REFERENCE DOCUMENT
AND ANNUAL FINANCIAL REPORT
2014-2015 Annual Report

Laurent-Perrier

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In this document, the term "Group" refers to Laurent-Perrier and its consolidated subsidiaries, and Laurent-Perrier" refers to the brand name under which Laurent-Perrier products are sold.
Words marked with an asterisk (*) refer readers to the glossary at the end of this document.
ISIN code for Laurent-Perrier: FR0006864484

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LAURENT-PERRIER 2014-2015

1. BUSINESS ACTIVITIES OF THE LAURENT-PERRIER GROUP

1.1. LAURENT-PERRIER: THE HISTORY OF A GROUP CLOSE TO ITS ROOTS

1939: Marie-Louise de Nonancourt acquires Laurent-Perrier.
1949: Her son, Bernard de Nonancourt, becomes Chairman of Laurent-Perrier.
1955: Edouard Leclerc, first Cellar Master (1955-1975).
1958: Cuvée Grand Siècle launched.
1968: Cuvée Rosé Brut launched.
1973: Michel Fauconnet joins Laurent-Perrier.
1975: Alain Terrier succeeds Edouard Leclerc as Cellar Master (1975-2004)
1978: Distribution subsidiary set up in the United Kingdom.
1981: Cuvée Ultra Brut launched.
1983: Acquisition of a 34% stake in Champagne de Castellane. Bernard de Nonancourt creates the Laurent-Perrier Group.
1987: Alexandra Pereyre joins Laurent-Perrier.
1987: Cuvée Alexandra launched.
1988: Laurent-Perrier acquires a majority interest in the Salon champagne house.
1990: Alexandra Pereyre appointed to Management Board.
1992: Distribution subsidiary set up in Switzerland.
1993: Stéphanie Meneux joins Laurent-Perrier, appointed to the Management Board.
1997: Yves Dumont joins Champagne Laurent-Perrier, appointed Chairman of the Management Board.
1998: Buy-back of the minority shareholdings in Champagne Laurent-Perrier (22%) and Laurent-Perrier (3%) held by United Distillers and Vintners (UDV).
1998: Creation of a United States subsidiary and a distribution branch in Belgium.
1999: Buy-back of minority shareholdings in Champagne de Castellane.
1999: Company listed on the Euronext Paris *Second Marché* stock exchange market.
1999: Yves Dumont appointed Chairman of the Laurent-Perrier Group Management Board.
2002: New presentation and packaging for the Laurent-Perrier range.
2004: Acquisition of Château Malakoff.
2005: Global launch of the new Laurent-Perrier and Grand Siècle visual identities.
2005: Michel Fauconnet appointed Cellar Master and Laurent-Perrier Group Head of Supplies and Production.
Etienne Auriau joins Laurent-Perrier as Chief Financial Officer.
2007: Japanese distribution contract signed with Suntory.
2008: German subsidiary created.
2008: New Grand Siècle campaign launched.
2009: Direct commercial presence in Italy, Singapore and Dubai.
2009: Appointment of Stéphane Tsassis as Chairman of the Management Board.
2010: Laurent-Perrier was deeply saddened to announce the death of Bernard de Nonancourt, Founder-Chairman of the Laurent-Perrier Group, on 29 October.
2010: Michel Boulaire becomes Chairman of the Management Board.
Etienne Auriau and Michel Fauconnet appointed members of the Management Board.
2011: Launch of new Brut Laurent-Perrier, Demi Sec, and Millésimé packaging.
2012: Bicentenary of Laurent-Perrier.
2012: Launch of Réserves Grand Siècle and Alexandra 2004, shipping for the first time in magnum format.
2012: Jordi Vinyals joins Laurent-Perrier as a member of its Management Board and Sales, Brand Development, Corporate Communications and Public Relations Director.
2014: Creation of an Italian subsidiary.
Acquisition of *négociant* François Daumale.
Appointment of Mr Stéphane Dalyac as Chairman of the Management Board.

1.2. GROUP OVERVIEW

1.2.1. Introduction

Under the energetic leadership of Bernard de Nonancourt (1920-2010), the Laurent-Perrier Group became a leading champagne Group, selling nearly 13 million bottles of champagne in 2014-2015. Its worldwide market share is about 4.2%.
Amongst Négociants, it has an estimated worldwide volume market share of around 6% (source: Laurent-Perrier and CIVC*). The Group's products are sold under four main brands: Laurent-Perrier, Salon, Delamotte, and Champagne de Castellane, which are positioned across a price spectrum ranging from the upper-middle category to the premium and ultra-premium categories. The Laurent-Perrier Group ranks 4th worldwide by sales after the LVMH, Lanson-BCC Champagne, and Vranken groups.

Laurent-Perrier also considers that it has gained a leading position in high value-added products such as rosé champagne, prestige cuvées and unsweetened Brut Nature.

The Group is controlled by the de Nonancourt family, which holds 60.27% of its capital and 71.07% of the voting rights. It is organised under three different types of legal entities:

- champagne houses, including in addition to Champagne Laurent-Perrier, Champagne de Castellane (Champagne de Castellane brand, Jeanmaire, Oudinot and Beaumet brands), the A.S. company (Salon and Delamotte brands);
- distribution subsidiaries or subsidiaries or branches in France and several foreign markets: Germany, Belgium, the United States, Switzerland, the United Kingdom and Italy;
- vineyards, held either directly by Grands Vignobles de Champagne and Château Malakoff, or through real-estate companies (sociétés civiles immobilières), some of which have wine-growers as partners.

Two Economic Interest Groups (EIGs) whose members are companies belonging to the Group have been set up to maximise the Group's distribution and production capabilities. These EIGs are not consolidated because their earnings are integrated directly into the accounts of the EIG partner companies and they have no material assets.

The Group exports 65.8% of its sales to over 130 countries, including the UK, Belgium, Switzerland, the United States, Italy, Japan and Germany. In most of its export markets, Laurent-Perrier's products are mainly sold through specialised distribution channels (cafés, hotels and restaurants, wine merchants, and direct sales), with the notable exception of Belgium, where the Group has a strong foothold in major retail chains. In France, 75.5% of the volumes sold under the Laurent-Perrier brand name go through specialised and direct distribution network channels, with the remaining 24.5% being distributed through self-service retail channels suited to distributing the Group's champagnes.

1.2.2. Key figures for the last three financial years

	31.03.2013	31.03.2014	31.03.2015
Sales (million euros)	222.9	220.6	231.9
Export sales as % of total sales (million euros)	65.6%	66.1%	65.8%
Share of premium products in Laurent-Perrier brand sales	37.9%	37.4%	37.7%
Share of specialist channels in Laurent-Perrier brand sales in France	76.5%	75.2%	75.5%
Gross margin	46.4%	46.5%	46.2%
Operating margin	17.9%	18.4%	18.2%
Operating income (million euros)	40.0	40.5	42.1
Operating Cash Flow (*)	15.1	14.9	4.7
Return on Capital Employed (ROCE)	6.5%	6.1%	6.3%
Gearing (net debt/attributable shareholders' equity)	94.8%	84.8%	79.9%
Book value of inventory/net	165.0%	170.5%	178,8%
Return on Capital Employed (ROCE)	20.2	21.6	22.9

(*) Cash flow from operations minus net investment before dividends and change in current accounts.

Net debt: "Long-term and short-term financial debt, plus other long-term debt, minus cash and cash equivalents".

Return on capital employed:
("Operating profit" / Capital employed)

Capital employed:
"Goodwill" plus "Net intangible and tangible assets" plus "Inventories and work in progress " plus "Trade receivables" plus "Other receivables" minus "Suppliers" minus "Tax and social security liabilities" minus "Other debt".

Premium Products: Cuvée Rosé Brut, Ultra Brut, Millésimé, Grand Siècle, Alexandra.

1.3. THE MARKET

1.3.1. From vine to wine

- **AOC surface area**

The champagne appellation covers a rated area of around 35,000 hectares. It was defined by the Act of 1927, which instituted the Appellation d'Origine Contrôlée (AOC*). At that time, the AOC surface area amounted to 35,208 hectares.

Subsequently, the size of the area classed as AOC gradually decreased, to 20-25,000 hectares by the end of the 1970s, and then rose again to 30,000 hectares at the end of the 1990s. It currently stands at around 33,705 hectares.

The demarcation of the champagne AOC area is based on three distinct ideas: the "zone d'élaboration", the "zone de production", and the "zone parcellaire".

The first of these, the "zone d'élaboration", concerns a set of villages where the different phases of making the product can take place: grape pressing, bottling, storage, packaging, etc.

The second, the "zone de production", concerns all the villages where vines with appellation status may be grown.

The third, the "zone parcellaire", corresponds to the list of plots of land recognised by the Institut National d'Appellations d'Origine (INAO) as being suitable for planting vines. You can, therefore, only find plots with champagne appellation status in villages situated in the "zone de production".

At present, of the 35,280 hectares with appellation status, with 34,280 planted hectares, some 33,700 are actually in production. The margin for increasing production volumes is thus extremely limited. From 2007, the significantly stronger sales trends for champagne pointed to shortages, especially as, going forward, environmental restrictions could result in lower yields.

Because of this, the programme to revise the "champagne" appellation zone, initiated in 2003, has become an issue of long-term strategic importance for the profession.

- **Planting rights**

Planting rights are used to regulate champagne's economy by adjusting production potential according to market prospects. According to an EU Regulation, it is only possible to plant a wine grape vine (i.e., for making wine) if the prospective planter has vine planting rights. These different types of rights are valid for a limited amount of time: eight years for replanting rights, two years for new plantings and rights offset against planting rights reserves. Vineyard renewal is achieved by grubbing up plots of vines, thereby generating a replanting right, which is then used to replant new plots of vines over an equivalent surface area.

A new text highlighting a system of approvals in the shape of a regulation is being drafted and should be included in the next reform of the CAP.

- **Wine growing**

Champagne is the northernmost wine-producing region in France and, with a few exceptions, in the world.
It is a small area of land, representing only 7% of AOC-registered land and only 3.6% of French land used for wine growing (Source: CIVC*, Bank of France). Output is limited (both in terms of yield per hectare and pressing*) in order to ensure the quality of the champagne appellation. Wines produced under the appellation thus totally derive from this land and are limited to the grape volume quotas fixed by the INAO*.

In addition to defining the champagne growing area, the 1927 law contains strict provisions specific to the region regarding planting, varieties (cépages*), pruning, harvesting, fermentation* and production. Between 8,000 and 10,000 vines per hectare are planted in the vineyards.

Champagne concentrates three centuries of know-how, research, and experience of vines and production. Part of its secret lies in the difficult growing conditions, with frequent frosts in winter and spring, and the possibility of very hot temperatures in summer. It is a difficult environment for vines and growers alike, particularly as the land is divided up into many plots with an average area of 12 ares 21 centiares (2014 harvest figures) – around 280,880 – usually on hillsides. Harvests* are therefore irregular.

To make optimal use of the cultivated land and offset the risk of poor harvests, champagne producers blend* wines of different years and different areas as a means of ensuring consistent quality and style.

Grape cultivation, wine making and ageing* involve a long list of complex processes whose main characteristics are recalled below:

- vigorous pruning,
- manual harvests* to protect the grapes,
- small, perforated harvesting baskets,
- very slow pressing*,
- division of musts*,
- blending of wines from different areas,
- two fermentations*,
- "remuage*" (riddling) of the bottles*,
- disgorgement*,
- dosing*.

In fact, over 25 stages are needed to produce this extraordinary wine, calling for talented professionals, sophisticated machinery, and large-scale investment (see Annex 1 on champagne making). The distinctive product is a sparkling wine, which, unlike other wines, is actually a blend of different wines, both "vertical" (using reserve wines from different years) and "horizontal" (combining different varieties of grapes grown in different areas of the Champagne region, harvested in a single year).

The technique and the skills necessary to produce champagne of a consistent quality and style year after year make it unique and highly sought-after. Wine connoisseurs take the view that "the genius of champagne resides in the blending" which is what sets the best brands apart.

There are three different grape varieties or cépages* grown in the region, namely black pinot noir grapes (38% of total planted area), black pinot meunier grapes, (32% of total surface area); and white chardonnay grapes (30% of total surface area). Chardonnay is the rarest of the three varieties grown in the Champagne region.

To maintain its premium positioning, the champagne industry has systematically taken steps to improve product quality to differentiate it from its competitors. Under the supervision of the Institut National de l'Origine et de la Qualité (INAO*) and the Comité Interprofessional du Vin de Champagne (CIVC*), industry-wide regulation and best practices have been established. Product quality is controlled through very strict production criteria, the most important of which are:

Origin of grapes: all grapes must be grown inside the AOC* area. Some 33,569 hectares in 2012, 33,572 hectares in 2013 and 33,705 hectares in 2014 (source: CIVC*).

Grape quality*: grapes are graded according to a quality rating expressed as a percentage. The minimum grade is 80%, the highest, 100%. Currently, 323 different crus* are listed.
Champagne is a grand cru* if it is produced exclusively from grapes graded 100%, and a premier cru* if produced from grapes graded from 90-99%.

Maximum yield*: for a wine to be entitled to the champagne appellation, maximum grape yield per hectare is set each year and may not under any circumstances exceed 15,500 kg per hectare. A set proportion of any wine produced in excess of the cap set for each harvest may be used to constitute a qualitative set-aside reserve of clear wine* for subsequent possible release in the event of a future harvest shortfall.
Any remaining production surplus is sent for distilling. For the record, the set-aside reserve constituted after the 2013 harvest stands at 8,800kg per hectare (after the release of individual reserve of 1 February 2015).

Set-aside reserve

Today, growers may put a proportion of their excess production (i.e., the harvest volume in excess of the year's yield up to a maximum amount of 15,500kg/ha) into a set-aside reserve. The champagne houses do not pay for the grapes corresponding to the set-aside until the wine is released, once it has been decided by the CIVC to release the corresponding wine onto the market. At that point the houses pay the market rate of the most recent harvest.

During this period, which may last several years, the champagne houses carry only the cost of storage in their tanks.
This practice has made it possible for champagne growers, etc. to regulate their production, which means that champagne houses are today in a better position to manage their expansion strategies.

The set-aside reserve is a complex management mechanism that is the outcome of lengthy deliberations and measures that are constantly being improved. It reflects the pragmatic approach of champagne professionals and the empirical way in which the joint management of the Champagne appellation has always been carried out.
It provides the houses and the growers with an incomparable economic safety mechanism, in a wine growing area where harvest variability due to the northerly geographic location has always been a major concern.
To do this it is important to remind the champagne profession as a whole that this measure is the necessary adjunct to effective control over harvest yields.

(Excerpt from the Revue de Droit Rural ("Rural Law Review") *– November 2009, translated from the original French)*

"Set-aside wines – unique to champagne

Whether called "blocked wines" or "reserve wines" and whether the measure is called "blocking " or "qualitative reserve", or even "individual reserve" the overriding principle is the same, which is to smooth production peaks and troughs so as to avoid economic fits and starts as far as possible and ensure maximum control over wine production.
The notion of setting wines aside was born in 1938, even before the creation of the CIVC (Comité Interprofessionnel du Vin de Champagne). The measure was also adopted at the time of the 1982 and 1983 harvests to cope with the superabundant harvests of those years. Each of them netted the equivalent of 300 million bottles for Champagne at a time when annual shipments were running at around 150 million bottles. The block was lifted in 1984 and 1985, which were two years of very thin harvests.
Following a further application in 1986, the block developed into a familiar occurrence for everyone in Champagne and it became part of the tools permanently available to deal with fluctuating harvests in the best possible conditions.
Consequently, the mechanism was again brought into service for the grape harvests of 1992-1993-1994. These were years of abundant harvests but also of declining shipments. These quantities, which were released from the set-aside reserves in 1997 and 1998, bolstered inventories for the forecast spike in shipments needed to celebrate the new millennium.
Gradually, the notion of "block" gave way to the notion of "qualitative reserve" in order to reflect the desire not to accumulate quantity indefinitely, but to achieve additional volumes during the best years, when it is a well-known fact that quality and quality are intimately related, to offset small harvests.
From the 1998 harvest onward, setting wine aside became a more frequent practice, making it possible to take advantage of abundant harvests to meet steadily growing demand for quality and shipments. Set-aside measures were decided for harvests in 1998-1999-2000-2002-2004 and 2005.
But the mechanism was still not completely satisfactory, because set-aside measures are collective, whereas those to remove wines from the reserves are partly individual decisions. For example, champagne makers who had suffered from bad weather, or young growers who were starting out, or those who set up a company without any transfer of stock, could find themselves lacking the backstop of set-aside wines. Which meant that they could only reconstitute their volumes at the time of a new collective set-aside measure, whereas many of their counterparts were in a comfortable situation because they had large quantities of set-aside wine in reserve. This is why the use of the set-aside reserve as a safety mechanism in the event of a modest harvest was not playing its allotted role. The idea of changing the set-aside system in favour of an individual one had thus been making its way in the minds of trade professionals. As a result, lengthy negotiations were needed to introduce the legal basis of the regulation mechanism into the new regulations."

The new measure implemented since the 2007 grape harvest has three components:

1) Changes to maximum AOC champagne yield. The maximum yield is the annual capped yield of AOC champagne. This has been increased from 13,000 to 15,500kg per hectare, a level of yield constituting a maximum reserve for outstanding years.

2) Authorization to constitute an individual AOC (Réserve Individuelle) wine set-aside over several years. The individual set-aside may be up to 10,000kg per hectare, subject to compliance with the annual cap. The individual set-aside enjoys the same status as the current set-aside wines. This means that current set-aside wines will be included in the calculation of the 10,000kg per hectare ceiling. The rules governing release of the set-aside are unchanged: the decision to release set-aside wines may be collective or, in the case of an individual decision, the result of a harvest shortfall.

3) Maximum yield per plot. To optimise the quality of grapes grown, in exchange for the creation of an individual set-aside, the new measure sets out a maximum average yield per plot. The yield will be assessed on the basis of 18 bunches per square metre, with a maximum yield of 21,700kg per hectare.
   With what amounts to comprehensive harvest insurance, growers should be more willing to change their growing practices to ensure greater control over yields.

Year	Maximum basic regulated yield (kg/ha)	Of which individual set-aside (kg/ha) (formerly blocked)	Usable yield (kg/ha)	Review of the set-aside wines released with authorization (kg/ha)
2000	12 ,600	1,600	11,000	
2001	11,000	0	11,000	
2002	12,000	600	11,400	
2003	11,400	0	11,400	Individual set-aside wine release because of poor yield
2004	14,000	2,000	12,000	
2005	13,000	1,500	11 500	1,000
2006	13,000	0	13,000	500
2007	15,500	3,100	12,400	1,600
2008	15,500	3,100	12,400	1,200
2009	15,500	4,300	9,700	
2010	15,500	1,500	10,500	
2011	15,500	3,100*	10,500	2,000
2012	15,500	1,000	11,000	Individual set-aside wine release because of poor yield
2013	15,500	3,100*	10,000	Individual set-aside wine release because of poor yield 500kg/ha at 01/02/2014
2014	15,500	3,100	10,100	Collective set-aside wine release 400 or 500kg/ha at 01/02/2015 (**)

* Maximum individual set-aside reserve, up to 10,000kg/ha.

(**) "*When they signed the agreement on grape harvest conditions on July 16, 2014, the growers and the champagne houses agreed to release 400kg/ha from the set aside reserve, while leaving open the possibility of increasing the release to 500kg/ha if sales exceeded 307 million bottles at year-end. As worldwide champagne shipments reached 307 million bottles, the release was increased to 500kg/ha, taking the available harvest for 2014 to the equivalent of 309.6 million bottles. The champagne set-aside system, which consists in setting aside part of the harvest in good years, has no equivalent anywhere else in the world. With this system, the Champagne region can cope with a very poor harvest. Grower incomes and champagne house supplies are guaranteed, inventories are maintained, and the smooth operation of the Champagne economy is safeguarded."*- L'Union - *January 20, 2015.*

Minimum ageing*: regulations provide that non-vintage champagne* has to be bottle-aged for a minimum of 15 months, while vintage* champagnes require a minimum of three years' ageing, from the bottling date ("tirage").

- **Grape supply contracts**

Land ownership in the Champagne area is extremely fragmented, with 15,789 growers cultivating about 90% of the planted land, while the champagne houses own only 10% of the vineyards and generate 69% of total champagne sales. This situation requires a permanent and balanced relationship between the growers and the champagne houses in order to meet the grape requirements of the houses in response to growing consumer demand, in particular on export markets, where the market share of champagne houses is 88%. These relationships are organised through grape supply contracts whose structure is periodically re-negotiated between the Syndicat Général des Vignerons (representing the growers) and the Union des Maisons de Champagne (representing the houses). Some 1.2kg of grapes are required to produce a 750ml bottle of champagne. Grapes account for approximately 75% of the total cost of a bottle of champagne. Fluctuations in grape prices are therefore crucial for champagne houses.

The method used to set grape prices has undergone several changes over the past 20 years. Until 1989 the CIVC* set the price of grapes on an annual basis, according to demand and harvest output. In 1990, the grape price-setting mechanism was deregulated, causing greater volatility. The champagne houses attempted to pass on part of the resulting sharp increase in grape prices to customers. Coupled with an economic downturn in Europe, this led to a 14% drop in demand for champagne between 1989 and 1991. Even the subsequent cuts in retail prices implemented by the champagne houses were not sufficient to lift demand to earlier levels.
The industry responded to this situation by restoring a sophisticated system designed to organise transactions. Following a three-year transitional period from 1993 to 1996, a first industry-wide agreement was reached in 1996 between the organisation representing the grape growers (Syndicat Général des Vignerons) and the body representing champagne houses (Union des Maisons de Champagne) covering the four grape harvests* between 1996 and 1999. This was subsequently renewed in 2000 for harvests between 2000 and 2003. The agreement introduced four-year supply contracts between the champagne houses and the growers. In connection with the renewal of industry agreements in 2004, the heads of the joint trade body developed a new type of agreement, with the result that a more rigorous and transparent organisation was adopted, the CIVC* acting as the arbitration authority.

The objectives of this new agreement were to:
- safeguard consumer interests,
- encourage the sale of grape harvests under five-year contracts between sellers and buyers, including a reservation of title clause in favour of suppliers,
- sustain the diversity of market participants,
- ensure a transparent internal champagne market.

As of 1996, grape growers began selling all the annual grape production of their vineyards covered by their supply contracts up to the maximum authorised yield, at a price which each year depends on an indicative reference price. This price was set on the basis of statistics provided by a monitoring system operated by the CIVC's* Observatoire Économique intelligence unit. The indicative reference price for 100%-graded grapes was €4 per kilo in 2001, €4.10 per kilo in 2002 and €4.25 per kilo in 2003. The price was adjusted according to the grade of the grape, sometimes supplemented by premiums paid to growers by the champagne houses.

Since the interprofessional agreement signed on 21 June 2004, the grape pricing structure has evolved with a trend towards a certain "regionalisation" of the prices observed. In 2008, the price of grapes, including all premiums paid, ranged from €4.90 to €5.80 per kilo.
A further interprofessional agreement was signed in 2008. This governed the sale of grapes for harvests between 2008-2009 and 2013-2014.

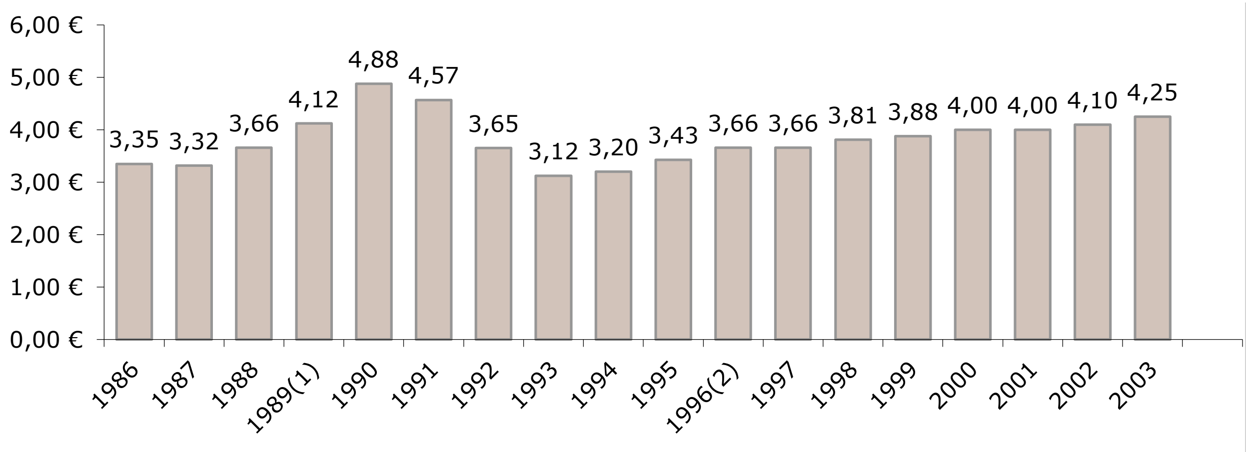
In 2014, a new interprofessional agreement was signed. It will govern the rules between the buyers and sellers of grapes, musts, still wines and bottled wines from the 2014-2015 to the 2018-2019 seasons.
The new agreement is designed to:
1) Guarantee:
    - The security and stability of the supplies needed by *négociants* to carry on their business and ensure their sustained commercial development;
    - The security and stability required by growers and cooperatives (including cooperative unions and SICA collective interest agricultural groupings) to sell their products and ensure a level of payment conducive to the sharing of the value created by the *négociants* when champagne is sold on to their customers;
    - A secure, harmonised contractual framework for buyers and sellers for all sales.

2) Contribute to an improved coordination of product marketing by:
   - Streamlining supply and demand by preserving the volume of inventory essential to preserving wine quality;
   - Developing and harmonising contractual relations, whether multi-year or one-off, between sellers and buyers,
   - Improving the knowledge and transparency of production and of the market.

3) Guarantee the security and stability of supply for *négociants*. The quantity of grapes brought to market shall be determined on the basis of the *négociant*s' medium-term outlook for champagne sales subject to reasonable growth rates and taking into account both the levels of inventories held by *négociants* and total champagne inventory levels. The reasonable growth rates shall be assessed taking into account potential champagne production and the need to preserve wine quality, and in particular by taking into consideration the total level of champagne stocks.

(CIVC Decision No.182, June 11, 2014).

The following chart shows grape reference prices from 1986 to 2003.



(Prices per kilo in euros – Source CIVC) (1) 1989 – price controls relaxed (2) 1996 – framework agreement implemented.

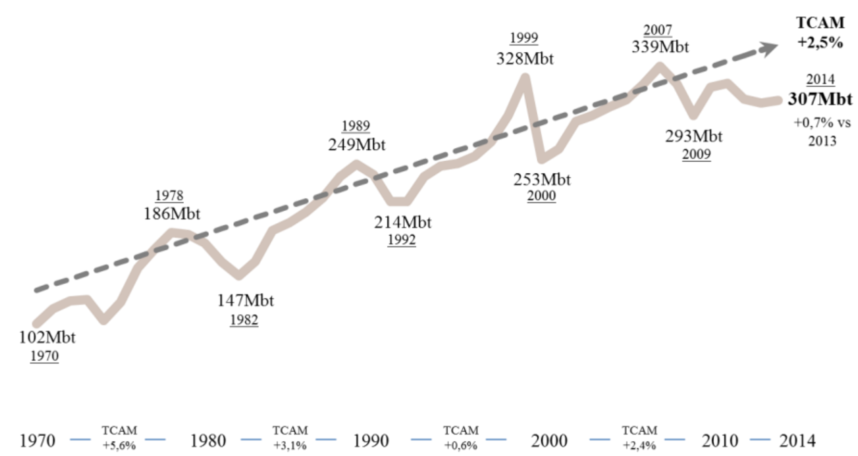
As of 2004, there are no more global statistics because of the "regionalisation" of grape prices.

In 2014 the base price for grapes was up by about 1.6% relative to the prices paid for the 2013 harvest, depending on the region.

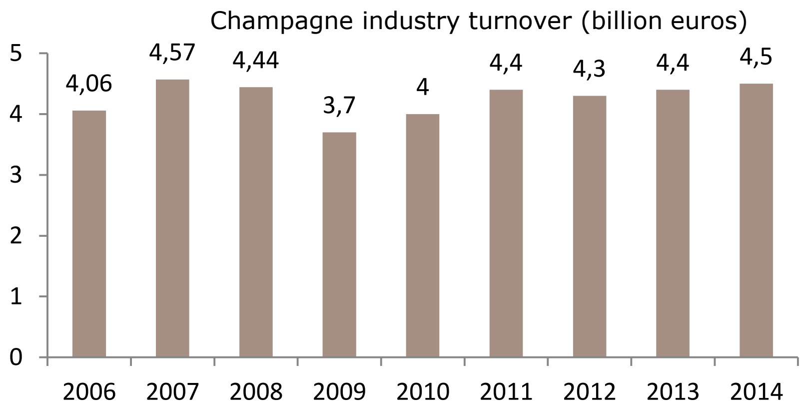
1.3.2. History of global demand for champagne

The table below shows volume shipments over the past 40 years. The long-term growth trend has been running at about 3%. After the 2009 crisis, the market quickly returned to its long-term growth rate. Following each cycle, shipments return to their long-term growth rates. The trend is, however, marked by sometimes violent cycles, often connected to the economic situation.

Volumes of shipping in million bottles (*Source CIVC)*

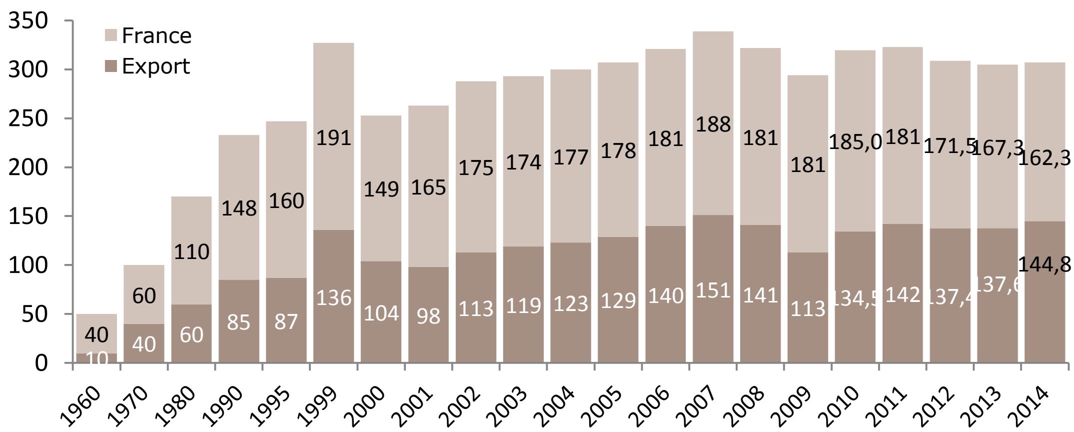


1.3.3. Market trends



Source CIVC

The chart below shows sales in millions of bottles for the champagne industry as a whole since 1960, illustrating strong, long-term volume growth, despite the existence of fairly marked cycles.



Source CIVC – 2015

"In 2014, shipments rose by 0.7% compared with 2013, to 307.1 million bottles. Turnover for2014 came out at 4.5 billion euros, up 2.8% on 2013. The French market, which takes 52.8% of shipments, was down by 3%, to 162.3 million bottles, while export markets (the European Union and the rest of the world) saw 5.3% growth. The European Union increased by 4.4% and, with 78 million bottles, accounted for 25.4% of shipments. Third-party countries, which saw 6.3% growth, set a new record for the third year in a row, with 66.8 million bottles, accounting for 21.8% of champagne shipments."
Source: l'Union – *February 17, 2015*

"The top ten countries all saw positive growth. The leading export market, the UK, saw a significant improvement with growth of 6.1% (32.6 million bottles); the US came second, shipments rising by over 7.3% to 19.1 million bottles), followed by Germany, up 2% with 12.6 million bottles, Japan (7.8%, 10.4 million bottles), Belgium (2.3%, 9.7 million bottles), Australia (8.3%, 6.5 million bottles), Italy (8.1%, 5.7 million bottles), Switzerland (8.1%, 5.5 million bottles), Spain (up 11.6%, 3.4 million bottles), and Sweden (4.6%, 2.6 million bottles). There was also interesting growth in places like the United Arab Emirates (up 14.9% at 1.9 million bottles) and the Republic of the Congo (up 43%, 103,000 bottles). The Russian market, for its part grew only slightly, by 0.4%, to 1.5 million bottles, while China (Hong Kong excluded)was down slightly, with growth of less than 0.6%, and 1.6 million bottles shipped."

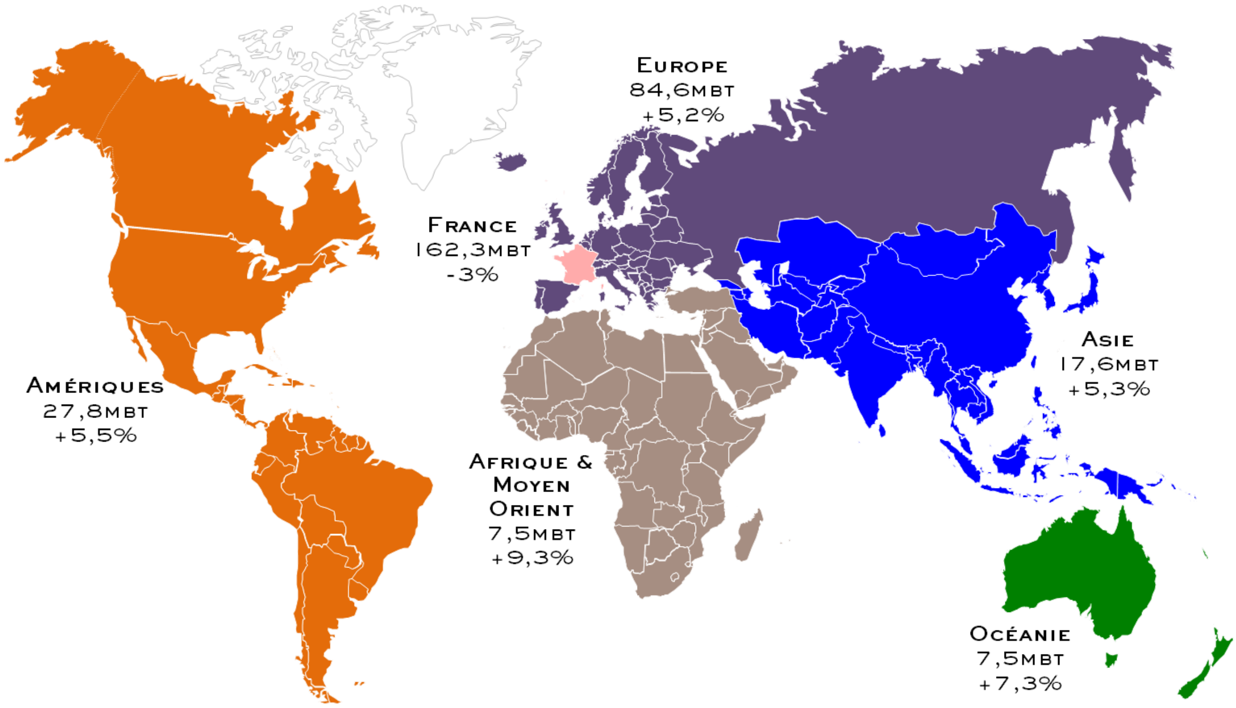
Source: L'Union – *March 3, 2015*

"According to the CIVC, shipments to third-party (non-EU) countries have been rising steadily since 2009 and again increased to record highs, up 6.3% by volume and 8.5% by value, with 66.9 million bottles shipped, generating turnover of 1.2 billion euros. Premium cuvées are selling increasingly well in to these markets (up 6.5% by volume and 14.3% by value) especially in the three biggest export markets, the United States, Japan, and Australia, which has trebled its consumption of all types of champagne over the past decade.

The emerging countries have also confirmed their status as growth drivers. Brazil passed the 1 million bottle milestone with an increase of 10,2%, while South Africa, which has been growing steadily at a rate of over 10% a year since 2004, saw a 22.3% increase, importing 684,696 bottles."

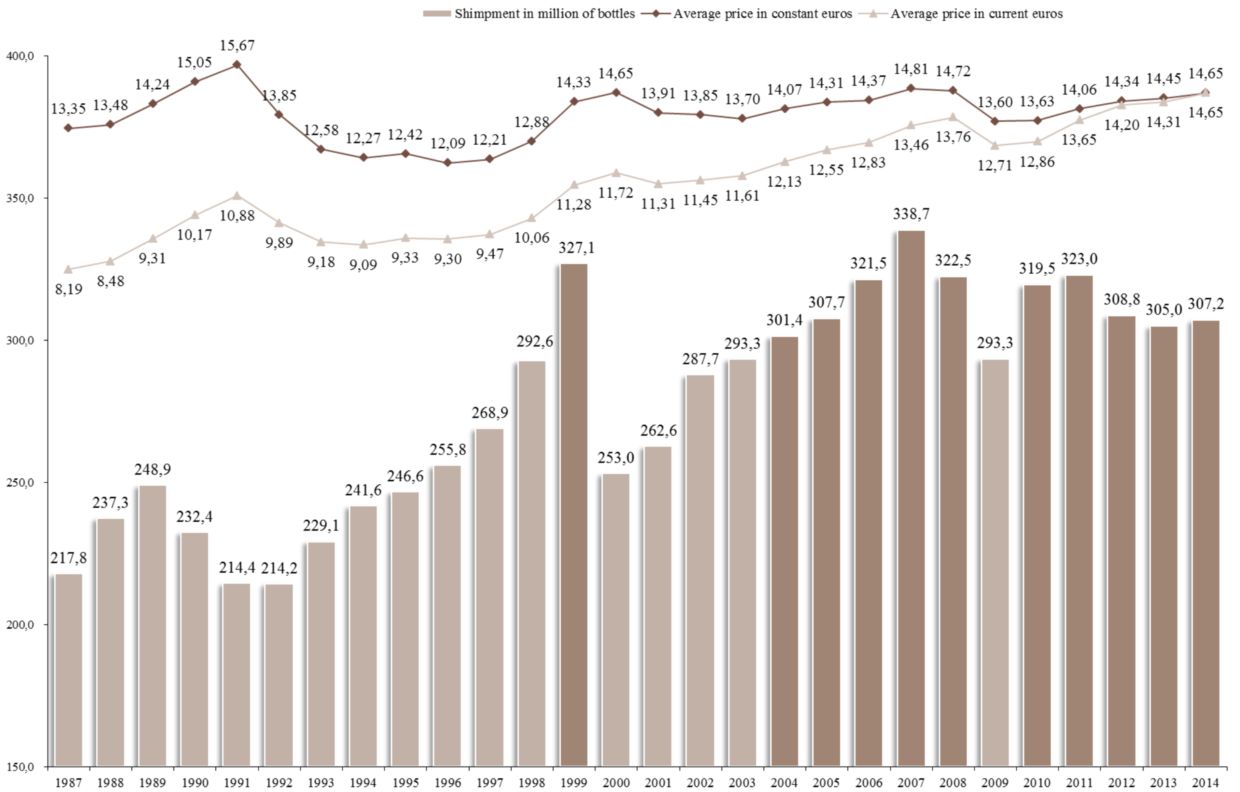
Source: L'Union – *March 29, 2015*

The map below shows growth in the champagne market worldwide in 2014.



The chart below shows the quantities of champagne shipped and the average price per bottle since 1987.

In 2014, the average price of bottles shipped in constant euros is at the level of €14.65.



The table below sets out the main export markets (shipments per million bottles)

(millions bottles)	1990	2000	2001	2002	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Average annual growth (1990-2014)
Country															
UK	21,3	20,4	25	31,7	36,8	36,8	39,0	36,0	30,5	35,5	34,5	32,4	30,8	32,7	1,5%
United States	11,7	19,2	13,7	18,3	20,7	23,1	21,7	17,2	12,6	16,9	19,4	17,7	17,8	19,1	1,8%
Germany	14,2	14,2	12,8	11,4	11,9	12,3	12,9	11,6	10,9	13,3	14,2	12,5	12,3	12,6	-0,6%
Japan	1,5	3,2	3,5	4	5,9	8,0	9,2	8,3	5,1	7,4	8,0	9,1	9,6	10,4	8,0%
Belgium	5,9	7,3	7,4	9	9,4	9,3	9,9	9,9	8,2	8,8	9,6	8,3	9,5	9,7	2,0%
Italy	6,9	8,2	7	7,9	8,8	9,3	10,3	9,4	6,8	7,1	7,6	6,2	5,3	5,8	-1,1%
Switzerland	8,6	6,5	6,1	5,8	5,1	5,4	6,1	5,4	4,8	5,4	5,7	5,4	5,1	5,5	-2,2%
Others	12	24,5	22,7	24,6	31,1	36,4	41,8	43,4	33,4	40,1	43,0	45,8	47,2	49,0	5,9%
Total Exports	84,8	104	98,2	113	130	140,6	151,0	141,2	112,4	134,5	142,0	137,4	137,6	144,8	2,0%
France	148	150	164	175	178	181,0	187,8	181,4	180,9	185,0	181,0	171,5	167,3	162,3	0,5%
TOTAL	232	253	263	288	308	321,6	338,7	322,6	293,3	319,5	323,0	308,9	304,9	307,1	1,1%

1.3.4. The competitive environment

The champagne industry has seen numerous changes since 1990. In addition to significant changes in the industry's regulatory framework, the competitive landscape has been transformed following major consolidation or deconsolidation moves, the emergence of new players, and public share offerings by a growing number of groups.

These changes reflect on-going restructuring and modernisation trends in the industry, as well as champagne's recognition as a global luxury product.

