the adoption of this Code of Conduct allows us to formalize and disseminate them to each employee. *(SO 3 GRI3)*

TFF Group complies with the regulations in force in the different countries of its subsidiaries, but also with the principles of the International Labor Organization. Child labor is not allowed within TFF Group, except in the strict framework of apprenticeship and according to the legal age applicable in the country of implantation. *(HR 6 GRI3)*

Enhanced procedures have been put in place within subsidiaries in the US to ensure that employed persons are not in an irregular situation and therefore not subject to forced labor. In France and other subsidiaries, the recruitment procedures and the low turn-over of staff make it possible to check the situation of employees very quickly. *(HR 7 GRI3)*

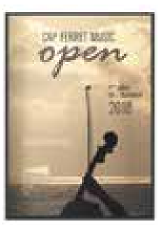
No incidents involving the violation of the rights of indigenous peoples have been reported within TFF Group. *(HR 9 GRI3)*

OUR PROJECTS

CULTURE

The Radoux cooperage subsidises two local music events:

The Cap Ferret Festival, which involves around 10 open-air concerts in the enchanting environment of the Cap Ferret Peninsula.



Le Cognac Blues Passion Festival.

The François Frères Cooperage subsidises several cultural events :

The Music and Wines festival at the Clos Vougeot, and the Musicaves festival in Givry

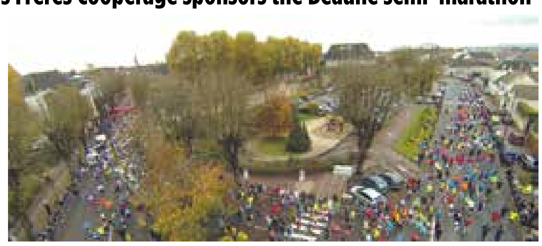
Donation for the repair of Saint Romain's church

SPORT

Demptos Cooperage subsidises the Villa Primrose Tennis & Hockey Club in Bordeaux, a club founded in 1897.

Speyside Broxburn sponsors the Highland Games, in Scotland. These games attract each year, 3 500 participants and 15 to 20 000 spectators.

François Frères Cooperage sponsors the Beaune semi-marathon



Radoux subsidises the Saint Emilion wine race.

Isla Cooperage sponsors a local football club

CHARITY

Donation by Speyside Broxburn towards cancer research

Donation by Stavin to the « Boys Home », an association that helps children in need.

X. RESEARCH AND DEVELOPMENT – COMMITMENTS OF THE COMPANY IN FAVOR OF THE CIRCULAR ECONOMY

These sections are contained in part IX above, which is dedicated to CSR.

XI. IMPORTANT EVENTS SINCE THE END OF THE PERIOD

As part of its 2020 roadmap, the Group has created a bourbon stave mill to supply and process the raw material needed to manufacture barrels. Production began in June 2018 with a view to securing sourcing and to strengthening margins, this in line with the business model that is in place in the wine division. Given the dynamism of the bourbon market and the successes already achieved on, the Group:

- has invested in a new cooperage site in Virginia,
- has acquired a second stave mill in Ohio, where production started in July 2018
- is preparing to launch a third stave mill in Virginia with the aim of doubling the group's bourbon activity by 2023, with a turnover of around $ 120 million.

XII. INFORMATION ON PAYMENT TERMS

In line with Article L. 441-6-1 of the French Commercial Code, we hereby provide information about the payment terms for suppliers and customers of the Company.

As at April 30th, 2018, the breakdown by maturity of the Company's balance of payments and accounts payable is shown in the table below.

In their report on the annual accounts prepared with a view to the approval of the financial statements for the year ended April 30th, 2018, the Statutory Auditors confirmed both the fairness and consistency of this information.

	Article D.441 I.- 1 of the Commercial Code: Invoices **received** and not paid at the financial year's closing date						Article D. 441 I.-2 of the Commercial Code: Invoices **sent** and not paid at the financial year's closing date					
	0 day	1 -30 days	31 -60 days	61 -90 days	91 days and more	Total	0 day	1 -30 days	31 -60 days	61 -90 days	91 days and more	Total
(A) Installment of arrears												
Number of Invoices	5922						1933					
Total amount of the invoices tax included	2 468 592 €	15 044 €	3 202 €	0 €	18 479 €	36 724 €	4 752 861 €	811 998 €	2 168 940 €	966 042 €	96 842 €	4 043 822 €
Percentage of the total amount of purchases over the year tax included	9,91%	0,06%	0,01%	0,00%	0,07%	10,05%						
Percentage of the turnover of the year (must state before or after tax)							12,50%	2,14%	5,71%	2,54%	0,25%	23,14%
(B) Invoices not included in (A) and related to debt or credit that is the subject of litigation or not counted												
Number of invoices												
Total number of excluded invoices (must state before or after tax)												
(C) Reference payment period used (contractual or legal period L. 443-1 of the Commercial Code)												
Payment period used for the calculation of payment delays	● Contractual delays (please state) ☐ Legal delays (please state)						● Contractual delays (please state) ☐ Legal delays (please state)					

XIII. ORDINARY AND EXTRAORDINARY GENERAL ASSEMBLY OF 26th OF OCTOBER 2018

1 – PRESENTATION OF RESOLUTIONS IN THEIR ORDINARY FORM

- The purpose of the 1st resolution is to submit for your approval the financial statements of the company as at April 30th, 2018, as well as to discharge the members of the Executive Board and of the Supervisory Board from their mandates for the said financial year.
- Under the 2nd resolution, the General Meeting will have to decide on the payment on November 8th, 2018 of a dividend of € 0.35 per share.

When paid to natural persons domiciled in France for tax purposes, the dividend is subject to either a single flat-rate levy on the gross amount at a rate of 12.8% (Article 200A 1. of the French General Tax Code), or to a waiver and to income tax on a progressive scale (Article 200 A 2. of the General Tax Code), after application of a 40% reduction, under the conditions provided for in Article 158-3. 2 ° of the General Tax Code. The dividend is also subject to social security contributions at a rate of 17.2%.

Thus, the profit of the parent company, i.e. € 6,776,645 would be allocated as follows:

Result of the financial year	6,776,645 euros
Withdrawal from «other reserves»	811,355 euros
Total to be allocated:	7,588,000 euros
* Allocation as dividends	7,588,000 euros
Total equal to the profit to be allocated plus the amount withdrawn from the other reserves	**7,588,000 euros**

We recall here the dividends distributed over the last three financial years:

Exercises	2014/2015	2015/2016	2016/2017
Number of shares	5 420 000	5 420 000	5 420 000
Net dividends (euros)	0,80	0,80	1,40
Dividend eligible for rebate	0,80	0,80	1,40

- The purpose of the 3rd resolution is to approve the Statutory Auditors' special report on regulated agreements entered into during the financial year that ended on April 30th, 2018. In this regard, the following clarifications are made:

1) The Statutory Auditors 'special report, which is included in the Company's annual report, contains a list of the agreements previously approved by the shareholders' meeting in past financial years and which continued during the year.

These agreements are now reviewed annually by the Supervisory Board and communicated to the statutory auditor in accordance with the applicable legal provisions (Article L. 225-88-1 of the French Commercial Code). The Supervisory Board conducted this annual review at its meeting on the 26th of July 2018.

With regard to these agreements, which consist mainly of leases, it should be noted that their the financial terms may change over time according to the usual indexation in such matters.

2) New agreements concluded during the past financial year and authorized by the Supervisory Board, bearing in mind that only these agreements are subject to a vote of the meeting:

NONE.

- The purpose of the 4th resolution is to submit for your approval the consolidated financial statements for the year that ended on April 30th, 2018, as presented above.
- The 5th to 7th resolutions are intended to submit for your approval, pursuant to Article L. 225-82-2 of the French Commercial Code, the principles and criteria for the determination, distribution and allocation of all fixed elements, as well as any variable or exceptional components of the total compensation and benefits of any kind attributable to the Chairman of the Executive Board (noting that the second member of the Management Board does not currently receive any remuneration), as well as to the Chairman of the Supervisory Board and its members by reason of their mandate and in so far as their remuneration policy is concerned for the current financial year (which began on May 1st, 2018).