Principal transactions since 1995:

Buyer/Seller	Target	Date
La Financière Martin	Acquired Champagne Delbeck	1995
Vranken	Acquired the A. Charbaut et Fils champagne house	1995
Vranken	Acquired Heidsieck-Monopole	1997
Boizel-Chanoine	Acquired Philipponnat et Abel Lepître	1997
La Financière Martin	Acquired Champagne Bricout	1998
Rémy Cointreau	Sold De Venoge, Krug	1998
Laurent-Perrier	Sold Joseph-Perrier to the Alain Thiénot Group	1998
LVMH	Acquired Krug and De Venoge from Rémy Cointreau	1998
	Subsequently sold the De Venoge brand	1998
Boizel-Chanoine	Acquired Bonnet and the De Venoge brand name	1998
Seagram	Sold Mumm et Perrier-Jouët to Hicks Muse Tate & Furst	1999
Vranken	Sold Germain to Frey	1999
Allied Domecq	Acquired Mumm and Perrier Jouet	2000
Vranken	Acquired Pommery from LVMH	2002
Opson (Schneider)	Acquired Champagne Bricout and Champagne Delbeck	2003
Vranken Monopole/Moët & Chandon	Acquired Champagne Bricout and Champagne Delbeck	2003
Vranken Monopole	Acquired Champagne Jacopin	2003
LVMH et Vranken Monopole	Shared assets of wholesale wine merchant Bricout-Delbeck	2003
LVMH	Sold Canard-Duchêne to Alain Thienot Group	2003
Laurent-Perrier	Acquired Château Malakoff	2004
Frey	Acquired 45% stake in Champagne Billecart Salmon	2004
Bruno Paillard	Acquired Domaine René Jardin and vineyards	2004
Frey	Sold Ayala brand to Bollinger	2005
Pernod Ricard	Acquired Mumm Perrier Jouët	2005
Starwood	Acquired Taittinger	2005
Boizel Chanoîne	Acquired Lanson International	2006
Starwood	Crédit Agricole acquired control of Taittinger	2006
Famille Taittinger	Acquired 37% stake of Taittinger from Crédit Agricole	2006-2007
Famille Taittinger	Acquired additional 4% stake	2007
LVMH	Acquired Champagne Montaudon	2008
Rémy Cointreau	Champagne business put up for sale (Piper and Charles Heidsieck brands)	2010
Vranken Pommery Monopole	Acquired Champagne Bissinger	2012
Lanson BCC	Sale of 4.72% equity stake to a Crédit Mutuel subsidiary	2013
Laurent-Perrier	Acquired S.A. François Daumale	2014

1.3.5. Tax and regulatory environment in 2014-2015

The champagne profession is subject to extensive regulations. These European, national and regional regulations cover areas such as production, ageing*, quality, territory of origin (Appellation d'Origine Contrôlée*), direct and indirect taxes, and labelling. In addition, French agricultural laws, structural regulations, and Société d'Aménagement Foncier et d'Etablissement Rural agricultural land companies (SAFER), have created a series of obligations notably as regards land sales and the management of wine producing estates.

On March 19, 2014, a new set of measures was implemented as part of the Hamon Act on relations between suppliers, retailers and consumers.

In France, the Evin Act imposes special advertising restrictions on all beverages containing more than 1.2 degrees of alcohol.

New regulations on paperless Customs documentation came into force in 2010.

The champagne houses making up the Laurent-Perrier Group have taken all necessary steps to respect this tax and regulatory environment.

1.4. THE LAURENT-PERRIER GROUP: RECENT CHANGES, GOALS AND STRATEGY, OUTLOOK

1.4.1. Highlights of the 2014-2015 financial year

- Improved performance:
  - 5.2% rise in turnover, sustained by a 2.6% price/mix effect and a favourable exchange rate effect;
  - 5.9% increase in net income, largely due to lower interest charges.
- Continued international expansion and a return to growth in France for the Laurent-Perrier brand.
- Strengthened balance sheet:
  - Further decrease in net debt;
  - Significant lengthening of debt maturities with no impact on average cost;
  - Further positive cash flow from operations, despite the launch of the multi-year investment programme announced last year.

An increase of 5.2% (3.3% at constant exchange rates) in turnover to €231.9 million

After factoring out a 1.8% favourable exchange rate impact, the Laurent-Perrier Group's turnover grew by 3.3%, driven by a combination of a 2.6% price/mix effect (positive for the fourth consecutive year) and a recovery in sales' volumes (+0.7% vs. -2.1% in FY 2013-2014).
Laurent-Perrier brand sales' volumes benefited from a return to growth in France and further international expansion, with double-digit growth in Asia and Oceania, in particular. Overall, the share of exports in total turnover advanced by 0.7 of a point to 76.9%.

The Salon and Delamotte brands also saw very strong performance this past year, with Salon successfully releasing its latest vintage, 2002.

A 5.9% rise in net income to €22.9 million

The Group's operating margin came out at 18.2% compared with 18.4% last year. This takes the following principal factors into account:

- A technical impact as a result of lower margins on Laurent-Perrier's own grape harvest due to the reduction in the quantities of grapes held back after the Group reached its maximum individual set-aside reserve level;
- A 6% increase in brand support investment. Concentrated on raising the global profile of Laurent-Perrier brands, the investment was still in line with the long-term average spend of 7% - 8%;
- A 6.3% increase in commercial and administrative expenses, largely due to the creation of the new subsidiary in Italy in Spring 2014. Restated for this expansion of the Group's consolidation footprint, commercial and administrative expenses accounted for 20.8% of turnover – a drop of 0.2 of a point relative to last year;
- A range of non-recurring expenses, mainly including the cost of setting up the Italian subsidiary and the depreciation of advertising goods.

At a time of low interest rates, and hence of a significant improvement in the financial result, net income, for its part, was up 5.9% to €22.9 million.

Stronger balance sheet

At 4.7 million euros, cash flow from operations was again positive. This performance is especially remarkable as there has been a substantial increase in investment with the launch of the investment programme at the Tours-sur-Marne site, which is due to run until FY 2017-2018, and following the acquisition of the wine merchant House Daumale in Spring 2014, which helped strengthen the Group's grape supplies.

As a result, net debt saw a further reduction. At end-March 2015, it stood at €277.1 million, down €2.2 million on last year. The debt/equity ratio now stands at 80%, a 5 percentage-point improvement on the previous financial year.

In mid-April, the Laurent-Perrier Group also completed renegotiating the terms of its "ageing credits". The maturity of consolidated debt has now been significantly lengthened and stands at five years, with no material impact on its average cost, which remains below 2%.

Departure of Philippe Lebannier
By mutual agreement and for personal reasons, Philippe Lebannier will shortly be leaving the Laurent-Perrier Group. The Management Board thanks him for his contribution.

1.4.2. Strategy

One of the Group's key success factors since being listed on the stock market has been that both the strategic objectives it has set itself and the resources it has applied to achieve them have never been called into question. The Group's strategy has four key components:
- a single business: the making and sale of premium champagnes,
- high quality supplies based on a partnership approach,
- a portfolio of complementary brands,
- active control of worldwide distribution.

1.4.2.1. A single business: the making and sale of premium champagnes

For more than many years, the Laurent-Perrier Group has refocused on a single activity in which it has been engaged for decades: the making and sale of premium champagnes. This is a complex profession, which requires not only a relentless commitment to quality but also very specific commercial and brand communication methods. The Group's efforts are at all times focused on continuous improvement and on growing sales, particularly of the high value-added products that form part of the luxury goods rather than the consumer products universe. Having a single business means that resource allocation and investment decisions never give rise to conflicts of interest, and results in acquiring a higher level of expertise and professional specialisation.

1.4.2.2. High quality supplies based on a partnership approach

This is an essential element in developing each brand both in terms of volume and quality. The Group, which obtains about 90% of its grape supply through contracts, aims to exploit its considerable strengths in this respect, seeking to expand and secure this supply by continuously strengthening its partnerships with growers in the Champagne region.

The Group's grape supplies are provided in part by cooperatives but above all by over 1,200 independent grape growers in the Champagne region. This strategy has resulted in extremely high-quality supplies. With champagnes based on an average 91% cru*, Champagne Laurent-Perrier is one of the best-supplied champagne houses in terms of grape quality, since the average cru* used in the industry is around 88% (source: CIVC*).

The good relationship the Group enjoys with the wine growers and cooperatives, and the strong and sustainable partnerships it builds with them, mean that agreements renew at different dates, another of the Group's strengths.

Supplies
To meet its needs, the Group has secured supplies from around 1,500 hectares of vineyards.
The Group's own vineyards produced about 10% of its grape requirement in 2014-2015. This is below the champagne house average of around 20% (Laurent-Perrier estimate based on industry data). The Group has never believed that the purchase and operation of vineyards should be its core business or an end in itself and has always favoured agreements with wine-growers.

1.4.2.3. A portfolio of complementary brands

The Group's four main and complementary brands, Laurent-Perrier, Champagne de Castellane, Delamotte, and Salon, cover all segments of the market for mid-range and premium champagne. Since they are always sold either through different distribution channels or in different price ranges, the four brands do not compete with each other. The combined share of these four brands amounts to 87% of Group turnover.

Champagne Laurent-Perrier
Laurent-Perrier is the Group's main brand, with production facilities located in Tours-sur-Marne in the heartland of the Champagne grape-growing region.

France accounted for 23.1% of Champagne Laurent-Perrier turnover, while 76.9% of its production was exported. Sales are mainly through specialised distribution channels, including restaurants, fine-food stores and wine merchants. Champagne Laurent-Perrier is not sold in great quantities in supermarket chains.
As a major luxury brand, Laurent-Perrier has patiently cultivated and promoted its distinctive products since Bernard de Nonancourt took the Group's helm in 1949.
The creation of cuvées such as Grand Siècle, Laurent-Perrier Ultra Brut and Cuvée Rosé Brut, as well as innovative packaging design, enables Laurent-Perrier to preserve traditions while moving with the times.
The deployment of the new Laurent-Perrier visual identity in 2011, its new Rosé and Grand Siècle gift packaging and wine cradle, and a new Grand Siècle advertising campaign in 2008, are perfect illustrations of this strategy.
In March 1998, Champagne Laurent-Perrier was appointed official champagne supplier to HRH The Prince of Wales, a distinction never before granted to any other champagne brand. The appointment was renewed in 2007.
One of the principal characteristics of Laurent-Perrier is the wide range of its premium and prestige products.

Brut L-P
Brut non-vintage is always the expression of the House style and, as such, it is the signature champagne. Laurent-Perrier's Brut style is defined by its very high proportion of chardonnay which provides a natural purity, freshness and elegance. These essential characteristics, expressed in all our champagnes, are a good introduction to the spirit of Laurent-Perrier.
The combination of freshness and purity of Laurent-Perrier Brut has been a major factor in the success of champagne as an aperitif. Its citrus and white fruit notes –such as vine peach – and its remarkable balance supported by subtle bubbles make it the perfect companion for the finer moments in life.

Demi-Sec
The general movement towards dryer wines, together with the habit of drinking champagne as an aperitif, has popularised the consumption of Brut. However, many wine-lovers still enjoy the softness and the gentle reminder of past pleasures provided by a Demi-Sec. The vinous quality of Demi-Sec naturally calls for desserts, and will enhance them with greater depth and richness, especially pastries.

Laurent-Perrier Ultra Brut
Its creation is contemporary like that of Nouvelle Cuisine. Similar to this lighter, purer way of preparing food, Ultra Brut Laurent-Perrier appears without make-up, in its natural form. It is a brut nature champagne, that is, with no dosage, and making it requires considerable know-how. Its style appeals to a growing number of wine-lovers who discover with many new ways of enjoying champagne.
Its delicate finish, which leaves the palate fresh, together with its subtle balance, makes this the most versatile champagne in Laurent-Perrier's range. Its capacity to bring out flavours in food makes it ideal from aperitif to dessert. This champagne pairs well with caviar or foie gras, seafood or oysters – not to mention a cigar at the end of a meal.

Millésimé
Laurent-Perrier is selective when declaring vintages - rarely declaring them and only very best years with a unique character. Thus the Brut Millésimé (Vintage Brut) is an exceptional wine and while its maintains the signature style of the House's wines, it reflects the unique characteristics of the vintage year.
Laurent-Perrier's Millésimés have excellent ageing capacity.

Cuvée Rosé
Cuvée Rosé Laurent-Perrier was created in 1968 using bold, innovative methods learned from the production of still wines called Coteaux Champenois. Perfected at each stage of its making, the Cuvée rosé is now the benchmark in its category. Marketed in an elegant bottle inspired by the time of French King Henri IV, this rosé champagne has been widely hailed for its consistent high quality for more than 40 years. Over the years, Laurent-Perrier has developed technical facilities

dedicated to making rosé champagnes. Grapes from carefully selected plots are meticulously sorted and destemmed before going into the vats. Controlled maceration – lasting from 48h to 72h depending on the harvest – helps the extraction of colour and the development of the full aromatic richness of the pinot noir grapes. It is aged in the cellars for at least four years.
Cuvée Rosé Laurent-Perrier is a delicious aperitif. This cuvée, thanks to its aromatic character, allows various food and wine pairings. It is a perfect foil for raw fish (marinated red mullet and tartare of tuna), grilled prawns, fine charcuterie (such as Italian prosciutto), duck, lamb, and creamy cheeses such as Chaource. Cuvée Rosé is also an extraordinary match for red fruit desserts. The more daring will try it with Asian – even Indian – cuisine.

Grand Siècle
Grand Siècle's elegant bottle was inspired by the work of 17th-century master glassmakers and takes its name from the period of French history when King Louis XIV reigned. At that time, the Art de Vivre reached its pinnacle and the new French Cuisine was born, bringing along the "vins de terroir" and the first Champagne wines.
Launched in 1959 by Bernard de Nonancourt, Grand Siècle is Laurent-Perrier's grande cuvee, characterised by its signature savoir-faire and Laurent-Perrier's quest for blending excellence. The epitome of Champagne blending, Grand Siècle calls on well-balanced wines from the finest "grand crus" growths and the very best harvests which have been declared as vintages by Laurent-Perrier.
Grand Siècle is perfect for fine dining thanks to its balance and complexity. Its wide aromatic palette allows multiple sea and land food pairings such poultry with crayfish. Savour it with fish such as turbot or sea-bass. It is also a perfect match for poultry with truffles or a braised knuckle of veal. For a magnificent start to a festive meal, serve it as an aperitif.

Les Réserves Grand Siècle
To celebrate its Bicentenary, Laurent-Perrier decided to showcase the first of its special creations, its Cuvée Grand Siècle, as a tribute to Bernard de Nonancourt, by offering for the first time and in a limited edition one of its symbolic Reserve wines: Cuvée N°571J.

The Grand Siècle style is the champagne cuvée par excellence, a blend of three great years declared as vintage years by Laurent-Perrier, made from grapes selected from the eleven top 100%-rated crus and the best of the chardonnay and pinot noir varietals selected from only the best plots or villages.
A hymn to the passage of time, the Réserves Grand Siècle are a blend of three vintages: the perfectly balanced 1995, the 1993 (delicacy personified) and the magnificently generous 1990. In 1996, this blend of Grand Siècle was bottled, some of it in magnums, and for the first time in the history of this wine, in a unique Jeroboam format. Some of these bottles, placed in reserve, including the Jeroboam, which had never been shown, had been silently slumbering in Laurent-Perrier's cellars for sixteen years, awaiting their awakening in the Bicentenary year.
The colour is light gold or white, the bead very fine. The nose presents delicate hints of honey, hazelnuts, and roasted almonds, with persistent hints of roasted cocoa beans. The attack is very pleasant, and the wine is harmoniously balanced with great finesse, persistently silky on the palate. At the finish, aromas of candied citrus dominate, leaving an infinitely elusive taste of eternity.
The Réserves Grand Siècle are the ambassador wine for the Grand Siècle style, testifying to the most sought-after Laurent-Perrier expertise.

Alexandra Rosé
The wedding of his elder daughter Alexandra in 1987 gave Bernard de Nonancourt the opportunity to create this vintage rosé champagne, which is the epitome of the demanding values of the Laurent-Perrier House. Having already created a flagship non-vintage rosé champagne, Laurent-Perrier undoubtedly needed a prestige rosé grande cuvée, an unusual, much sought-after wine, to hold a special place within its range.
The selection of plots and vineyard sites for the perfectly ripe chardonnay and Pinot Noir grapes was extremely stringent. During the maceration of the Pinot Noir grapes a small amount of Chardonnay was added. The delicate Chardonnay, blended with Pinot Noir produces a pale coloured wine with a uniquely complex aroma. The bottled wine is then cellar-aged for a minimum of eight years.

Champagne de Castellane
Champagne de Castellane bears the name of one of the oldest families of France, whose origins date back to the 10th century and the Counts of Arles and Provence.
This champagne house, founded in 1895 by Viscount Florens de Castellane, is located in Epernay.

It quickly gained importance, riding the wave of Belle Epoque opulence. Acquired in 1927 by Alexandre Mérand, it saw strong growth under the guidance of this charismatic business leader, rising to become one of the leading champagne houses in the 1960s.

From 1970, Mérand's three daughters continued to expand the family business and Laurent-Perrier acquired a stake in 1983. Ten years later, the Nonancourt family and Laurent-Perrier increased their stake to 50%, finally taking overall control in 1999.

Today Champagne de Castellane is synonymous with Epernay thanks to its celebrated 66-metre tower, the symbol of the capital of Champagne. The tower soars above an imposing cluster of buildings, some of them officially listed as historic monuments.

Its wines have a distinctive label bearing the red cross of St. Andrew. Among champagne labels, Champagne de Castellane is distinguished by its renowned style and quality and a strong presence in France in modern retail channels. The brand also has positions in Europe.

This champagne, represented by the red cross of St. Andrew, is aimed at younger drinkers, for whom nightlife is an essential component of the festive spirit. In the same spirit, a modern, innovative website has been set up and a new Cuvée Commodore has been launched on the French market.

In late 2008, following a partial tendering of assets through which Château Malakoff, a Laurent-Perrier Group company, tendered its independent champagne production and marketing activity, Champagne de Castellane also became the owner of three other brands: Jeanmaire, Oudinot, and Beaumet.

Champagne Salon
Still in its original 1921 location in Le Mesnil-sur-Oger in the heart of the Côte des Blancs, Salon makes the exceptional a rule. Salon is a unique champagne. Everything in this peerless wine can be defined by singularity: a champagne created by a single man, Aimé Salon, on a single terroir, the Côte des Blancs, from a single cru, Le Mesnil-sur-Oger, and a single grape varietal, chardonnay, from a single year, and with no blending whatsoever – the exceptional as a way of life.
Uniquely, for the world of wine, there were only 37 Salon vintages declared throughout the entire twentieth century.
The twenty-first century has kicked off with the release of the 2002, which was cellar-aged for eleven years before its release to the trade in 2014.
Champagne Salon has an international reputation: its principal export markets are in Asia Pacific (Japan, Hong-Kong, Singapore, Australia), the United States, and Europe (the United Kingdom, Italy, Spain) where distribution is carried out by independent importers who are already the exclusive importers of some of the world's finest wines. In France and the export markets alike, Salon's customers are above all Michelin-star restaurants, specialist wine merchants and lovers of great wines.

Champagne Delamotte
The house of Delamotte was founded in 1760 and is one of the first five houses created in Champagne. Located at Le Mesnil-sur-Oger, it stands adjacent to prestigious Salon, its sister house with which it has shared its destiny since 1988.
On the strength of its 250-year history, Delamotte is a yardstick among the people of Champagne, who acknowledge its consistently high quality and its makers' total respect for the terroir of the Côte des Blancs, from which it blends the greatest chardonnay crus. Champagne Delamotte has made Blanc de Blancs its speciality across a comprehensive range of cuvées that have always been distributed by the same importers as Champagne Salon. A growing proportion of its production (currently around 6%) is exported, and it enjoys an excellent reputation among wine professionals.
Most sales are made in the fine food sector (from top bistros to Michelin-starred restaurants) and as well as among specialist retailers and national wine merchants.

Other products distributed
The Group's distribution subsidiaries (LPD) can also sell wines and spirits from other producers, namely the wines of Château de Lamarque, Marqués de Riscal wines from Spain, and, since the beginning of January 2012, Japanese Suntory whiskies.

1.4.2.4. Active control of worldwide distribution

In 1998, the Group opted to strengthen its control over the distribution of its own products. This strategy is executed through own commercial subsidiaries in seven key countries: France, the United Kingdom, Belgium, the United States, Germany, Switzerland and since 2014 Italy. In 2014 these countries accounted for 80.7% of the global champagne market (source CIVC*). The Group considers that in nearby countries, where it has a certain critical mass, having its own sales team is a key success factor and one vital both to building its reputation and the profitability of its brands in an orderly and sustainable manner. It also helps to achieve better control over inventory levels upstream.

In other countries, it has entrusted the distribution to exclusive importers, who are carefully selected for their knowledge of the wine market and their positioning within traditional channels. They are real partners, notably when the markets are restricted and complex.

Subsidiaries: France, UK, Belgium, Switzerland, Germany, United States,
Representative office : Japan, China, Africa/Dubaï

Regardless of whether they are employees of our distribution subsidiaries or our importers, the sales staff responsible for our brands must focus first on value and the long term rather than on volume and the short term. They must have specialist knowledge of champagne and of local distribution channels and nurture direct relationships with all customers. They must know how to manage the entire range and in particular Laurent-Perrier's unique premium products such as Cuvée Rosé Brut or Grand Siècle. Special attention is paid to the traditional customer base of wine merchants and upscale restaurants, where the image and reputation of luxury gastronomy are patiently cultivated. Because champagne is a branded wine, it is vital to ensure a coherent link between brand development investments and the sales arguments related to the different products.

1.4.3. Outlook

On the strength of its brand complementarity and the quality of its wines, its international positions and solid balance sheet, the Laurent-Perrier Group has many assets to help it keep growing on a champagne market whose evolution remains uncertain, despite recent signs of stabilisation.

1.4.4. Main investments

The main tangible fixed asset investments of the financial year have been:

(€ million)	March 31,2013	March 31,2014	March 31,2015
Industrial equipment	1.69	2.37	0.95
Wine-growing equipment	0.39	0.49	0.29
Hardware and software	0.32	0.27	0.08
Building fixtures	0.33		0.88
Furniture			
Planting expenses			
Vineyards			0.78
Other	0.91	0.1	0.47
Ongoing construction work			7.53

There are no current or no major future investments for which formal commitments have been made.

1.5. RISK FACTORS

To guarantee the permanence of its activities, the Laurent-Perrier Group has to exercise continuous vigilance with respect to minimising and managing its risk exposure.

In view of this, the Laurent-Perrier Group has identified the various types of risks incurred in its business operations. Procedures and checks to manage these risks have been implemented as well as the resources required to minimise their financial impact, notably via the insurance policies it has taken out.

The Laurent-Perrier Group carried out a review of risks which could have a material negative impact on its activity, financial situation or results (or on its ability to achieve its targets) and considers that there are no other material risks other than those itemised.
Details in paragraph 5 (Consolidated Financial Statements at 31st March 2015 - NOTE 4.13 Counterparty Risk) of this annual report.

1.5.1. Supplies and production

- **Supplies**

It is important for a champagne house to be sure of an unbroken supply of grapes.
The quality and quantity of grapes depends on factors such as weather conditions, diseases that can attack the vines, and the extension of planted areas.

Because the area under production is strictly regulated, grape supplies in Champagne are limited. The Group grows 10% of its grape requirements itself. Despite this, it is quite confident that it can maintain the surface area it has under contract as historically the rate of renewal of contracts has been extremely high. The profession has also built up champagne reserves amounting to the equivalent of 247million bottles (after the output of individual set a side on 01/02/2015), which it can release with the approval of the CIVC* in the event of a poor harvest. Laurent-Perrier estimates that the Group is well supplied with grapes, but cannot rule out a possible supply shortfall going forward. Details in paragraph 1.4.2.2. of this annual report.

It is also unusual in Champagne to insure vineyards. For the Laurent-Perrier Group, the dispersed locations of its parcels significantly reduce risk factors, notably those of adverse weather conditions.

The contracts are staggered over time, while the considerable fragmentation of the *vignerons livreurs* who grow and supply the grapes means that the risk of losing contracts can be diversified.

- **Production**

In the Laurent-Perrier Group business sectors, control over production risks involves not only securing grape supplies, but also continually striving to ensure the reliability of its production facilities.

Concerning wine inventories, fire risk is limited by the very nature of the inventories themselves (wine in bottles) and cases of roof falls in storage cellars are extremely rare.
The Group also uses a range of geographically separate storage sites, and a clause covering roof falls in cellars is included in the property damage insurance contract. Wines still in tanks and bottled wines are also insured.

The Supply and Production Manager can, using the production oversight indicators from the various production sites, detect any anomalies and set the necessary remedial action in motion.
Wine inventories are monitored very closely and data are filed on a monthly basis with the French Customs authorities. A full inventory is taken every year when the accounts are closed. Quality controls are carried out on stocks of dry materials and the supplier is held liable in the event of non-conformance.

- **Environment**

The Group practices *viticulture raisonnée* (sustainable wine-making) methods in its vineyards in accordance with the technical recommendations of the industry authorities.
The Group minimises waste generation both in respect of wine making and product packaging. It also seeks to minimise its consumption of water, electricity, and gas.
The Group complies with wastewater treatment legislation and operates a water treatment plant at Tours-sur-Marne.

The Group also seeks to raise awareness of environmental issues among all staff concerned.

All its activities are subject to regulatory standards overseen by:
- The French Ministry of Agriculture (notably planting and wine ageing standards),
- The French Customs and Excise Department (Direction des Douanes et des Droits Indirects), notably for verification of wine incomings and outgoings,
- The French competition authorities (Direction Générale de la Concurrence, de la Consommation et de la Répression des Fraudes) notably concerning the quantity and quality of bottled wines.

Full details of this regulated industry are set out in section 1.3.1. of the present reference document.

- **Industrial and environmental risks**

Each site has received a licence to operate from the local *Préfecture*, certifying that operating conditions meet all the criteria laid down by law, and those concerning environmental impact and employee safety, among others.

- **Authorised Economic Operator (AEO) status**

Laurent-Perrier has been granted Authorised Economic Operator certification, a guarantee given by customs that all production and export sales procedures are overseen with a maximum level of security. Certification helps to guarantee and facilitate export shipments, and in particular shipments to non-EU countries.

1.5.2. Commercial and competition risks

- **Commercial**

Commercial dependency on a client or a market is a source of insecurity.
The Group has large numbers of reliable and solvent importers and customers in a wide range of markets with which the Group has nurtured links over many years. The Group is not dependent on any single sector or market.
The large number of customers guarantees excellent diversification of customer credit risk. Customer credit management procedures help to minimise the risk of non-payment, with orders being embargoed when credit limits are exceeded, which also minimises the risk of non-payment.
Contracts specifying the precise liabilities of importers have been signed with each country.
Suppliers are also under contract to guarantee the characteristics of the products distributed by the Group.
Information on trade receivables may be found in 4.6 to the consolidated statements of account.

- **Subsidiaries**

All subsidiaries, branches, and representative offices are located in places deemed low-risk (France, Germany, the United Kingdom, Belgium, the United States, Switzerland, and Italy). A detailed monthly report forwarded to Head Office is used to monitor activity. Audits and half-yearly reviews guarantee the validity of the data received and compliance with the local legislation currently in force.

- **Product quality**

Quality controls are systematically carried out at every stage of production. Laboratory checks and tastings ensure strict monitoring of wine quality. The very strict Champagne AOC rules also help to guarantee an excellent level of quality.

- **Brand image – Brand protection**

In luxury goods businesses, brand image must be protected as a priority.
Strict in-house rules can be applied to manage any emergency involving the Group's products worldwide.
Group brands are registered as trademarks and special procedures are in place to guarantee renewal of filings within legal deadlines. Specialised consultancies monitor the threat of counterfeiting and notify the Group and advise it on the appropriate course of action. A crisis management procedure is also in place with the help of an external consultancy to enable the Group to respond quickly and effectively in the event of a proven risk. The Group complies with labelling legislation to ensure that consumers are adequately informed.

- **Visits – receptions**

Activities involving external visitors are subject to stringent controls on the part of safety committees, which determine which activities are permissible depending on facilities and sites.

- **Transport**

All transport services are outsourced to recognised companies with adequate insurance cover. The Group also takes out insurance cover against financial losses linked to the transport of its products.

Details of the competitive environment are set out in section 1.3.4. of the present reference document.

1.5.3. IT, legal, social and general organisation

- **Information systems and data**

Loss of commercial, financial and operational data may hamper the activity of Group departments.
The Group has a central Information Systems Department responsible for the accounting and operations information systems. This reports to the Administrative and Financial Division.

The Department is responsible for systems operation over the long term, and notably the deployment of data recovery and back-up procedures. The Group's Information systems Department also makes the computer hardware and software investment decisions for all Laurent-Perrier Group entities.
A new integrated management system (PGI) implemented in early 2010 strengthens the oversight of company operations.

- **Legal**

A part of the Group Administrative and Financial Division, the Legal Affairs Department oversees legal affairs and ensures compliance with the regulations in force. The legal department supervises the legal affairs secretariats of Group subsidiaries. Intellectual and industrial property is a major concern for the Group. Property rights are strictly monitored and updated in-house and with the help of outside consultancies.

The applicable regulations are set out in sections 1.3.5. and 3.1.1. of the present reference document.
To the best of the Group's knowledge, there are no governmental, legal or arbitration procedures in abeyance or threatened that could have or have recently had a material impact on the Group's financial situation or profitability.

There are no other governmental, legal or arbitration procedures, including any procedures the Company is aware of, which were pending or threatened, likely to have or to have had over the last 12 months any material impact on the Company and/or Group's financial situation or profitability.

- **Labour Relations**

At its biggest entities, the Group undertakes social dialogue as required by law, via Works Councils, Hygiene & Safety Committees, annual negotiations with trade union representatives, and meetings with employee representatives. Employee benefits are subject to an approvals procedure with the Chairman of the Management Board.

- **Hygiene & Safety**

The Group complies with French labour law, notably as regards the employment of seasonal workers in its vineyards. It also observes all hygiene and safety rules, as monitored by the CHSCT Hygiene & Safety Committee, factory inspectors and the company doctor. The risk prevention plan and safety instructions contribute to limiting and controlling dangerous areas. Manufacturing facilities also require operating authorisations delivered by the competent authorities. The insurance cover taken out on buildings and the decennial liability guarantees protect the company from the risks of bad workmanship or damage that could affect Group activity. When travelling outside France, Group staff is covered by adequate insurance. A charter entitled "Tiredness, alcohol, speeding at the wheel" has been circulated to all sales staff to raise their awareness of the need to drive carefully.

- **Continuous improvement – internal audits**

The Group has decided to create a function dedicated to continuous improvement. The aim is to identify company processes that do not operate satisfactorily. A manager is appointed for each process. He or she sets up a working group and recommends improvement solutions with a detailed timetable. Once the solution has been adopted, it needs to be documented and included in the procedures database to put its application on a permanent footing.

- **General organisation**

The Group’s functions and activity sectors are grouped into three divisions and represented within the Management Board:

- Supplies and Production,
- Sales & Marketing, Brand Development – Public Relations – Communication
- Administration – Finance,

For each of these three Divisions, the Group has precise descriptions of jobs and responsibilities.

1.5.4. Market and Financial Instrument Risks

- **Foreign exchange risk**

The Group uses financial derivatives to manage and operationally hedge the risk of exchange rate fluctuations. The Group does not use derivatives for speculative purposes.

The Group uses foreign currency treasury flow forecasts which are updated monthly. The foreign exchange risk management policy consists in hedging such treasury flows with the objective of matching the budgeted exchange rates. The Group uses a specialised software application to track treasury movements on a daily basis and make forecasts, and which is also used for statistical monthly reporting.

The derivatives owned by the Group and qualified in accounting terms as hedging instruments within the meaning of IAS 39 are mostly firm commitments to buy or sell foreign currency futures.

	Operating assets	Financial assets	Operating liabilities	Financial liabilities	Net position before hedging	Hedges	Net position after hedging
GBP	4,340	3,930	-2,278		5,993		5,993
CHF	1,409	1,834	-349		2,894		2,894
USD	1,907	410	-1,290		1,028		1,028
TOTAL	7,657	6,175	-3,917		9,914		9,914

Information about foreign exchange risk may be found in notes 4.14.2 and 4.14.3 of the consolidated financial statements, which contain a detailed presentation of hedging transactions and sensitivity to fluctuating exchange rates.

The Group has no hedging instruments in place as at March 31, 2015.

- **Interest rate risk**

The Group uses financial derivatives to manage and operationally hedge the risk of interest rate fluctuations. The Group does not use derivatives for speculative purposes.

The Group draws up debt forecasts which are updated monthly by the treasury flow manager who reports to the Chief Financial Officer.

The Group's hedging policy consists in taking out swap contracts for periods or around three years and to roll over the contracts when they mature to ensure that approximately half of its interest rate risk is permanently hedged.

millions euros	Financial liabilities		Interest rate hedge		Exposure after hedging			Financial assets	Net exposure after hedging
	Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate	Total		Total
Less than 1 year		-34.98		20.00		-14.98	-14.98	26.25	11.27
1-5 years	-15.00	-185.93		98.24	-15.00	-87.69	-102.69		-102.69
Over 5 years		-65.41				-65.41	-65.41		-65.41
Total	-15.00	-286.32		118.24	-15.00	-168.08	-183.08	26.25	-156.83

Information about interest rate risk may be found in notes 4.14.1 and 4.14.3 of the consolidated financial statements, which contain a detailed presentation of interest rate transactions and sensitivity to any change in interest rates.

- **Liquidity and covenant risk**

The measures taken by the Group in this area are described in Chapter 5, section 4.11 of the present reference document.
The Group's policy with respect to its banking covenants is to negotiate "re-negotiation" clauses rather than "early repayment" clauses should it exceed the agreed debt ratios.
The "re-negotiation" clause simply stipulates that in the event that the covenants are not honoured, the company is required to meet the banking pool to inform it of the situation. Loans do not become immediately repayable under any circumstance.
Liquidity risk is constantly monitored with our partner banks and seems modest in view of the continued support from the same banks.
The Group has reviewed its risks and considers that there are no significant risks other than those presented here.

Information about debt and cash and cash equivalent and liquidity risk may be found in points 4.11 and 4.12 + note 4.24 (possible positive commitments with covenants) of the consolidated financial statements.

- **Market risk – share price**

In-house rules are also in place to ensure compliance with AMF directives on listed companies, including transparency of information, deadlines for the publication of financial results, corporate governance, and the risk of insider trading. The Group organises twice-yearly meetings with analysts and meets investors regularly and often in order to explain its performance and strategy.
Managing financial risk calls for tight control over investments and strict financial and accounting management.
The Group has reviewed its risks and considers that there are no significant risks other than those presented here.

The company owns a number of treasury shares, whose value is subject to stock market fluctuations. In the event that the stock market valuation is less than the book value of these treasury shares, a provision for depreciation would be recorded in the Company accounts (note 3).

- **Financial management**

Financial management monitors activity relative to the budget and oversees the implementation of any remedial measures that may be necessary. Procedures are in place to authorise the main spending items before they are disbursed and strictly monitor investment.

The Group's budgetary approach broken down on a departmental basis is a key component in the oversight of activity and financial data. The General Management's strategic options are given formal expression in an annual business plan, and are then deployed in each entity. The Group's budget approach is the main lever when it comes to operational implementation of strategy.

The Group Management Control unit is tasked with organising the budgeting process and helps operational staff in drawing up their budgets, monitoring them, and implementing the planned improvement initiatives. It is also responsible for coordinating, centralising and overseeing the consistency of budget and financial management reporting.

Regular budget monitoring can help identify any mismatches with the planned activity levels or spending and implement the necessary adjustments.

1.5.5. Insurance

Laurent-Perrier Group companies are insured by Group-wide insurance policies.
The coverage and limited liabilities are in line with practices of similar-size groups involved in the same activity.

These policies cover the risk of:

Operations and post-delivery liabilities
This policy covers physical, property and consequential damage to third parties and those caused by the operation, distribution or sale of products, subject to the cover limits specific to the risks guaranteed in the policies.
Third party liability due to operations €15,245,000,
Third party liability after delivery €15,245,000.

Property damage (buildings, installations, stocks, IT system, machine breakage etc.)
This policy covers property damage on the basis of predefined events, including fire and special risks, natural disasters, bottle breakage, theft, electrical damage, and loss of liquids, insured amounts and deductibles as well as supplemental operating costs for an indemnity period of 18 months.
Goods are insured with differing limits and cover for the foreign subsidiaries in Germany, Switzerland, USA, UK, Belgium and Italy.

Guarantees were widened to the goods handled by the logistics operator in Singapore, again in difference of limits and in difference of guarantees of the local contract in force.

Amounts covered:
Direct damage: €443,693,898,
Supplementary expense: €2,000,000,
All policies are subject to the cover limits set for each contract.

"Supplementary expenses" means the excess of all expenses paid out by the insured during the indemnity period so that it can continue as a going concern, over and above the total expenses generated by the Company's normal operation during the same period in the absence of any claim *(the coverage for Business Interruption (which was not taken out) provides for the payment of an indemnity corresponding to Business Interruption following damage covered and directly linked to the drop in turnover cause by an interruption in the company's business or a reduction in its activity levels).*

The following "supplementary expenses" in particular, are covered:
- Sub-contracting
- Additional payroll costs as a result of increased needs following an accident
- Hiring of replacement premises
- Equipment leasing
- Cost of additional office supplies
- Additional communication costs
- Costs of maintaining provisional premises
- Premises heating and lighting costs
- Additional advertising and customer information costs, either via the media or directly.

The policy also includes a contractual payout limit of €150,000,000.

Professional fully-comprehensive insurance
This policy covers the Group's offices at 27, rue du Faubourg St Honoré, 75008 PARIS.

Special personal automobile coverage
This policy covers losses incurred in connection with occasional trips by Group employees when using their personal vehicles.
Coverage ceiling: €30,000.
(Deductibles of €228 for theft; no deductible for fire, damage and glass breakage).

Company vehicles
This policy covers all material damage caused to company vehicles as well as material damage and physical injury caused to third parties by the said vehicles.

Directors and managers liability insurance
This policy covers *de jure* and *de facto* directors and managers in the event of an accident leading to any and all claims against them and involving their individual or joint civil liability attributable to any real or alleged professional negligence arising in the course of their duties:

- breaches of management caused by imprudence, negligence, error, omission and inexact statements;
- breaches with respect to legal and regulatory obligations.

Fully-comprehensive IT policy
This policy covers fixed and portable computer equipment according to a list that is updated annually by the Group.
Coverage limits for stationary equipment: €192,839.
Coverage limits for portable equipment: €183,923.

Personal accident
This coverage guarantees named Group employees in connection with professional travel (assistance, repatriation, death and disability benefits).
<u>Accidental death/disability insurance</u>:
Named senior executive insured for €4500,000.
Named managers insured for €300,000.
13 staff insured for €153,000.
<u>Assistance/Repatriation insurance</u>:
Medical expenses abroad: unlimited
<u>Ransom/kidnapping insurance.</u>

Freight carried
This policy covers:

- the transport of goods (champagne, whisky purchases) sub-contracted to carriers,
- the transport of grape must during the grape harvest.

Territories covered: France, Belgium, Germany, Switzerland, UK and Italy.
Transport from one subsidiary and one site to another is covered.
The means of transport covered are ground, sea and air transport.

Professional Civil Liability "Tourism Pro"
Laurent-Perrier Diffusion and Champagne de Castellane are concerned. This contract guarantees the activity of tourism and fulfills the obligation related to the business of tour operator (living vineyard).

Premiums paid to insurance companies relative to these insurance policies amounted to €334,000.

The Group considers that it is not necessary to outsource insurance cover for the following risks:

- The Group's product is not insurable. Consequently, the cost of its replacement is incurred by the Group within the framework of the civil liability policy.

- Wine stocks are not totally insured; the Group considers that the risks of theft, fire or any other damage concerning wine stored in its cellars are limited and that it is impossible that a single event could affect the entire stock. Nevertheless, protection has been taken out for the "collapse of underground wine cellars" to cover the cellars themselves and the wine kept there.

- "Business interruption risks" are not covered. However, coverage for additional expenses has been taken out to guarantee the reimbursement of costs incurred subsequent to an event covered by the property insurance.

- Vineyards are not covered, because the dispersion of plots throughout the Champagne region considerably reduces risks.

The Group manages the credit it extends to customers with extreme caution and has not deemed it necessary to take out a comprehensive credit insurance policy for the totality of its customer base.

Goods shipped outside France are insured directly by customers and their service providers.

The Company uses an insurance broker who deals with the leading insurers, which means that about ten insurers are involved in our contracts as either lead insurer or co-insurer.

1.6. REPORT ON SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

1.6.1. Social information

1.6.1.1. Employment

A. <u>Total workforce and breakdown of employees by department, gender, socio-professional category, age and geographical origin (in France and elsewhere)</u>

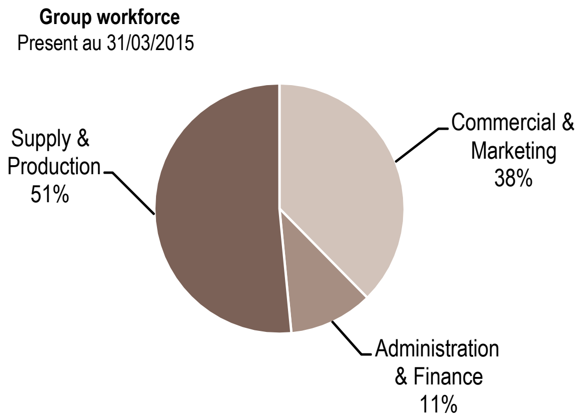
A.1. Total workforce with breakdown of employees by department

At end-March 2015, the Group employed 439 staff, a figure more or less stable relative to the previous year; this figure does include 37 seasonal workers, however, whose fixed term contract expired on the evening of March 31, 2015.

The tables below show the breakdown by category of employment over the past three years:

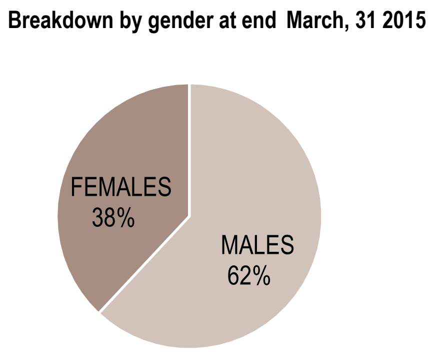
	2013	2014	2015
Workforce as at March 31			
Commercial, Brand Management, Communication	157	157	169
Administration, Finance, Human Resources, Legal Affairs,	53	49	47
Supply, Production, Procurement	197	229	223
Total	**407**	**435**	**439***

*including Laurent-Perrier Italy



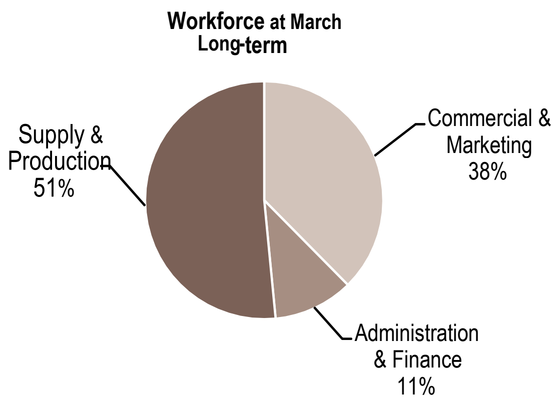
A.2. Breakdown of workforce by gender as at March 31, 2015

The gender balance was virtually unchanged at end-March 2015:



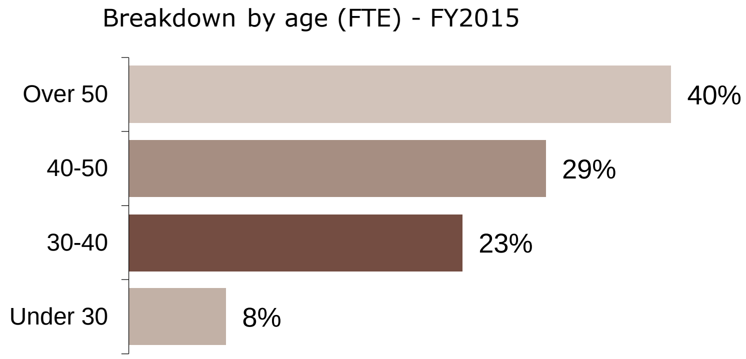
A.3. Breakdown of workforce by socio-professional category at March 31, 2015

The proportion of each socio-professional category was virtually identical to last year's:



A.4. Breakdown of workforce by age

The proportion of the workforce aged over 30 rose by 1 percentage point relative to end-March 2014. The Group has pursued its efforts on behalf of seniors aimed at preserving their employment conditions until retirement age.



A.5. Breakdown of workforce by geographical origin

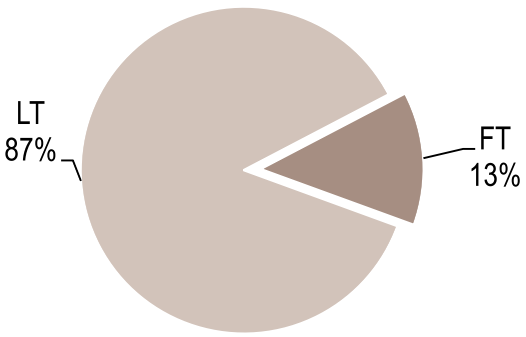
The Group’s principal trading companies in France are Laurent-Perrier, Champagne Laurent-Perrier, Champagne de Castellane, GIE Laurent-Perrier Diffusion, AS, Grands Vignobles de Champagne, and Château Malakoff.

The situation of the workforce by type of contract in these companies is as follows:

Workforce at March 31	Laurent-Perrier		Champagne Laurent-Perrier		Champagne de Castellane		GIE Laurent-Perrier Diffusion		Société AS		Grands Vignobles de Champagne		Château Malakoff	
Année	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
CDI	18	15	160	157	43	38	43	41	10	10	32	28	25	27
CDD		1	3	9						1	4	3	42	44
Total	18	16	163	166	43	38	43	41	10	11	36	31	67	71

The number of staff on fixed-term contracts almost exclusively concerns seasonal vineyard workers. The seasonal nature of these jobs can change from one year to the next, but the number this year is stable relative to that of previous years.

Breakdown by type of contract (France only) at 31/03/2015
Present at 31 march 2015



The workforce employed outside France as at March 31 in the past two financial years is as follows:

Workforce as at March 31	LP Belgium		LP UK		LP Germany		LP Switzerland		LP USA		LP Italy	
Year	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
Employees	10	10	22	24	4	4	12	11	10	10	-	6

B. Hiring and lay-offs in France and elsewhere

B.1. New hires in France and elsewhere

France:
A total of seven new staff were hired on long-term contracts by the Group's trading companies in FY 2014-2015. Four of the hires corresponded to new positions and three to replacements.

Some 508 staff were hired on fixed-term contracts: 296 during the grape harvest, 171 for work in the vines, and 41 to replace staff temporarily absent from their job or to cope with an increase in activity.

Group companies do have recourse to agency staff but this is restricted to very short-term assignments.

Outside France:

Some six staff were hired on long-term contracts outside France in FY 2014-2015. One of these new hires was a new position and five were replacements. To these must be added the creation of the Laurent-Perrier Italy subsidiary, which employed six staff as at March 31, 2015.

B.2. Redundancies

Four staff were made redundant in the 2014-2015 financial year in France and elsewhere, of which three were sacked for misconduct and one was pronounced medically unfit by the occupational physician.

C. Trends in compensation in France and elsewhere

Total remuneration paid during the financial year, with the exception of Social Security daily sickness benefit payments at the French companies, and the total social and fiscal payroll taxes paid by the Company were as follows:

	2013-2014		2014-2015	
	Rémunérations	Charges sociales	Rémunérations	Charges sociales
Laurent-Perrier	€1.490,734	€675,678	€1.639,452	€714,577
Champagne Laurent-Perrier	7.992,340	€4.262,643	€7.849,072	€4.235,209
Champagne de Castellane	1.711,897	€882,408	€1.705,823	€893.837
GIE Laurent-Perrier Diffusion	2.678,699	€1.299,798	€2.739,004	€1.325,982
Société A.S.	518,008	€232,635	€586,704	€261,412
Grands Vignobles de Champagne	1.330,480	€563,721	€1.307,748	€553,254
Château Malakoff	1.815,050	€793,670	€1.851,079	€853,618
Foreign subsidiaries	4.932,000	€717,000	€6.159,000*	€936,000*

*including Laurent-Perrier Italie

Performance-related compensation systems are in place for line managers and sales staff. Bonus systems for results and performance are all individual and directly linked to achieving quantitative and qualitative targets set at the start of each financial year.

French companies have benefited from reduced payroll taxes on low salaries under existing provisions and under the “credit d’impôt pour la compétitivité et l’emploi” (CICE: “Competitiveness and Employment Tax Credit”) since January 2013. However, the Group incurred an increase in the forfait social (a tax on payments not liable to normal social security charges) from 8% to 20%, due on bonus and profit sharing payments together with a reduction in the exemptions allowances on payroll taxes for seasonal workers.

Charges in staff costs are presented in paragraph 4.20 of section 5.2. of consolidated financial statements at 31st march 2015.

The principle of gender equality in compensation is complied with as regards identical positions and experience.

1.6.1.2. Organisation of working time and absenteeism (France only)

A. Organisation of working time

The legislation on the shorter working week is applied by all of the Group's French subsidiaries.
The shorter working week and absenteeism can be analysed as follows:

	2013-2014		2014-2015		Notes
	Weekly average	Absenteeism excluding paid holidays	Weekly average	Absenteeism excluding paid holidays	
Laurent-Perrier	35h	2,58%	35h	4,14%	Work scheduled according to specific job requirements and implemented on the basis of annual work contingents.
Champagne Laurent-Perrier	34h20	5,28%	34h20	6,47%	Departments in contact with customers are required to abide by an annual contingent of hours used to vary weekly working hours from 32 to 40 hours depending on the seasonal nature of activities.
Champagne de Castellane	35h	6,47%	35h	5,29%	Work takes place within fixed periods except in the case of departments in contact with customers, which are subject to variable working hours.
GIE Laurent-Perrier Diffusion	Cadres au Forfait Jours	2,11%	Cadres au Forfait Jours	1,16%	All personnel enjoy “managerial” status with an annual set number of working days, resulting in the allocation of ten additional rest days (called “RTT” or “shorter working week” days) per year of seniority.
Société AS	35h	3,99%	35h	3,10%	Administrative work is subject to variable working hours.
Grands Vignobles de Champagne	35h	6,84%	35h	0,01%	Adjustable working hours are used to vary hours worked from 0 to 40 per week to take the special nature of tending vines into account.
Château Malakoff	35h	7,12%	35h	5,86%	Adjustable working hours are used to vary hours worked from 0 to 40 per week to take the special nature of tending vines into account.

These companies may have recourse to overtime working, notably during the grape harvest.

Finally, 6 employees, on long term contracts, works part-time.

B. Absenteeism
See information in the table above.

1.6.1.3. Labour relations

A. Organisation of social dialogue, staff information and consultation procedures, and negotiations with staff

The Group is particularly attentive to the quality of social dialogue in its constituent companies.

A.1. Professional relations

As a matter of principle, French companies in the Group with the statutory headcount have their own employee representative bodies, although in some cases, no candidatures have been put forward.
Exceptionally, some French companies have retained their representative bodies even though their staff headcount is below the statutory level and such bodies are no longer a statutory requirement.

All questions within the remit of representative employee bodies are regularly addressed during meetings with the General Managements of each company concerned.

In addition, a Group committee has been set up for companies with the Délégation Unique du Personnel (DUP –"Single Staff Delegation") and meets on a regular basis.

Representative trade unions are active at Champagne Laurent-Perrier, Champagne de Castellane, Grands Vignobles de Champagne and GIE Laurent-Perrier Diffusion.

The following corporate agreements have been signed at Group companies:

Company	No. of agreements	Subject of agreement
Champagne Laurent-Perrier	1 1 1	NAO wage bargaining agreement 2014 Agreement on Exceptional Unlocking of Profit Sharing/ Incentive payments Collective, statutory regime agreement on reimbursement of healthcare costs Gender equality agreement
Champagne de Castellane	1 1	NAO wage bargaining agreement 2014 Gender equality agreement
GIE Laurent-Perrier Diffusion	1	NAO wage bargaining agreement 2014
Château Malakoff		n/a

An agreement concerning difficult working conditions was signed covering all Group entities. This is structured around three components:
- Adapting and equipping of work areas subject to physical hazards,
- Improving working conditions,
- Improving skills and qualifications.

A.2. Company benefit schemes

Group contributions to company benefit schemes and holiday allowances paid to the Works Councils of individual companies are as follows:

	2013-2014		2014-2015	
Company	Benefit schemes	Holiday allowances	Benefit schemes	Holiday allowances
Laurent-Perrier	€14,261	€698	€12,452	€705
Champagne Laurent-Perrier	€127,294	€6,471	€127,357	€6,187
Champagne de Castellane	€1,062	€1,862	€31,177	€1,685
GIE Laurent-Perrier Diffusion	€29,862	-	€29,835	-
A.S.	€7,506	€349	€8,057	€392
Château Malakoff	€28,853	€930	€29,617	€969

Staff at Champagne Laurent-Perrier, Champagne de Castellane, and GIE Laurent-Perrier Diffusion benefit from a health insurance regime whose financial cost is split between the company, the employee and the company works council.

Laurent-Perrier, A.S. and Grands Vignobles de Champagne employees benefit from a common healthcare cost regime whose financial cost is split between the company and the employee.

Château Malakoff employees benefit from a separate healthcare cost regime whose financial cost is split between the company and the employee.

Employees at Laurent-Perrier SA, Champagne Laurent-Perrier, Champagne de Castellane, Château Malakoff and A.S. receive luncheon vouchers.

A.3. Employee information and consultation procedures and collective bargaining

Where an information-consultation procedure involving a representative employee body (eg, the Works Council, or the Hygiene and Safety Committee) is required:
- The competent body is officially convened in compliance with the legal lead-times laid down for each representative body;
- The point to be discussed must be included in the meeting agenda distributed with the invitations to attend;
- At the time of the first meeting, the employee representatives are duly informed about the project proposed by the management on the basis of explanatory documents which are as detailed as possible and distributed to representatives ahead of time;
- During the meeting, discussions and any preliminary negotiations take place, their content being set out in the minutes of the meetings concerned;
- At a second meeting, following any complementary discussions and negotiations, the opinion of the body consulted is presented. This second meeting is held in accordance with the new applicable legal provisions. During this period, there may be informal discussions and/or talks whose tenor is recorded in writing, between the employee representatives and Management, should information useful for their full understanding be lacking;
- Should it prove necessary, other intermediate meetings prior to that called to hear the employee representative body's opinion may be organised.

All corporate agreements applicable to the Group's French entities are subject to negotiations with the competent bodies.

B. Outcomes of collective agreements

B.1. Incentives and Profit-sharing

As required by law, Champagne Laurent-Perrier, Champagne de Castellane and Château Malakoff have implemented employee profit-sharing schemes.

An employee incentive scheme is also applicable in the same three companies, as well as at GIE Laurent-Perrier Diffusion.

The incentive agreement applicable at Champagne Laurent-Perrier is contingent on meeting annual production, volume, and average sales-price targets.
The incentive agreement applicable at GIE Laurent-Perrier Diffusion is contingent on meeting annual turnover, average sales price, and overall net contribution targets.

The Champagne de Castellane employee incentive scheme is contingent on achieving productivity and average sales-price targets.

The Château Malakoff employee incentive scheme is contingent on achieving productivity and harvest yield targets.

The amounts distributed pursuant to incentive and profit sharing schemes may be invested in Corporate Savings Plans.

B.2. Seniors plan

Due to the present size of the Laurent-Perrier Group workforce, Laurent-Perrier, Champagne Laurent-Perrier, Champagne de Castellane, Château Malakoff, Grands Vignobles de Champagne, GIE Laurent-Perrier Diffusion, and A.S. all fall within the scope of article L. 138-24 of the French Social Security Code requiring the signing of a corporate agreement or an action plan with a maximum duration of three years, covering the following points:

1) A target for maintaining older employees in work or hiring seniors,
2) Provisions favourable to maintaining older staff in employment or the hiring of such involving three areas of action among those enumerated in article R. 138-26 of the French Social Security Code,
3) And the arrangements for monitoring implementation:
   - of these provisions
   - and of performance relative to the quantitative target for maintaining older employees in employment or hiring such.

These measures reflect the importance of maintaining older employees in work. The store of experience and knowledge built up among older employees in our Group is essential and preserved. The Laurent-Perrier Group is constantly evolving as it strives to ensure optimum use of its human resources, and lay the groundwork for the necessary changes to avoid sudden upheavals.

As a result, the action plan option was chosen. The plan currently in force within the Laurent-Perrier Group was signed for a period of three years as of January 1, 2013, with a special focus on three fields of action: forecasting changes in career paths; developing skills and qualifications and ensuring access to training; and passing on knowledge and skills and developing tutoring activities.

B.3. Physically demanding work

French law No. 2010-1330 on pensions reform, enacted on 9 November 2010, introduced a requirement for employers to negotiate with their workforce as regards the easing of physically demanding work. The Act set out in some detail the typology of firms falling within the remit of the Act. Three cumulative criteria have to be taken into account: the category of employing firm, its size, and the number of employees exposed to professional risk factors.

Furthermore, the agreement or the action plan must cover at least one of the following two topics: reducing multiple exposure to professional risk factors, and configuring and adapting workstations; and at least two of the following four topics: improving working conditions, notably in organisational terms; the development of skills and qualifications; adjustments in the final years of an employee's career; and maintaining employees exposed to risk factors in employment.

On this basis, scoping and negotiations with the competent social and institutional partners in each Group entity concerned is now complete and resulted in the signing of a 3-year Group action plan on 31 January 2014.

B.4. Gender Equality Plan

Since January 1, 2012, the French legal system has made it possible for each business operating in France to negotiate collective, 3-year, corporate agreements or to implement annual action plans. Depending on the form of the plan chosen by the business, discussions and negotiations take place with union representatives or with the Works Council.

On the basis of these discussions with the social partners, several Gender Equality agreements were signed in the past year, including, in particular, an evaluation of progress in achieving the objectives on the basis of the chosen indicators.

The Laurent-Perrier Group complies with these provisions (see point 1.6.1.6 A below).

1.6.1.4. Health and Safety

A. <u>**Occupational health and safety conditions**</u>

The Group makes regular efforts to improve working and safety conditions. It carries out work and invests to this end and periodically upgrades personal protection equipment. These issues are addressed at the time of regular meetings with employee representatives in the framework of the Hygiene and Safety and Working Conditions Committee. Similarly, accident prevention initiatives are implemented in conjunction with social security bodies. At each of the Group's companies, the professional risk assessment report is regularly updated.

B. <u>**Assessment of the agreements signed with trade unions or employee representatives in the area of occupational health and safety**</u>

As detailed above, the Group fulfils its obligations to ensure compliance with respect to:

- The Single Document;
- The Group Action Plan for Physically Demanding Work;
- The Seniors Plan.

C. <u>Occupational accidents – frequency and severity, and occupational diseases</u>

Hygiene and safety conditions at all French Group companies are subject to close scrutiny by their Managements, working in conjunction with the company doctor.

In the financial year just ended, the following data were recorded:

	2013-2014	2014-2015
Working days lost (industrial and commuting accidents)	497	726
Number of occupational accidents	33	24
Number of accidents travelling	3	1
Cases of occupational disease notified	1	5

The number of occupational injuries has declined and the number of lost days has increase during the financial year.

1.6.1.5. Training

A. <u>**Training policy**</u>

Occupational training is considered especially important at Group companies, which seek to make training a full-fledged tool for employee skills development.

Spending on occupational training in the financial year just ended fell to €107,172, or 0.60% of the wage bill.

B. <u>**Total man-hours of training**</u>

The courses attended mainly focused on updating and perfecting knowledge, the use of production equipment, technical training in vine growing and wine making techniques, foreign languages, management skills, sales training, accident prevention, and safety.

Some 22% of employees of French Group Companies attended training courses, for a total of 1,555 man-hours (except DIF). Seven employees were also able to benefit from their DIF personal training entitlement.

1.6.1.6. Equal opportunity

A. Measures to foster gender equality

The Laurent-Perrier Group takes professional equality between men and women into account, and takes the measures needed to achieve that goal. In France, in particular, where

- as part of the compulsory annual negotiations, and in each of the legal entities concerned, special negotiation sessions are devoted each year to professional equality. Furthermore, the objective of gender equality in the workplace is taken into account in each topic touched upon in the course of the annual negotiations, and in particular the length and organisation of working time, health insurance, etc.;

- the mandatory information derived from articles L. 3221-1 et.seq. in the French Labour code is displayed prominently;

- Several collective bargaining agreements were signed with at least four equal opportunity improvement targets, which were chosen from the eight improvement targets enshrined in article L 2323-47 of the French Labour Code in particular. These are: conditions of access to employment, occupational training career advancement, working and employment conditions, (especially those of part-time employees), employment classification, qualification, compensation, and the work-life balance.

B. Measures for the employment and integration of employees with disabilities

A total of 10 disabled staff were employed during the financial year just ended in the companies concerned.

Group companies also apply to the sheltered sector and disability-friendly companies ("Entreprises Adaptées") to carry out work not falling within the usual scope of company skills or where the skills required to perform the work are not available at those companies.

These arrangements meant that the companies concerned were able to meet their legal obligations as in previous years with respect to the employment and integration of employees with disabilities.

C. Anti-discrimination policy

The Laurent-Perrier Group is fully aligned with the anti-discrimination oversight rules in the French and EU legal and jurisprudence framework.

1.6.1.7. Promotion of and compliance with the stipulations of the Fundamental Conventions of the International Labour Organisation on:

A. Freedom of association and the effective recognition of the right to collective bargaining

The Laurent-Perrier Group commits to comply with the oversight rules concerning freedom of association and the effective recognition of the right to collective bargaining as set out in the French and EU legal and jurisprudence framework.

B. The elimination of discrimination in respect of employment and occupation

The Laurent-Perrier Group commits to comply with the oversight rules concerning the elimination of discrimination in respect of employment and occupation as set out in the French and EU legal and jurisprudence framework.

C. The elimination of all forms of forced and compulsory labour

This information does not apply to the proper activity of Laurent-Perrier Group due to the location of business in the Appellation d'Origine Contrôlée Champagne.

However, the provisions of the Fundamental Conventions of the International Labour Organisation are complied with in all Group companies. Group companies adhere to the provisions of the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. The companies have limited and occasional recourse to sub-contracting, mainly for tasks falling outside of the usual range of corporate skills.

D. The effective abolition of child labour

This information does not apply to the proper activity of Laurent-Perrier Group due to the location of business in the Appellation d'Origine Contrôlée Champagne.

1.6.2. Environmental information

1.6.2.1. General environmental policy

A. Group organisation to take environmental questions into account and, where appropriate, its environmental evaluation or certification initiatives

Protecting the environment is everybody's business, individually and collectively, especially in the framework of their professional activities and of their work environment.

Because of this, the Laurent-Perrier Group seeks to ensure that its workforce is aware of the issues and encourages them to include simple, responsible and effective environmental protection actions in their daily activity.

For example, since 2009, all wine-making has taken place at the Tours-sur-Marne facility, where the Group has invested heavily in winery capacity. These investments have improved occupational safety and environmental protection.

The wineries are compliant with safety standards to safeguard not only employees but also the environment, and notably feature a sophisticated carbon monoxide extraction system.

Laurent-Perrier pursues an environmentally-friendly policy in all its business activities, demonstrating its lasting commitment in this sphere.

The Chairman of the Management Board, on behalf of the company as a whole, and the Head of Supplies and Production, along with the other department heads more specifically, on behalf of their departments, are all committed to promoting and encouraging environmental management and protecting best practice.

B. Employee training and information in respect of environmental protection

The Group continued its efforts to stimulate awareness of environmental issues among all employees likely to have an impact on the environment as a result of their occupation.

C. Resources devoted to preventing environmental risks and pollution

The Champagne trade body, the Comité Champagne, has drawn up a set of commitments with respect to environmental risks to which the Group will adhere in compliance with the timetable set for all concerned.

In terms of protecting the vineyards and the environment the Group aims to:

- reduce its use of fungicides and pesticides,
- prefer the use of products that are more people- and environmentally-friendly,
- manage all effluent from plant protection treatments, an area where the Group is ahead of the schedule set by the trade federation, as it already manages all such effluent responsibly.

By 2015, all members of the Champagne trade body must calculate the Treatment Frequency Index of their vineyards on an annual basis and keep the data on file.

D. Amount of provisions and guarantees for environmental risks

The Group is not involved in any environmental disputes.

1.6.2.2. Pollution and waste management

A. Prevention, reduction or remediation measures for air, water and ground discharges with serious environmental impacts

The Champagne trade body, the Comité Champagne, has drawn up a set of commitments to which the Group will adhere in compliance with the timetable set for all concerned. The federation recommends, among other things, a 25% reduction in water use relative to the estimated 2002 usage level.

The Group already applies sustainability measures in several areas. The treatment of effluent generated by wine-growing operations at its presses and wineries is already current practice, as is the sorting, treatment, and recovery of by-products and waste.

All press residues (dregs) from the Group presses (Tours-sur-Marne, Oger and Landreville), are all sent to a local distillery, where they are transformed into alcohol.

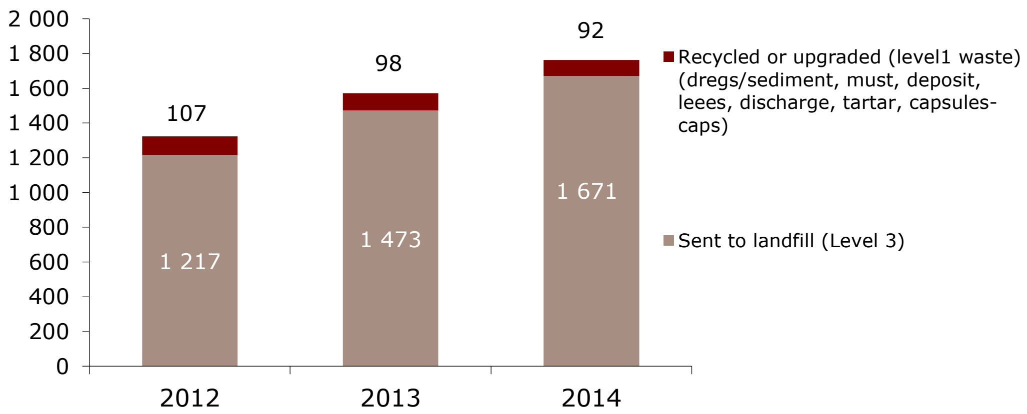
Wastewater from the Tours-sur-Marne winery is no longer piped to the village wastewater treatment centre, but to our own treatment facility on the Champagne Laurent-Perrier site. The creation of an in-house treatment plant combining the use of organic processes (activated sludge) and physical processes (membrane filtration) has cut organic pollution (Chemical Oxygen Demand, or COD) by 99%. The sludge from the treatment centre is recycled at a composting facility.

The preference has long gone to gravity rather than the use of pumps in order to make energy savings and preserve the quality of our wines. The tanks are cleaned in a closed circuit. The products used for this are recovered after cleaning for subsequent recycling and processing.

B. Waste prevention, recycling, and elimination

The Group aims both to decrease the amount of waste and better recover it by organising its recycling. The amount of waste generated obviously correlates closely to the yield from the grape harvest and to the volumes generated. We can nevertheless observe a steady increase in the proportion of waste recovered or recycled at the same time as volumes sent to landfill remain fairly stable.

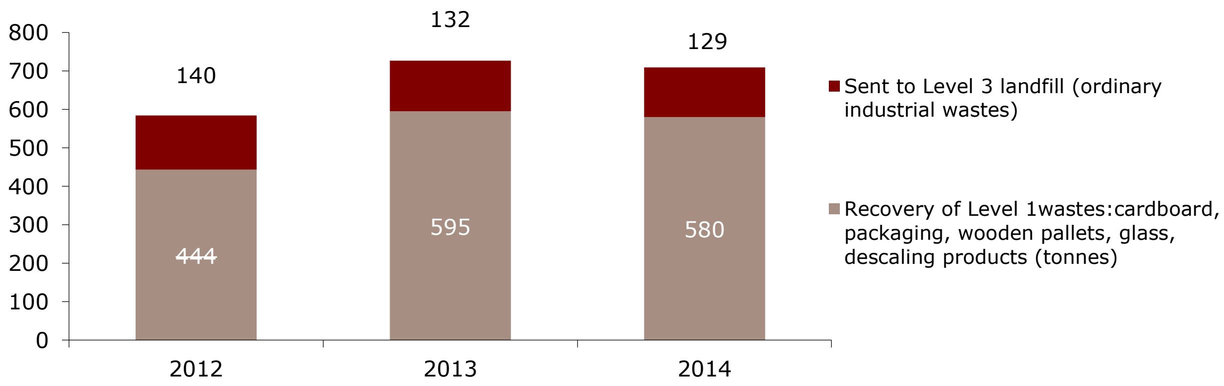
Waste resulting from champagne making (tonnes) sites of Tours sur Marne , Epernay , Oger and Landreville (only 2014)



To comply with EU regulations, a “Recyclable” logo features on all labels glued to the bottles and cases. Cartons used to ship champagne can also be re-used.

This policy explains the tight control over and steady reduction in the volume of waste generated during this particular production phase. A special emphasis goes on trying to recover this waste. Particular emphasis is to try to recover these wastes and reduce landfill volumes. Switching from wood pallets to wire pallets explains the increase in the volume of level 1 waste in 2013. These wood pallets now unused were recycled.

Laurent-Perrier Group: Labelling waste – sites of Tours-sur-Marne and Epernay (tonnes)



C. Noise mitigation measures and efforts to minimise all other forms of activity specific pollution

Centralising production at a limited number of sites and optimising loading makes it possible to reduce the amount of transport required. The Group also shows a preference for the transport modes least damaging to the environment (electric or gas trolleys). In this way, the Group seeks to minimise the environmental impact of its logistics operations.

Laurent-Perrier’s main buildings are located in the towns and villages of Tours-sur-Marne, Louvois, Epernay and Châlons-en-Champagne. These buildings are a fine illustration of the Group’s policy of preserving historic buildings and blending these buildings into the surrounding countryside.

The Château de Louvois, its large park and its gardens are regularly restored in the style and rules of their historic and architectural past.

A substantial proportion of production takes place underground in the cellars. However, the necessary industrial buildings, even if they are often of more modern construction, have façades that blend in perfectly with the style of the villages where they are located.

As part of this policy, and in line with its constant concern to protect the aesthetic heritage of wine-growing regions, Laurent-Perrier has installed its own wastewater treatment plant in Tours-sur-Marne in a building erected in 2004 in the architectural style and tradition of Champagne.

Between 2006 and 2008, again in Tours-sur-Marne, Laurent-Perrier erected several new buildings at Clos Valin, using an architectural style that matches the local environment. This site enables Laurent-Perrier staff to work in natural daylight and in optimised acoustic conditions.

Bottle labelling and packing

The Comité Champagne prefers an eco-friendly design for its bottle labels and packaging in order to minimise their environmental impact. It shares this same exacting requirement with its suppliers.

When it comes to labelling and advertising and promotional items, Laurent-Perrier seeks to use more and more materials compliant with the EU standards now in force in many countries. As planned from 1997, the use of pewter capsules has been reduced.

The use of polystyrene in shipping cartons has been completely stopped and has been superseded by recyclable sheets of moulded cellulose.

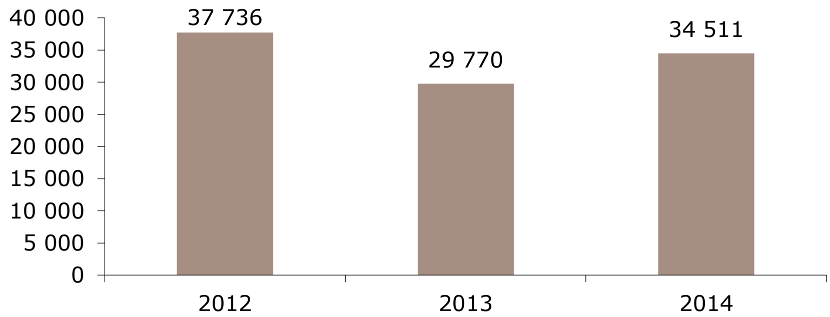
All cardboard items used in the manufacture of presentation boxes are now made of recycled paper and, despite the printed text and other items decorating the boxes, are nevertheless 100% recyclable.

1.6.2.3. Sustainable resource use

A. Water consumption and water supplies relative to local limitations

The Group pursues a policy of constantly improving its control of water and energy consumption. The consumption trend over the past three years illustrates this unremitting effort. Due to its geographical location, the Group is not subject to specific local constraints on its water supply.

Water consumption at the Tours-sur-Marne and Epernay sites (cu.m) Oger and Landreville, only in 2014.

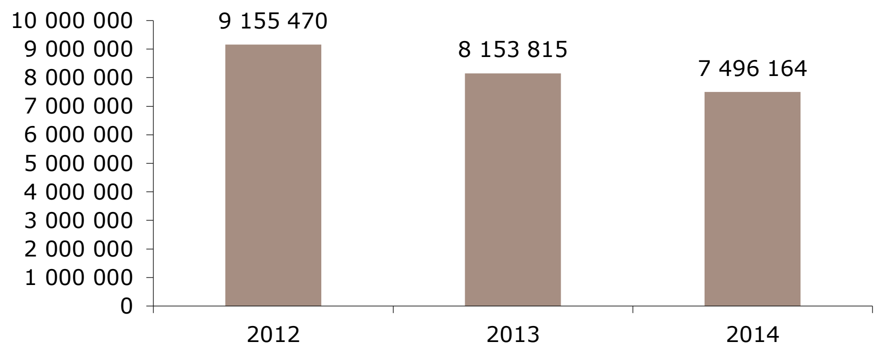


B. Consumption of raw materials and measures to improve efficient use

The main raw materials are grapes and grape juice.
The Group works within a sustainable development framework which consists in taking account of the long-term nature of its activity, and in particular in banning any practice and behaviour likely to irreversibly modify the natural milieu and the environment.
To this end, it is committed to:
- complying with its regulatory environmental obligations, and notably with the strict rules of the INAO and the Comité Champagne;
- preserving natural resources;
- seeking to improve production processes in order to better control the use of natural resources such as water and energy resources, and to minimize its carbon footprint;
- minimising waste and organising its treatment.

C. Energy consumption, measures to improve energy efficiency, and use of renewables

Energy consumption at the Tours-sur-Marne, Châlons en Champagne and Epernay sites (electric energy and gas) in Kwh.



Energy consumption varies from one year to the next depending on a range of factors, including production levels, outside temperatures, and so on. In particular, the Group constantly seeks to optimise its energy consumption, and each new machine brought into service is generally an improvement in terms of ergonomy and energy consumption and minimising the Group's overall environmental impact. The Group uses green energy through blue rates.

D. <u>Ground use</u>

Our raw materials derive from the plant universe, whose rhythms and cycles must imperatively be respected. Priority is therefore given to wine-growing practices which seek to preserve the environment, natural resources, and biological balances. These practices are inconceivable without the experience and motivation of the people working the land.
They imply:
- balanced management of terroir and soil,
- careful husbanding of resources such as water, energy and inputs,
- reduction at source of waste by recycling and recovery.

The Group also aims to be perfectly attuned to the regulatory framework and more generally with the expectations of society at large. In practice, its approach involves the following:
- strict compliance with
    - the specifications concerning the production conditions for the Appellation d'Origine Contrôlée (AOC);
    - the recommendations of the *Grenelle de l'Environnement* environmental summit;
    - the Technical Handbook (*Référentiel Technique*) drawn up for the champagne growing area (a specification endorsed by champagne professionals, which identifies all practices deemed, in the current state of our knowledge, to be compatible with sustainable grape-growing);
    - Prefectural decrees.
- regular diagnostics of its grape-growing practice relative to the commitments set out in the Technical Handbook drawn up for the champagne growing area;
- continuous education for staff working in the vines, and awareness-raising for the Group's grape suppliers as regards environmental issues;
- the deployment of strategies to protect vines which reconcile quality and the measured use of inputs;
- deployment of strategies to improve the soil, mainly directed towards mechanical upkeep (mowing, work beneath the vines),
- the continual upgrading of our plant and equipment in order to safeguard the quality of air, water, soils, and natural environments;
- initiatives designed to extend and step up the momentum of sustainability. These include the management of effluent generated by grape growing (vineyard cleaning by plot, washing areas at the Montagne de Reims and Côte des Blancs sites), recovery and priority use of rainwater, waste management, risk prevention, and strict application of procedures.

1.6.2.4. Climate change

A. <u>Greenhouse gas emissions</u>

The Group seeks to combine technical innovations and environmental actions. Thus, the encryption of carbon footprint of the champagne Laurent-Perrier's vineyard activity, in 2007, allowed operating and programming actions on the most relevant posts to further reduce the emissions of greenhouse gases.

The Comité Champagne trade body has drawn up an action plan which the Group will implement in compliance with the timetable set for all involved.
The action plan must demonstrate a reduction in greenhouse gas emissions of at least 50% in champagne operations by 2015.
Energy saving measures (electricity, gas, fuel) will need to be cut by 15% and then 25% of the 2002 levels by 2015.

For 2014, the greenhouse gas emissions related to electricity and gas consumption amounted to 965 teq. CO² (emission factors of ADEME Carbon V7 Base).

B. Adapting to the consequences of climate change

The increase in average temperatures and more frequent occurrence of extreme meteorological events will affect the initial viticol activity. Advancing harvest date is a trend already observed.

1.6.2.5. Diversity protection

Measures to preserve or develop biodiversity

The Comité Champagne trade body has drawn up a series of commitments to which the Group will adhere in compliance with the timetable set for all involved.
These measures are:
- adopt new soil husbandry strategies
- reduce the use of herbicides
- create or preserve natural grass cover around the edges of vineyards
- develop agro-ecological infrastructure
-

1.6.3. Societal information

1.6.3.1. Territorial, economic and social impact of Group operations

A. On employment and regional development

- The Group complies with national legislation and guarantees wage levels enabling its staff to have living standards above national averages relative to the cost of living near its operating facilities. The Group undertakes to pay all staff their wages on a regular basis.

- By his AOC Champagne group supply, the group participates in the regional development by his activity; it also attracts tourists, supporting the local economy.

B. On residents and local inhabitants

The Group pays great attention to the impact of its operations on local people: architectural integration, effluent treatment, etc.

1.6.3.2. Relations with individuals and organisations interested in the Group's activities, and in particular with social integration bodies, educational establishments, environmental protection groups, consumer associations, and local residents

A. Dialogue conditions with such individuals and organisations

The Group maintains good relations with local government. It has links with training organisations and schools at regional level, and with voluntary social integration bodies, for example, Reims Business School NEOMA. The Group is present to the Comité Interprofessional du Vin de Champagne (CIVC*), and Union des Maisons de Champagne (representing the houses).

B. Partnership and patronage activities

In France, such activities are highly regulated with respect to the Evin Act (the alcohol and tobacco policy law). However, the Group is extremely attentive to all initiatives it can validly pursue in this area.

Groupama: Les Honneurs Laurent-Perrier de la Chasse
The Honneurs de la Chasse Laurent-Perrier /Groupama Prize was founded in 1980 by Bernard de Nonancourt to showcase the initiatives of a new generation of huntsmen who are extremely receptive and respectful for biodiversity; to reward their efforts to rehabilitate and stock emblematic areas of countryside and their outstanding management of animal populations and

culling and search for balance between the natural environment and fauna and their ability to communicate with the farmers and other local agents.
Transmission of know-how
Over the past 30 years, the Honneurs de la Chasse Prize has become a major accolade, and many of its previous winners are now authorities in the specialities for which they were awarded the prize; from large to small game, migratory birds and mountain fauna, they have shown us the path of ethical hunting.
In 2014, the Les Honneurs de la Chasse jury awarded its 33rd Les Honneurs de la Chasse Laurent-Perrier/Groupama prize to Domaine de Mazerolles, an estate in the Loire Atlantique, on France's western seaboard. Domaine de Mazerolles's values are fully aligned with those of the Prize as it has pioneered ways of ensuring, in the future, the legitimacy of hunting through a programme to pass on know-how used to manage land and game.
Domaine de Mazerolles covers a single tract of land in an outstanding biotope, with a total surface area of over 650 hectares, including 150ha of woodland, 150ha of lakes, and 350ha of marshland that are managed, used as pasture and/or mowed. The Mazerolles diked marshland area has received NATURA 2000 classification for the wealth of its biodiversity.

1.6.3.3. Sub-contracting and suppliers

A. Taking social and environmental factors into account in procurement policy

The Group has implemented recommendations to minimise the weight of glass in its bottles.
All cardboard components of boxing are made from recycled paper and can be again recycled.

B. Scale of sub-contracting and assessment of levels of Corporate Social Responsibility in relations with suppliers and sub-contractors

Subcontracting is negligible in the Group's activities, this information is not applicable.
The Group sources its raw materials (grapes) exclusively from the Champagne region in compliance with INAO rules.
The Group's chief suppliers are the grape growers. These are required to comply with the Champagne sustainability charter, and the Group assists them in doing so via staff dedicated to managing supplies and vineyards.

C. Supplier and sub-contractor principles for compliance with international regulatory agreements

Concerning work legislation, the Group is focused to its supplier's practices to meet customers' requirements vis-à-vis the following standards:
- illegal or forced labour,
- child labour: under no circumstances does the Group condone the fact of making people who have not reached minimum legal age work,
- the elimination of all forms of discrimination with respect to access to employment,
- working hours: personnel must be able to benefit from sufficient rest periods,
- the legal provisions applicable to minimum wages.

With respect to ethical conduct, the Group is, focused to its supplier's practices to meet customers' requirements vis-à vis the following standards:
its suppliers and sub-contractors to demonstrate their ability to:
- maintain standards of professionalism, honesty and integrity in all their dealings,
- avoid the intention or demonstration of non-ethical or compromising practices in their internal and external relations and in their actions and communications.
- comply, in particular, with the principles of honesty and equity, and all applicable regulations in the sphere of competition and the elimination of bribery and corruption in commercial transactions,
- not propose products, favours, or services that could influence or are likely to influence decisions in the procurement process,
- treat confidential and proprietary information with all due care and in line with their own ethical considerations,
- comply with national and international laws, customs and practices.

In the sphere of occupational hygiene and safety, the Group is careful, wherever possible, to work with suppliers:

- who take pains to ensure that their activities are not harmful to the health and safety of their personnel, their own sub-contractors, or local inhabitants, and, as a general rule, of the users of their products,
- and subcontractors who show they can be proactive in respect of hygiene and safety issues,
- able to provide a safe, healthy environment for their personnel, customers, and visitors, to comply with national health and safety legislation, identify any dangers in connection with their operations, and take any necessary measures to minimise risks for their employees.

The Group expects its suppliers and sub-contractors to pass on these principles to their own suppliers and sub-contractors and that they implement a similar programme with them.

D. Commitment to comply with ethical rules in calls for tender

When submitting tenders to third parties, the Group undertakes to submit and go about its business in compliance with the following common ethical rules:

- to ban all forms of corruption and fraud both inside and outside the company,
- to observe the rules of intellectual property in all cases, and circulate these to all,
- to accept only those assignments which the company is suitably qualified to carry out, so that it carries them out in its customers' best interests,
- to refuse to harm a fellow producer or peer by any activities, manoeuvres, or statements contrary to the principles of truth and fair competition,
- to seek never to take over a project by recruiting staff from a tendering company in charge of that project,
- to remind its personnel of the existence of the present code of good conduct and ensure strict compliance with it.

1.6.3.4. Fair practice

A. Action to prevent corruption

The Group is not involved in any activity that could encourage corruption.In particular, the Group is committed to:

- Adopt a loyal behaviour in business relations,
- Exclude any improper or unlawful conduct and restrictive practices and abuse of competition and anti-competitive practices,
- Exclude all behaviours or facts that can be qualified as active or passive corruption, complicity in influence peddling or favouritism, in the negotiation and execution of contracts,
- Facilitate, where appropriate, the successful completion of the potential social and environmental diagnostics.
-

B. Measures to protect consumer health and safety

The Group complies strictly with all existing hygiene, safety, and traceability regulations designed to protect consumer health and safety, particularly visible on the bottles labelling.