These principles and criteria are presented in the Supervisory Board's report on corporate governance in section 8.3, entitled «Remuneration policy for corporate officers». We recommend that you approve the principles and criteria set by the Supervisory Board as presented in this report.

Pursuant to Article L. 225-100 of the French Commercial Code, the amounts resulting from the implementation of these principles and criteria will be subject to the approval of the shareholders at the General Meeting held to approve the financial statements of the Company for the fiscal year 2018-2019.

- In accordance with Article L. 225-100-II of the French Commercial Code, through the 8th and 9th resolutions, we recommend the approval of the fixed, variable and exceptional (if any) components of the total remuneration and other benefits paid or granted for the fiscal year ended April 30th, 2018 to Jérôme François, Chairman of the Management Board (NB. the second member of the Management Board does not currently receive remuneration) and to Jean François, Chairman of the Board. This as they were presented in the report of the Supervisory Board on corporate governance in section 8.2. We recommend the approval of these resolutions.

- Under the 10th resolution, you will be asked to decide on the allocation of attendance fees to the Supervisory Board, for a total amount of 12,000 euros.
- The 11th to 14th resolutions concern the mandates of the Statutory Auditors (Cabinets Expertise Comptable et Audit and Cabinet Cleon Martin Broichot Et Associes Auditeurs Et Conseil) and alternates (Mr. Claude Cornuot and Compagnie Générale d'Audit et Associés), which expire at the end of the General Shareholders' Meeting of October 26th, 2018. Within the framework of these resolutions, you are to be asked to renew these mandates, for the 2 co-statutory auditors and for the 2 alternate co-auditors, for a period of six (6) years, i.e. until the end of the Annual General Meeting called to approve the financial statements for the financial year ending on April 30th, 2024.
- In the context of the 15th resolution, the Meeting will be asked to decide on the renewal of an expiring term of office of a member of the Supervisory Board. We suggest the renewal of the term of office of the outgoing member of the Supervisory Board, Jean Francois, for a period of 6 (six) years, expiring at the meeting which will approve the financial statements for the year ending in 2024.
- Under the terms of the 16th resolution, you will also be asked to decide on an authorization for the Management Board to implement a share buyback program in accordance with Article L.225-209 of the French Commercial Code: In order to enable our Company to improve the financial management of its own funds, we propose, in accordance with the provisions of Article L.225-209 of the French Commercial Code, to authorize the Management Board to acquire a number shares representing up to 10% of the number of shares making up the Company's capital..
- The purpose of the 17th resolution is to confer the necessary powers to carry out all legal formalities in connection with the ordinary resolutions.

2 - PRESENTATION OF RESOLUTIONS IN THEIR EXTRAORDINARY FORM

Creation of new powers

The Management Board requests that the Assembly, having heard the special report of the Statutory Auditors, give it the following powers:

- To give authorization to the Management Board to reduce the share capital by canceling the shares held by the company (18th resolution)

We propose that you authorize the Management Board to cancel all or part of the shares acquired, up to a limit of 10% of the capital, for a maximum period of eighteen months.

In addition, to the above authorization, the Executive Board suggests:

- In the context of the 19th resolution, that the General Assembly decide on an amendment to Article 13-2 of the bylaws relating to the age limit of the members of the Executive Board, in order to raise this limit from seventy-five (75) to eighty-five (85).
- Finally, that the purpose of the 20th resolution is to confer powers to carry out all legal formalities in connection with the extraordinary resolutions.

XIV. INTER-COMPANY LOANS (ARTICLE L.511-6 OF THE MONETARY AND FINANCIAL CODE)

In line with the provisions of Articles L.511-6 and R. 511-2-1-1 II of the Monetary and Financial Code, joint stock companies whose accounts are certified by an external auditor must disclose in the management report the amount of any loans of less than two years that have been granted to companies with which they have economic links, as verified by the External Auditor (different from intragroup loans authorized by article L.511-7 of the Monetary and Financial Code) .

No agreements of this type have been reported within TFF Group for the past financial year.