The guaranteeing of compliance with these regulations derives in particular from the creation of the Champagne AOC denomination in 1935. Champagne houses have never stopped organising and anticipating developments in the framework of their trade body as they seek to drive growth by bolstering their quality and reputation. The Champagne appellation is thus increasingly well protected against outside identity fraud as a result of its status as an unequivocal appellation.

It is also the duty of the champagne houses to protect consumers against all wines, beverages, and other products that would undermine the reputation or guarantee of origin and quality of the champagne appellation.

Champagne's trade body, the *Comité Interprofessionnel des Vins de Champagne:* the legal champion protecting the appellation.

The *Comité Interprofessionnel des Vins de Champagne* and INAO have accordingly undertaken to use the law to systematically oppose all those who try to hijack the reputation and identity of the appellation.
An AOC (*Appellation d'Origine Contrôlée*) label identifies a product and the authenticity and typicality of its geographical origin. It is a guarantee of its qualities and characteristics, the terroir it comes from, and the know-how of the producers (of wines, champagne, etc.). The quantity and checks on the labelling of AOC products comply with an approved specification, in France by INAO, which reports to the Ministry of Agriculture.
An Appellation d'Origine Contrôlé (AOC) is an official French label to protect a product in connection with its geographic area of production and a number of manufacturing characteristics. It guarantees the origins of traditional food products derived from a particular terroir and food culture.
An Appellation d'Origine is neither a commercial brand name, nor a registered design, but an official certification of provenance and know-how delivered by an agency reporting to a ministry and overseen by a national fraud authority.
The Group is also highly vigilant when it comes to compliance with local labelling rules for commercialised bottles.

C. <u>Other initiatives to protect human rights</u>

The Group ensures that its own subsidiaries and facilities are not complicit in any human rights violations.

The Group is especially vigilant in respect of the following:
- ethical behaviour,
- respect for the rule of law,
- compliance with international standards of behaviour,
- respect for economic, social and cultural rights,
- fundamental principles and rights at work,
- adopting fair competition practices,
- promoting corporate social responsibility in the value chain,
- respect for property rights.

<u>Regulations and principles</u>
The Group is pursuing an ethical programme to comply with:
- international and national regulations concerning its activities,
- international standards, and in particular the United Nations Universal Declaration of Human Rights,
- the Fundamental Conventions of the International Labour Organisation.

The Group does not encourage anti-competitive behaviour. It does likewise vis-à-vis its own customers.

<u>Principles linked to respect for persons</u>

The Group strives to ensure, as far as possible, that its customers are aware of the need to combat all forms of discrimination, especially as regards gender, origin, religious beliefs, and political affiliation, and has undertaken to encourage cultural diversity.

The Group seeks to ensure its customers are aware of:

- national legislation, and, in any event, compliance with international regulations on working time drafted by the International Labour Organisation relative to its own activity sector. The Group is also sensitive to all the initiatives taken by its customers aimed at ensuring that their workforce benefits from sufficient rest periods,
- the need to comply with national legislation to guarantee their staff a minimum level of wages, offering them a decent standard of living in line with the cost of living in the vicinity of their operating base,

- the need for regular payment of employee wages,
- the need to reject degrading practices in their workplaces, such as corporal punishment, moral and sexual harassment, and working under threat or duress,
- the need to make the necessary arrangements to ensure that each individual employee is treated with respect and dignity.

1.6.4. Prevention

The Group continued to promote its awareness campaign targeting all employees who, due to their position, are required to travel by car to represent one of the Group companies. A guide on the risks of drink-driving entitled *Fatigue, Alcohol and Speeding* setting out the need to comply with the Highway Code, and the risks of tiredness and alcohol consumption when driving, is distributed to everyone concerned when they join the company.

1.6.5. Methodology note

1.6.5.1. Scope and timeframe of reporting

Unless otherwise stated, the information below applies to all French and International affiliates over 50% controlled by the Group. Data consolidation is performed by global integration. Any restrictions on scope are detailed in the report.

Labour relations data cover the fiscal year beginning on April 1, 2014 and ending on March 31, 2015, except training data, which apply to the calendar year, running from January 1 to December 31 2014.
The reporting periods for environmental data correspond to calendar years (1st January to 31th December 2014).

1.6.5.2. Definitions and methodology choices – Social indicators

Workforce and breakdown by gender, socio-professional category, type of employment contract, and geographic region.

The breakdowns of the workforce by category, type of contract and geographic region are drawn up on the basis of numbers of employees present on fixed-term contracts and long-term contracts at March 31. Executive directors are not counted. All fixed term contracts, including grape harvest and vineyard worker fixed-term contracts, are included in the fixed-term total, as are employees preparing a CAP professional diploma, and interns.

The breakdown of the workforce by gender is drawn up on the basis of the annual percentage of staff employed on long-term contracts.

The breakdown of the workforce by age range is drawn up on the basis of the annual presence rate of all staff.

The breakdown of the workforce by socio-professional category is drawn up on the basis of staff employed on long-term contracts present at March 31.

Sales representatives acting for several firms (*Voyageurs Représentants Placiers (VRP) multicartes*) are accounted for in the numbers of staff on long-term contracts. Each Rep. is assessed as 0.2 of a position, except in the breakdown by age and geographic region, where each Rep. counts as one.

Hiring: In-house job changes are not included in the numbers.

Reportable occupational diseases: This indicator corresponds to the number of occupational diseases reported by companies in France and recognised by the CPAM social security agency during the financial year. Applications that have not yet been approved are not included.

Absences: The data only concern the French companies. Time off for occupational accidents, commuting accidents, occupational diseases, and paternity and maternity leave is included. Days' absence corresponds to business days.

Training: Data on training include all training courses attended by staff employed on long-term contracts by the French companies. Unless otherwise stated, the data on training only concern courses attended as part of continuous occupational training. The data are calculated over the course of a calendar year. Data are assembled on the basis of course attendance sheets.

The percentage of staff trained, and figures for spending on training only concern continuous occupational training. The percentage of staff trained is expressed in relation to the average headcount of the French companies.

1.6.5.3. Definition and methodology choices – Environmental indicators

Water consumption: amounts taken into account include municipal piped water and water from wells drilled for the industrial and domestic use of Champagne Laurent Perrier (Tours-sur-Marne site) and Champagne de Castellane (Epernay site) and sites of Oger and Landreville (since 2014).

Energy consumption: energy consumption is expressed in kWh NCV (net calorific value: gas consumption from previous years has been converted into kWh PCI) and includes:

- electricity consumption by Champagne Laurent Perrier (Tours-sur-Marne and Châlons-en-Champagne sites) and Champagne de Castellane (Epernay site);
- gas consumption at the industrial sites of Champagne Laurent Perrier (Tours-sur-Marne site) and Champagne de Castellane (Epernay site). The figures therefore exclude gas consumption by wine presses and administration buildings.

Waste generated by champagne making, and labelling/boxing waste: The figure includes waste generated at the Tours-sur-Marne, Epernay, Oger, and Landreville sites. Data are drawn up on the basis of invoices and waste removal advice except for the quantities of non-hazardous industrial waste, dregs, sediments, lees, and disgorgement wine, which are estimated on the basis of the production data.

1.6.6. Report of the independent body on the Social and Environmental Report

Assurance report by one of the Statutory Auditors, appointed as Independent Third Party, on the consolidated social, environmental and societal information presented in the management report

This is a free translation into English of the designated independent third party's report issued in French and it is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended 31 March 2015

To shareholders

In our capacity as statutory auditor of the company Laurent Perrier S.A. appointed independent third party, accredited by the COFRAC registered under number 3-10491, we hereby present to you our report on the consolidated social, environmental and societal information (hereinafter the "CSR Information") for the year ended March 31st, 2015, presented in the management report. This report has been prepared in accordance with Article L.225-102-1 of the French Commercial Code.

Responsibility of the company

The Board of directors is responsible for preparing the company's management report including CSR Information in accordance with the provisions of Article R.225-105-1 of the French Commercial Code and with the guidelines used by the company (hereinafter the "Guidelines"), summarized in the management report and available on request from the company's head office.

Independence and quality control

Our independence is defined by regulations, the French code of ethics governing the audit profession and the provisions of Article L.822-11 of the French Commercial Code. We have also implemented a quality control system comprising documented policies and procedures for ensuring compliance with the codes of ethics, professional auditing standards and applicable law and regulations.

Responsibility of the Statutory Auditors

On the basis of our work, it is our responsibility to:

- attest that the required CSR Information is presented in the management report or, in the event that any CSR Information is not presented, that an explanation is provided in accordance with the third paragraph of ArticleR.225-105 of the French Commercial Code (Statement of completeness of CSR Information);
- express limited assurance that the CSR Information, taken as a whole, is presented fairly, in all material respects, in accordance with the Guidelines (opinion on the fair presentation of the CSR Information).

Our work was performed by a team of four people between April 2015 and May 2015 and took around two weeks. We called upon our specialists in Corporate Social Responsibility to assist in carrying out our work.

We performed the procedures below in accordance with professional auditing standards applicable in France, with the decree dated 13 May 2013 determining the manner in which the independent third party should carry out their work, and with International Standard ISAE 30002 concerning our opinion on the fair presentation of CSR Information.

1. Statement of completeness of CSR Information

We reviewed, on the basis of interviews with the managers of the relevant departments, the company's sustainable development strategy with respect to the social and environmental impact of its activities and its societal commitments and, where applicable, any initiatives or programmes it has implemented as a result.

We compared the CSR Information presented in the management report with the list provided in ArticleR.225-105-1of the French Commercial Code.

For any consolidated information that was not disclosed, we verified that the explanations provided complied with the provisions of Article R.225-105, paragraph 3 of the French Commercial Code.

We verified that the CSR Information covers the consolidated scope, i.e. the company, its subsidiaries as defined by Article L.233-1 and the entities it controls as defined by Article L.233-3 of the French Commercial Code, within the limitations set out in the methodological note presented paragraph 1.6.5.in the management report.

Based on these procedures and given the limitations mentioned above, we attest that the required CSR Information has been disclosed in the management report.

2. Opinion on the fairness of the CSR Information

Nature and scope of the work

We conducted three interviews with the people responsible for preparing the CSR Information in the departments in charge of collecting the information and, where appropriate, with those responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, impartiality and understandability, taking into account best practice, where appropriate;
- verify that a data-collection, compilation, processing and control procedure has been implemented to ensure the completeness and consistency of the CSR Information and review the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of our tests and controls according to the nature and importance of the CSR Information with respect to the characteristics of the company, the social and environmental impact of its activities, its sustainable development strategy and industry best practice.

With regard to the CSR Information that we considered to be the most important:

- at the consolidation level, including the parent company, subsidiaries and controlled entities, we consulted documentary sources and conducted interviews to substantiate the qualitative information (organization, policy, action), we performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and consolidation of the data. We also verified that the data was consistent by cross-checking it with other information in the management report;

- at the entity level for a representative sample of entities selected4 on the basis of their activity, their contribution to the consolidated indicators, their location and risk analysis, we conducted interviews to verify that the procedures were followed correctly and to identify any undisclosed data, and we performed tests of details, using sampling techniques, in order to verify the calculations made and reconcile the data with the supporting documents. The selected sample represents 36% of headcount, between 74% and 99% of quantitative environmental information.

For the other consolidated CSR information, we assessed its consistency based on our understanding of the company.

We also assessed the relevance of explanations given for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes used, based on our professional judgement, were sufficient to enable us to provide limited assurance; a higher level of assurance would have required us to carry out more extensive work. Due to the use of sampling techniques and other limitations intrinsic to the operation of information and internal control systems, we cannot completely rule out the possibility that a material irregularity has not been detected.

Conclusion

Based on our work, we did not identify any material anomaly likely to call into question the fact that the CSR Information, taken as a whole, is presented fairly in accordance with the Guidelines.

Paris La Défense, 28 May 2015

French original signed by
KPMG S.A.

Pascal Grosselin
Partner

Anne Garans
Partner
Climate Change and
Sustainability department

1.7. EXCEPTIONAL EVENTS AND LITIGATION

As far as the Group is aware, there are no governmental, legal or arbitration proceedings pending or threatened which could have or may have had over the past twelve months any material impact on the Group's financial situation or profits.

2. PERSONS RESPONSIBLE FOR THIS REFERENCE DOCUMENT AND FOR AUDITING THE ACCOUNTS

2.1. PERSON RESPONSIBLE FOR THIS REFERENCE DOCUMENT

Stéphane Dalyac - Chairman of the Management Board.

2.2. AFFIDAVIT BY THE PERSON RESPONSIBLE FOR THE REFERENCE DOCUMENT

"I certify that I have taken all reasonable measures to ensure that the information contained in the present reference document is to the best of my knowledge in accordance with the facts and contains no omissions likely to affect its import.

I declare that to the best of my knowledge, the accounts have been drawn up in accordance with the applicable accounting standards and provide a fair image of the assets, financial situation, and results of the company and all those companies consolidated with it, and the management report listed in Annex 3 (last page of AFR concordance), presents a faithful picture of the business developments, results, and financial situation of the company and all those companies consolidated with it, as well as a description of the main risks and uncertainties with which they are faced.

I have obtained a completion letter from the statutory auditors in which they state that they have verified the information on the financial situation and accounts set out in the present document and have read the document in its entirety."

Tours sur Marne, le 12 juin 2015
Stéphane Dalyac - Chairman of the Management Board

2.3. AUDITORS

Statutory auditors:

PricewaterhouseCoopers Audit, a member of the Versailles Company of Statutory Auditors,
represented by Mr Christian Perrier,
63, rue de Villiers
F - 92208 Neuilly-sur-Seine

First appointed:	July 11, 1996
Mandate expires:	Ordinary Shareholders' Meeting held to approve the accounts for the financial year ending March 31, 2020.

KPMG, S.A., a member of the Versailles Company of Statutory Auditors,
represented by Mr Pascal Grosselin
3 cours du Triangle
92939 Paris la Défense Cedex

First appointed:	July 6, 2011
Mandate expires:	Ordinary Shareholders' Meeting held to approve the accounts for the financial year ending March 31, 2017.

Alternate auditors:

Mr Patrick Zeimett
19 rue Clément Ader
51100 Reims

First appointed:	July 6, 2011
Mandate expires:	Ordinary Shareholders' Meeting held to approve the accounts for the financial year ending March 31, 2017.

Mr Jean-Christophe Georghiou
63, rue de Villiers
F - 92208 Neuilly-sur-Seine

First appointed:	July 9, 2008, replacing Pierre Coll
Mandate expires:	Ordinary Shareholders' Meeting held to approve the accounts for the financial year ending March 31, 2020.

2.4. Person responsible for investor information

Stéphane Dalyac, - E-mail: stephane.dalyac@laurent-perrier.fr
Tel: + 33(0) 3.26.58.91.22
Fax: + 33 (0) 3.26.58.17.29

3. General information on Laurent-Perrier

3.1. Statutory information and share buy-back programme

3.1.1. Corporate name and registered office

Laurent-Perrier - 32, avenue de Champagne – F-51150 Tours-sur-Marne.
Telephone +33 (0)3.26.58.91.22.

In France, Laurent-Perrier is governed by French law while foreign subsidiaries and branches are subject to the law of the country in which they are located:
- Laurent-Perrier UK: UK law,
- Laurent-Perrier Switzerland: Swiss law,
- Laurent-Perrier US: US law,
- Laurent-Perrier Diffusion Belgium: Belgian law,
- Laurent-Perrier Germany: German law,
- Laurent-Perrier Italy: Italian law.

3.1.2. Consultation of legal documents or information on Laurent-Perrier

Legal documents or information relating to Laurent-Perrier are available for consultation at the Group’s headquarters at 51150 Tours-sur-Marne subject to legal requirements.
The following documents may be consulted:
- Laurent-Perrier memorandum of association and articles of association,
- all reports, letters and other documents, historic financial information and declarations prepared by experts at the request of Laurent-Perrier,
- historical financial information on Laurent-Perrier and its subsidiaries for the two financial years prior to publication of the reference document.

The above documents are available for consultation in hard copy or electronic format on the site: *www.finance-groupelp.com.*

3.1.3. Incorporation date and term (article 5 of the by-laws)

The Group was incorporated on February 20, 1939, for a period of ninety-nine years, expiring on January 30, 2038 unless it is wound up beforehand or its term is extended.

3.1.4. Incorporation details

Laurent-Perrier companies are registered with the Reims Companies Registry under number 335 680 096.
APE business activity code: 6420 Z.

3.1.5. Legal structure (article 1 of the by-laws)

Laurent-Perrier is a French *société anonyme* (public limited company) with a Management Board and a Supervisory Board.

3.1.6. Corporate purpose (article 3 of the by-laws)

Laurent-Perrier's corporate purpose is to trade mainly in the wine industry and includes:
- the acquisition, management and sale of securities, shares and all rights pertaining to them;
- active participation in defining the goals and policies of companies in which it has exclusive or joint control or a significant influence;
- budgetary and financial control and coordination of such companies;
- the provision of specific administrative, legal, accounting, financial or real-estate services on a purely in-house basis to such companies;
- all operations that are compatible with this purpose, related to it or further its accomplishment.

3.1.7. Financial year (article 19 of the by-laws)

From April 1 to March 31 of the calendar year.

3.1.8. Appropriation and distribution of earnings (article 20 of the by-laws)

This point is detailed in the draft resolutions.

3.1.9. Annual General Meetings of Shareholders (article 18 of the by-laws)

This point is detailed in the draft resolutions.

3.1.10. Special provisions of the by-laws

Disclosure thresholds (article 9)
Article 9 of the by-laws states that any private individual or corporate body who, within the meaning of article L 233-7 of the French Commercial Code, falls below or rises above a threshold equal to 2.5% of the share capital and/or voting rights of the Company or a multiple thereof, must report to Laurent-Perrier the total number of shares they hold.

Double voting rights (article 18 of the bylaws)
Double voting rights are legally granted to all fully-paid up registered shares which have been registered in the name of the same shareholder for at least four years (date to date).

Identification of holders of bearer shares
The survey undertaken by Laurent-Perrier on March 31, 2015 of holders of bearer shares identified about 4,733 shareholders.

3.1.11. Supervisory Board membership requirements (article 15)

The General Meeting of Shareholders held on July 7, 2010 amended article 15 of the bylaws as follows:

Other than those stipulated in the bylaws, the rules governing the Supervisory Board, and notably its membership, operation and purview, are those set out in the applicable legal provisions.

Any members present at the meetings via a videoconferencing link whose nature and operating methods are compliant with regulatory provisions shall be deemed present for the purposes of establishing the quorum and the majority of Supervisory Board members.
Attendance via such videoconferencing link or/and telecommunications link is not, however, permitted for the following decisions:
- Appointment of members of the Management Board, and the single Chief Executive Officer,
- Dismissal of members of the Management Board and the single Chief Executive Officer, in cases where the present bylaws provide for such dismissal by the Supervisory Board,
- Election and compensation of the Chairman and Deputy Chairman of the Supervisory Board."

3.1.12. Provisions for attendance at the General Meeting of Shareholders (article 18)

Other than those stipulated in the bylaws, the rules governing the holding of General Meetings of Shareholders and in particular the calling and holding of such meetings, as well as the rights pertaining to shareholder communication and information, are those set out in the applicable legal provisions.

Any shareholders taking part in the General Meeting of Shareholders via a videoconferencing link or other telecommunications link enabling their identification, whose nature and operating methods are compliant with regulatory provisions shall be deemed present for the purposes of establishing the quorum and the majority of shareholders.
General Meetings of Shareholders convene at the Group's Registered Office or at any other venue specified in the invitation to attend.

3.1.13. Laurent-Perrier share buy-back programme

The Shareholders' Meeting of July 8, 2014 authorised the Management Board to repurchase Company shares pursuant to articles L.225-209 et seq. of the French Commercial Code, notably in order to:

- ensure market-making and share liquidity through the intermediary of an investment services provider within the framework of a liquidity agreement compliant with the Code of Good Conduct of the *Association Française des Marchés Financiers* (AMAFI), recognised by the AMF;
- retain the shares purchased for eventual trading or use as payment under any acquisition-led growth transactions, it being specified that the shares purchased to this end may not exceed 5% of the Company's share capital,
- ensure coverage for stock option plans and/or the allotment of free bonus shares (or similar plan) for the benefit of employees and/or the Group's executive officers, and all allotments of shares under a corporate or Group savings plan (or similar plan) under the terms of a profit sharing plan and/or any and all other forms of share allotments to employees and/or executive officers of the Group,
- ensure the coverage of securities conferring the right to the allotment of Company shares in the framework of current legislation,
- cancel, where appropriate, any shares purchased, subject to the approval of the authority granted to the Management Board, as set out in the sixteenth resolution put before the extraordinary General Shareholders' Meeting.

The Company has not cancelled any shares held under the provisions of the above programme.
The special buy-in report is included in section 7.2.

The July 8, 2015 Joint Ordinary and Extraordinary Shareholders' Meeting held to vote on the financial statements for the period ended March 31, 2015 will be asked to issue a new authorisation.

If authorised by the shareholders, the Management Board may cancel shares and reduce the company's share capital accordingly.

Conditions
Under the new programme shares will be bought in at no more than €130 per share excluding expenses.
The Shareholders' Meeting on July 8, 2015 will authorise the buy-back of up to 594,000 shares each with a par value of €3.80 (minus the 61,110 treasury shares already owned by the Company at March 31, 2015).

Assumptions used to assess the impact of the share buy-back programme on the financial situation of Laurent-Perrier
Calculations to assess the impact of the buy-back programme on Laurent-Perrier's accounts are based on the consolidated financial statements at March 31, 2014. However, taking into account the 61,110 treasury shares already owned by the Company at March 31, 2015, it is unlikely to acquire all the 594,000 shares that may be repurchased under the buy-back programme.
Shares will be bought and sold on the stock market and/or in block sales.

Financing of share repurchase
The buy-back programme shall be financed with Laurent-Perrier's own funds.

Intention of Laurent-Perrier's executive officers
The executive officers of Laurent-Perrier do not intend to buy or sell shares under the buy-back programme.

Operations carried out by Laurent-Perrier on its own shares pursuant to article L 225-209 of the French Commercial Code

1. During the financial year, i.e. from 01.04.2014 to 31.03.2015:

A) Market making:
- Shares purchased during the financial year: 42,932 shares
- Shares sold during the financial year: 45,652 shares
- Average share price: purchase: €69.40
  sale: €69.10

B) Share purchase options
- Shares purchased during the financ2ial year: 49,701 shares
- Average share price: €68.03

C) External growth
- Shares purchased during the financial year: none

D) Amount of trading fees:
- Market making: Expenses incurred on sales: €0
  Expenses incurred on purchases: €0
  Share options purchases: Expenses incurred on purchases: €0

E) Reasons for acquisitions: Market making and employee allocations.

F) Fraction of capital in treasury shares: 1.03%

2. Total
A) Total shares registered in the company name at close of financial year: 61,110 shares
B) Value at purchase price: €4,236,145.20
C) Nominal value of treasury shares: €3.8 per share (for a total of €232,218)

The special report on share buybacks mentioned in article L 225-209 et al. of the French Commercial code is appended to the present reference document as Paragraph 7.2.

3.2. GENERAL INFORMATION ON LAURENT-PERRIER'S CAPITAL AND SHARES

3.2.1. Share capital (article 7 of the by-laws)

At March 31, 2015, the capital stock of the company stood at €22,594,271.80, divided into 5,945,861 shares, each with a par value of €3.80, all of the same class.
The number of shares was unchanged throughout the financial year

3.2.2. Stock option plans *(AMF Table No.8)*

The Joint Ordinary and Extraordinary Shareholders' Meeting of 2001, 2003, 2006, 2009, and July 9 and 2012, July 10 authorised the Management Board to allocate stock options to employees or executive officers of the Group in accordance with legal provisions and the limits laid down in articles L 225-177 et seq. of the French Commercial Code (articles 225-177 and seq.).

It is here specified that the Group has no stock option plans based on the creation of new equity (Plans d'option de souscription d'actions), but only stock option plans (Plans d'option d'achat d'actions) using existing shares.

The Joint Ordinary and Extraordinary Shareholders' Meeting on July 10, 2012 voted to renew the authorisations given to the Management Board to grant:

1) stock options in the company valued at up to 10% of its capital stock to the same beneficiaries as before.
2) Bonus shares the total number of which to be awarded shall not exceed 1.7% (one point seven per cent) of the capital stock, this percentage being calculated in relation to the number of such bonus shares already allocated or issued.

These authorisations are granted for 38 months and can therefore be renewed in 2015.

Overview of Stock Option allocations

	Date of Shareholders'meeting													
	26.05.1999					29.06.2001			03.07.2003			06.07.2006		
Management Board Meeting	Plan n°1 11.06.99	Plan n°2 22.10.99	Plan n°3 30.03.00	Plan n°4 25.04.00	Plan n°5 30.03.01	Plan n°6 05.09.01	Plan n°7 26.03.02	Plan n°8 25.03.03	Plan n°9 30.03.04	Plan n°10 08.03.05	Plan n°11 14.03.06	Plan n°12 22.03.07	Plan n°13 18.03.08	Plan n°14 02.04.09
Number of eligible employees and/or executive officers	18	3	22	1	21	3	25	27	30	3	6	5	23	24
Total number of shares purchasable	31,474	4,500 (1)	44,950 (1)	2,250 (1)	44,000 (1)	3,950	66,700	46,900 (1)	49 400 (1)	18,000	28,000 (1)	25,000	34,200	41,300 (1)
Corporate officers														
Michel Fauconnet	1,100	0	1,500	0	1,500		2,250	1,750	1,750	4,000	4,000	4,000	4,000	4,000
Cumulative former managers (2)	10,624	0	16,000	0	16,000	2,000	30,000	21,000	21,000	10,000	14,000	14,000	14,000	24,000
Option exercisable as of	12.06.04	23.10.04	31.03.05	26.04.05	31.03.06	06.09.05	27.03.06	26.03.07	31.03.08	09.03.09	15.03.10	23.03.11	19.03.12	03.04.13
Expiry date	10.06.09	21.10.09	29.03.10	24.04.10	29.03.11	04.09.11	25.03.12	24.03.13	29.03.14	07.03.15	13.03.16	21.03.17	17.03.18	01.04.19
Subscription price	€ 33,00	€ 33,90	€ 30,63	€ 29,97	€ 29,62	€ 32,22	€ 27,66	€ 29,78	€ 28,71	€ 34,10	€ 50,38	€ 83,72	€ 98,98	€ 41,00
Exercise	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Number of shares subscribed to an 31/03/2015	24,974	1,000	36,850	2,250	39,300	1,950	57,900	37,100	36,900	18,000	7,500	0	0	17,250
Stock options remaining at end of FY (31/03/2015)	6,500	3,500	8,100	0	4,700	2,000	8,800	9,800	12,500	0	3,000	0	1,000	2,000
Stock Options remaining at end of FY (31/03/2015)	0	0	0	0	0	0	0	0	0	0	17,500	25,000	33,200	22,050

(1) including allocations for benieficiaries befor thy left the Group

(2) ie, corporate officers having left their position

3.2.3. Capital authorised but not issued (financial authorisations)

The Joint Ordinary and Extraordinary Shareholders' Meeting of July 8, 2014 authorised the Management Board to

- increase the Company's capital stock by issuing shares or securities giving access to the
- increase the Company capital by incorporation of reserves, income or premiums or any other sums available for capitalisation;
- increase the share capital by issuing shares or securities giving access to the capital, with cancellation of preferential subscription rights;
- increase the capital by issuing ordinary shares or any other securities giving access to the capital, with cancellation of preferential subscription rights, up to an annual maximum of 10% of the share capital, according to the method of determining the subscription price defined by the General Shareholders' Meeting;

- increase the capital by issuing shares or securities giving access to the capital, with cancellation of preferential subscription rights, up to an annual maximum of 20% of the share capital through private placement reserved for qualified investors or a restricted circle of investors;
- increase the share capital up to a maximum of 10% of the capital to remunerate contributions in kind of shares or securities giving access to the capital of other companies;
- carry out capital increases reserved for employee members of a corporate or Group savings plan.

These authorisations were not implemented by the Management Board at March 31, 2015.

3.2.4. Other securities giving direct or indirect access to the Company's capital

There are no other securities giving access to Laurent-Perrier's share capital either directly or indirectly.

3.2.5. Changes in ownership at March 31, 2015

Date	Nature of transaction	Capital increase or reduction (in FRF unless otherwise stated)	Issue or transfer premiums (in FRF unless otherwise stated)	Change in number of shares	Share capital after the transaction (in FRF unless otherwise stated)
20.02.1939	Creation of Laurent-Perrier-Perrier by asset transfer			36,000	3,600,000
1939 to 1993	Successive capital increases			366,000	36,600,000
10.12.1993	Capital increase	444,500	10,668,000	4,445	40,644,500
27.06.1994	Capital increase through capitalisation of reserves			2,032,225	243,867,000
15.03.1999	Capital decrease by reducing the par value of shares from FRF 100 to FRF 50	121,933,500			121,933 ,500
31.03.1999	Capital increase related to the merger of Galilee Investissements [1]	11,030,400	27,403,170	220,608	132,963,900
26.05.1999	Division of the par value of shares from 50 FRF to 25 FRF			2 659 277	132,963,850
26.05.1999	Conversion of the capital into Euros (€3.80 per share) rounding and decreasing.	€59,703			€20,210,505.20
31.05.1999	Cancellation of treasury shares	(€1,653,820.80)		(435,216)	€18,556,684.40
11.06.1999	Capital increase	€3,510,945.40	€26,978,843.00	923,933	€22,067,629.80
July 1999	Exercise of over-allocation option	€526,642	€4,046,828	138,590	€22,594,271.80
				Total number shares 5,945,861	

In order to simplify and enhance the overall transparency of the Laurent-Perrier Group's legal structure and rationalise its holding company governance, Galilée Investissements, a family investment holding company exclusively owned by members of the de Nonancourt family, was merged with Laurent-Perrier with effect from March 31, 1999.

3.2.6. Breakdown of shareholdings and voting rights

3.2.6.1. At March 31, 2015

Shareholders	Numbers of shares	% capital	% voting rights
① Registered family shares (de Nonancourt family)	3,583,685	60.27%	71.07%
② Institutional shareholders (registered shares)(1)	586,045	9.86%	10.93%
③ Other shareholders, including individuals (2)	1,694,255	28.49%	17.59%
④ Shares held through the corporate mutual fund for employees and managed by HSBC Epargne Entreprise (registered and bearer)	20,766	0.35%	0.41%
⑤ Treasury shares (3)	61,110	1.03%	-
GRAND TOTAL GENERAL at 31.03.2015	5,945,861	100%	100%

(1) Including First Eagle Funds Inc., which to the best of the Group's knowledge holds more than 7.5% of the capital and more than 10% of the voting rights.

(2) Of which
- First Eagle Investment Management, LLC (US Investment Advisor) which has disclosed that it has crossed the threshold of 10% of the capital and 10% of the voting rights, including First Eagle Funds Inc., cited above(1) and which further declares that it has no intention of acquiring control of the company.
- FIL Limited (Fil international, a fund manager) which has disclosed that it has crossed the threshold of 2.5% of the capital and 2.5% of the voting rights.
- Mousseluxe SARL which has disclosed that it has crossed the threshold of 2.5% of the capital.

(3) Treasury shares: this mainly corresponds to shares acquired under the provisions of articles L 225–209 et seq. of the French Commercial Code (market making and shares held for allocation to employees)

The Group is controlled as described above. The Group considers that there is no risk that control is exercised in an abusive way.

3.2.6.2. At March 31, 2014

Shareholders	Numbers of shares	% capital	% voting rights
① Registered family shares (de Nonancourt family)	3.523,675	59.26%	70.54%
② Institutional shareholders (registered shares)(1)	587,245	9.88%	10.95%
③ Other shareholders, including individuals (2)	1.739,846	29.26%	18.08%
④ Shares held through the corporate mutual fund for employees and managed by HSBC Epargne Entreprise (registered and bearer)	22,415	0.38%	0.43%
⑤ Treasury shares (3)	72,680	1.22%	-
GRAND TOTAL GENERAL at 31.03.2014	**5.945,861**	**100%**	**100%**

(1) Including First Eagle Funds Inc., which to the best of the Group's knowledge holds more than 7.5% of the capital and more than 10% of the voting rights.

(2) Of which
- First Eagle Investment Management, LLC (US Investment Advisor) which has disclosed that it has crossed the threshold of 10% of the capital and 10% of the voting rights, including First Eagle Funds Inc., cited above(1) and which further declares that it has no intention of acquiring control of the company.
- FIL Limited (Fil international, a fund manager) which has disclosed that it has crossed the threshold of 2.5% of the capital and 2.5% of the voting rights.

(3) Treasury shares: this mainly corresponds to shares acquired under the provisions of articles L 225–209 et seq. of the French Commercial Code (market making and shares held for allocation to employees)

3.2.6.3. At March 31, 2013

	Shareholders	Numbers of shares	% capital	% voting rights
①	Registered family shares (de Nonancourt family)	3.395,271	57.10%	69.12%
②	Institutional shareholders (registered shares)(1)	586,794	9.87%	10.92%
③	Other shareholders, including individuals (2)	1.887,819	31.75%	19.54%
④	Shares held through the corporate mutual fund for employees and managed by HSBC Epargne Entreprise (registered and bearer)	22,449	0.38%	0.42%
⑤	Treasury shares (3)	53,528	0.90%	-
	GRAND TOTAL at 31.03.2013	**5.945,861**	**100%**	**100%**

(1) Including First Eagle Funds Inc, which to the best of the Group's knowledge holds more than 7.5% of the capital and more than 10% of the voting rights.

(2) Of which
- First Eagle Investment Management, LLC (US Investment Advisor) which has disclosed that it has crossed the threshold of 10% of the capital and 10% of the voting rights, including First Eagle Funds Inc cited above(1) and which further declares that it has no intention of acquiring control of the company.
- FIL Limited (Fil international, a fund manager) which has disclosed that it has crossed the threshold of 2.5% of the capital and 2.5% of the voting rights.

(3) Treasury shares: this mainly corresponds to shares acquired under the provisions of articles L 225–209 et seq. of the French Commercial Code (market making and shares held for allocation to employees).

3.2.7 Major changes in capital ownership since the initial listing on the stock market

Since the initial listing on the stock market, there has been no significant change in the capital ownership and voting rights of the Group.

3.2.8. Changes in share capital

Changes in share capital or in the voting rights attached to shares are governed by law; nothing specific is provided for in the bylaws.

3.2.9. Shareholder pact

To the Laurent-Perrier Group's knowledge, no shareholder pact exists.
In July 2005, the de Nonancourt family Group re-structured its holding in the Laurent-Perrier share capital.

Following this transaction, ASN increased its share of the Group's capital and voting rights.

3.2.10 Pledges of company shares

To the company's knowledge, no Laurent-Perrier shares were pledged as security in 2014-2015.

All guarantees given by Group companies are shown in section 5.2 of the "Notes to the Consolidated Financial Statements" (Off-balance sheet commitments, paragraph 4.24 of the present reference document) and in the notes to the parent company financial statements in section 5.4. (note 15, Off-balance sheet commitments, of the present reference document).

3.2.11. The Laurent-Perrier share market: prices, trends, trading

Laurent-Perrier shares are listed on Eurolist B of Euronext Paris (Enternext).

in €	Monthly opening price	Monthly closing price	Monthly high	Monthly low	Trading volume (shares)	Trading Volume (€)
october-13	66.26	68.81	68.85	63.00	41,415	2,755,588
November,-13	68.82	69.00	71.80	67.60	71,056	4,936,355
December -13	69.00	64.50	69.00	63.50	39,925	2,631,469
January-14	64.49	70.90	73.00	63.50	64,229	4 451 999
February- 14	70.90	72.00	73.00	66.99	160,632	11,364,415
March-14	72.30	71.40	72.30	68.50	33,621	2,371,851
April-14	71.41	72.10	74.00	70.40	19,032	1,380,837
May,-14	72.10	72.50	72.90	70.20	15,331	1,111,850
June,-14	72.75	72.80	73.93	69.95	21,936	1,547,195
July,-14	72.80	69.50	73.00	69.20	22,845	1,617,317
August,14	69.50	69.00	69.60	67.00	14,354	982,884
September,-14	69.50	67.50	70.05	67.50	15,236	1,035,958
October-14	67.50	64.00	67.95	59.50	30,588	1,925,154
November,-14	64.00	69.48	69.48	63.50	12,605	838,402
December-14	69.00	66.14	69.00	66.00	15,750	1,059,124
January,-15	66.14	69.90	69.98	61.81	38,165	2,511,236
February,-15	70.20	69.65	71.10	69.20	23,604	1,650,345
March,-15	69.60	80.50	83.60	69.32	69,274	5,011,266

3.2.12. Dividend policy

Laurent-Perrier intends to continue its policy of distributing dividends in the order of 30% of attributable net income (IFRS) insofar as allowed by Laurent-Perrier’s business interests.

On May 26, 2015, the Management Board decided to propose to the Joint Ordinary and Extraordinary Shareholders’ Meeting on July 8, 2015 a dividend of €1 per share in respect of financial year 2014-2015 before social security contributions.

Dividends distributed over the last three financial years were as follows:

Financial year	Dividend per share (€)
2011-2012	€1.00
2012-2013	€1.00
2013-2014	€1.00

After a period of five years, unclaimed dividends are automatically paid to the French Treasury.

3.3. PROPERTY, PLANT AND EQUIPMENT

The Group has invested heavily since 2006 to upgrade its production base:

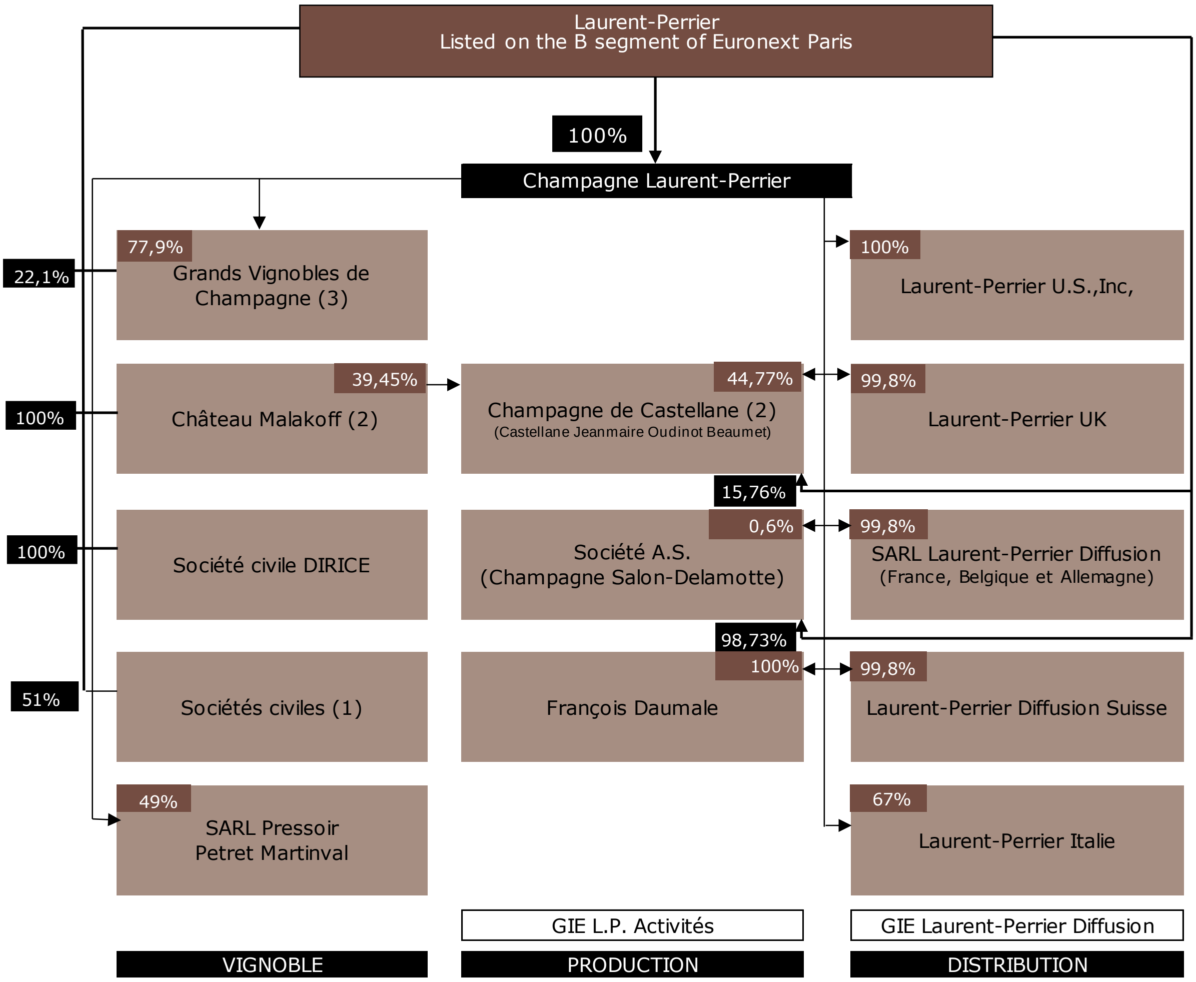
- All wine making is now centralised at a single facility in Tours-sur-Marne after new winery capacity was installed. The large number of tanks means that the crus from the grape harvest can be perfectly separated, while regulation processes guarantee extensive control over every phase of wine-making proper.
- The other production phases (bottling, riddling, disgorging, and labelling/packing) are mainly carried out at two facilities in Tours-sur-Marne and Epernay.
- The Group also has three main storage sites in Tours-sur-Marne, Epernay and Châlons-en-Champagne.

As detailed in Note 4.3. Consolidated accounts.

At grape harvest time, the Group has three presses at Tours-sur-Marne, Oger and Landreville.

3.4. SIMPLIFIED ORGANISATION CHART OF THE LAURENT-PERRIER GROUP

The following simplified chart shows the legal structure of the Group at March 31, 2015, which is structured around the Laurent-Perrier parent company, Champagne Laurent-Perrier, Champagne de Castellane, its wholly owned (equity and voting rights) main operating subsidiaries.



1) See annex to the consolidated accounts for minority equity interests
2) Partial tender of Château Malakoff assets to Champagne de Castellane
3) Merger with Champagne Lemoine

The chart showing subsidiaries and participations appears in Chapter 5 of the reference document.