XV. OUTLOOK

By continuing to invest and develop in the bourbon market, the Group anticipates continued growth in its consolidated business in 2018/2019 and beyond.

The Group is confident that it can reach for a 50/50 balance between the wine and alcohol businesses by 2023, with operating profitability close to 20%.

The Management

CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATED BALANCE SHEET

Assets (thousands of euros)	**04/30/2018 IFRS**	**04/30/2017 IFRS**
Non current assets		
Intangible fixed assets	69,997	72,588
Goodwill	4,013	4,158
Intangible fixed assets	74,010	76,746
Tangible assets	63,752	58,407
Investments in equity-valued companies	14,264	13,896
Deferred tax assets	1,812	1,512
Financial assets	5,756	5,680
Total non current assets	**159,594**	**156,241**
Current assets		
Raw material,intermediate and finished products	198,886	189,718
Trade receivables	41,594	45,848
Other receivables	6,894	6,576
Cash	73,353	66,773
Total current assets	**320,727**	**308,915**
Non current assets to be discontinued	0	0
Total assets	**480,321**	**465,156**

CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATED BALANCE SHEET

Equity and Liabilities (thousands of euros)	04/30/2018 IFRS	04/30/2017 IFRS
Shareholder's equity		
Common stock	8,672	8,672
Retained earnings	282,281	257,817
Translation adjustment - shareholders' equity	(6,927)	2,169
Consolidated income of the year	30,229	32,077
Translation adjustment - income	(168)	(25)
Total Group shareholders' equity	**314,087**	**300,710**
Minority interests / reserves	3,798	3,641
Minority interests / income	321	370
Total shareholders' equity	**318,206**	**304,721**
Non current liabilities		
Long term provisions	5,863	30,070
Deferred tax liabilities	630	801
Long term interest-bearing loans and borrowings	2,252	1,967
Retirement benefit obligation	4,056	3,377
Total non current liabilities	**12,801**	**36,215**
Current liabilities		
Trade payables and equivalent	108,389	82,424
Other liabilities	22,799	24,102
Short term loans and borrowings	18,126	17,694
Short term provisions		
Total current liabilities	**149,314**	**124,220**
Non current liabilities to be discontinued	0	1
Total current and non current liabilities	**162,115**	**160,435**
Total Equity and Liabilities	**480,321**	**465,156**

INCOME STATEMENT

Thousands Euros	04/30/18 12 months IFRS	04/30/17 12 months IFRS
Revenue	245,182	227,880
Inventories	851	(140)
OPERATING INCOME	**246,033**	**227,740**
Purchase of raw materials and goods	(124,100)	(114,250)
Change in goods	8,392	9,618
GROSS PROFIT	**130,325**	**123,108**
Other purchases and external charges	(27,992)	(27,975)
VALUE-ADDED	**102,333**	**95,133**
Operating grants	0	0
Taxes and similar payments	(2,579)	(2,472)
Personnel expenses	(46,301)	(42,373)
EBITDA	**53,453**	**50,288**
Reserves written back to income and internal transfers	2,119	2,024
Other income	126	136
Allowances for amortizations	(5,720)	(5,108)
Allowances for reserves	(1,790)	(1,588)
Other operating expenses	(155)	(113)
INCOME OF OPERATING ACTIVITIES	**48,033**	**45,639**
Other income	(652)	(951)
INCOME FROM CONTINUING OPERATIONS	**47,381**	**44,688**
Share in net income of equity affiliates	530	923
INCOME AFTER SHARE IN NET INCOME OF EQUITY AFFILIATES	**47,911**	**45,611**
Financial income	3,103	2,737
Financial expense	(6,936)	(1,954)
Net Financial Expense	(3,833)	783
EARNINGS BEFORE TAX	**44,078**	**46,394**
Income tax	(13,523)	(13,946)
NET INCOME FROM CONTINUING OPERATIONS	**30,555**	**32,448**
NET INCOME FROM DISCONTINUED OPERATIONS	**0**	**0**
NET INCOME	**30,555**	**32,448**
Group share	30,229	32,077
Minority interests	326	371
Earnings per share		
net income	1.39	1.48
net income from continuing activities	1.39	1.48