4.1 Senior Management

4.1.1 The Laurent-Perrier Management Board Group and non-Group directorships

Mandates renewed for two financial periods at the end of the General Meeting of Shareholders called to examine the financial statements for the period ending March 31, 2013, or new appointments made at meetings of the Supervisory Board on September 24, 2014 and November 25, 2014.

	Company directorships over the last 5 years or date of initi0al appointment	Appointment expires or terminates	Other Group directorships	Other non-Group directorships
Mr Stéphane Dalyac Chairman Business address: Laurent-Perrier – 32 avenue de Champagne 51150 Tours-sur-Marne	September 24, 2014	Supervisory Board meeting held following the 2015 General Meeting of Shareholders	See table of positions and offices	
Ms Alexandra Pereyre de Nonancourt*, member and authorized legal representative Business address: Laurent-Perrier – 32 avenue de Champagne 51150 Tours-sur-Marne	May 10, 1999	Supervisory Board meeting held following the 2015 General Meeting of Shareholders	See table of positions and offices	Director Holding Benjamin & Edmond de Rothschild
Ms Stéphanie Meneux de Nonancourt*, Member and authorized legal representative Business address: Laurent-Perrier – 32 avenue de Champagne 51150 Tours-sur-Marne	May 10, 1999	Supervisory Board meeting held following the 2015 General Meeting of Shareholders	See table of positions and offices	None
Mr Michel Fauconnet, member Business address: Laurent-Perrier – 32 avenue de Champagne 51150 Tours-sur-Marne	May 27, 2010	Supervisory Board meeting held following the 2015 General Meeting of Shareholders	See table of positions and offices	None

* Mss Alexandra Pereyre de Nonancourt and Stéphanie Meneux de Nonancourt are the daughters of the Founder-Chairman of Laurent-Perrier, Mr Bernard de Nonancourt, who died on October 29, 2010, and his wife, Claude de Nonancourt.

4.1.2 The Laurent-Perrier Supervisory Board

Supervisory Board members are appointed for a term of six years.
Group and non-Group mandates:

Directors Date of initial appointment expires	Other Group and non-Group mandates at March 31, 2015
Maurice de Kervénoaël[1] *Chairman*: July 7, 2005 -2017 Business address: MDK Consulting 20, rue Vignon 75009 Paris	Other Laurent-Perrier Group mandates: none Non-Laurent-Perrier Group mandates: Manager of Consultancy company - Managing Director of MDK Consulting - Director of Hermès Parfums - Director of Château Olivier - Directeur ONET
François Philippoteaux *Deputy Chairman* *Member:* July 11, 1996 – 2020 Former Chief Executive of Laurent-Perrier Address: Laurent-Perrier – 32 avenue de Champagne 51150 Tours-sur-Marne	Other Laurent-Perrier Group mandates: see table of positions and offices - Chairman of Laurent-Perrier Switzerland Non-Laurent-Perrier Group mandates: none
Bernard de La Giraudière *Member*: July, 1996 – 2020 Former Chief Executive of Laurent-Perrier Address: Laurent-Perrier – 32 avenue de Champagne 51150 Tours-sur-Marne	Other Laurent-Perrier Group mandates: - Chairman of Laurent-Perrier UK Non-Laurent-Perrier Group mandates: - Chairman of Spirited Co. Limited
Claude de Nonancourt *Member*: July 11 1996 - 2020 *Family tie*: wife of Bernard de Nonancourt Address: Laurent-Perrier – 32 avenue de Champagne 51150 Tours-sur-Marne	Other Laurent-Perrier Group mandates: see table of positions and offices Non-Laurent-Perrier Group mandates: none
Yann Duchesne[1] *Member*: July 3 2003 - 2015 Address: Laurent-Perrier – 32 avenue de Champagne 51150 Tours-sur-Marne	Other Laurent-Perrier Group mandates: none Non-Laurent-Perrier Group mandates: - Chairman of the Supervisory Board of Saft - Director, IPSOS - Executive Director de Charles River Associates
Marie Cheval[1] *Member: July 9, 2013 – July 8, 2014* *Business address*: Boursorama – 18, quai du Point du Jour – 92100 Boulogne-Billancourt	Other Laurent-Perrier Group mandates: none Non-Laurent-Perrier Group mandates: - Chairman of Boursorama - Member of the Supervisory Board of ’OnVista (Germany) - Director of Talos Holdings Ltd. (UK) - Chairman of the Board of Directors Talos Securities Ltd. (UK) - Chairman of the Board of Directors SelfBank (Spain)
Éric Meneux *Member*: October 26, 1999 - 2017 *Family tie*: husband of Stéphanie Meneux de Nonancourt, member of the Management Board Address: Laurent-Perrier – 32 avenue de Champagne 51150 Tours-sur-Marne	Other Laurent-Perrier Group mandates: none Non-Laurent-Perrier Group mandates: Medical Doctor, surgeon at the Clinique Sainte Isabelle and the American Hospital, Neuilly-sur-Seine

Jean-Louis Pereyre *Member*: December 20, 1994 - 2018 *Family tie*: husband of Alexandra Pereyre de Nonancourt, member of the Management Board Address: Laurent-Perrier – 32 avenue de Champagne 51150 Tours-sur-Marne	Other Laurent-Perrier Group mandates: none Non-Laurent-Perrier Group mandates: Chairman, Maritime Archéologie et Prospection Director, Media Contact Services
Patrick Thomas (1) *Member*: November 25, 2011 - 2017 *Business address*: 24 rue du Faubourg Saint Honoré 75008 Paris	Other Laurent-Perrier Group mandates: none Non-Laurent-Perrier Group mandates: - Chairman of the Board and Director, Shang-Xia Trading (Shanghai) - Chairman and Director, Full More Group (Hong-Kong) - Chairman, Faubourg Italia (Italy) until 17/03/2015 - Member of the Supervisory Board, Leica Camera AG (Germany) - Member of the Supervisory Board, Château Palmer (France) - Member of the Supervisory Board, Ardian Holding (France) - Member of the Supervisory Board, Massilly Holding (France) - Managing Director, SCI Les Choseaux (France) - Censor, Rémy Cointreau (France) - Member of the Board of Directors, Renault (France)

(1) Independent members of the Supervisory Board.

Supervisory Board Committees:
Several committees met over the course of the financial year.

The Strategy Committee is tasked with monitoring Company growth and presenting strategy proposals for the Laurent-Perrier Group to the Supervisory Board as a whole. The Strategy Committee members are: Maurice de Kervénoaël (President), Yann Duchesne (Vice President) , Eric Meneux, Jean-Louis Pereyre, Patrick Thomas, Marie Cheval and Bernard de La Giraudière, Management Board members. The Management Board is represented on the Strategy Committee by Stéphane Dalyac, Alexandra Pereyre de Nonancourt and Stéphanie Meneux de Nonancourt.

The Liaison Committee meets according to needs to examine the company's indicators and the results and profitability of the Group's products and countries where it operates.
The Committee is chaired by Maurice de Kervénoaël. Alexandra Pereyre, Stéphanie Meneux, Stéphane Dalyac and Michel Fauconnet are permanently invited to be present at meetings.

The Audit and Financial Communication Committee examines the Company's financial results for each reporting period and ensures they are communicated to shareholders at least twice a year. Its role is to ensure the quality of the accounting methods and internal procedures, review the statutory and consolidated financial statements before they are presented to the Supervisory Board, and ensure the quality of the financial information provided to shareholders. Members are Eric Meneux and Marie Cheval, with Yann Duchesne as Chairman.

The Remuneration and Corporate Governance Committee recommends the remuneration levels of Supervisory and Management Board members, proposes authorisations governing the stock-option plans and their application to Management Board members. It provides opinions on the Group's executive remuneration policy, ensures that conflicts of interest are avoided or resolved and determines and implements the Company's corporate governance policy.
Members are Yann Duchesne and Jean-Louis Pereyre, with Patrick Thomas as Chairman.

Internal controls
Paragraph 4.5. of the present reference document contains the Report of the Chairman of the Supervisory Board on the preparation and organisation of its work and on the internal control procedures put in place by the Group.

List of positions and offices held in Group Companies by the executive officers as at March 31, 2015

Company Executive Officers	Laurent-Perrier	Champagne Laurent-Perrier	Champagne de Castellane	Société A.S.	Château Malakoff	François Daumale
	Société Anonyme with Management Board and Supervisory Board	*Société par Actions Simplifiée* (joint-stock company)	*Société Anonyme*	*Société Anonyme*	*Société par Actions Simplifiée* (joint-stock company)	*Société par Actions Simplifiée* (joint-stock company)
Maurice de Kervénoaël	Chairman of the Supervisory Board					
Bernard de La Giraudière	Member of the Supervisory Board					
Marie Cheval	Member of the Supervisory Board					
Eric Meneux	Member of the Supervisory Board					
Claude de Nonancourt	Member of the Supervisory Board		Director	Director		
Jean-Louis Pereyre	Member of the Supervisory Board					
François Philippoteaux	Vice Chairman of the Supervisory Board					
Yann Duchesne	Member of the Supervisory Board					
Patrick Thomas	Member of the Supervisory Board					
Stéphanie Meneux	Member of the Management Board and Chief Executive Officer	CEO	Permanent representative of CLP, Director	Chairman of the Board of Directors		
Alexandra Pereyre	Member of the Management Board and Chief Executive Officer	CEO				
Stéphane Dalyac	Member of the Management Board		CEO			Permanent representative of CLP, Director
Michel Fauconnet	Member of the Management Board			CEO	CEO	CEO
Laurent-Perrier Legal Entity		Chairman			Chairman	

4.1.3 Potential conflicts of interest and corporate governance (Middlenext Code)

Conflicts of interest

There are no potential conflicts of interest for the members of the Supervisory Board or members of the Management Board between their duties towards Laurent-Perrier and their private interests.

At the present date and to the Company's best knowledge over at least the past five years, no director or member of the Supervisory Board occupying a Company position at March 31, 2015:

- has been found guilty of fraud,
- has been associated with any bankruptcy, had his/her assets seized or attached or been put into liquidation,
- has been found guilty of any offence and/or been subject to official censure by statutory or regulatory authorities,
- has been banned by any court from acting as director, manager or member of the supervisory board of any company issuing shares or from being involved in the management or the running of any company issuing shares over at least the last five years.

There is no arrangement or agreement between the main shareholders, clients, suppliers or others by virtue of which one or other of the persons enumerated in Chapter 4 of the present reference document has been selected as a member of a Board, Management or Supervisory level structure or as a member of the General Management thereof.

Corporate governance –MIDDLENEXT Code

The Group considers that its practices comply with French corporate governance requirements, namely the MIDDLENEXT corporate governance code tailored to family-owned companies, to take into account the size and business activities of the Group and the family-owned nature of Laurent-Perrier.
For a champagne house, both its investments and activities are long-term. It is, therefore, important for the Laurent-Perrier Group to attract skills over a given period of time to enable Supervisory Board members and the company to work effectively together.
A good knowledge of the company and its business sector are primordial when it comes to enabling the company to benefit fully from the skills of its Supervisory Board members.
Hence, the prolonged exercise of a mandate as a member of the Supervisory Board provides experience and authority. However, the Supervisory Board did not consider that the exercise of a mandate over a period of several years means that the Supervisory Board member concerned does not lose any of his or her independent status.
The Supervisory Board sees the ability to suitably appreciate the complexity of a champagne house suitably as an asset.

Moreover, in view of Laurent-Perrier’s capital structure and its high concentration, the company has not yet carried out any self-assessment of the Supervisory Board. For the sake of good corporate governance, Laurent-Perrier intends to include this item on the agenda of one of its forthcoming meetings.
As regards the setting up of a selection committee, the Supervisory Board considers that the current operating conditions enable the Board and its committees to fulfil their roles.

4.2 GLOBAL AMOUNT OF TOTAL REMUNERATION AND FRINGE BENEFITS OF ALL SORTS PAID OUT EITHER DIRECTLY OR INDIRECTLY BY LAURENT-PERRIER OR OTHER GROUP COMPANIES DURING THE FINANCIAL YEAR

The Laurent-Perrier Group has opted to voluntarily refer to the MIDDLENEXT code of corporate governance (available, in French, at www.middlenext.com) in order to integrate its best corporate governance practice and recommendations for listed companies into the Group’s operating methods and oversight and management structures.

4.2.1 Members of the Management Board

Table showing compensation and options and shares allocated to each company executive officer *(table AMF n°1)*

NAME AND FUNCTION OF EXECUTIVE OFFICER	2013-2014	2014-2015
Stéphane Dalyac , *Chairman of the Management Board*		
Compensation for the period (breakdown below)	n/a	€183,921
Value of options allocated during the period		
Valuation of performance shares allocated in FY		
Total	**n/a**	**€183,921**
Alexandra Pereyre, *Management Board member and CEO*		
Compensation for the period (breakdown below)	€144,788	€115,966
Value of options allocated during the period		
Valuation of performance shares allocated in FY		
Total	**€144,788**	**€115,966**
Stéphanie Meneux, *Management Board member and CEO*		
Compensation for the period (breakdown below)	€144,728	€115,501
Value of options allocated during the period		
Valuation of performance shares allocated in FY		
Total	**€ 144 728**	**€115,501**
Michel Fauconnet, *Management Board member*		
Compensation for the period (breakdown below)	€267,790	€281,182
Value of options allocated during the period		
Valuation of performance shares allocated in FY		
Total	**€267,790**	**€281,182**
Jordi Vinyals, *Management Board member, until 11 june 2014*		
Compensation for the period (breakdown below)	€317,860	€119,939
Value of options allocated during the period		
Valuation of performance shares allocated in FY		
Total	**€317,860**	**€119,939**
Michel Boulaire, *Chairman of the Management Board until 30 sept. 2014*		
Compensation for the period (breakdown below)	✦€447,740	✦€540,455
Value of options allocated during the period		
Valuation of performance shares allocated in FY		
Total✦	**✦€447,740**	**✦€540,455**
Etienne Auriau, *Management Board member, until 21 november 2014*		
Compensation for the period (breakdown below)	€213,732	€182,197
Value of options allocated during the period		
Valuation of performance shares allocated in FY		
Total *Bonus F14 and F15 included*	**€213,732**	**€182,197**

✦ 2013-2014: of which for the period of 1st April 2013 to 31st March 2014 Total to which should be added the payment to the Revaland company, where Mr Michel Boulaire occupies the position of Manager, of fees in the amount of €333,740 in respect of miscellaneous services rendered. The Revaland company is a service provider with no equity ties with Laurent-Perrier. (Full details are set out in paragraph 5.7. of the present Reference Document, in the Special Report of the Statutory Auditors).

✦ 2014-201: of which for the period of 1st April 2014 to 30th September 2014 Total to which should be added the payment to the Revaland company, where Mr Michel Boulaire occupies the position of Manager, of fees in the amount of €118,655 in respect of miscellaneous services rendered and various non-competition related to the end of the mission in the amount of €377,400 HT. The Revaland company is a service provider with no equity ties with Laurent-Perrier. (Full details are set out in paragraph 5.7. of the present Reference Document, in the Special Report of the Statutory Auditors).

Breakdown of compensation for company executive officers

(Table AMF n°2)

Name and function of executive officer	Amounts paid in 2013-2014		Amounts paid in 2014-2015	
Stéphane Dalyac (from sept .2014)	due	paid	due	paid
Fixed compensation	n/a	n/a	€178,986	€178,986
Performance-related compensation			*	n/a
Exceptional compensation				
Director's fees				
Benefits in kind			€4,935	€4,935
Total	**n/a**	**n/a**	**€183,921**	**€183,921**
Alexandra Pereyre				
Fixed compensation	€63,756	€63,756	€66,943	€66,943
Performance-related compensation	€34,784	€34,927		€34,784
Exceptional compensation				
Director's fees**	€46,248	€46,248	€49,023	€49,023
Benefits in kind				
Total	**€144,788**	**€144,931**	**€115,966**	**€150,750**
Stéphanie Meneux				
Fixed compensation	€110,004	€110,004	€115,501	€115,501
Performance-related compensation	€34,724	€34,927		34,784
Exceptional compensation				
Director's fees				
Benefits in kind				
Total	**€144,728**	**€144,931**	**€115,501**	**€150,285**
Michel Fauconnet				
Fixed compensation	€200,000	€200,000	€235,000	€235,000
Performance-related compensation	€44,314	€36,740	*	€44,314
Exceptional compensation	€20,000	€20,000	€20,000	€20,000
Deferred bonus			€22,000	€22,000
Director's fees				
Benefits in kind	€3,476	€3,476	€4,182	€4,182
Total	**€223,476**	**€260,216**	**€281,182**	**€325,496**
Jordi Vinyals (until 11 june 2014)				
Fixed compensation	€247,000	€247,000	€92,135	€92,135
Performance-related compensation F14*	€70,637	€47,136		€70,637
Performance-related compensation F15*			€26,320	€26,320
Director's fees				
Benefits in kind	€223	€223	€1,484	€1,484
Total	**€317,860**	**€294,359**	**€119,939**	**€190,576**
Michel Boulaire (until 30 sept. 2014)				
Fixed compensation and honoraria	€444,740	€444,740	€163,055	€163,055
Various non-competition vs the end of the mission			€377,400	€377,400
Director's fees				
Benefits in kind				
Total ✦	**€444,740**	**€444,740**	**€540,455**	**€540,455**
Etienne Auriau (until 21 nov. 2014)				
Fixed compensation	€162,804	€162,804	€104,330	€104,330
Performance-related compensation F14*	€49,094	€45,870		€49,094
Performance-related compensation F15*			€32,725	€32,725
Deferred bonus			€44,000	€44,000
Director's fees				
Benefits in kind	€1,834	€1,834	€1,942	€1,942
Total	**€213,732**	**€210,508**	**€182,997**	**€232,091**

* Performance-related pay is linked to achieving the Group's results and certain individual targets. The amount has not yet been determined at the date of the financial statements for 2014-2015. For Mr. Jordi Vinyals and Mr. Etienne Auriau: variable compensation also includes the proportionate share of the bonus the day of their release.

** Director's fees paid to Ms Alexandra Pereyre remunerate her activity at Laurent-Perrier UK.

*** Exceptional compensation: because Mr Michel Fauconnet is the expert during the harvest period.

✦ 2013-2014: of which for the period of 1st April 2013 to 31st March 2014 Total to which should be added the payment to the Revaland company, where Mr Michel Boulaire occupies the position of Manager, of fees in the amount of €333,740 in respect of miscellaneous services rendered. The Revaland company is a service provider with no equity ties with Laurent-Perrier. (Full details are set out in paragraph 5.7. of the present Reference Document, in the Special Report of the Statutory Auditors).

✦ 2014-2015: of which for the period of 1st April 2014 to 30th September 2014 Total to which should be added the payment to the Revaland company, where Mr Michel Boulaire occupies the position of Manager, of fees in the amount of €118,655 in respect of miscellaneous services rendered and various non-competition related to the end of the mission in the amount of €377,400 HT. The Revaland company is a service provider with no equity ties with Laurent-Perrier. (Full details are set out in paragraph 5.7. of the present Reference Document, in the Special Report of the Statutory Auditors) and a fixed President remuneration of €44,400.

Social Status of Chief Executive Officer
(AMF Table No.11)

Executive officers (1)	Employment Contract		Supplementary pension regime		Indemnities or benefits due or likely to be due subsequent to cessation or change of functions		Indemnities linked to non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Stéphane Dalyac Chairman of Management Board Start date: 24 Sept. 2014 End date: AGM July 2015		No	Yes		Yes		Yes	
Michel Fauconnet Member of Management Board Start date: 27 May 2010 End date: AGM July 2015	Yes		Yes			No		No
Stéphanie Meneux Member of Management Board General Director Start date: 27 May 2010 End date: AGM July 2015		No	Yes			No		No
Alexandra Pereyre Member of Management Board General Director Start date: 27 May 2010 End date: AGM July 2015		No	Yes			No		No

i.e. paragraph 3.3. of internal control procedures (Chapter 4.5. this annual report).

Complementary retirement pension
The provisions and reserves by the Company and its subsidiaries for general and retirement pensions and other benefits together total K€2,522.14, broken down as follows.

Additional retirement pension
- nature of commitment, "defined benefits – article 39 of French tax code";
- commitment calculation method, +15% of salary in 12 months preceding retirement date.

	Stéphane Dalyac	Stéphanie Meneux	Alexandra Pereyre	Michel Fauconnet
Defined benefit pension	99.2	656.8	431.0	1,335.4

It should be noted that supplementary-pension related benefits have been factored in to the package negotiated with senior executives.

Stock options allocated
(AMF Table No.4)

Stock options allocated to each executive officer for the period						
Options allocated to each executive officer by the issues and all Group companies	No and date of plan	Type of Options (purchase or subscription)	Value of options using the method chosen in the consolidated financial statements	Number of options allocated during the accounting period	Exercise price	Exercise period
None						

Stock-options exercised

(AMF Table No.5)

Options to subscribe to exercised during the accounting period by the Executive Officers				
Option exercised by executive officers	N° and date of Plan	Number of options exercised during the financial year	Exercice Price	Exercice period
Michel Fauconnet	Plan n°11 of 14.03.2006	4 000	€50,38	from 15.03.2010 to 13.03.2016
TOTAL		4 000		

Bonus performance shares allocated

(AMF Table No.6)

Bonus performance shares allocated to each corporate executive officer					
Bonus performance shares allocated during the FY to each corporate executive officer by issuer and any Group compagny	No.and date of plan	Number of options exercised during the financial year	Valuation of shares by method used in consolidated financial statements	Acquired	Available
None					

Bonus performance shares now available

(AMF Table No.7)

Performance shares becoming available during the FY for each corporate officer			
Performance shares available for each corporate executive officer by issuer and by any Group company	No. and date of Plan	Number of shares becoming available during the FY	Acquisition conditions
None			

Bonus shares – Information on free bonus shares

(AMF Table No. 10)

Allocations of bonus shares
None

4.2.2 Members of the Supervisory Board

(AMF Table No.3)

*o/w payment of fees for services rendered paid to MDK Consulting, Managed by

Supervisory Boards members	Amount paid in 2013-2014	Amount paid in 2014-2015
Maurice de Kervénoaël *		
Attendance fees		
Other remuneration	143,78 K€ *	146,5 K€
François Philippoteaux		
Attendance fees	26,0 K€	26,0 K€
Other remuneration		
Bernard de La Giraudière		
Attendance fees	17,7 K€	17,7 K€
Other remuneration		
Yann Duchesne		
Attendance fees	17,7 K€	17,7 K€
Other remuneration		
Marie Cheval		
Attendance fees	8,9 K€	17,7 K€
Other remuneration		
Eric Meneux		
Attendance fees	17,7 K€	17,7 K€
Other remuneration		
Claude de Nonancourt		
Attendance fees	17,7 K€	17,7 K€
Other remuneration		
Jean-Louis Pereyre		
Attendance fees	17,7 K€	17,7 K€
Other remuneration		
Patrick Thomas		
Attendance fees	17,7 K€	17,7 K€
Other remuneration		

*Maurice de Kervénoaël. (Full details are set out in paragraph 5.7. K€118.2 of the present Reference Document, in the Special Report of the Statutory Auditors).

Directors' fees remunerate the general activity on the Supervisory Board for each of its members.

No loans or sureties were granted by Laurent-Perrier to members of the Management Board or Supervisory Board.

In the two years preceding the publication of the present reference document there is no contract in which a member of the Management Board or Supervisory Board is part.

4.3 STOCK OPTIONS GRANTED TO GROUP OFFICERS AND THE TOP 10 NON-OFFICER EMPLOYEES

(AMF Table No.9)

4.3.1. This report has been prepared by the Company's Management Board in compliance with article L 225-184, paragraph 2 of the French Commercial Code as amended by Law 2008-1258 adopted on December 3, 2008, and with article D 174-20 of the decree of March 23, 1967, to inform shareholders of options granted by the Company and controlled companies in the year ended March 31, 2015 to:

- Officers ("*mandataires sociaux*") of the Company and controlled companies in connection with offices or functions held,
- The ten non-officer employees having received the largest number of stock options during the period.

In compliance with the provisions of the aforementioned article L 225-184, amended, the table below outlines the number, exercise dates and option prices of the stock options granted in the year ended March 31, 2015 to the grantees enumerated below in respect of the authorisation conferred by the Joint Extraordinary and Ordinary General Meetings of Shareholders held on July 10, 2012.

	Number of options granted	Expiry date	Option price
1) Officers			
	None		
2) Employees receiving the largest number of options who are not officers			
	None		

4.3.2. Furthermore, in application of the provisions of the aforementioned article L.225-184 of the French Commercial Code, this report must provide the number and the prices at which stock options entitling holders to acquire shares in the Company or the controlled companies were exercised by Group officers and by the ten non-officer employees of the Group exercising the largest number of options

Beneficiaries	Plan n°11 16.03.2006	Plan n°14 02.04.2009	Total
Exercise period	from 15.03.10 to 13.03.16	from 02.04.13 to 03.04.19	
Exercise price	50.38€	41.00€	
Number			
1) Officers	4.000		4.000
2) Non officer employees exercising the largest		4.850	4.850
Total	4.000	4.850	8.850

NB: The historical series of stock options allocations *(AMF Table No.8)* is set out in section 3.2.2. of the present reference document.

4.4 PROTECTIVE MEASURES IMPOSED ON SENIOR EXECUTIVES

The Laurent-Perrier Supervisory Board has decided that with respect to shares obtained by exercising share options allocated from 2007, the following protective measures shall apply:

- shares to retain: Laurent-Perrier shares;

- beneficiaries concerned, and % of shares to retain:
  - Chairman of the Management Board: the Chairman of the Management Board shall retain 20% of the shares obtained by exercising share options as of the allocation of 2007. The number of shares to retain shall be calculated and retained at the time of each allocation of share options.
  - Operations Committee members: each member of the Operations Committee shall retain 20% of the shares obtained by exercising share options as of the allocation of 2007. The number of shares to retain shall be calculated and retained at the time of each allocation of share options.

- End of requirement to retain shares:
  - For the Chairman of the Management Board: the shares to be retained, obtained by exercising share options, may be sold on as of the first day after the Chairman relinquishes his duties as Chairman of the Management Board and at the end of any employment contracts he may have.
  - Operations Committee members: the shares to be retained, obtained by exercising share options, may be sold on as of the first day after the end of any employment contracts they have.

4.5 REPORT BY THE CHAIRMAN OF THE SUPERVISORY BOARD ON THE CONDITIONS FOR THE PREPARATION AND ORGANISATION OF THE WORK OF THE SUPERVISORY BOARD AND ON THE INTERNAL CONTROL PROCEDURES IMPLEMENTED BY LAURENT-PERRIER.

The present report has been drawn up in accordance with Article L 225-68 of the French Commercial Code in order to present the conditions for the preparation and organisation of the work of the Supervisory Board, together with the internal control procedures, to the General Meeting of Shareholders. The report has been drawn up with the assistance of the Group Finance Department.

A. Compliance with corporate governance practice

The Laurent-Perrier Group has opted to voluntarily refer to the MIDDLENEXT code of corporate governance (available, in French, at www.middlenext.com) in order to integrate its best corporate governance practice and recommendations for listed companies into the Group's operating methods and oversight and management structures.

- Principle of balanced male-female representation on the Laurent-Perrier Supervisory Board: As at March 31, 2015, the Laurent-Perrier Supervisory Board meets the requirements of the Law of 27 January 2011, as the Supervisory Board has at least 20% female representation.

B. Preparation and organisation of the work of the supervisory board

B.1. Composition and role of the Supervisory Board

As at March 31, 2015 the Laurent-Perrier Supervisory Board comprised nine members, including four independent members in the sense of the MIDDLENEXT code of corporate governance (absence of any material financial or family contractual relationship likely to alter independence of judgement).
The make-up of the Supervisory Board is set out in Appendix A of this report.

The Supervisory Board appoints the Management Board and the General Shareholders' Meeting may terminate its mandate. In accordance with the law, it is responsible for the permanent oversight of the Company's management by the Management Board and under the terms of the Company by-laws authorises the following operations:

- draw up or modify the Laurent-Perrier Group multi-year corporate plan;
- execute or authorise all operations likely to substantially affect Group strategy, its financial structure or scope of activity and notably likely to substantially modify the image of Group brands;
- issue, even on the authorisation of the General Shareholders' Meeting, securities of any nature whatsoever resulting in or likely to result in an increase in the legal capital (or to enter into any undertakings whatsoever in this respect);
- grant remuneration or rights to securities issued by the Company to all members of the Management Board;
- execute the following transactions (or enter into any undertaking in this respect) when they individually and severally exceed an amount or, where applicable, a period of time set by the Supervisory Board, (it being understood that the present statutory provision shall only apply in cases where the Supervisory Board has set such amounts):
  - i) any and all subscriptions, purchases or disposals with respect to securities,
  - ii) any and all immediate or deferred purchase in any and all legal or de facto groups or companies,
  - iii) any and all asset transfers or exchanges, with or without a balancing cash adjustment, for goods or securities,
  - iv) any and all acquisitions or disposals of property assets or rights,
  - v) any and all acquisitions or disposals of receivables, businesses or other intangible assets,
  - vi) any and all initiatives with a view to granting or obtaining all loans, credits or overdraft facilities,
  - vii) any and all distribution contracts or, more generally, marketing contracts and any and all supply contracts,
  - viii) any and all transactions and compromises in the event of a dispute.

B.2. Exercise of Roles and responsibilities

The Supervisory Board meets at least six times a year to discuss an agenda drawn up by its chairman. During the 2014-2015 financial year, the Supervisory Board met on six occasions. The attendance rate of its members was as follows:

Date	Important points on the agenda	Attendance rate
22.05.2014	Approval of the corporate accounts and the consolidated financial statements to March 31,2014	80%
08.07.2014	Strategic Plan for 2015-2016	70%
08.07.2014	Distribution of Directors' fees	70%
24.09.2014	Reorganisation of the Management Board Appointment of a new Management Board member Powers	70%
25.11.2014	Situation of the company in the first quarter of 2014-2015 financial year	100%
17.03.2015	Examination of estimated net income on March 31, 2015 Situation of the Company at March 31, 2015 Provisional accounts FY 2014-2015 Budget for 2015-2016 financial year	100%

Full details of all significant transactions are notified to the Supervisory Board.
To date the Supervisory Board has not carried out any appraisal of its own operation. This question will be put on the agenda of its meetings in the coming months.

B.3. Committees
The Supervisory Board has set up four committees:

The Strategy Committee is responsible for studying the development of the Company and presenting strategy proposals for the Laurent-Perrier Group to the full Supervisory Board. The Strategy Committee members are Maurice de Kervénoaël (Chairman) Yann Duchesne (Deputy Chairman), Eric Meneux, Jean-Louis Pereyre, Patrick Thomas, Marie Cheval. The Management Board is represented on the Strategy Committee by Alexandra Pereyre and Stéphanie Meneux.

The Liaison Committee meets monthly and examines the Company's' key performance indicators and the results and profitability of the Group's products and countries where it operates. It also oversees the Group's development activities. It is chaired by Maurice de Kervénoaël.

The Audit and Financial Communication Committee deals with and analyses corporate results, and disclosing these to shareholders. Its role is to ascertain the quality of accounting methods and internal procedures, examine the consolidated corporate accounts and financial statements before their submission to the Supervisory Board, and oversee the quality of financial communication to shareholders. The Committee is chaired by Yann Duchesne. The other members are: Éric Meneux and Marie Cheval. In accordance with the recommendations, at least one member of the Audit Committee is a qualified person with respect to financial affairs and accountancy.

The Remuneration and Corporate Governance Committee is in charge of selecting members of the Supervisory Board and Management Board and recommending conditions for their compensation and proposes authorisations governing the stock-option plans and their application to Management Board members. It provides opinions on the Group's executive remuneration policy.
It also ensures that conflicts of interest are avoided and determines and implements the Company's corporate governance policy. The Committee is chaired by Patrick Thomas. The other members are Yann Duchesne and Jean-Louis Pereyre.

During FY 2014-2015 the Remuneration and Corporate Governance Committee was required to examine and issue a recommendation concerning the performance-related compensation of the members of the Management Board on the basis of the results of FY 2013-2014.

The remuneration of Supervisory Board members is based on the following criteria:
- a fixed component, according to the responsibilities and tasks undertaken by members and on market practice for this type of position,

- a performance-related component dependent on achieving Group results targets (operating result and result from ordinary activities adjusted for amortisation of goodwill) and individual targets set by the Chairman of the Supervisory Board
- benefits in kind (mainly provision of a company vehicle),
- directors' fees for members serving on the Board of Directors of one or more subsidiaries.

Laurent-Perrier, whose roots are in the Champagne region, has always sought to reconcile an ethical approach and the need to attract and recruit the most suitable executives to develop the Group while simultaneously safeguarding its financial independence and family-owned character. To meet these fundamental criteria, Laurent-Perrier has implemented what seems to it to be the most suitable compensation policy:
- no excessive severance indemnity packages have been provided,
- a Chairman of the Management Board who has no employment contract.
- a deferred multi-year (FY16 to FY20) performance-related component based on turnover and consolidated operating result for the Chairman of the Management Board,
- a so-called "defined benefits" pension plan, as an incentive for senior executives to consider making a long-term career in the Group.

Laurent-Perrier also hopes to improve Group Corporate Governance practice via its Supervisory Board and its several Committees.

c. Internal control procedures

c.1. System of Controls

The Group's internal control system is centralised. Internal control structures and procedures are defined on behalf of the Group by the central departments at Group Head Office.
Since 2010, the Group migrated its main applications to an integrated system. This work allowed and update of the main procedures of the Group.
The Group has decided to create a function dedicated to continuous improvement. The aim is to identify company processes that do not operate satisfactorily. A manager is appointed for each process. He or she sets up a working group and recommend improvement solutions with a detailed timetable. Once the solution has been adopted, it needs to be documented and included in the procedures database to put its application on a permanent footing.

Legal oversight
As part of the Group Finance department, the Legal Affairs department centralises and coordinates all legal aspects. The Legal Affairs department oversees the legal secretariat of all Group subsidiaries. Intellectual and industrial property is a major issue for the Group and it is closely monitored and updated internally, with the support of external legal practices.

Budget approach and financial management reporting
The Group's budgetary approach is broken down on a departmental basis and is a key component in the control of financial activities. The General Management's strategic choices are set out in an annual Business Plan and are then–cascaded to all staff. The Group's budgetary approach is the main means of giving clear operational expression to the strategic directions.
The Group's Management Control department is tasked with organising the budget process and ensuring that operational staff is helped when drawing up their annual budgets, monitoring them and implementing the planned improvement initiatives. It also acts as a coordinating and centralisation agency and one that ensures consistency in budget and management reporting.

Regular budget monitoring by fiscal can help identify any mismatches with the planned activity levels or spending and implement the necessary adjustments.

c.2. Control and management bodies

The Supervisory Board
The Supervisory Board exercises control over the management of the Laurent-Perrier Group based on the reports of the Management Board forwarded to it and on the work of the Audit and Financial Communication Committee.

Each year, during the last quarter of the financial year, an annual plan is drawn up to set targets and quantify the major strategic options. Once this plan has been drawn up at the level of each entity, it is used as a yardstick for the following year for measuring the Company's performance

and defining any necessary remedial actions.
The Supervisory Board has been informed of the main thrust of risk management policy, and of the measures to implement in order to strengthen the role of the Audit Committee whose remit has been extended by current regulations to cover:

- the effectiveness of internal control mechanisms,
- control over financial information and control over procedures to draw up the consolidated accounts.

The Management Board
The Management Board exercises control over risk management based on existing reporting, and in particular on the work of the Finance, Accounts and Financial Control departments, as well as by examining investment and spending decisions.

The Management Board approves the budget and endorses all investments and significant contractual undertakings. Investment proposals are submitted to the Management Board by departments for approval.

The Management Board is regularly informed of the main risks identified and the means employed to mitigate them.

c.3. Internal control procedures for drawing up and processing accounting and financial information

Statutory consolidation
A balance sheet, profit and loss statement, and consolidated cash-flow statement are generated and published twice yearly.
The Laurent-Perrier Group's Accounts Department draws up a calendar of tasks and specifies the methods for preparing the consolidation documents to be forwarded to the Accounts Departments or to the different entities.
In particular, inventories are checked by physical stock-taking at the end of each accounting period and reconciliations are also carried out between book values and those declared to the French customs authorities as required by regulations.
Precise procedures also exist to gauge the provisions needed to cover identified risks and notably non-recovery risks in connection with certain trade receivables.
Every month, the accounts are closed and analysed by the Management Control Department to ascertain that management indicators and accounting data are consistent.

Checks are carried out as follows:

- Twice yearly: an evaluation of contingency and loss provisions and of trade receivables provisions, and an audit by the Statutory Auditors and/or a review of accounts by the Statutory Auditors for all Group entities;
- Once a year: physical stock-taking;
- Once a month: the accounts are closed and any differences analysed, while late payment by customers is monitored;
- Continuously: monitoring of consumption of provisions, reconciliation of accounts, consistency controls by the Management Control department, and monitoring of debt levels relative to credit lines granted by the banks.

Financial management and consolidation documents are presented by the Finance Department to the Supervisory Board every quarter.

D. PRINCIPLES AND RULES USED IN SETTING THE COMPENSATION OF SENIOR MANAGEMENT

D.1 Corporate governance practice

Laurent-Perrier is attentive to the rules of business ethics and corporate governance.
The Laurent-Perrier reference document sets out the Corporate Governance Provisions enshrined in the Code of Corporate Governance drawn up by representative business organisations and in the recommendations of the AMF, adapting them to companies governed by Management Board and Supervisory Board.

D.2. Executive compensation

Compensation rules for Laurent-Perrier have been substantively the same for many years.

- Creation of a Remuneration and Corporate Governance Committee.
- Executive compensation voted by the Supervisory Board following recommendations from the Remuneration and Corporate Governance Committee.
- The breakdown of compensation components reflects the risks and responsibilities attached to the function.
- Adoption of standardised presentation of Executive compensation in the reference document.

E. Arrangements concerning shareholder participation at the general shareholders' Meeting

The company by laws stipulate the following:

Article 8: Form of shares and other securities
The securities issued by the company are in the form of bearer shares or registered shares in accordance with the conditions set out in the currently applicable legislation.

Article 12: Rights and obligations attached to shares
All shares are in the same category and confer the same rights and obligations, subject to their being fully paid up and without prejudice to the imperative applicable legal conditions at the time and to the provisions of the present Bylaws.
Ownership of a share legally requires acceptance of the present Company Bylaws and of the decisions taken at General Shareholders' Meetings.
The heirs, creditors, assigns or other representatives of a shareholder shall not, on any pretext whatsoever, request that the goods and securities of the Company be put under seal, nor request the Company's break-up or auctioning, nor interfere with the actions of its administration. To exercise their rights, they shall refer to the "inventory" accounting ledgers and to the decisions of the General Shareholders' Meetings.
The General Shareholders' Meeting may require a splitting or consolidation of shares in accordance with the applicable legal conditions at the time.
Each time it is necessary to own several securities, and shares in particular, to exercise a given right, in the event of a swap, consolidation, split or allocation of shares, or as a result of a capital increase or reduction, merger or other corporate transaction, the owners of single shares or shares in insufficient number to that required shall be personally responsible for consolidation and, where appropriate, purchase or sale of the required shares.

Article 18: General Shareholders' Meetings

1. Except for those provisions set out in the present Bylaws, the rules relative to General Shareholders' Meetings, and notably with respect to convening and holding them, and to communication and information rights of shareholders, are those provided for in the currently applicable legislation.

With respect to calculating the quorum or a majority, those shareholders deemed present include shareholders attending the Meeting over a video link or over a telecommunications link allowing them to be identified, whose type and application conditions comply with regulatory provisions.

General Shareholders' Meetings are held at the registered office or at any other venue notified on the invitation to attend.

2. Should they deem it opportune, and provided such is notified in the invitation to attend (and also, where appropriate, in the notice of meeting), the Management Board or the Supervisory Board may subject the right to attend General Shareholders' Meetings:

- with respect to shareholders bearing registered shares, to registration of shares in the bearer's name at least five (5) calendar days before the date of the General Shareholders' Meeting;
- with respect to shareholders holding bearer shares, to deposit of the bearer share deposit certificate, pursuant to Article 136 of Decree 67-236 issued on March 23, 1967, at least five (5) days before the date of the General Shareholders' Meeting.

3. Subject to the foregoing, the voting rights attached to shares are proportional to the portion of capital they represent.
These rights are exercised in accordance with the currently applicable legal provisions.

However, voting rights that are double those conferred on other shares in respect of the portion of capital that they represent are automatically conferred on all fully paid-up shares for which registration can be proved for four full years in the name of the same shareholder according to the applicable legal conditions and provisions.

Furthermore, and without limitation, in the event of a share split or consolidation, and also in the case of a capital increase by incorporation of reserves, earnings or issuance premiums, double voting rights are conferred, from the date of issuance, on registered bonus shares allocated to shareholders in connection with the old shares entitling them to double voting rights.

Shareholders with double voting rights may waive such voting rights either temporarily or definitively, either conditionally or unconditionally, revocably or irrevocably, by notifying such by recorded delivery mail sent to the Company head office no later than 30 (thirty) calendar days before the convening of the first General Shareholders' Meeting at which the waiver shall apply.

F. <u>Factors likely to have an influence in the event of a public offering</u>

The factors below are highlighted in order to ensure transparency as regards factors which may influence share prices.

F.1. <u>Direct or indirect holdings in company equity at March 31, 2015</u>

	Shareholders	Numbers of shares	% capital	% voting rights
①	Registered family shares (de Nonancourt family)	3.583,685	60.27%	71.07%
②	Institutional shareholders (registered shares)[1]	586,045	9.86%	10.93%
③	Other shareholders, including individuals [2]	1.694,255	28.49%	17.59%
④	Shares held through the corporate mutual fund for employees and managed by HSBC Epargne Entreprise (registered and bearer)	20,766	0.35%	0.41%
⑤	Treasury shares [3]	61,110	1.03%	-
	GRAND TOTAL GENERAL at 31.03.2015	**5.945,861**	**100%**	**100%**

(1) Including First Eagle Funds Inc., which to the best of the Group's knowledge holds more than 7.5% of the capital and more than 10% of the voting rights.

(2) Of which
- First Eagle Investment Management, LLC (US Investment Advisor) which has disclosed that it has crossed the threshold of 10% of the capital and 10% of the voting rights, including First Eagle Funds Inc., cited above[1] and which further declares that it has no intention of acquiring control of the company.
- FIL Limited (Fil international, a fund manager) which has disclosed that it has crossed the threshold of 2.5% of the capital and 2.5% of the voting rights.
- Mousseluxe SARL which has disclosed that it has crossed the threshold of 2.5% of the capital.

(3) Treasury shares: this mainly corresponds to shares acquired under the provisions of articles L 225–209 et seq. of the French Commercial Code (market making and shares held for allocation to employees)

F.2. <u>Rules applicable to the appointment and replacement of the Management Board and to amendments to company Bylaws.</u>

"<u>Article 13 of the company bylaws</u>

1. 1. Except for that which is provided for in the present bylaws, the rules concerning the Management Board, and notably its make-up, *modus operandi* and remit are those provided for in currently applicable legislation.

2. The number of members in the Management Board is set by the Supervisory Board in compliance with currently applicable legislation.
The maximum age for a member of the Management Board is set at 75 (seventy-five) years and all members of the Management Board shall resign from their positions following the General Shareholders' Meeting called to approve the accounts of the financial year in which the member(s) reach(es) the age of 75 (seventy-five) years.

3. The Management Board is appointed for a term of two (2) years and its functions terminate following the General Shareholders' Meeting called to approve the accounts of the financial year just ended held in the financial year in which the Management Board's mandate expires.
All members of the Management Board are eligible for re-election.
In the event of a vacancy, the Supervisory Board shall designate a replacement or agree to abolish the vacant position within two months of its becoming vacant subject to compliance with the currently applicable legal limit.

4.

a) The Management Board meets as often as the interests of the Company so require and, in all cases provided for under the currently applicable legal provisions; it shall meet, notably, to discuss all transactions that require the prior authorisation of the Supervisory Board.
The Management Board may be convened by any available means, even by word of mouth, by its chairman or by at least two of its members, or, if the Management Board has not convened for 15 (fifteen) calendar days on the day it is convened, by a single member. Meetings take place at the registered office or at any other location indicated in the invitation to attend.
The agenda may be decided at the start of the meeting.

b) For the discussions of the Management Board to be valid, two-thirds at least of its acting members must be present or represented.
For the decisions of the Management Board to be valid, they must be agreed by a majority of the members present or represented.
Any member of the Management Board may mandate another member to represent him or her. The mandate may be given by any means whatsoever. Each member present may only represent one other member.
Any member of the Management Board unable to attend a meeting in person may also attend and take part in the discussions using any and all means of telecommunication, including telephone, video-link or fax.

c) At the request of a member of the Management Board, all its discussions must be minuted and set out in a special register. The minutes are signed by the members present at the discussion, although failure to carry out this formality shall not, as such, nullify the proceedings.

d) Where appropriate, the Management Board may designate a secretary at each of its meetings, who may be one of its members or a non-member.

e) The Management Board may draw up a set of policies and procedures setting out and supplementing the *modus operandi* set out in the present Bylaws, although these rules shall not take effect until they have been approved by the Supervisory Board.

5. The quarterly report that the Management Board is required to submit to the Supervisory Board pursuant to Article 225-68, ult. of the French Code of Commerce must include not only a report on the situation and operation of company business, but also on the situation and the business affairs of the whole formed by the Company and the entities controlled by the Company within the meaning of Article L 233-3 of the French Code of Commerce. The Management Board may also submit a report to the Supervisory Board at any time concerning any special operation."

F.3. Powers of the Management Board, notably concerning share issuance or buyback.

The Management Board has been authorised to:

- launch a share buy-back programme,
- grant Stock Options,
- increase shareholders' equity,
- award bonus shares.

Aim of authority	Type of security involved	Maximum amount authorised by the General Shareholders' Meeting, July 8, 2014	Use of authority at 31.03.2015
To increase the Company's capital stock by issuing shares or securities giving access to the Company's capital with preferential subscription rights	• Shares • Shares or securities giving access to the Company's capital/allocation of debt securities • Shares or securities giving access to the capital of the company which owns the company or of which the company owns the capital	• €10,000,000 if shares • €150,000,000€ if securities representative of debts entitling owners to acquire company shares	No
To increase the Company's capital stock by incorporation of reserves, income or premiums or any other sums available for capitalisation	• Shares	• Total amount authorised equal to the maximum amount of reserves, profits, premiums and/or other sums to incorporate	No
To increase the Company's capital stock by issuing shares or securities giving access to the Company's capital with cancellation of preferential subscription rights	• Shares • Shares or securities giving access to the Company's capital/allocation of debt securities • Shares or securities giving access to the capital of the company which owns the company or of which the company owns the capital	• €10,000,000 if shares • €150,000,000€ if securities representative of debts entitling owners to acquire company shares	No
To increase the Company's capital stock by issuing shares or securities giving access to the Company's capital with cancellation of preferential subscription rights, up to an annual maximum of 10% of the share capital, according to the method of determining the subscription price defined by the General Shareholders' Meeting	• Shares • Shares or securities giving access to the Company's capital	• Maximum of 10% of the share capital each year (excluding deferred issues) • Issue price at least equal to the weighted average of the share price in the last 20 trading sessions (discount 5%)	No
To increase the Company's capital stock by issuing shares or securities giving access to the Company's capital with cancellation of preferential subscription rights, up to an annual maximum of 20% of the share capital, through private placement reserved for qualified investors or a restricted circle of investors	• Shares • Shares or securities giving access to the Company's capital	• Maximum of 20% of the share capital each year (excluding deferred issues) Max: €150,000,000 • Issue price at least equal to the weighted average of the share price in the last 20 trading sessions (discount 5%)	No
To increase the Company's capital stock up to a maximum of 10% of the capital to remunerate contributions in kind of shares or securities giving access to the capital of other companies	• Shares • Shares or securities giving access to the Company's capital	Maximum of 10% of the share capital each year	No
Capital increase for Laurent-Perrier company staff	• Shares • Shares or securities giving access to the Company's capital	• €10,000,000 if shares or Shares or securities giving access to the Company's capital	No

F.4. There exist no agreements entered into by the company and falling within the legal requirement of disclosure which will be modified or terminated in the event of a change in control of the said company.

F.5. Agreements providing for indemnities. There are no agreements providing for indemnities to be paid to members of the Management Board or employees if they resign or are dismissed without serious cause or if their employment is terminated as a result of a public offer (and in particular no abusive severance payments and golden parachutes) other than Laurent-Perrier's undertaking towards Mr Stéphane Dalyac, Chairman of the Management Board, viz:

- Six times his last gross monthly fixed remuneration + performance-related component,
- Respect for the performance conditions, ie, achieving 50% of the Group's operating income target set by the Supervisory Board for the previous financial year.

The report was approved by the meeting of the Supervisory Board held on May 26, 2015

Maurice de Kervénoaël
Chairman of the Supervisory Board

APPENDIX A
List of members of the Supervisory Board and functions exercised in other companies

Directors Date of initial appointment expires	Other Group and non-Group mandates at March 31, 2015
M. Maurice de Kervénoaël(1) *Chairman*: July 7, 2005 - 2017 Business address: MDK Consulting 20, rue Vignon 75009 Paris	Other Laurent-Perrier Group mandates: none Non-Laurent-Perrier Group mandates: Manager of Consultancy company - Managing Director of MDK Consulting - Director of Hermès Parfums - Director of Château Olivier - Director ONET
M.François Philippoteaux *Deputy Chairman* *Member:* July 11, 1996 – 2020 *Former Chief Executive of Laurent-Perrier* Address: Laurent-Perrier – 32 avenue de Champagne 51150 Tours-sur-Marne	Other Laurent-Perrier Group mandates: see table of positions and offices - Chairman of Laurent-Perrier Switzerland Non-Laurent-Perrier Group mandates: none
M. Bernard de La Giraudière *Member*: July, 1996 – 2020 *Former Chief Executive of Laurent-Perrier* Address: Laurent-Perrier – 32 avenue de Champagne 51150 Tours-sur-Marne	Other Laurent-Perrier Group mandates: - Chairman of Laurent-Perrier UK Non-Laurent-Perrier Group mandates: - Chairman de Spirited Co. Limited
Ms Claude de Nonancourt *Member*: July 11 1996 - 2020 *Family tie*: wife of Bernard de Nonancourt Address: Laurent-Perrier – 32 avenue de Champagne 51150 Tours-sur-Marne	Other Laurent-Perrier Group mandates: see table of positions and offices Non-Laurent-Perrier Group mandates: none
M. Yann Duchesne(1) *Member*: July 3 2003 – 2015 Address: Laurent-Perrier – 32 avenue de Champagne 51150 Tours-sur-Marne	Other Laurent-Perrier Group mandates: none Non-Laurent-Perrier Group mandates: - Chairman of the Supervisory Board of Saft - Director, IPSOS - Executive Director de Charles River Associates
Ms Marie Cheval(1) Member: July 9, 2013 – July 8, 2014 Business address: Boursorama – 18, quai du Point du Jour – 92100 Boulogne-Billancourt	Other Laurent-Perrier Group mandates: Non-Laurent-Perrier Group mandates: - Chairman of Boursorama - Member of the Supervisory Board of 'OnVista (Germany) - Director of Talos Holdings Ltd. (UK) - Chairman of the Board of Directors Talos Securities Ltd. (UK) - Chairman of the Board of Directors SelfBank (Spain)

M. Éric Meneux *Member*: October 26, 1999 - 2017 *Family tie*: husband of Stéphanie Meneux de Nonancourt, member of the Management Board Address: Laurent-Perrier – 32 avenue de Champagne 51150 Tours-sur-Marne	Other Laurent-Perrier Group mandates: none Non-Laurent-Perrier Group mandates: Medical Doctor, surgeon at the Clinique Sainte Isabelle and the American Hospital, Neuilly-sur-Seine
M. Jean-Louis Pereyre *Member*: December 20, 1994 - 2018 *Family tie*: husband of Alexandra Pereyre de Nonancourt, member of the Management Board Address: Laurent-Perrier – 32 avenue de Champagne 51150 Tours-sur-Marne	Other Laurent-Perrier Group mandates: none Non-Laurent-Perrier Group mandates: Chairman, Maritime Archéologie et Prospection Director, Media Contact Services
M. Patrick Thomas (1) *Member*: November 25, 2011 - 2017 *Business address*: 24 rue du Faubourg Saint Honoré 75008 Paris	Other Laurent-Perrier Group mandates: none Non-Laurent-Perrier Group mandates: - Chairman of the Board and Director, Shang-Xia Trading (Shanghai) - Chairman and Director, Full More Group (Hong-Kong) - Director, Faubourg Italia (Italy) until 17/03/2015 - Member of the Supervisory Board, Leica Camera AG (Germany) - Member of the Supervisory Board, Château Palmer (France) - Member of the Supervisory Board, Ardian Holding (France) - Member of the Supervisory Board, Massilly Holding (France) - Managing Director, SCI Les Choseaux (France) - Censor, Rémy Cointreau (France) - Member of the Board of Directors, Renault (France)

(1) Independent members of the Supervisory Board.

Report of the Statutory Auditors prepared in application of article L. 225-235 of the French Commercial Code, relating to the report of the Chairman of the Supervisory Board of Laurent-Perrier SA.
(Year ended March 31, 2015)

"This is a free translation into English of the statutory auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France."

To the Shareholders
Laurent-Perrier
32, avenue de Champagne
51150 Tours-sur-Marne

Dear Shareholders,

In our capacity as Statutory Auditors of Laurent-Perrier and in accordance with article L 225-235 of the French Commercial Code, we present our opinion on the report prepared by the Chairman of your Company in accordance with article L 225-68 of the French Commercial Code for the year ended March 31, 2015.

The Chairman is required to draw up and submit to the Supervisory Board for its approval a report on the internal control and risk management procedures implemented in the company and providing the other information required under article L. 225-68 of the French Commercial Code, notably with respect to corporate governance arrangements.

Our remit is to:

- submit our comments on the information and disclosures contained in the Chairman's report concerning the internal control and risk management procedures relating to the preparation and treatment of financial and accounting information, and to
- certify that the report contains the other information required under article L.225-68 of the French Commercial code, it being understood that it is not our role to verify the truthfulness of this other information.

We conducted our review in accordance with the professional standards applicable in France.

Information relating to internal control and risk management procedures for the preparation and treatment of financial and accounting information.

We conducted our review in accordance with the professional standards applicable in France. Those standards require that we conduct our verification in order to assess the fair presentation of the information provided in the Chairman's report concerning the internal control and risk management procedures for the preparation and treatment of the financial and accounting information contained in the Chairman's report. These efforts consisted in:

- reviewing the internal control and risk management procedures for the preparation and treatment of the financial and accounting information underlying the information contained in the Chairman's report and in existing documents,
- reviewing the procedures required to draw up this information and existing documents,
- verifying whether any major deficiencies in internal control procedures for the preparation and treatment of financial and accounting information which we may have identified under the terms of our mandate are appropriately reported in the Chairman's report.

Based on the procedures we carried out, we have no comments to make on the presentation of the Company's internal control and risk management procedures relative to the preparation and treatment of the financial and accounting information as contained in the report of the Chairman of the Supervisory Board prepared in accordance with article L.225-68 of the French Commercial Code.

Other information

We certify that the Chairman's report contains the other information disclosure of which is required under article L.225-68 of the French Commercial Code.

Neuilly-sur-Seine and Reims, June 8, 2015

The Statutory Auditors

PricewaterhouseCoopers Audit | KPMG SA

Christian Perrier | Pascal Grosselin

4.6 Special report on directors' shareholdings March 31, 2015

Name	Type of transaction	Aim	Number	Value	Unit price
Michel Fauconnet	Exercise of Stock options	Share	4,000	€201,520,00	€50,38

A list of directors, pursuant to article L 621-18-2 of the Monetary and Financial code, has been sent to the AMF.

5. ASSETS, FINANCIAL POSITION AND INCOME STATEMENTS

Pursuant to article 28 of Commission Regulation (EC) 809/2004, the following information is incorporated by reference in the present reference document:

- the consolidated accounts for the year ended March 31, 2013 and the relevant report of the Statutory Auditors, presented respectively on pages 80, 112 et 113 of Reference Document D.13-0626 filed with the AMF on June 13, 2013.
- the consolidated accounts for the year ended March 31, 2014 and the relevant report of the Statutory Auditors, presented respectively on pages 84, 128 and 129 of Reference Document D14-0633 filed with the AMF on June 12, 2014

5.1 CONSOLIDATED FINANCIAL STATEMENTS AT MARCH 31, 2014 AND 2015

Consolidated financial statements, March 31 2015

€ million (except earnings per share)	Notes	2014-2015	2013-2014
Sales	4.18	231.94	220.56
Cost of sales		-124.68	-118.02
Gross margin		107,26	102.54
Other net operating income	4.19	2.00	0.88
Commercial expenses		-49.08	-45.78
Administrative expenses		-18.56	-17.85
Current operating income		41.62	39.79
Other operating income	4.21	0.63	1.30
Other operating expenses	4.21	-0.09	-0.59
Operating income		42.16	40.50
Financial income		0.08	0.10
Cost of net debt		-6.56	-7.36
Other financial charges		-0.01	-0.05
Financial results	4,22	-6.49	-7.31
Income tax	4.23	-12.68	-11.48
Income from equity consolidated companies			
Net income		22.99	21.71
o/w attributable:			
- Attributable to interests that do not confer control		0.09	0.11
- Group		22.90	21.60
Group net income per share (€)		3.90	3.66
Number of shares		5 874 015	5 897 108
Diluted Group net income per share (€)		3.89	3.65
Number of diluted shares		5 888 010	5 913 006
Total gains and losses recognised directly as capital			
(net of tax)			
Net income for the period		22.99	21.71
Items not recordable in the income statement			
Revaluation of vineyards			23.74
Actuarial differences on defined benefit schemes		-3.04	-0.65
Tax impact on the above items		1.05	-7.95
		-1.99	15.14
Items recorded in the income statement			
Revaluation of hedging derivatives		-0.06	1.92
Tax impact		0.02	-0.66
		-0.04	1.26
Unrealised exchange rate gains/losses		1.10	0.13
Total gains and losses for the period (net of tax)		-0.93	16.52
Total gains and losses recognised for the period		22.06	38.23
o/w attributable to interests that do not confer control			0.48
o/w Group share		22.06	37.75

Consolidated Balance Sheet

€ million	Notes	March 31, 2015	March 31, 2014
ASSETS			
Goodwill	4.1	26.00	24.50
Net intangible fixed assets	4.2	5.56	6.44
Net tangible fixed assets	4.3	196.07	184.98
Equity interests in companies carried at equity		0.09	0.09
Non-current financial assets	4.4	3.73	3.82
Deferred tax asset		0,80	-0,001
Non-current assets		232.25	219.83
Inventories and work in progress	4.5	492.02	476.32
Trade receivables	4.6	42.91	39.37
Other receivables	4.7	13.15	13.13
Cash and cash equivalents	4.11	26.25	16.31
Current assets		574.33	545.13
TOTAL ASSETS		806.58	764.96

€ million	Notes	March 31, 2015	March 31, 2014
SHAREHOLDERS' EQUITY			
Capital	4.9	22.59	22.59
Capital reserves		22.74	22.74
Revaluation reserves		53.09	53.09
Other reserves		222.84	207.65
Unrealised foreign exchange gains		-0.38	-1.48
Attributable net income		22.90	21.60
Total attributable Group shareholders' equity		343.77	326.19
Attributable to interests that do not confer control		3.16	3.02
Consolidated shareholders' equity		346.93	329.21
LIABILITIES			
Contingency and loss provisions – long term	4.10	15.27	11.57
Long-term debt	4.11	266.34	256.99
Other long-term debt	4.15	2.06	2.04
Deferred tax liabilities	4.17	32.89	32.96
Non-current liabilities		316.56	303.56
Short-term debt	4.11	34.98	36.61
Trade payables		79.19	70.95
Tax and social liabilities		14.00	13.47
Other debt		14.92	11.16
Current liabilities		143.09	132.19
TOTAL LIABILITIES		459.65	435.75
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		806.58	764.96

Consolidated cash-flow statement

€ million	2014-2015	2013-2014
CASH FLOW FROM ACTIVITY		
Net income from consolidated companies	22.98	21.71
Impairment and provisions	5.51	4.63
Unrealised gains and losses from changes in fair value	-0.21	-0.24
Charges and income with no effect on cash and equivalents	-0.12	-0.03
Pro-rated share in income from companies carried at equity	0.00	
Proceeds on disposal of assets available for sale, net of tax	-0.06	0.36
After-tax cash flow	**28.11**	**26.44**
Tax (including deferred tax)	12.68	11.48
Pre-tax cash flow	**40.79**	**37.92**
Tax paid	-11.84	-10.31
Change in activity working capital requirement		
- Inventories and work in progress	-15.66	-11.33
- Trade receivables	-2.55	-1.72
- Trade payables	7.32	-0.75
- Other receivables and payables	-0.28	3.67
Net cash flow from operations (A)	**17.78**	**17.49**
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of tangible and intangible fixed assets	-9.60	-3.44
Proceeds from available for sale tangible and intangible fixed assets	0.05	0.57
Net change in other long-term investments	0.71	0.25
Incidence des variations de périmètre	-5.22	
Net cash flow from investing activities (B)	**-14.05**	**-2.62**
CASH FLOW USED IN FINANCING ACTIVITIES		
Dividends paid during the financial year	-5.87	-5.91
Sale (Purchase) of treasury shares	-0.17	-2.15
Bond issuance	42.75	10.10
Loan repayments	-35.89	-11.94
Change in partner current accounts	2.59	-4.80
Net cash flow used in financing activities (C)	**4.97**	**-14.75**
NET CHANGE IN CASH FLOW (A+B+C)	8.70	0.12
Net cash and cash equivalents at beginning of year	16.31	16.19
Effect of foreign exchange changes	0.96	
NET CASH AND CASH EQUIVALENTS AT END OF YEAR	**25.97**	**16.31**
Cash and cash equivalents	26.25	16.31
Bank overdrafts	-0.27	
NET CASH AND CASH EQUIVALENTS	**25.97**	**16.31**

Change in consolidated shareholders' equity

€ million	Capital	Capital reserves	Revaluation reserve	Treasury shares	Consolidated reserves	Unrealised currency losses/gains	Total Group share	Minority interests	Total
April 1, 2013	22.59	22.74	37.89	-10.08	222.30	-1.61	293.83	2.58	296.41
Other items in overall result			15.20		0.83	0.13	16.15	0.37	16.52
Result 2013-2014					21.60		21.60	0.11	21.71
Overall Result for the period)			15.20		22.43	0.13	37.75	0.48	38.23
Sale (Purchase) of treasury shares				0.56			0.56		0.56
Stock option plan-related expenses									
Dividends paid					-5.91		-5.91	-0.03	-5.94
Other variations					-0.03		-0.03		-0.03
March 31, 2014	22.59	22.74	53.09	-9.52	238.78	-1.48	326.19	3.02	329.21
Hedging of a future interest rate - change in value					-0.04		-0.04		-0.04
Change in value of vineyards									
Welfare benefit liabilities					-1.99		-1.99		-1.99
Currency translation differences						1.10	1.10		1.10
Other items in overall result					-2.03	1.10	-0.93		-0.93
Result 2014-2015					22.90		22.90	0.09	22.99
Total booked expenses and income					20.87	1.10	21.97	0.09	22.06
Sale (Purchase) of treasury shares				0.58			0.58		0.58
Stock option plan-related expenses									
Dividends paid					-5.91		-5.91	-0.09	-6.00
Other variations					0.94		0.94	0.13	1.07
March 31, 2015	22.59	22.74	53.09	-8.94	254.69	-0.38	343.77	3.16	346.93

5.2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Unless otherwise stated, all amounts are in million euros.

1. GENERAL INFORMATION

The Laurent-Perrier Group's core business is the production and sale of champagne under four main brands positioned from the middle to the premium end of the market.

Laurent-Perrier S.A. (Registered office 32, avenue de Champagne F-51150 Tours-sur-Marne, SIRET No. 335 680 096 00021) is a public limited company governed by a Management Board and a Supervisory Board and is listed on EnterNext, a subsidiary of the Euronext Paris stock market.

The Laurent-Perrier Group's consolidated financial statements for the year ended March 31, 2015 were signed off by the Supervisory Board on May 26, 2015 and will be submitted for its approval to the General Shareholders' Meeting to be held on July 8, 2015.

2. ACCOUNTING PRINCIPLES

The main accounting rules and methods used when drawing up the consolidated financial statements are set out below.

2.1. Preferred accounting standards

The Laurent-Perrier Group's financial statements are drawn up in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and applicable at March 31, 2015 and available for consultation on the European Commission's website:
http://ec.europa.eu/internal_market/accounting/ias_en.htm#adopted-commission

The consolidated financial statements for the year ended March 31, 2015 were drawn up using accounting rules and methods identical to those used for the year ended March 31, 2014, with the exception of the following amendments and interpretations which had no material impact on the consolidated financial statements and Group performance as at March 31, 2015:
- IFRS 10: Consolidated Financial Statements
- IFRS 11: Joint Arrangements
- IFRS 12: Disclosure of Interests in Other Entities
- Amendments to IAS 36: Recoverable Amount Disclosures for Non-Financial Assets
- Amendments to IAS 32: Offsetting Financial Assets and Financial Liabilities
- Amendments to IAS 39: Novation of Derivatives and Continuation of Hedge Accounting
- IFRIC 21 Interpretation: Levies

The Laurent-Perrier Group has also decided not to choose early application of the new amendments and interpretations approved by the European Union, and notably:

- Annual improvements to IFRS 2010-2012 cycle and to IFRS 2011-2013 cycle, adopted in December 2013 covering non-urgent amendments to a number of standards.
- The limited amendment to IAS 19, Defined Benefit Plans: Employee Contributions

Their application will have no material impact on the Group's consolidated financial statements.

The IASB has also published a new series of standards that have yet to be approved by the European Union, whose possible impact on the Group are being analysed:

- IFRS 9: Financial Instruments, a standard published on July 24, 2014 by the IASB.
- IFRS 15: Revenue from Contracts with Customers

2.2. Evaluation methods

The financial statements have been prepared at historic cost, although vineyards, harvests brought in by Laurent-Perrier, and certain types of financial instrument have been measured at fair value.

The book values of assets and liabilities recognised on the balance sheet and hedged have been adjusted to take account of changes in the fair value of the hedged risks.

2.3. Estimates and assumptions

When preparing the financial statements the Group must make estimates and use assumptions that impact the assets and liabilities recognised in the consolidated balance sheet, the information on those assets and liabilities, the revenue and charges posted to the income statement, and the commitments for the period concerned. The actual figures may subsequently diverge from the chosen estimates and assumptions.

The assumptions mainly concern:
- impairment tests (assumptions described in §2.10,
- pension provisions (assumptions described in § 2.19),
- stock option charges (§ 2.18),
- fair value recording of financial instruments (§ 2.23).

2.4. Consolidation methods

Subsidiaries are all entities whose financial and operating policies can be controlled by the Group, generally on the basis of an over 50% holding in their voting rights. Potential voting rights are taken into account when assessing the control exercised by the Group over another entity if such voting rights flow from instruments that could be exercised or converted at the time of assessment.

Subsidiaries are consolidated using the merger method as of the date on which control is transferred to the Group. They are de-consolidated as of the date on which the Group ceases to exercise control over them.

Intra-group transactions and unrealised gains and losses on transactions between Group companies have been eliminated.

Unrealised losses have also been eliminated on assets sold within the Group, and have instead been treated as indicators of impairment of value.

Associates are entities that the Group does not control but over which it exercises significant influence, generally accompanied by a 20-50% holding in their voting rights. Interests in associates are accounted for using the equity method and are initially measured at cost. The Group's interest in associates includes goodwill (net of impairments) at acquisition.

Unrealised gains on transactions between the Group and its associates are eliminated pro rata of the Group's holding in the associate concerned. Unrealised losses are also eliminated unless impairment arises on the sale of the asset in question.
The accounting methods of subsidiaries and associates have been modified where necessary to align them on those adopted by the Group.

The consolidated financial statements have been prepared on the basis of the annual accounts closed on March 31.

2.5. Conversion of financial statements of foreign subsidiaries

The accounts of subsidiaries whose functional currency is not the euro are converted into euros:
- at the closing exchange rate for balance-sheet items;
- at the average exchange rate for the period for income statement items.

Exchange rate differences resulting from the application of these exchange rates are recorded in Other Items and moved from Equity to the income statement when the net investment entry is reversed.

2.6. Currency transactions and currency hedges

Currency transactions by consolidated companies are translated into their functional currencies at the exchange rate applicable at the transaction date.

Foreign currency receivables and payables are converted at the closing exchange rate. Unrealised conversion gains and losses are recorded as:

- current operating income for commercial purchases and sales
- financial income for financial transactions.

Exchange rate gains and losses resulting from the conversion of intra-group foreign currency transactions, receivables and payables, or their elimination, are recorded in the income statement unless they derive from long-term intra-group financing, when they are considered part of the net assets of the subsidiary involved and are therefore recognised in equity under “Foreign exchange unrealised gains and losses”.

When derivative instruments are used to hedge foreign currency commercial transactions, they are marked to market on the balance sheet at the closing date. Changes in the market value of derivative instruments are recognised as:

- gross margin for the effective part of balance sheet receivables and liability hedges at the closing date;
- equity, under “revaluation reserve” for the effective component of future cash flow hedges. This is moved to gross margin when accounting for the hedged receivables and liabilities;
- financial results for the ineffective component of hedges.

2.7. Business combinations

Company mergers are recorded at cost, using the acquisition method, pursuant to IFRS 3 – *Business Combinations*.

Company assets, liabilities and contingent liabilities are recorded at fair value.

The difference between purchase cost and the attributable fair value of assets and liabilities at the acquisition date is recognised in goodwill, which is not amortised but is instead tested for impairment whenever any indication of impairment is identified and at least once a year (§2.10 below).

Where acquisition cost is less than the fair value of the assets and liabilities identified, negative goodwill is immediately recorded as a loss under "Other charges and operating income".

2.8. Intangible fixed assets

Only those individually identifiable brands that have been acquired and have a recognised reputation are carried as assets, at acquisition cost.

The cost of registering trademarks and of developing existing brands is recognised as a charge for the period.

The Group defines its leading brands as intangible fixed assets with an indefinite working life. They are not amortised, therefore, but their valuations are reviewed if anything should happen to cast doubt on those valuations, and at least once a year. If their realisable value, based on the criteria applied when they were acquired, is lower over the long term than their net book value, they are depreciated accordingly.

Other intangible fixed assets primarily comprise software, which is depreciated over its useful life of one to eight years.

2.9. Tangible fixed assets

With the exception of vineyards, all property, plant and equipment is recognised at purchase cost minus depreciation and impairment, pursuant to IAS 16 – *Property, Plant and Equipment*.

Subsequent costs are included in the book value of the asset or, where appropriate, it is recognised as a separate asset if it is probable that future economic benefits associated with the asset will accrue to the Group and if the cost of the asset can be measured reliably. All repair and maintenance costs are charged to the income statement in the period in which they were incurred.

Vineyards are valued at market value as allowed under the alternative treatment authorised by IAS 16. Market value is based either on the average values published by an official body, or else using other tangible items of information which seem more relevant if it were deemed that the average values were not the best indicator for valuing vineyards at closure of accounts.

This is because the average values used at closure are the values used in the previous year, as no data for the current year are available at the time of closure.

The positive difference between historic cost and revaluation is recognised in Other Items in the consolidated result and added as equity under the "revaluation reserve". However, it must be recorded in the P&L statement when it offsets a revaluation decrease of the same item which had previously been recorded in the P&L statement. If, following a revaluation, market price falls below purchase price, depreciation amounting to the difference is recognised in the P&L statement.

As biological assets, vines are recorded at cost (planting costs) minus the cumulative depreciation (25 years) and the cumulative loss in value. This is because there is no observable fair value for these assets.

The depreciation of other assets begins when they are available for use. From the date it comes into service, all property, plant and equipment is depreciated straight-line on a component basis over its useful life:

- Buildings and improvements: 10 - 50 years
- Plant and equipment: 4 - 30 years
- Other: 4 - 20 years

If material, the residual value of assets is taken into account when calculating depreciation.

Goods leased under financial leases are capitalised if the financial leases transfer to the Group most of the risks and rewards incident to ownership, based on the present value of the rent payable, or on market value if lower, each valued at the start of the leasing contract

Leases that do not transfer risks and rewards to the Group are classified as operating leases. Operating lease payments are recognised as an expense in the income statement over the term of the lease on a straight-line basis.

2.10. Impairment of long-term assets

Pursuant to IAS 36 – *Impairment of Assets*, the Group determines the recoverable amount of its long-term assets as follows:

- tangible and intangible assets subject to depreciation are tested for impairment if there is an indication that their value has been impaired;
- intangible assets not subject to depreciation and goodwill are tested for impairment if there is an indication that their value has been impaired, and at least once a year.

Impairment tests compare the net book value with the higher of the following two values: the fair net value of sale costs, and value in use. Value in use is determined by discounting the cash flows that will be generated by the continued use of the tested assets over their useful lives and their possible disposal thereafter. Management uses its most recent five-year cash flow forecasts for this purpose, to project a final value at the end of that period. Assets are discounted at a rate equal to the average weighted cost of capital of the Group, which includes the yield expected by an investor in this business segment and the Group's own risk premium.

Depending on circumstance, impairment tests will be run on individual assets or on the cash-generating units (CGUs) to which such assets belong. CGUs are the smallest homogeneous groups of assets generating cash flows independently of other asset groups. Goodwill is attached to a CGU depending on how Group management monitors business performance and measures acquisition synergies. As the Group has only a single business (the making and sale of champagne), the chosen CGU scope is the Group as a whole. The cash-flow figures used are those of the Group in its entirety.

Assets are depreciated if their recoverable amount is below their book value.
Depreciation of goodwill is irreversible.

2.11. **Equity interests in non-consolidated companies and other financial assets**

Equity interests in non-consolidated companies are initially recorded at purchase cost and are then valued at each closing date:

- at cost (net of any depreciation) in the case of interests whose value is not material;
- at fair value in the case of "available-for-sale" assets. Changes in fair value are recorded in a separate account as equity until the securities concerned are sold. At the time of sale, changes in fair value previously recorded as equity are included in the financial result. Where circumstances indicate that impairment is permanent, it is recognised as a financial cost.

If equity interests continue to be recognised at cost, particularly if their fair value cannot be reliably measured, they will be tested for impairment. In this case, the recoverable value will be based on attributable net asset value, expected return, and the growth prospects of the entity in which the investment is made.

Loans are recognised at amortised cost using the effective rate method and are amortised if there is any indication of objective impairment. Long-term, non-interest bearing loans are therefore entered on the balance sheet at their discounted value. The effect of not discounting them constitutes financial income.
When a new loan is granted, the difference between the discounted value and the historic value is restated in intangible fixed assets and is amortised over the term of the loan.

2.12. **Non-current assets held for sale**

Assets are "held for sale" if:

- the sale is highly probable within a reasonable timeframe,
- the asset is available for immediate sale and management is actively marketing the asset for sale.

Non-current assets held for sale are entered on a separate line on the consolidated balance sheet.

Under IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations* – such assets are measured at the lower of book value and market value, minus cost of sale.

2.13. **Inventories and work in progress**

With the exception of the grapes harvested by the Group in its own vineyards, inventory is carried at cost, which may not exceed net realisable value. Valuation is based on the weighted average unit cost excluding financial expense.

Stocks of wine made from grapes harvested by the Group in its own vineyards are valued at the market price of the harvest concerned, as if the grapes had been bought in. The impact of this valuation is shown in the income statement under "Cost of sales".

The Group's own grapes are not measured at market price unless the Group has details of the yield and market value of the next crop. As a result, on the closing date, March 31, the financial statements take no account of the market value of the next crop.

Wine reserves held on behalf of suppliers (which cannot be released unless authorised by the industry bodies) are only valued at pressing and wine production costs.

In the event of a material drop in activity at certain production stages, a rational allocation of overheads is applied when valuing such stocks so as to prevent inclusion of any under-activity charge in the calculation of their cost price.

Although the champagne ageing process requires stocks to be kept for over one year, these remain classified as current assets in line with the length of the operating cycle.

Depreciation is applied if inventory value is lower than book value.

Transaction margins between consolidated companies are neutralised, except for those reflecting the market value of the grapes, in accordance with IAS 41.

2.14. **Trade receivables**

Trade receivables are recognised at nominal value.

They are not discounted unless the due date is over one year and the effect of the discount is significant.

Provisions for doubtful receivables are accrued if it is probable that the receivables concerned will not be recovered and it is possible to give a reasonable estimate of the loss that will be incurred. The identification of doubtful receivables and the amount of provision required are based on past experience of written-off receivables and the age of the receivables concerned. The accrual is entered under "Sales charges". Once it becomes certain that a doubtful receivable will not be recovered, it is written off and the accrual reversed in the income statement.

2.15. **Current and deferred tax**

Deferred tax on time differences between fiscal and accounting bases for consolidated assets and liabilities is calculated using the variable carried-forward liability method at the rates applicable, or likely to be applicable, at the balance-sheet date.

Deferred tax assets are not taken into account unless it is likely that the company will be able to recover them over a reasonable period of time as a result of a taxable gain expected in subsequent financial years.

Deferred tax is not discounted.

Provisions are written for any tax for which the Group may be liable in respect of dividends distributed by its subsidiaries when the distribution decision has been formally taken at the time of closure. Deferred tax assets and liabilities are offset when a legally enforceable right to offset tax assets and liabilities due exists, and when the deferred tax assets and liabilities concern income tax levied by the same tax authority.

Fiscal liabilities are booked in the income statement unless they relate to items directly recognised in equity, in which case the tax liability will also be recognised in equity.

2.16. Cash and cash equivalents

Cash and cash equivalents are liquidity and short-term financial investments (less than three months), whose value is not significantly dependent on changes in market price or indexes, as well as overdrafts. If not the case, they are entered on a separate line on the balance sheet. Overdrafts are recorded as current liabilities on the balance sheet under "Loans".

Financial assets held for trading are measured at fair value, and changes in fair value are recognised in financial results.

2.17. Treasury shares

If any company in the Group buys shares in the Company (treasury shares), the amount paid, including directly attributable marginal costs (net of income tax), is deducted from that company's shareholders' equity until the shares are cancelled or sold.

If the shares are sold on, the gain is credited to company shareholders' equity net of marginal costs directly attributable to the transaction and to the related fiscal impact.

2.18. Option plans to purchase and subscribe for shares

Share option plans are granted to senior executives and some Group employees.

Pursuant to IFRS 2 – *Share-based Payment*, plans put in place after November 7, 2002 are valued at the allocation date and are recognised as personnel costs over the period in which the beneficiaries acquire the rights concerned, generally four years. The offset of the charge, which is the market price of the option at the allocation date, is an increase in reserves.

Based on their individual characteristics, option plans are valued using the Black & Scholes model.

2.19. Pension liabilities and other employee benefits

The Group provides its employees with a number of different supplementary pension schemes, retirement bonuses and other long-term benefits, depending on the regulations and customs in the countries where it operates.

Defined benefit plan liabilities are provisioned on the basis of actuarial valuations, the liabilities themselves being calculated pursuant to IAS 19 using the projected credit unit (PCU) method. The actuarial assumptions applied are described in §4.10.1.

Since FY 2006-2007, the Group has applied the amendment to IAS 19 whereby actuarial differences concerning benefits subsequent to employee service life, and due to the effect of experience and changes in actuarial assumptions, are recorded directly in equity in the year in which they occur, offset by an increase or decrease in the obligation.

2.20. Contingencies and loss provisions

The Group records a provision for third-party legal, contractual or implicit commitments at the closing date if such commitments are the result of a past event and if the ensuing loss or payment is probable and can be reasonably measured. If the liability is due in over one year, the amount of the provision is discounted if it has a significant impact. Any discounting impacts are recorded in financial results.

If the liability is neither probable nor reasonably measurable, but is a possibility, the Group will enter a contingent liability in its off-balance sheet commitments.

2.21. **Debt**

With the exception of derivative instruments, borrowings and other financial liabilities are measured at amortised cost using the effective rate method.

Borrowings are classed as current liabilities unless the Group has an unconditional right to defer the repayment of the debt until at least 12 months after the closing date, in which case those particular borrowings will be classed as non-current liabilities.

2.22. **Dividends**

Dividend distributions to Company shareholders are recognised as debt in the Group's financial statements during the period for which the dividends were approved by Company shareholders.

2.23. **Financial instruments and derivatives**

The Group uses derivative instruments to manage and hedge exchange rate and interest rate risk. The Group does not use derivatives for speculative purposes.

The derivatives held by the Group and classed as hedges in the accounts pursuant to IAS 39 are mainly:
- interest-rate hedges: future cash flow swaps (taker Euribor 3M, payor fixed rate),
- exchange rate hedges: forward currency buy/sell transactions.

Hedge accounting under IAS 39 is applied prospectively. Specific documentation on hedges is provided. Effectiveness testing is performed at each closing date.

The accounting effectiveness of the hedge is measured by the value variance ratio of the derivative and the hedged underlying asset. This ratio must be within a range of 80-125%.

If the instrument is speculative, or concerns the ineffective part of hedges, changes in the value of derivative instruments are recognised in financial results.

Derivative instruments are recorded under "Other receivables" or "Other debt" on the balance sheet.

Estimating fair value
Fair value is the exit price that would be received for the sale of an asset or paid when transferring a liability in a normal transaction between market agents on the valuation date.
The fair value of financial instruments such as derivatives and placements traded on public markets that are traded on active markets is based on the listed market price on the date of closure. The listed market price used for the financial assets held by the Group is the sell price; the appropriate listed market price for financial debt is the buy price. This valuation method is qualified as Level 1 in the hierarchy set out in IFRS 13.
The fair value of financial instruments which are not traded on active markets (eg, OTC derivatives) is measured using valuation techniques. The assumptions used are observable either directly (eg, prices) or indirectly (price-based calculation). This valuation method is qualified as Level 2 in the hierarchy set out in IFRS 13.
The Level used to measure the fair value of a financial instrument is set out in the summary of financial assets (note 4.8) and in the summary of financial liabilities (note 4.16).

2.24. **Revenue recognition**

Turnover includes wholesale sales to distributors and agents, and retail sales, which are recognised upon transfer of ownership, generally at shipment date or at purchase date by the client.

Turnover is recorded net of all allowances and discounts, including sums paid under sales co-operation agreements with distributors, and duties on wines and spirits.

The “Other Operating Income and Charges” item includes transactions carried out at the intermediate production stage and industrial services rendered for third parties.

2.25. Earnings per share

EPS is calculated on the basis of the weighted average number of shares in circulation over the financial year, minus Laurent-Perrier treasury shares recorded as a decrease in equity.

EPS after dilution is calculated by adjusting attributable earnings and the number of shares in circulation to take account of the diluting effect of exercising of stock options in plans still open at the closing date. The dilution linked to the exercise of stock options is determined plan by plan, using the buy-back method, i.e., the theoretical number of shares bought back at market price (price at financial year-end) using funds obtained from the exercise of options, and taking into account only those plans whose exercise price is lower than the fair value of the share.

2.26. Other operating income and charges

The Group's core business is the production and sale of champagne under four main brands positioned from the middle to the premium end of the market. This generates current operating income resulting from recurring, occasional, core, or subsidiary activity.

Other income and operating charges include gains and losses on operations whose nature and/or frequency prevent them from being deemed core Group activities. These include the impairment write-downs of intangible assets that have not been amortised, goodwill, and gains and losses on disposals of fixed assets or consolidated companies, if material.

2.27. Cash flow statement

The consolidated cash flow statement has been prepared using the indirect method, which reconciles net attributable earnings with the cash generated by operations over the financial year. Opening and closing cash balances include liquidity and other investment instruments, minus any bank overdrafts.

2.28. Segment reporting

A business segment is a component of an entity

a) that engages in business activities from which it may earn revenues and incur expenses,

b) whose operating results are reviewed regularly by the entity's chief operating decision-maker to make decisions about resources to be allocated to the segment and assess its performance, and

c) for which discrete financial information is available.

d) An operational segment is a group of assets and operations that provides products and services within a particular economic environment subject to risks and returns that are different from those obtaining in the other economic environments in which the Group operates.

The Group has only one activity, which is the production and sale of champagne, and has not identified any distinct operating segments meeting the criteria of IFRS 8.

3. MAIN OPERATIONS OVER THE PERIOD

Two companies have been consolidated within the group since April 1, 2014:

- A subsidiary called Laurent-Perrier Italia was set up to drive commercial development in Italy. A local partner took a 33% equity interest in the subsidiary.
- On June 30, 2014, the Group acquired 100% of the equity in SAS François Daumale, to help supplies of grapes group.

4. NOTES TO THE FINANCIAL STATEMENTS

4.1. Goodwill

4.1.1. Main goodwill

(€ million)	Year of purchase	March 31, 2015 net	March 31, 2014 net
SAS Champagne Laurent-Perrier	1998	2.19	2.19
SA Champagne de Castellane	1999	1.64	1.64
SA Laurent-Perrier Suisse	2000	0.18	0.18
A.S. SA	2001	0.44	0.44
SA Grands Vignobles de Champagne	2003	0.72	0.72
SA Château Malakoff	2004	19.23	19.23
SC Dirice	2005	0.10	0.10
SAS François DAUMALE	2014	1.49	
Total		26.00	24.50

4.1.2. Movements over the period

None.

4.1.3. Regular impairment testing

Impairment testing of the Cash Generating Unit (CGU), including goodwill, has revealed no recognisable loss of value. The key assumptions used to measure cash flows were:

- market prices for grapes and vineyards,
- sales on the French, UK and US markets.

The main growth rate assumptions applied were:

- long-term sales growth rate beyond the five-year forecast horizon: 3% (3% at March 31, 2014),
- discount rate: the average weighted cost of capital and debt. The rate used at March 31, 2015 was 5.6% (6.1% at March 31, 2014).

Calculations at March 31, 2015 and March 31, 2014 do not indicate any need to amortise goodwill.

Over the past 40 years, the champagne market has grown by an average 3.1% per year by volume. Obviously, this has not been linear growth and approximately five cycles may be identified during the period. Each cycle we observed to evolve in a similar fashion: market growth begins by exceeding average growth in long-term demand, after which a correction occurs during which the market shrinks, often due to retail trade destocking phenomena, whether or not combined with a drop in final consumption.

The champagne market, after experiencing a dip in activity in 2009-2010, saw significant growth in 2010 and 2011, followed by a stabilisation phase. This stability does not call long-term growth into question, which is directly linked to economic activity levels. The economic crisis currently affecting Europe seems likely to prolong the stabilisation phase, but the Group believes it can gradually improve its activity level by growing its export sales. A growth rate of 2%, the same as last year's, and which is below the trend rate of market growth, has been selected.

These assumptions led us to the conclusion that no impairment needed recording.

Because the most sensitive assumption is the rate of growth in turnover and consequently of cash flow, a sensitivity analysis was carried out on this assumption discounting future cash flows out to ten years. Taking a 1% rate of growth in cash flow out to infinity instead of 2%, we again observed that there is no impairment. Similarly, by using an average weighted cost of capital and debt of 6.1%, no impairment is observed.

The sensitivity analysis has not revealed any probable scenario in which the recoverable value of the CGU would become less than the net book value of its assets.

4.2. Intangible fixed assets

The change in intangible fixed assets by asset category breaks down as follows:

Gross values *€ million*	April 1, 2014	Acquisitions	Disposals	Other movements	March 31, 2015
Brands	3.29				3.29
Software	5.69	0.08		0.01	5.78
Other	0.73	0.12		-0.50	0.35
Total	9.71	0.19		-0.48	9.42

Depreciation *€ million*	April 1, 2014	Provision	Depr. on disposals	Other movements	March 31, 2015
Brands					
Software	3.24	0.60			3.84
Other	0.03	0.02	-0.03		0.02
Total	3.27	0.62	-0.03		3.86
Net value	6.45				5.56

Gross values *€ million*	April 1, 2013	Acquisitions	Disposals	Other movements	March 31, 2014
Brands	3.29				3.29
Software	5.59	0.27	-0.16		5.69
Other	0.75			-0.01	0.73
Total	9.62	0.27	-0.16	-0.01	9.71

Depreciation *€ million*	April 1, 2013	Provision	Depr. on disposals	Other movements	March 31, 2014
Brands					
Software	2.65	0.59			3.24
Other	0.03				0.03
Total	2.67	0.59			3.27
Net value	6.95				6.45

The “brands” item corresponds to the Laurent-Perrier and Salon brands only, at their historic cost. These brands are deemed to have an indefinite lifespan and the results of value tests are positive.

4.3. Tangible fixed assets

4.3.1. Change in tangible fixed assets

Gross values *€ million*	April 1, 2014	Acquisitions	Disposals	Change in consolidation scope	Other movements	March 31, 2015
Land	143.87	0.78		0.80		145.45
Vineyards	6.54			0.31	0.05	6.89
Buildings	44.56	0.88	-0.01	4.58	0.19	50.20
Machinery & equipment [1]	53.37	1.38	-0.14	0.33	0.15	55.09
Other tangible fixed assets	3.31	0.22	-0.08	0.15	0.15	3.75
Assets in progress	2.50	7.53		0.01	-0.32	9.71
Total	254.14	10.79	-0.23	6.18	0.22	271.09
[1] incl. restated financial lease	*2.52*	*0,56*				*3.08*

Depreciation & provisions *€ million*	April 1, 2014	Provision	Depr. on disposals	Change in consolidation scope	Other movements	March 31, 2015
Land	0.06	0.02		0.11		0.19
Vineyards	4.32	0.19		0.02		4.54
Buildings	22.23	1.63	-0.01	1.49	0.02	25.36
Machinery & equipment	38.79	2.19	-0.20	0.06	0.08	40.94
Other tangible fixed assets.	3.76	0.19		0.04	0.01	4.00
Total	69.16	4.23	-0.20	1.72	0.11	75.02
[1] incl. restated financial lease	*0.75*	*0.36*				*1.11*
Net value	184.98					196.07

Gross values *€ million*	April 1, 2013	Acquisitions	Disposals	Change in consolidation scope	Other movements	March 31, 2014
Land	120.14				23.73	143.87
Vineyards	6.49				0.05	6.54
Buildings	43.19	0.21	-0.05		1.21	44.56
Machinery & equipment	52.93	2.86	-2.65		0.24	53.37
Other tangible fixed assets.	4.58	0.25	-0.03		-1.49	3.31
Assets in progress	1.57	0.92				2.50
Total	228.90	4.24	-2.73		23.73	254.14
[1] incl. restated financial lease	*2.00*	*0.52*				*2.52*

Depreciation & provisions *€ million*	April 1, 2013	Provision	Depr. on disposals	Change in consolidation scope	Other movements	March 31, 2014
Land	0.06					0.06
Vineyards	4.14	0.19				4.32
Buildings	20.90	1.37	-0.05			22.23
Machinery & equipment	38.53	2.17	-1.90			38.79
Other tangible fixed assets.	3.64	0.13	-0.01			3.76
Total	67.26	3.85	-1.96			69.16
[1] incl. restated financial lease	*0.47*	*0.28*				*0.75*
Net value	161.63					184.98

Revaluation of vineyards

Vineyards have been revalued, recorded in equity as a "Revaluation reserve" at their net of tax amount.

€ million	April 1, 2014	Acquisitions /revaluations	Disposals/ transfers	March 31, 2015
Land values				
Land other than vineyards	4.10	0.06		4.16
Vineyards:	51.23	1.52		52.75
Differential in vineyard revaluations	88.54			88.54
Total	143.87	1.58		145.45

The revaluation calculated according to the average cash value of farmland by geographic area was unchanged throughout the accounting period. These values, relative to transactions carried out in 2013 and published by an official organisation, showed no significant change relative to the valuation carried out at March 31, 2014.
Under IFRS 13, this valuation is a Level 3 valuation.

4.4. Other financial investments

Other financial investments are set out below:

€ million	March 31, 2015	March 31, 2014
	Net	Net
Non-consolidated securities	0.01	0.01
Loans	3.43	3.52
Other	0.29	0.30
Total	3.73	3.82

Loans were mainly to our wine-growing partners, those due in over one year being secured and/or tangible security (mainly "privilège de prêteur de deniers").
They have been discounted at the equivalent market rate of 0.80% (compared with 2.75% in the previous period), if non-interest bearing.

4.5. Inventories and work in progress

€ million	March 31, 2015			March 31, 2014
	Gross	Provisions	Net	Net
Goods and finished products	386.63		386.63	375.85
Raw materials and work in progress	105.40	-0.01	105.39	100.47
Total	492.03	-0.01	492.02	476.32

The provision for depreciation relates mainly to promotional items.
Changes are set out in the following table:

€ million	March 31, 2015	March 31, 2014
Depreciation of inventories at April, 1	0.01	0.01
Net depreciation recorded in income		
Other changes		
Depreciation of inventories at March, 31	0.01	0.01

In order to take account or the work involved in certain stages of the production process, the Group makes a rational imputation of overheads when measuring inventory. Activity in 2014-2015 was considered normal and therefore no under-activity charge was recognised in the income statement.

The cost price of inventory includes the impact of valuing grapes from the Group's own vineyards at the market price:

€ million	2014-2015	2013-2014
Valuation of own vineyard harvest at market price	3.62	3.75
Effect of inventory disposals	-3.49	-2.78
Impact on cost of sales for the period	0.13	0.97
Impact on cost of inventory at closure	11.32	11.19

4.6. **Trade receivables and related accounts**

€ million	March 31, 2015			March 31, 2014
	Gross	Provisions	Net	Net
Trade receivables	44.39	-1.48	42.91	39.37
Total	44.39	-1.48	42.91	39.37

There is no concentration of credit risk attached to trade receivables because of their large number and their international origins.

The Group manages its customer credit dealings with great caution.

	March 31, 2015	March 31, 2014
Average trade receivables settlement time (days)	56	59

Changes in provisions for write downs break down as follows:

€ million	2014-2015	2013-2014
Impairment of trade receivables at April 1	1.32	1.13
Net impairment recorded in income	0.16	0.19
Other changes		
Impairment of trade receivables at March 31	1.48	1.32

Writedowns are calculated individually when a strong risk of default on the part of the client in question is identified and on the basis of late payment.

The schedule of receivables incurring writedowns or not written down is as follows:

€ million	March 31, 2015			
Receivables due for	0 - 60 days	60 - 90 d	90 - 120 d	+ 120 d
- non provisioned	5.23	0.45	0.04	0.01
- provisioned			0.26	1.22

4.7. **Other receivables**

Other receivables break down as follows:

€ million	March 31, 2015	March 31, 2014
State – VAT credits	8.05	7.34
States – income tax advances	0.07	0.88
Prepaid expenses	1.77	1.69
Sundry	3.25	3.22
Total	13.15	13.13

All these other receivables and payables are due at less than one year.
The "Other payables" item mainly covers prepayments to grape and wine suppliers.

4.8. **Table of financial assets**

€ million	IAS 39 Category	Fair Value Hierarchy*	March 31, 2015		March 31, 2014	
			Book value	Fair value	Book value	Fair value
Loans	Loans and receivables at amortized cost		3.63	3.63	3.52	3.52
Deposits	Loans and receivables at amortized cost		0.13	0.13	0.14	0.14
Other	Available for sale financial assets		-0.03	-0.03	0.16	0.16
Total non-current financial assets			3.73	3.73	3.82	3.82
Trade receivables	Loans and receivables at amortized cost		42.91	42.91	39.37	39.37
Deductible VAT and other sales taxes (2)	N/A		8.05	N/A	7.34	N/A
Other receivables	Loans and receivables at amortized cost		3.32	3,32	4.10	4.10
Prepaid expenses (2)	N/A		1.77	N/A	1.69	N/A
Total other current assets			56.06		52.50	
Cash in hand	Fair Value	1	26.25	26.25	16.31	16.31
Cash and Cash equivalents			26.25		16.31	

(2) Not a financial asset within the meaning of IAS 39
* For the fair value hierarchy, see note 2.23

Apart from cash equivalents, which are instruments listed on an active market (Level 1 under IFRS 7), all financial instruments recorded in the balance sheet are valued on the basis of transactions carried out on the OTC market (Level 2 under IFRS 7).

4.9. **Shareholders' Equity**

4.9.1. **Capital contribution**

	March 31, 2015	March 31, 2014
Total number of shares	5 945 861	5 945 861
Shares issued and paid up in full	5 945 861	5 945 861
Shares issued but no paid up in full		
Nominal value (€) per share	3.80€	3.80€
Legal capital (€)	22 594 272 €	22 594 272 €
Treasury shares owned by the Group	61 110	71 680

The total number of voting rights attached to the 5,945,861 shares comprising equity was 9,793,613 at March 31, 2015 (9,782,344 at March 31, 2014).

To the best of the Laurent-Perrier Group's knowledge, no shareholder pact involving the legal capital exists. Nor are Laurent-Perrier or its subsidiaries subject to specific capital requirements by virtue of external rules.

4.9.2. **Earnings per share**

	March 31, 2015	March 31, 2014
Ordinary shares*	5 874 015	5 897 108
Dilutive effect of buy-backs	13 995	15 898
Other		
Average weighted number of shares	5 888 010	5 913 006

*Net of treasury shares

Net earnings per share

(euros)	March 31, 2015		March 31, 2014	
	Before dilution	After dilution	Before dilution	After dilution
Pre-tax profit	6.07	6.06	5.63	5.61
Group net attributable income	3.90	3.89	3.66	3.65

4.9.3. **Dividends**

The Group seeks to pursue a stable policy of distributing dividends amounting to 20-30% of consolidated net income (valued according to international standards), conditions at Laurent-Perrier permitting.

Dividend paid out in 2013-2014 and 2014-2015 amounted to €1.00 per share respectively.

At the forthcoming General Meeting of Shareholders on July 8, 2015, payment of a dividend of €1.00 per share will be proposed.

4.9.4. **Share option plans**

The situation as regards exercisable options and their cost in the financial year was as follows:

	Attribution date	Earliest exercise date	Latest exercise date	Option exercise price
Plan No.10	08.03.2005	09.03.2009	08.03.2015	34,10 €
Plan No.11	14.03.2006	15.03.2010	14.03.2016	50,38 €
Plan No.12	22.03.2007	22.03.2011	21.03.2017	83,72 €
Plan No.13	18.03.2008	19.03.2012	18.03.2018	98,98 €
Plan No.14	02.04.2009	01.04.2013	01.04.2019	41,00 €

The option exercise price corresponds to the average share price in the 20 trading sessions preceding the attribution date.

Under IFRS 2, only plans dated after November 7, 2002 have been valued. Taking into account the timeframe of rights acquisition, the charge at March 31, 2015 was zero, as the timeframe of rights acquisition of the last plan expired on April 1, 2013.

The transactions occurring during the year were as follows:

	Options allocated and still to be exercised at April 1, 2014	Number of options allocated	Number of options exercised	Number of options expiring worthless	Number of options still to be exercised at March 31, 2015
Plan No.10					
Plan No.11	21 500		4 000		17 500
Plan No.12	25 000				25 000
Plan No.13	33 800			600	33 200
Plan No.14	27 400		4 850	500	22 050

4.9.5. **Treasury shares**

The July 3, 2003 Shareholders' Meeting approved the buy-back of 386,480 shares.

Buy-back programmes have a number of goals: to reduce dilution, optimise management of Company equity, or cover share option plans.

During FY 2014-2015, the number of treasury shares held by the Group decreased by a net 10,570 to stand at 61,110 at March 31 2015. This change had a positive impact on shareholders' equity in the amount of € 576,000, which breaks down as follows:

	(€ 000s)
- Change in gross value	850
- (Loss) profit from disposals	(274)
- Net change in treasury shares	576

At March 31, 2014, the Group held 71,680 treasury shares. During FY 2013-2014, the number of treasury shares held by the Group rose by 18,152. The change had a negative effect on shareholders' equity in the amount of €2,147,000, which broke down as follows:

	(€ 000s)
- Change in gross value	(714)
- (Loss) profit from disposals	(1,433)
- Net change in treasury shares	(2,147)

4.10. Contingencies and loss provisions

€ million	April 1, 2014	Provisions	Used	Reversals	Other movements	March 31, 2015
Nature of provision						
Liabilities to employees	10.83	0.88	-0.40		3.03	14.34
Labour medal provisions	0.05		-0.01			0.04
Other provisions	0.70	0.69	-0.38	-0.11		0.89
Total	11.57	1.57	-0.79	-0.11	3.03	15.27

Other provisions are mainly for labour risks.

4.10.1 Retirement pension liabilities and similar benefits

Total Laurent-Perrier Group pension liabilities and similar benefits stood at €14.35 million, an amount that is fully provisioned on the balance sheet pursuant to the IAS 19 – *Employee Benefits* amendment, which requires the carrying of actuarial gains and losses on defined benefit plans as equity. The net charge recognised in the income statement is €1.99 million.

These reserves cover three types of liabilities:

- At retirement, the employees of the French companies receive an indemnity calculated in accordance with the Champagne Collective Agreement and based largely on their final salary and years of service. These are "defined benefit plans" within the meaning of IAS 19. This liability is not covered by third-party finance.
- Liabilities to employees (French companies only) are calculated using a retrospective method to project end-of-career salaries. The main actuarial assumptions applied at March 31, 2015 were:
    - employee must leave voluntarily
    - discount rate: 1.14% (Iboxx 10-year rate)
    - annual salary revaluation: 2% for non-managerial staff, and 3.0% for managerial staff
    - retirement age:
        - Managers: 64,
        - Non-managerial: 62
        - Sales reps: 65

- Annual staff turnover rate:

	Managers and Sales Personnel of GIE Laurent-Perrier Diffusion	Supervisory and technician	Clerical and operative
Before age 40	8%	1%	1%
41-50	3%	1%	1%
After age 50	8%	3%	2%

- Mortality table: TH and TF 00.02

- The Group has also taken out a defined benefit policy to provide supplementary retirement benefits for senior management. This policy provides gross annual retirement benefits of 15% of their salary in the 12 months preceding retirement. Benefits are vested only after calculating the basic State pension. This is a "defined benefit plan" within the meaning of IAS 19 and is covered by third–party, non-recourse finance.

- A number of the French companies in the Group assist their retired employees by paying part of their private health insurance contributions.

- Sensitivity to changes in healthcare costs for supplementary health insurance commitments (€m):

	+0,5%	-0,5%
Private health Insurance	1.75	-1.30
	24.58%	-18.20%

- Liability sensitivity to changes in the discount rate (€ million):

	+0.50%	-0.50%
Retirement indemnities	-0.25	0.27
	-4.56%	4.94%
Private health insurance	-0.70	0.83
	-9.86%	11.59%
Supplementary pension	-0.08	0.09
	-3.23%	3.42%

Changes in retirement pension and similar benefit reserves were:

€ million	2014-2015	2013-2014
Charge for the period	-0.88	-0.83
Benefits paid	0.27	0.30
Contributions paid	0.10	0.07
Actuarial variance recognised in equity	-3.04	-0.65
Unrealised currency gains/losses		
Total	-3.55	-1.11

Annual changes in liabilities, in the market value of investments and in the corresponding assets and provisions recognised in the consolidated balance sheet were:

€ million	March 31, 2015	March 31, 2014
1. Reconciliation of balance sheet items		
Discounted value of unfunded liabilities	12.91	9.78
Discounted value of funded liabilities	2.52	1.99
Discounted value of total liabilities	**15.43**	**11.77**
Fair value of pension hedging assets (1)	1.04	0.92
Net value of liabilities	**14.39**	**10.85**
Net value of assets (liabilities) recorded on balance she	**14.39**	**10.85**
2. Details of net costs recorded in the income statement		
Cost of services rendered	0.55	0.54
Financial cost (discount effect)	0.35	0.32
Projected return on plan assets	-0.03	-0.02
Effect of plan pay-outs/reductions		
Net cost recognised in the income statement	0.88	0.83

(1) Breakdown of assets to cover retirement liabilities at March 31, 2015:

Fixed income instruments:	83.4%
Equities:	6.7%
Others:	9.9%

The real return on the assets during the year was €0.02 million.

€ million	2014-2015	2013-2014
3. Change in the discounted value of liabilities		
Discounted value of liabilities at start of period	11.77	10.02
Actuarial (losses)/gains recognised in equity	3.04	0.65
Cost of services rendered	0.55	0.54
Financial cost (discount effect)	0.35	0.32
Employee contributions		
Cost of past service		
Benefits paid		
Changes in plan rules		
Unrealised currency gains/losses		
Other (incl. pay outs/reductions)	-0.29	0.25
Discounted value of liabilities at end of period	15.43	11.77

€ million	2014-2015	2013-2014
4. Change in fair value of plan assets		
Fair value of plan assets at start of period	0.92	0.82
Projected return on plan assets	0.03	0.02
Employee contributions		
Employer contributions	0.10	0.08
Benefits paid		
Fair value of plan assets at end of period	1.04	0.92

	March 31, 2015	March 31, 2014
5. Financial provision		
Discounted value of liabilities	-15.43	-11.77
Fair value of plan assets	1.04	0.92
Modification de régime non comptabilisée		
Net (liabilities) assets recognised on the balance sheet	-14.39	-10.86

€ million	Actuarial gains (losses) recognised in equity			Analysis of differences in FY	
	March 31, 2014	FY 2014-2015	March 31, 2015	Difference with assumptions	Difference with real
6. Analysis of actuarial differences					
Supplementary pension	-1.22	-0.62	-1.84	-0.66	0.04
Retirement indemnities	1.22	-0.85	0.38	-0.15	-0.70
Private health plan	-0.83	-1.57	-2.40	-0.76	-0.81
	-0.82	-3.04	-3.86	-1.57	-1.47

Estimated cost of pensions for 2015-2016:
- Cost of services rendered 1.05

In the case of defined benefit pension plans, the contributions paid in the coming years should be similar to those paid in this year. Estimated outlays in the financial years ahead are:

Year ending March 31, 2016	0.89
Year ending March 31, 2017	1.93
Year ending March 31, 2018	0.42

This includes the departure of a senior manager benefitting from a supplementary pension.

The Swiss subsidiary, Laurent-Perrier Suisse, has set up a defined benefit pension scheme for its employees fully covered by a provident policy taken out with the Allianz Suisse company.

4.11. Debt and cash

Net debt was:

€ million	March 31, 2015	March 31, 2014
Long-term debt	266.34	256.99
Short-term debt	34.98	36.61
Gross debt	301.32	293.60
Gross debt after derivatives	301.32	293.60
Cash and cash equivalents	-26.25	-16.31
Net debt	275.07	277.29

Gross debt breaks down as follows:

€ million	March 31, 2015	March 31, 2014
Bank loans (investment credits)	15.13	16.90
Bank loans (operating credits)	250.33	239.17
Financial leases	0.88	0.93
Long-term debt	266.34	256.99
Bank loans (investment credits)	1.80	1.78
Bank loans (operating credits)	31.41	33.33
Financial leases	0.53	0.51
Bank overdrafts	0.27	
Accrued interest	0.97	0.98
Short-term debt	34.98	36.61
Gross debt	301.32	293.60

Total net debt, including other long-term debt (see 4.15, Other long-term debt) amounted to €277.12 million versus €279.33 million for the previous fiscal year.

4.12. Liquidity risk

The Group has structured its debt into two components:

- Debt used to finance its inventories (ageing credit, which is collateralised by the inventories themselves, their value being considerably greater than the amount of the debt they collateralise)
- Investment or acquisition debt with a maturity in excess of five years.

The Group is faced with no significant debt repayments in the short or medium term. Working capital loans comprise renewable lines of credit.

€ million	March 31, 2015	March 31, 2014
Less than one year	34.98	36.61
1-5 years	200.93	217.28
Over 5 years	65.41	39.72
Total to repay (incl. interest payable at closure)	301.32	293.60

4.13. Counterparty risk

The main financial instruments that can expose the Group to counterparty risk are trade receivables, cash and cash equivalent, and derivatives. Counterparty risk for trade receivables is limited by the large number of Group customers and their geographic dispersion in France and elsewhere. The maximum risk, corresponding to total outstanding trade receivables after taking guarantees and loss of registered securities into account, amounted to €42.9 million at closure and is analysed in Note 4.6, Trade receivables.

Counterparty risk on cash and cash equivalent and hedging instruments is also limited by the creditworthiness of the counterparties in question, which exclusively comprise internationally-reputed financial institutions. Total outstandings amounted to €26.2 million at March 31, 2015 and corresponds to the net book value of all these items.

Maximum counterparty risk on the Group's other financial assets totals €13.1 million and mainly corresponds to payables by the State (VAT), down-payments to suppliers, and accruals.

4.14. Financial instruments

4.14.1. Interest rate risk hedging

The Group uses financial derivatives to manage and operationally hedge the risk of fluctuating interest rates. The Group does not use derivatives for speculation.

The breakdown of debt after taking into account the effects of interest rate derivatives is as follows:

€ million	March 31, 2015	March 31, 2014
Non-hedged variable rate (Euribor 3-month rate + bank margin)	168.08	149.48
Swapped variable rate	118.24	129.12
Fixed rate	15.00	15.00
Total	301.32	293.60

The hedging of financial assets and liabilities using hedging instruments at March 31, 2015 may be presented as follows:

€ million	Financial liabilities		Interest rate hedging		Exposure after hedging			Financial assets	Net position after hedging
	Fixed Rate	Variable rate	Fixed Rate	Variable rate	Fixed Rate	Variable rate	TOTAL		TOTAL
Under 1 year		-34.98		20.00		-14.98	-14.98	26.25	11.27
1-5 years	-15.00	-185.93		98.24	-15.00	-87.69	-102.69		-102.69
Over 5 years		-65.41				-65.41	-65.41		-65.41
TOTAL	-15.00	-286.32		118.24	-15.00	-168.08	-183.08	26.25	-156.83

Working capital credits

Specific interest rate swaps have been put in place for working capital and investment credits:

€ million	Variable rate working capital credits		Interest rate contracts	Net position after hedging
	Authorised	Used		
01/04/15 to 31/03/16	388.85	281.17	110.00	171.17
01/04/16 to 31/03/17	358.02		90.00	
01/04/17 to 31/03/18	327.19		60.00	

Investment credits
€16.9 million of amortisable loans have variable rates. Interest rate swaps have been written in the amount of €8.2 million. The hedges will be reduced as the hedged loans are amortised.

Sensitivity to interest rate variations
The Group's mean effective interest rate was 1.27% at March 31, 2015 for the hedged portion of its debt, compared with 1.89% at March 31, 2014.

The Group is exposed to the risk of higher interest rates, which would push up the cost of servicing its debt. Based on the net position after hedges for the forthcoming period, and assuming a one percentage point rise in interest rates, the additional financial cost would be €1.80 million for:

- Working capital credits €1.71 million
- Investment credits €0.09 million

This should be compared with the cost of debt over the 12-month period, which was €6.56 million. In the case of fixed income instruments a variation of +0.5% would have a €1.03 million impact on Group's shareholders' equity, while a change of -0.5% would have a €-1.05 million impact on shareholders' equity.

4.14.2. Foreign currency hedging

Sensitivity to exchange rate variations

In 2014-2015, 26% of Group turnover was denominated in currencies other than the euro, including almost 3.4% in US dollars, 18% in Sterling and 4.5% in Swiss francs. Debt, on the other hand, is exclusively euro-denominated. As the reporting currency for the financial statements is the euro, the Group must convert assets, liabilities, income and charges incurred in other currencies into euros when drawing up the financial statements.

€ million	Operating assets	Financial assets	Operating liabilities	Financial liabilities	Net position	Hedging instruments	Net position after hedging
GBP	4 340	3 930	-2 278		5 992		5 992
CHF	1 409	1 834	-349		2 894		2 894
USD	1 907	410	-1 290		1 027		1 027
TOTAL	7 656	6 174	-3 917		9 913		9 913

The results from these business activities are consolidated in the Group's income statement after conversion at the average exchange rate for the period.

If the euro were to appreciate by 5% against the US dollar, Sterling and the Swiss franc, it would diminish turnover respectively by €0.37 million, €1.85 million and 0.50 million. The increase in operating income before amortisation, other income and charges would not be material.

If the euro were to depreciate by 5% against these same currencies, it would result in an increase in turnover of respectively €0.41 million, €2.05 million and €0.55 million and the reduction in operating income before amortisation, other income and charges would not be material.

4.14.3. Analysis of interest rate and currency derivative transactions

€ million	Fair value at March 31, 2015			at March 31, 2014	Face value by maturity at March 31, 2015			
	Derivatives assets	Derivatives liabilities	Total	Total	Less than 1 year	1-5 years	Over 5 years	Total
Hedging of future cash flows								
Forward forex								
Interest rate swaps		1.62	-1.62	-1.56	20.00	80.00	10.00	110.00
Non-qualified derivatives								
Forward forex								
Interest rate swaps		0.23	-0.23	-0.44		8.24		8.24
Total		1.85	-1.85	-2.00	20.00	88.24	10.00	118.24

In FY 2014-2015, the amounts recorded directly in the income statement were a gain of €0.21 million for interest rate derivatives.

In FY 2013-2014, the amounts recorded directly in the income statement were a gain of €0.23 million for interest rate derivatives.

Future flows from interest rate swaps will be as follows:

€ million	FY 2015-2016	FY 2016-2017	FY 2017-2018	Beyond
Cash flows from interest rate swaps	1.1	0.5	0.1	0.2

4.15. Other long-term debt

Other financial debt corresponds to employee profit sharing:

€ million	March 31, 2015	March 31, 2014
Less than one year		
1-5 years	2,06	2.04
Over 5 years		
Total	2.06	2.04

Debt due in under one year is recognised in current liabilities under "Other debt".

4.16. Financial liabilities

€ million			March 31, 2015		March 31, 2014	
	IAS 39 category	FV h'chy	Book value	Fair value	Book value	Fair value
Debt including accrued interest	AC		301.32	301.32	293.60	293.60
Trade payables	AC		**79.19**	**79.19**	**70.95**	**70.95**
Liabilities for personnel and social charges (1)	N/A		9.67	N/A	9.45	N/A
VAT payable and other sales taxes (1)	N/A		2.90	N/A	2.71	N/A
Interest rate derivatives liabilities	FV	2	1.85	1.85	1.99	1.99
Creditor affiliates	AC		10.46	10.46	7.87	7.87
Other debt	AC		4.04	4.04	2.61	2.61
Total other debt			28.91		24.63	

(1) Not a financial asset within the meaning of IAS 39

Fair value	FV
Debt liabilities at amortised cost	AC
Held for trading	HFT
Not applicable	N/A

4.17. Deferred tax

Net deferred tax breaks down as follows:

€ million	March 31, 2015	March 31, 2014
Revaluation of vineyards	30.49	30.49
Revaluation of tangible assets	2.00	2.00
Revaluation of intangible assets	0.48	0.48
Harvest valuation at market rates	1.41	1.28
Elimination of inventory margins	-0.13	-0.07
Elimination of provisions for treasury shares	0.41	0.42
Financial instruments	-0.64	-0.69
Price increase accrual		-0.06
Depreciation allowances	3.23	3.14
Employee benefits	-4.95	-3.73
Other (1)	-0.20	-0.29
Total	32.09	32.96
Balance sheet reconciliation		
- Deferred tax assets	0.80	
- Deferred tax liabilities	32.89	32.96
Total net	32.09	32.96
Including deferred tax recorded in equity	-1.07	8.43

(1) Most "Other tax" comes from temporary differences between fiscal and accounting rules

4.18. Sector information broken down by geographic region

Turnover by client location breaks down as follows:

€ million	2014-2015	2013-2014
Turnover (by client location)		
France	80.68	74.79
Europe	103.74	107.74
Rest of World	47.52	38.03
Consolidated total	231.94	220.56

* By geographic location of Group companies

Short-term assets of Group companies located in countries other than France:

€ million	March 31, 2015	March 31, 2014
Short-term assets on the balance sheet*		
France	231.17	219.28
Europe	0.93	0.42
Consolidated total	0.15	0.13
Total consolidé	232.25	219.83

* By geographic location of Group companies

4.19. Other net operating income

This breaks down as follows:

€ million	2014-2015	2013-2014
Margin on semi-finished goods and services	0.96	0.97
Operating currency gains	2.08	0.48
Operating currency losses	-1.04	-0.57
Other net operating income	2.00	0.88

The margin on semi-finished goods and services breaks down as follows:

€ million	2014-2015	2013-2014
Semi-finished goods		
Turnover	13.59	15.29
Cost of sales	-13.12	-14.96
Margin	0.47	0.33
Services rendered		
Turnover	0.52	0.87
Cost of sales	-0.04	-0.23
Margin	0.49	0.64
Consolidated margin	0.96	0.97

4.20. Payroll expenses

Payroll expenses (including social security charges, incentives, profit-sharing and pension liabilities) are distributed among the various functions as follows:

€ million	2014-2015	2013-2014
Cost of sales	11.70	11.64
Commercial charges	15.94	14.24
Administrative charges	7.38	8.95
Total	35.02	34.82

These break down as follows:

€ million	2014-2015	2013-2014
Wages and social charges	34.47	34.28
Cost of stock options		
Pension charges – defined benefit plans	0.55	0.54
Other employee benefits		
Total	35.02	34.82

4.21. Other operating income and charges

€ million	2014-2015	2013-2014
Other operating income		
Disposals of fixed assets	0.05	0.57
Other income	0.58	0.74
Total	0.63	1.30
Other operating costs		
Residual value of fixed asset disposals	0.02	0.51
Other costs	0.07	0.09
Total	0.09	0.60

A public subsidy was granted to the Group to finance promotional initiatives in third countries. The probably final amount of this subsidy was recorded in Other operating income.

4.22. Financial income

€ million	2014-2015	2013-2014
Cost of gross debt	6.56	7.36
Cash management income	-0.09	-0.11
Cost of net debt	6.47	7.25
Financial instruments	-0.21	-0.24
Others, net	0.22	0.29
Other financial income and charges	0.01	0.06
Financial income	6.48	7.31
Items directly recorded in equity		
Unrealised currency gains/losses	1.10	0.13

The net financial expenses above include the following items deriving from assets and liabilities that are not recorded at fair value in the income statement:

Interest income on financial assets	-0.09	-0.11
Debt interest payments	6.56	7.36

4.23. Tax

Tax and effective tax rates break down as follows:

€ million	2014-2015	2013-2014
Current tax	12.49	11.61
Deferred tax	0.19	-0.13
Total	12.68	11.48
Pre-tax profit	35.67	33.19
Effective tax rate	35.6%	34.6%

The difference between the theoretical tax rate (the corporation tax rate applicable to French companies) and the effective tax rate stated in the consolidated financial statements breaks down as follows:

€ million	2014-2015	%	2013-2014	%
Total consolidated income before income tax and deferred tax	35.58		33.01	
Theoretical tax liability at 34.43%	12.25	34.4%	11.37	34.4%
Permanent accounting and fiscal differences	0.34	0.9%	0.20	0.6%
Fiscal losses not activated for the period	0.05	0.1%		
Tax rate differentials (France/France and France/	-0.22	-0.6%	-0.10	-0.3%
Savings linked to fiscal integration	0.15	0.4%	-0.07	-0.2%
Sundry	0.11	0.3%	0.09	0.3%
Effective tax liability	12.68	35.6%	11.48	34.8%

Laurent-Perrier and Champagne Laurent-Perrier are members of a fiscally-integrated Group.

The agreements signed between the parent company and the integrated subsidiary apply the neutral tax method, whereby the subsidiary accounts for tax liabilities as if it had been taxed separately, the parent company recording its own liability and the savings flowing from the tax integration.

4.24. Contingent commitments and liabilities

Financial liabilities

At March 31 2015, a portion of the bank liabilities described in §4.13, which have a €265.0 million authorised credit line, were provided with various guarantees carrying security in the form of "warrants douaniers" a special type of bank guarantee used in Champagne. At March 31, 2014, the amount of the guarantees was €260.0 million euros.

Under the terms of the agreements with its pool of banks, the Group undertook to maintain the following ratios:

- a net debt to shareholders' equity ratio of less than 2
- a financial expense to operating income ratio (excluding the impact of IAS 19 and IAS 39) greater than 2.

Failure to maintain these ratios will lead to implementation of an adjustment clause providing for a consultation meeting between the parties that carries no early repayment clause.

At March 31 2015, both these ratios were honoured.

Other liabilities

- Mortgages have been given as security for loans to purchase property totalling €27.8 million.

- Several subsidiaries have entered into agreements with suppliers to purchase a material proportion of their grape requirement. The agreements relate to specific areas of land and owing to the variations in yield and price from one year to another no reasonable approximation of the liabilities involved can be made. Such commitments are vital to the operation of a champagne house.

- The Laurent-Perrier Group holds 74,027.61 hectolitres of wine from the 2000, 2002, 2004, 2005, 2007, 2008, 2009, 2010, 2011, 2012, 2013 and 2014 harvests in its cellars, constituting a set-aside reserve belonging to wine growers and co-operatives.

4.25. **Transactions with related parties**

Compensation of senior executives

The charges in respect of compensation for members of the Group Management Board, its Supervisory Board and main non-mandated Directors are as follows:

€ million	2014-2015	2013-2014
Compensation paid to members of the Supervisory Board	0.18	0.17
Salaries and other short-term benefits	2.11	1.88
Benefits subsequent to employment - cost of services rendered	0.30	0.21
Severance indemnities		
Payments based on shares		
Cost over the period	2.59	2.27

Salaries and other short-term benefits include the social charges paid by the Group and the contributions calculated on the basis of salaries.

Other transactions

€ million	2014-2015	2013-2014
Fees paid to companies sharing senior executives with Laurent-Perrier	0.61	0.45
Interest paid to members of the Supervisory Board on monies deposited in current accounts	0.03	0.03
Cost over the period	0.64	0.48

4.26. **Statutory Auditors' fees**

Total fees paid to the Statutory Auditors in return for the legal verification of the consolidated financial statements amount to €291,000 for FY 2014-2015.

4.27. **Events since the closure of accounts**

At the time of finalising the present financial statements there have been no events subsequent to the closure likely to have a material impact on the Group's financial situation.

5. SCOPE OF CONSOLIDATION

5.1. Fully-consolidated companies

Company	Registered office	Siren No.	% Control	% Stake
France				
Laurent-Perrier	32, avenue de Champagne 51150 Tours sur Marne	335 680 096	100.00	100.00
Champagne Laurent-Perrier	32, avenue de Champagne 51150 Tours sur Marne	351 306 022	100.00	100.00
Laurent-Perrier Diffusion	32, avenue de Champagne 51150 Tours sur Marne	337 180 152	100.00	100.00
Société A.S.	5-7, rue de la Brèche d'Oger 51190 Le Mesnil sur Oger	095 751 038	99.50	99.50
Grands Vignobles de Champagne	32, avenue de Champagne 51150 Tours sur Marne	379 525 389	100.00	100.00
SCA Coteaux de Charmeronde	32, avenue de Champagne 51150 Tours sur Marne	389 698 622	51.14	51.14
SCA Coteaux de Courteron	32, avenue de Champagne 51150 Tours sur Marne	352427603	51.05	40.00
SCA Coteaux du Barrois	32, avenue de Champagne 51150 Tours sur Marne	350 251 351	50.96	50.96
Champagne de Castellane	57, rue de Verdun 51200 EPERNAY	095 650 529	100.00	100.00
Château Malakoff S.A.	1 rue de Champagne 51190 OGER	095 750 089	100.00	100.00
SC de CHAMOE	32, avenue de Champagne 51150 Tours sur Marne	390 025 716	100.00	100.00
SC Coteaux de la Louvière	32, avenue de Champagne 51150 Tours sur Marne	384974835	50.44	30.00
SCEA des Grands Monts	32, avenue de Champagne 51150 Tours sur Marne	388 367 534	51.15	30.00
SC Cuvillier	Domaine Laurent-Perrier 51150 Tours sur Marne	388 693 657	100.00	100.00
SC Dirice	32, avenue de Champagne 51150 Tours sur Marne	414 522 367	100.00	100.00
SAS François DAUMALE	29-31 rue de Reims 51500 RILLY LA MONTAGNE	393 720 149	100.00	100.00
Etranger				
Laurent-Perrier UK LTD	66/68 Chapel Street Marlow Bucks SL 7 1 DE GRANDE BRETAGNE	/	100.00	100.00
Laurent-Perrier U.S., Inc.	3718 Northern Bd Suite 413 Long Island City New York 11101 USA	/	100.00	100.00
Laurent-Perrier Suisse	Chemin de la Vuarpillière 35 1260 NYONS SUISSE	/	100.00	100.00
Laurent-Perrier Italia Spa	Via FARINI 9 40100 BOLOGNA	/	67.00	67.00

5.2. COMPANIES CONSOLIDATED UNDER THE EQUITY METHOD

Company	Registered office	Siren No.	% Control	% Stake
France				
SARL Pétret-Martinval	9, rue des Ecoles 51530 Chouilly	407 910 629	49.00	49.00

5.3. PARENT COMPANY FINANCIAL STATEMENTS AT MARCH 31, 2013, 2014 AND 2015

Income Statement

€ million	Notes	March 31 2013	March 31 2014	March 31 2015
Turnover	10	1.50	1.49	1.49
Excess depreciation and expense transfer		1.14	0.99	0.26
Other income	10	4.82	4.40	4.50
Total operating income		7.47	6.88	6.24
Purchase of goods				
Change in inventory (goods)				
Other purchases and external charges		(1.78)	(1.43)	-2.03
Tax and similar payments		(0.14)	(0.14)	-0.14
Wages and Salaries	11	(1.29)	(1.59)	-1.53
Payroll taxes	11	(0.94)	(0.81)	-0.71
Amortisation and depreciation		(0.04)	(0.07)	-0.08
Provisions		(0.00)	(0.06)	0.00
Other expenses		(0.33)	(0.31)	-0.34
Operating profit		**2.95**	**2.48**	**1.40**
Financial income		6.57	6.65	7.45
Financial charges		(2.55)	(3.51)	-2.92
Net financial income	12	**4.02**	**3.15**	**4.53**
Current pre-tax profit		**6.97**	**5.63**	**5.93**
Extraordinary income		0.00	0.00	0.00
Extraordinary expenses		(0.00)	(0.00)	0.00
Extraordinary profit	13	**0.00**	**0.00**	**0.00**
Income tax	14	(0.68)	(0.22)	-0.32
Employee profit sharing				
Net income		**6.28**	**5.40**	**5.61**

Balance Sheet

€ million	Notes	Year ending March 31 2013	March 31 2014	March 31 2015
ASSETS				
Intangible fixed assets		1.91	1.91	1.91
Tangible fixed assets		0.42	0.44	0.46
Long-term investments and loans		109.92	109.93	109.91
Other long-term investments				0.00
Total fixed assets	1 & 2	**112.24**	**112.27**	**112.28**
Inventory and work in progress				
Trade receivables		7.58	7.06	7.14
Other receivables and related accounts	8	45.28	36.49	60.72
Marketable securities	3	4.22	4.94	4.09
Cash and cash equivalents		0.15	0.53	0.92
Prepaid expenses		0.03	0.04	0.03
Current assets		**57.26**	**49.05**	**72.90**
Cost of bond issue to amortise		0.13	0.11	0.21
Total assets		**169.64**	**161.43**	**185.39**

	Notes	Year ending March 31 2013	March 31 2014	March 31 2015
LIABILITIES				
Capital	4	22.59	22.59	22.59
Additional paid-in capital		20.22	20.22	20.22
Legal reserve		3.72	3.72	3.72
Statutory reserves		2.71	2.71	2.71
Special regulated reserves		7.04	7.04	7.04
Retained earnings		9.71	10.09	9.62
Net income		6.28	5.40	5.61
Regulated provisions		0.03	0.04	0.04
Total shareholders' equity	4	**72.31**	**71.81**	**71.56**
Other equity				
Contingency and loss provisions	6	**2.19**	**1.28**	**1.18**
Borrowing and financial debt	7	75.20	77.80	99.64
Trade payables and related accounts		0.48	0.57	0.41
Fiscal and social liabilities	8	1.79	2.05	1.60
Other liabilities and related accounts	8	17.66	7.91	11.00
		95.13	**88.34**	**112.65**
Total liabilities		**169.64**	**161.43**	**185.39**

5.4. Notes to the financial statements, year ending March 31, 2015

1. ACCOUNTING PRINCIPLES

The financial statements are drawn up in accordance with standard accounting procedures and the recommendations of the French Commercial Code. General accounting practices were applied on a prudential basis in accordance with the following basic assumptions:
- continuity of operations,
- consistency of accounting methods from one financial year to another,
- standalone accounts for each financial year.

2. VALUATION PRINCIPLES AND METHODS

2.1. Intangible fixed assets

Trademarks are recorded at their historic value. The amount recorded does not therefore represent their intrinsic value. Impairment tests are regularly carried out at Group level to ascertain that the current value of these assets is higher than their net book value. The impairment tests carried out, based on future cash flows, show no material impairment.

The costs of registering and renewing trademarks and research on trademarks have not been recorded as fixed assets since 1 April 2005. They are now expensed pursuant to opinion 04-15 of the Conseil National de la Comptabilité.

2.2. Tangible fixed assets

Tangible fixed assets are valued at their acquisition cost including the purchase price and ancillary cost, or at their production cost.
Interest on specific loans for the production of fixed assets is not included in the production cost of these fixed assets.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset. The principal depreciation periods are as follows:
- Buildings fixtures and fittings 7-25 years
- Furniture and equipment 5-10 years

2.3 Long-term financial investments

These are recorded at their historic value (acquisition or contribution value).

At the close of the financial year, the inventory value of securities is determined on the basis of the share of capital stock held and taking into account possible unrealised capital gains and profitability forecasts.

Accordingly, a provision is booked if this inventory value is lower than gross value.

2.4. Receivables and payables in foreign currencies

Foreign currency transactions are translated into euros at the exchange rate prevailing on the date of the transaction. Foreign currency asset and liability balances are converted at the rate prevailing at the year-end closure date, and any resulting unrealised foreign exchange gains or losses are recorded in the balance sheet. Unrealised foreign currency losses are provisioned for risk.

2.5. Receivables

Receivables are recorded at their nominal value. A provision for impairment is written when the realisable value is lower than the book value.

2.6. Contingencies and loss provisions

These provisions cover clearly-defined risks and liabilities whose occurrence is considered probable on the basis of past or current events.

2.7. Pensions and other commitments to personnel

Pensions, supplementary pensions, and retirement indemnity liabilities are recorded as off-balance sheet commitments and measured on the basis of actuarial calculations. These amounts were calculated using the projected credit unit (PCU) method. The main actuarial assumptions used are as follows:

- Discount rate: 1.14%
- Annual wage increases: Non-managerial: 2.0% Managerial: 3.0%
- Retirement age:
  - Managerial: 64
  - Supervisory, clerical and operative: 62

- Annual staff turnover rate

	Managerial	Supervisory	Clerical and operative
Before age 40	8%	1%	1%
41-50	3%	1%	1%
After age 50	8%	3%	2%

2.8. Financial instruments and derivatives

The company uses financial derivatives to operationally manage and hedge exchange rate and interest rate risk. The company does not use derivatives for speculative purposes.

2.9. Criteria used to determine non-recurrent items

Non-recurrent items are revenues and expenditures outside the company's normal operations. They concern either profit and loss related operations or capital transactions.

2.10. Other information

As parent company, the Company also prepares consolidated financial statements that take account of the company's annual financial statements under the full consolidation method.

Breakdown of Balance Sheet and Income Statement
All figures € million.

NOTE 1 – Gross value of fixed assets

	Gross values at April 1	Acquisitions	Disposals	Other movements	Gross values at March 31
Gross values					
Intangible fixed assets					
Brands	1.91				1.91
Trademark registration/renewal	0.00				0.00
Other	0.06				0.06
Sub-total	1.96	0	0	0	1.96
Tangible fixed assets					
Land					
Buildings					
Machinery & Equipment	0.14	0.03			0.17
Other	2.25	0.04	0.00		2.28
Sub-total	2.38	0.07	0	0	2.46
Long-term investments and loans					
Equity interests	109.90				109.90
Other long-term financial assets	0.02		-0.01		0.01
Sub-total	109.93	0	-0.01	0	109.92
GRAND TOTAL	114.28	0.07	-0.01	0	114.34

Breakdown of "Equity interests" item:

Champagne Laurent-Perrier	2,900,295 shares	54.98
A.S.(Salon+Delamotte)	181,519 shares	9.86
Champagne de Castellane	94,763 shares	3.44
Grands Vignobles de Champagne	16,634 shares	1.39
Château Malakoff	2,660 shares	38.99
S.C.Coteaux du Barrois	851 units	0.13
S.C.Coteaux de Courteron	390 units	0.06
S.C.Coteaux de Charmeronde	1 570 units	0.24
SCEV Grands Monts	4 500 units	0.07
SC Chamoé	1 620 units	0.34
SC Coteaux de la Louvière	1 160 units	0.02
SC Cuvillier	229 units	0.08
SC Dirice	59 units	0.31
		109.90

NOTE 2 – Depreciation, amortisation and provisions

	A&D at April 1	Increases	Decreases	Other movements	A&D at March 31
Amortisation & Depreciation					
Intangible fixed assets					
Trademarks	0.00				-
Other	0.06				0.06
Sub-total	0.06	0.00	0.00	0.00	0.06
Tangible fixed assets					
Land	-				-
Buildings					-
Machinery and equipment	0.13	0.01			0.14
Other	1.82	0.04			1.86
Sub-total	1.95	0.05	0	0	2.00
Long-term investments and loans					
Equity interests	0.00				0.00
Other LT financial assets	0.00				-
Sub-total	0	0	0	0	0
Grand total	2.01	0.05	0	0	2.06

NOTE 3 – Marketable securities

At March 31, 2014, marketable securities totalled €4.09 million and included 59,387 treasury shares held under a stock options plan in the amount of €3.96 million, and 1,723 shares held under a market-making contract for a total amount of €0.13 million. During the financial year, 8,850 treasury shares were sold for a consideration of €0.40million.

	At March 31	
Gross values	**2014**	**2015**
Treasury shares held under a stock options plan	4.63	3.96
Market making contract	0.31	0.13
Total	4.94	4.09

The book value of those shares not allocated to a stock options plan was compared with the average share price during the last 20 trading sessions immediately preceding the end of the financial year. Because this average price of €74.28 was lower than the cost price, a provision for impairment was recorded for 6.9 thousand of euros.

NOTE 4 – Composition of share capital and change in shareholders' equity

The share capital comprises 5,945,861 shares with a nominal value of €3.80.
Changes to shareholders' equity were as follows:

Amount at March 31, 2014	**71.81**
Net capital increase	
Net income	5.61
Dividend distribution	(5.86)
Amount at March 31, 2015	**71.56**

NOTE 5 – Stock option plans

The situation as regards exercisable options and their cost in the financial year was as follows:

	Attribution date	Earliest exercise date	Latest exercise date	Option exercise price
Plan No.10	08.03.2005	09.03.2009	08.03.2015	34,10 €
Plan No.11	14.03.2006	15.03.2010	14.03.2016	50,38 €
Plan No.12	22.03.2007	22.03.2011	21.03.2017	83,72 €
Plan No.13	18.03.2008	19.03.2012	18.03.2018	98,98 €
Plan No.14	02.04.2009	01.04.2013	01.04.2019	41,00 €

	Options allocated and still to be exercised at April 1, 2014	Number of options allocated	Number of options exercised	Number of options expiring worthless	Number of options still to be exercised at March 31, 2015
Plan No.10					
Plan No.11	21 500		4 000		17 500
Plan No.12	25 000				25 000
Plan No.13	33 800				33 800
Plan No.14	27 400		4 850		22 550

The net expense recorded during the year was €0.27 million compared with €1.47 million in the previous year.

NOTE 6 – Contingencies and loss provisions

	Amount at April 1 2014	Provisions	Used	Amount at March 31 2015
Nature of provisions				
Stock option risk	1.21		-0.03	1.18
Other	0.07	0.00	-0.06	0.00
Total	1.27	0.00	-0.09	1.18

The provision for stock option risk corresponds to the difference between 1) the price of stock options granted to employees, and 2) the net accounting value of treasury shares and the estimated acquisition price by the company for shares not yet purchased. The estimated acquisition price adopted corresponds to the closing price on the last day of the financial year, ie, March 31, 2015.

NOTE 7 – Borrowing and financial debts

	Total amount	Less than 1 year	1-5 years	Over 5 years
Bond issue	25.00		15.00	10.00
Debt with lending inst.	74.64	6.30	20.83	47.50
TOTAL	99.64	6.30	35.83	57.50

During the financial year, the company brought a €10 million bond issue and took out two medium-term variable rate loans totalling €25 million.

Loan in the amount of €10 million. Interest-rate hedges have been put in place in previous financial years as follows:
€10 million at the fixed rate of 1.995% maturing on July 30, 2015
€10 million at the fixed rate of 2.60% maturing on July 30, 2016

A further hedge for €10 million at the fixed rate of 1.10% and maturing in June 2023 was put in place during the financial year.

The fair value of the financial instruments taken out by the company amounted to -1.03 million euros at March 31, 2015.

NOTE 8 – Other receivables and other debts

Other receivables can be broken down as follows:

	At March 31	
Other receivables	2014	2015
Subsidiaries – Tax integration	0.95	
Current accounts – Group companies	35.51	60.70
Other	0.02	0.03
Total	36.49	60.72

Other payables include the following items:

	At March 31		
Fiscal and social payables, other debt and adjustment accounts	2014	2015	o/w Related parties
Owed to personnel	0.41	0.27	
Social bodies	0.13	0.13	
State – VAT and other taxes	1.16	1.05	
State – Corporate income tax	0.31	0.12	
Subsidiaries – Tax integration	0.00	0.15	
Current accounts – Group companies	0.64	0.64	0.64
Current accounts – Shareholders	7.26	10.19	
Other	0.05	0.05	
Total	9.97	12.60	0.64

All these other receivables and payables are due at less than one year.
Transactions with related parties took place at normal market conditions.

NOTE 9 – Other information relating to the balance sheet

	Amounts concerning affiliates	Accrued expenses
BALANCE SHEET ITEMS		
Equity interests and related payables	109.90	
Trade receivables and related accounts	7.14	
Other receivables	60.70	
Loans from credit institutions		0.47
Other borrowing and debt		
Trade payables and related accounts		0.31
Tax and social security liabilities		0.45
Other liabilities	0.80	0,9

NOTE 10– Breakdown of turnover and other income

	At March 31	
	2014	2015
Fees for use of Louvois	0.15	0.15
Administrative assistance	1.34	1.34
Total turnover	1.49	1.49
Brand royalties	4.40	4.50
Other income	0.00	0.00
Total turnover	4.40	4.50

NOTE 11 – Personnel expenses

Company personnel costs (including social security contributions) amounted to €2.24 million compared with €2.39 million in the previous financial year. The Competitiveness and Employment tax credit was recorded minus personnel expenses in the amount of €7.100 during the accounting period.

At March 31 2015 the workforce stood as follows:

	At March 31	
Workforce	2014	2015
Managerial	11	10
Supervisory	-	-
Clerical	5	5
Operatives	2	1
Total	18	16

NOTE 12 – Financial income and expenses

Financial income was positive and can be broken down as follows:

	Years	
INCOME	2013-2014	2014-2015
Dividends received	5.91	6.56
Sundry financial income	0.74	0.89
Provision writebacks	0.01	0.00
EXPENSES		
Provisions		-0.01
Interest and similar charges	-2.01	-2.58
Net expenses on disposal of marketable securities	-1.50	-0.33
Total	3.15	4.53

NOTE 13 – Extraordinary income and expenses

The €4,400 expense corresponds to an allowance for accelerated depreciation.

NOTE 14 – Corporate income tax

Laurent-Perrier and Champagne Laurent-Perrier are members of a tax-consolidated Group.
Tax-sharing agreements concluded between the parent company and its subsidiary apply the principle of tax neutrality. Taxes owed are recorded by the subsidiary as if it were taxed as a separate company. The parent company records its own tax charge and the tax savings or expenses generated from the application of the principle.

	€ million	Income tax € million
Breakdown of tax between current pre-tax profit and extraordinary profit		
Current pre-tax profit	5.93	0.00
Extraordinary income	0.00	
Corporate income tax	0.00	
Tax consolidation: saving (payable)	0.17	-0.17
on corporate income tax	0.15	-0.15
Net income	6.25	-0.32

NOTE 15 – Off-balance sheet commitments

Commitments given:
Commitments for retirement indemnities amount to €0.25 million.

The Group has taken out a defined benefit policy to provide additional supplementary retirement benefits for senior management. This policy provides gross annual retirement benefits of 15% of their salary in the 12 months preceding retirement. Benefits are vested only after calculating the basic State pension. The contributions paid to the organisation managing the pension fund are recorded under Group personnel expenses. The current value of vested benefits amounts to €1.19 million.

NOTE 16 – Remuneration of governance bodies

€ million	2014-2015	2013-2014
Remuneration of Supervisory Board members	0.18	0.17
Management Board: salaries and other short-term benefits	1.33	1.23
Benefits subsequent to employment – cost of services rendere	0.16	0.11
Full-year expense	1.67	1.52

Note 17 – SUBSIDIARIES AND AFFILIATES

Detailed information about each subsidiary and affiliate subject to disclosure obligations in which the Group owns more than 1%	Financial information			
	Capital	Shareholders' equity other than capital	Owner-ship interest %	Income (profit or loss from last financial year)
1 . Subsidiaries (over 50% owned)				
CHAMPAGNE LAURENT-PERRIER	44 200 816 €	164 096 765 €	100.00%	14 624 367 €
A.S.	698 638 €	39 281 273 €	98.73%	5 913 348 €
CHÂTEAU MALAKOFF	5 865 200 €	21 904 537 €	99.77%	633 361 €
SCEA DES COTEAUX DU BARROIS	253 840 €	37 055 €	50.96%	27 442 €
SCEA DES COTEAUX DE CHARMEROND	466 640 €	65 207 €	51.14%	46 856 €
SCA DES COTEAUX DE COURTERON	116 128 €	36 777 €	51.05%	36 433 €
SCEV DES GRANDS MONTS	132 000 €	20 156 €	51.15%	17 888 €
STE CIVILE DE CHAMOE	246 240 €	3 156 €	100.00%	2 428 €
STE CIVILE CUVILLIER	3 450 €	6 724 €	99.57%	6 668 €
SC DES COTEAUX DE LA LOUVIERE	34 500 €	7 241 €	50.44%	6 678 €
SC DIRICE	9 600 €	127 388 €	100.00%	98 906 €
2. Affiliates (between 10% and 50% owned)				
CHAMPAGNE DE CASTELLANE	9 162 821 €	31 401 729 €	15.76%	1 521 351 €
GRANDS VIGNOBLES DE CHAMPAGNE	1 145 713 €	8 532 593 €	22.13%	815 353 €

General information on all subsidiaries and affiliates owned	Subsidiaries		Affiliates	
	French	Foreign	French	Foreign
Book value of shares owned				
- gross	105 074 229		4 829 956	
- net	105 074 229		4 829 956	
Loans and advances granted	4 981 177			
Guarantees given				
Dividends received	6 563 343			

5.5. Reports of the statutory auditors on the parent company financial statements

€ 000s	01/4/2014 to 31/3/201 5	01/4/2013 to 31/3/2014	01/4/2012 to 31/3/2013	01/4/2011 to 31/3/2012	01/4/2010 to 31/3/2011
Share capital at period end					
Share capital	22 594	22 594	22 594	22 594	22 594
Number of ordinary shares	5 945 861	5 945 861	5 945 861	5 945 861	5 945 861
Preferred non-voting stocks					
Maximum number of shares to be issued					
through bond conversion					
through subscription rights					
Transactions and results for the financial year					
Sales (ex-VAT)	1 488	1 488	1 503	1 524	1 496
Pre-tax income, before employee profit sharing, amortisation and provisions	5 928	4 743	6 026	3 464	3 136
Corporate income tax	316	218	682	203	70
Employee profit-sharing for the financial year					
After-tax income, including employee profit sharing, amortisation and provisions	5 614	5 404	6 283	3 651	3 427
Income distributed to shareholders	5 871	5 905	5 897	4 484	4 060
Earning per share (€)					
Earnings after taxes and employee profit sharing but before depreciation, amortisation and provisions	0,94	0,76	0,90	0,55	0,52
Earnings after employee profit sharing, taxes, depreciation, amortisation and provisions	0,94	0,91	1,06	0,61	0,58
Dividend per share (1)	1,00 €	1,00 €	1,00 €	0,76 €	0,69 €
Workforce					
Average number of employees	18	19	18	16	17
Total payroll (2)	1526	1589	1288	1262	1676
Amounts paid out in benefits (social security, benefits, etc.) (2)	713	808	941	555	787

(1)Specify if dividend is gross or net, where appropriate by share class.
(2)Average rate of Social Security charges for external staff (temporary or seconded employees or staff on loan) for 2006 and previous fiscal years),

5.6. REPORT OF THE STATUTORY AUDITORS ON THE ANNUAL FINANCIAL STATEMENTS

5.6.1. Report of the statutory auditors on the annual financial statements

(Year ended March 31, 2015)

To the Shareholders
Laurent-Perrier SA
32, avenue de Champagne
51150 Tours sur Marne

"This is a free translation into English of the statutory auditors' report issued in the French language and is provided solely for the convenience of English speaking users. The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France."

Pursuant to the mandate we have received from your General Meeting, we hereby present our report for the financial year ended March 31, 2015, on:

- ***the audit of the annual financial statements for Laurent-Perrier SA as presented herein;***
- ***the justification for our assessments;***
- ***the specific procedures and disclosures prescribed by law.***

The annual financial statements were prepared by your Management Board. Our responsibility is to express an opinion on these statements based on our audit.

1 Opinion on the annual financial statements

We conducted our audit in accordance with the professional standards applying in France, which require all due diligence to be exercised so that we can be reasonably satisfied that the annual financial statements contain no material errors. An audit involves the examination by sampling or other verification methods of the proofs of the amounts and data contained in these accounts. It also involves assessing the accounting principles applied and the material estimates used to prepare the accounts, and looking at their general presentation. We believe that our controls provide a reasonable basis for the following opinion.
We hereby certify that the annual financial statements prepared on the basis of French accounting rules and standards are truthful and provide a true and fair view of the outcome of operations in the financial year just ended and of the financial and asset position of the company at the close of the said financial year.

2 Justification of our assessments

Pursuant to the provisions of Article L. 823-9 of the French Commercial Code on the basis for our opinion, we must bring the following to your attention:
Note 2.3 in the Notes to the Financial Statements sets out the accounting principles and methods used to assess the value in use to the Company of its equity investments.

While assessing the accounting rules and principles adopted by the Company, we examined whether the above accounting methods were appropriate and correctly applied and are satisfied that the resulting estimates are reasonable.
The above comments form part of our audit of the annual consolidated financial statements as a whole and this contributed to the formation of our opinion as expressed in the first section of this report.

3 Specific procedures

Pursuant to the professional standards applying in France, we also carried out the controls that are legally required.
We have no comment to make on the fairness and the consistency with the annual financial statements of the information contained in the report of the Management Board or in the documents addressed to shareholders concerning the financial position and annual financial statements.

With respect to the information provided pursuant to article L.225-102-1 of the French Code of Commerce concerning the compensation and benefits paid to company executive officers and the commitments entered into on their behalf, we have verified their consistency with the financial statements or with the data used to draw up the financial statements and where appropriate with data gathered by your company from companies controlling your company or controlled by it. On the basis of this review we certify that the information contained in them is accurate and truthful.
In accordance with the law, we have verified that the management report contains the appropriate disclosures concerning the identity of shareholders and holders of voting rights.

Reims and Neuilly-sur-Seine, June 8, 2015

The Statutory Auditors

KPMG S.A.

PricewaterhouseCoopers Audit

Pascal Grosselin

Christian Perrier

5.6.2. Report of the statutory auditors on the consolidated financial statements

(Year ended March 31, 2015)

"*This is a free translation into English of the statutory auditors' report issued in the French language and is provided solely for the convenience of English speaking users. The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements*.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France."

To the shareholders
Laurent-Perrier SA
32, avenue de Champagne
BP 3
51150 Tours-sur-Marne

Dear Shareholders,

Pursuant to the mandate we have received from your General Meeting, we hereby present our report for the financial year ended March 31, 2015 on:

- the audit of the annual consolidated financial statements for Laurent-Perrier SA as presented herein;
- the justification for our assessments;
- the specific procedures and disclosures prescribed by law.

The consolidated financial statements were prepared by your Management Board. Our responsibility is to express an opinion on these statements based on our audit.

I - Opinion on the consolidated financial statements

We conducted our audit in accordance with the professional standards applying in France, which require all due diligence to be exercised so that we can be reasonably satisfied that the consolidated financial statements contain no material errors. An audit involves the examination by sampling and other selection methods of the proofs of the amounts and data contained in these accounts. It also involves assessing the accounting principles applied and the material estimates used to prepare the accounts, and looking at their general presentation. We believe that our controls provide a reasonable basis for the following opinion.
We hereby certify that the consolidated financial statements prepared under IFRS as adopted by the European Union are truthful and provide a true and fair view of the financial and asset position of the Group comprising the individual and legal entities in the consolidation.

II - Justification of our assessments

Pursuant to the provisions of Article L. 823-9 of the French Commercial Code on the basis for our opinion, we must bring the following to your attention:

- notes 2.9 and 4.3 in the Notes to the Consolidated Financial Statements set out the approaches used to value vineyards at market price. While assessing the accounting rules and principles adopted by the Company, we examined whether the above accounting methods were appropriate and correctly applied and are satisfied that the resulting estimates are reasonable.

The above comments form part of our audit of the annual consolidated financial statements as a whole and thus contributed to the formation of our opinion as expressed in the first section of this report.

III – Specific procedures

In accordance with the professional standards applying in France, we also carried out the specific procedures required by law to verify the information given in the Group Management Report.

We have no comment to make on the truthfulness of that information or its agreement with the consolidated financial statements.

Neuilly-sur-Seine and Reims, June 8, 2015
The Statutory Auditors

PricewaterhouseCoopers Audit	KPMG S.A.
Christian Perrier	Pascal Grosselin

5.7. SPECIAL REPORT OF THE STATUTORY AUDITORS ON RELATED PARTY AGREEMENTS

Laurent-Perrier S.A.
Registered Office: 32, avenue de Champagne -51150 Tours sur Marne
Legal Capital: €22,594,272

"This is a free translation into English of the statutory auditors' report issued in the French language and is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France."

Dear Shareholders,

In our quality as statutory auditors to your company, we present our report on related-party agreements.

We are charged with informing you, on the basis of the information given to us, of the clauses and basic characteristics of those agreements reported to us or which we may have discovered in the course of our review. We are not required to comment on their usefulness or whether they are justified, nor to look for other agreements that may exist. It is your duty, pursuant to article R.225-58 of the French Commercial Code, to appreciate the usefulness of these agreements before approving them.

We are also required, where appropriate, to provide you with the information provided for by virtue of Article R. 225-58 of the French Code of Commerce relative to the execution, during the financial year just ended, of any related party agreements already approved by the General Meeting of Shareholders.

We have carried out our audit in compliance with the professional standards applying in France, which require all due diligence to be exercised to verify that the information given to us matches the documents on which it is based.

AGREEMENTS SUBJECT TO THE APPROVAL OF THE GENERAL MEETING OF SHAREHOLDERS

Authorised agreements and commitments during the financial year just ended
Pursuant to article L. 225-88 of the French Commercial Code, we have been advised of agreements receiving prior authorisation from your Supervisory Board.

Indemnities to be paid to the Chairman of the Management Board
Person concerned:

- Mr Stéphane Dalyac, in his capacity as Chairman of the Management Board since October 13, 2014.

In connection with the appointment of Mr Stéphane Dalyac as a member of the Management Board, it has been agreed that, in the event of Laurent-Perrier terminating his employment contract, he shall receive an indemnity amounting to six months of his gross annual compensation (fixed, and annual performance-related compensation). The payment of this severance indemnity is, however, subject to compliance with performance criteria.
The Supervisory Board has granted Mr Stéphane Dalyac the benefit of a non-compete clause in exchange for a clause forbidding the beneficiary, should his employment contract be terminated, from exercising any competing professional activity likely to damage the interests of the company.
Furthermore, the Supervisory Board has taken out an "Article 39" defined benefits pension plan whose conditions are identical to those of other executive officers.

Amendment to the agreement relative to the supplementary pension benefits of executive officers
Persons concerned:

- Madame Stéphanie Meneux, Madame Alexandra Pereyre, Mr Michel Fauconnet and Mr Stéphane Dalyac.

The Supervisory Board has authorised the setting up of a supplementary pension plan for its executive officers. This retirement plan allows the payment of a lifetime annuity to the insured beneficiaries, with 100% reversion of the said annuity to the surviving spouse.
The annuity amounts to 15**%** of the beneficiary's annual compensation calculated on the basis of the previous 12 months' salary. It is only paid out to those executive officers on their retirement.
The amendment to the agreement made during the financial year changed the seniority required to benefit from the supplementary pension from 12 years to 8 years.

This agreement was not applied during the financial year as no executive officers retired during the accounting period.

AGREEMENTS ALREADY APPROVED BY THE GENERAL MEETING OF SHAREHOLDERS

Agreements and commitments entered into in previous financial years
Pursuant to article R. 225-57 of the French Commercial Code, we have further been informed of the implementation of the following agreements approved by the General Meeting of Shareholders in previous periods and still in force in the financial year just ended.

With the Revaland company, of which Mr Michel Boulaire, Chairman of the Management Board, is the Manager
Person concerned:

- Mr Michel Boulaire, in his capacity as Chairman and Member of the Management Board until September 30, 2014

In connection with the agreement signed with the Révaland company, amended on November 25, 2013, and terminated with effect from October 1, 2014, the Révaland company has billed:

- fees in respect of advisory and assistance services rendered with respect to the Laurent-Perrier Group's strategic national and international growth and development plans at a daily rate of €1,900 exclusive of VAT, and travelling expenses for the period extending until September 30, 2014 for a total of €118,655;
- severance and non-compete indemnities amounting to €377,400 exclusive of VAT.

With MDK Consulting, of which Mr Maurice de Kervénoaël, Chairman of the Supervisory Board, is the Manager
Person concerned:

- Mr Maurice de Kervénoaël, in his capacity as Chairman of the Supervisory Board

MDK Consulting charges for "assistance in the preparation of action plans in the following areas: strategic management, world-wide expansion of distribution networks and resource optimisation."
At its meeting on May 23, 2013, the Supervisory Board signed an amendment to this agreement setting the annual remuneration at €118,178 € exclusive of VAT for the financial year ended March 31, 2015.

With Champagne Laurent-Perrier
Brand royalties
Payment of brand royalties under the December 14, 1990 licensing agreement amended on December 2, 1992, and effective on January 1, 1993, continued. The total amount paid was €4,495,075 exclusive of VAT for the year ended March 31, 2015.

Reims and Neuilly-sur-Seine, June 8, 2015
The Statutory Auditors

KPMG S.A. | PricewaterhouseCoopers Audit

Pascal Grosselin | Christian Perrier

The appended table sets out the names and functions of the executives common to the Public Limited and Joint Stock companies (Sociétés Anonymes, S.A.S.) concerned by the above agreements:

Company Executive Officers	Laurent-Perrier	Champagne Laurent-Perrier	Champagne de Castellane	Société A.S.	Château Malakoff
	Société Anonyme à Directoire et Conseil de Surveillance	Société par Actions Simplifiée	Société Anonyme	Société Anonyme	Société par Actions Simplifiée
Maurice de Kervénoaël	Chairman of the Supervisory Board				
Claude de Nonancourt	Member of the Supervisory Board		Director	Director	
François Philippoteaux	Vice Chairman of the Supervisory Board				
Michel Boulairesince 1st *April to 30th September 2014*	Chairman of the Management Board	Perm. Represent.of LP, Chairman	Chairman of the Board of Directors		Permanent representative of LP, Chairman
Stéphanie Meneux	Member of the Management Board and Chief Executive Officer	General Director	Permanent representative of CLP, Director	Chairman of the Board of Directors	
Alexandra Pereyre	Member of the Management Board and Chief Executive Officer	General Director			
Michel Fauconnet	Member of the Management Board			General Director	General Director

Reims and Neuilly-sur-Seine, June 2014

KPMG S.A.
Pascal Grosselin
Partner

PricewaterhouseCoopers Audit
Christian Perrier
Partner

5.8. FEES PAID BY THE GROUP TO THE AUDITORS AND MEMBERS OF THEIR NETWORK IN THE YEAR ENDED MARCH 31, 2015

	PricewaterhouseCoopers Audit				KPMG			
	Amount		%		Amount (HT)		%	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Audit								
Statutory auditing, certification auditing of individual and consolidated accounts issuer								
Issuer	52,000	48,000	33%	33%	52,000	42,000	39%	39%
Fully-consolidated subsidiaries	110,488	96238	67%	67%	72,520	6,150	54%	54%
Other activities and services directly related to the statutory auditor's remit								
Issuer					10,000	10,000	7%	7%
Fully-consolidated subsidiaries								
Subtotal Audit	**162,488**	**144,238**	**100%**	**100%**	**134,500**	**93,600**	**100%**	**100%**
Other services rendered by the networks to fully-consolidated subsidiaries								
Legal, fiscal, social	9,056			100%	0	0		
Other (specify if10% of audit fees)								
Subtotal	**9,056**	**0**	**0%**	**100%**	**0**	**0**	**0%**	**0%**
TOTAL	**171,544**	**144,238**	**0%**	**100%**	**134,520**	**93,600**	**0%**	**100%**

The fees quoted above are only fees paid to auditors who certify financial statements.
Amounts in foreign currencies have been converted at the average exchange rate for the accounting period.

6. JOINT SHAREHOLDERS MEETING, JULY 8, 2015

6.1. AGENDA

RESOLUTIONS PRESENTED AT THE ORDINARY SHAREHOLDERS' MEETING

1. Presentation of the combined report of the Management Board on the parent company and consolidated financial statements for the financial year ended March 31, 2015, and on the activity of the Company during the said financial year; of a number of other reports, in particular that by the Chairman of the Supervisory Board on the internal organisation of the Supervisory Board and on internal controls;
2. Presentation of the Statutory Auditors' reports on the parent company and consolidated financial statements for the financial year ended March 31, 2015 and on the activity during the said financial year;
3. Presentation of the special report by the Statutory Auditors on agreements governed by articles L 225-86 et seq. of the French Commercial Code;
4. Presentation of the report of the Supervisory Board on the report of the Management Board and the parent company financial statements for the financial year ended March 31, 2015;
5. Examination and approval of the Company's financial statements and consolidated financial statements for the financial year ended March 31, 2015;
6. Granting of discharge to the members of the Management Board, the Supervisory Board and the Statutory Auditors;
7. Appropriation of income for the financial year;
8. Approval of the related party agreements governed by articles L 225-86 et seq. of the French Commercial Code;
9. Attendance fees;
10. Renewal of the mandate of Mr Yann Duchesne, member of the Supervisory Board;
11. Approval of the undertakings set out in article L 225-90-1 of the French Commercial Code concerning the appointment of Mr Stéphane Dalyac as Chairman of the Management Board;
12. Approval of the undertakings set out in article L 225-90-1 of the French Commercial Code concerning the Chairman of the Management Board, whose mandate is due for renewal;
13. Authority granted to the Management Board to acquire company shares under a share buyback programme.

RESOLUTIONS PRESENTED AT THE EXTRAORDINARY SHAREHOLDERS' MEETING

14. Authority to reduce share capital by cancelling treasury shares held by the Company;
15. Authority granted to the Management Board to grant Company stock options under the terms of articles L 125-177 of the French Commercial Code;
16. Authority granted to the Management Board with a view to allocating bonus Company shares under the terms of articles L 125-197-1 et seq. of the French Commercial Code;
17. Powers.

NB: The numbering of resolutions differs from the numbering of items on the agenda.

6.2. SHAREHOLDERS' RESOLUTIONS

RESOLUTIONS PRESENTED AT THE ORDINARY SHAREHOLDERS' MEETING

First resolution
The General Shareholders' Meeting, having reviewed the various reports and notably those of the Management Board concerning the parent company financial statements; of the Supervisory Board; of the Chairman of the Supervisory Board on the internal organisation of the Supervisory Board and on internal controls; and of the Statutory Auditors, approves these reports and financial statements for the financial year ended March 31, 2015 as submitted to it. The meeting also approves the transactions described in the accounts and summarised in these reports.

The General Shareholders' Meeting approves the total amount of 18,7 K€ of the spending and costs set out in article 39-4 of the French General Tax Code (*Code général des Impôts*) and the corresponding amount of tax.

Second resolution
The General Shareholders' Meeting, having reviewed the various reports and notably that of the Management Board concerning the Group's activity and situation; the report of the Supervisory Board; and the report of the Statutory Auditors for the financial year ended March 31, 2015, approves the consolidated accounts as submitted to it. The meeting also approves the transactions described in the accounts and summarised in these reports.

Third resolution
Consequently, the General Shareholders' Meeting grants the Management Board full discharge for its management during the financial year beginning on April 1, 2014 and ending on March 31, 2015.

Fourth resolution
The General Shareholders' Meeting resolves to appropriate the net income for the year ended March 31, 2015 of €5,613,782.12 as follows.

Appropriation of net income:	
Net income for the financial year:	€5,613,782.12
Retained earnings brought forward from previous years:	€9,620,961.94
Total available for appropriation:	€15,234,744.06
From the total available, the payment of:	€5,884,751.00
as dividend to shareholders(*).	
The new amount to be transferred to "retained earnings" is:	€9,349,993.06

The dividend payable for the financial year is 1€ per share. For individual investors who are natural persons resident in France for tax purposes, the amount of the dividend paid shall take account of social security contributions which are compulsory under the Finance Act of 2008. The dividend will be paid out on July 20, 2015.

It is hereby stated that dividends payable on Laurent-Perrier treasury shares will not be distributed but will instead be transferred to retained earnings.

(*)Excluding the 61,110 Laurent-Perrier shares held by the Company as at 31.03.2015, unless there is an increase or decrease in the number of treasury shares held.

For natural persons resident in France, this dividend is fully eligible for the standard 40% reduction mentioned in article 158, 3-2° of the French General Tax Code.
The General Shareholders' Meeting acknowledges that it has been informed that, pursuant to the Finance Act of 2013, any dividends received, which are eligible for the standard reduction as set out in article 158 3-2° of the French General Tax Code, are liable to a non-final, compulsory withholding tax as stipulated in article 117 quater of the French General Tax Code, which stood at 21% as at March 31, 2014.
These dividends are also liable to social security deductions at the rate of 15.50% as at March 31, 2014. By law these are deducted at source by the company.

A sum of €4,539.006.36 corresponding to the carrying value of the 61 110 treasury shares owned by the Company as at March 31, 2014 must be stated in the "Treasury share reserve" account. This reserve currently amounts to €6,981,937.88 is sufficient.

The General Shareholders’ Meeting acknowledges that it was reminded that in conformance with the previous three financial years, the amount of share dividends rose in:

Financial Year	Dividend per share (€)
2011-2012	€1.00
2012-2013	€1.00
2013-2014	€1.00

* For natural persons resident in France, these dividends are eligible for the standard 40% reduction stipulated in article 158, 3-2° of the French General Tax Code.

Fifth resolution
The Shareholders approve the transactions conducted between the members of the Supervisory Board (or the companies or enterprises they represent, are executive officers of, or in which they hold a direct or indirect interest, or in which they are active via a third party) and the Company over the financial year just ended, as these are described in the Statutory Auditors' special report on related party agreements covered by articles L 225-86 et seq. of the French Commercial Code.

Sixth resolution
The Shareholders approve the transactions conducted between the members of the Management Board (or the companies or enterprises they represent, are executive officers of, or in which they hold a direct or indirect interest or in which they are active via a third party) and the Company over the financial year just ended as these are described in the Statutory Auditors' special report on related party agreements covered by articles L 225-86 et seq. of the French Commercial Code.

Seventh resolution
The Shareholders approve all transactions between, on the one hand, a shareholder owning more than 10% of the voting rights in the Company or any company controlling another company that is a shareholder and owning more than 10% of the voting rights in the Company and, on the other hand, the Company itself, over the financial year under review, as these are described in the Statutory Auditors' special report on related party agreements covered by articles L 225-86 et seq. of the French Commercial Code.

Eighth Resolution
The General Shareholders’ Meeting resolves to set total attendance fees payable to the members of the Supervisory Board at €186,154, unless shareholders decide otherwise.

A Supervisory Board meeting will be held to allocate the attendance fees.

Ninth resolution

The General Shareholders' Meeting, noting that the Supervisory Board mandate of Mr Yann Duchesne is about to expire, renews her mandate for a further term of six (6) years, until the General Shareholders' Meeting convened in 2021 to approve the financial statements of the financial year ending March 31, 2021.

Tenth resolution
Approval of the undertakings with respect to the Chairman of the Management Board at the time of his appointment by the Supervisory Board on September 24, 2014.

The General Shareholders’ meeting, having heard the report of the Statutory Auditors and pursuant to article L 225-90-1 of the French Commercial Code approves the contractual payment granted to Mr Stéphane Dalyac at the time of his appointment as a member of the Management Board by the Supervisory Board on September 24, 2014.

Payment conditions:
Amount: 6 months of the last gross fixed monthly compensation + performance-related component.

Laurent-Perrier's undertaking is subject to Mr Stéphane Dalyac's meeting his performance targets.

Eleventh resolution
Approval of the undertakings concerning the Chairman of the Management Board, whose mandate is due for renewal.

The General Shareholders' meeting, having heard the report of the Statutory Auditors and pursuant to article L 225-90-1 of the French Commercial Code approves the contractual departure payment granted to Mr Stéphane Dalyac when his mandate as Chairman of the Management Board was renewed by the Supervisory Board.

Amount: 6 months of the last gross fixed monthly compensation + performance-related component.

Laurent-Perrier's undertaking is subject to Mr Stéphane Dalyac's meeting his performance targets.

Twelfth resolution
Authority granted to the Management Board to acquire company shares under a share buyback programme
The General Shareholders' Meeting, having reviewed the report of the Management Board and the description of the share buyback programme presented to it, authorises the Management Board, pursuant to the provisions of articles L. 225-209 et seq. of the French Commercial Code, and for a period of eighteen (18) months, to purchase the Company's own shares on one or more occasions and at the times of its own choosing, subject to the restriction that the maximum number of shares that may be purchased and held by the Company may at no time exceed 10% of the Company's legal capital, where necessary adjusted to take account of any capital increases or reductions that may take place during the term of the share buyback programme.

This authority cancels and replaces the authority granted to the Management Board in the eleventh resolution of the Ordinary General Shareholders' Meeting held on July 8, 2014.

The shares may be purchased to:
- ensure market-making and share liquidity through the intermediary of an investment services provider within the framework of a liquidity agreement compliant with the Code of Good Conduct of the *Association Française des Marchés Financiers* (AMAFI), recognised by the AMF;
- retain the shares purchased for eventual trading or use as payment under any acquisition-led growth transactions, it being specified that the shares purchased to this end may not exceed 5% of the Company's share capital,
- ensure coverage for stock option plans and/or the allotment of free bonus shares (or similar plan) for the benefit of employees and/or the Group's executive officers, and all allotments of shares under a corporate or Group savings plan (or similar plan) under the terms of a profit sharing plan and/or any and all other forms of share allotments to employees and/or executive officers of the Group,
- ensure the coverage of securities conferring the right to the allotment of Company shares in the framework of current legislation,
- cancel, where appropriate, any shares purchased, subject to the approval of the authority granted to the Management Board, as set out in the thirteenth resolution put before the extraordinary General Shareholders' Meeting.

Shares may be purchased, sold or transferred at any time, and by any appropriate method, including the use of derivative instruments and options strategies, subject to the limits set by stock market regulations.

In particular, these transactions may be carried out during a public offering, subject to existing legal requirements.
The maximum purchase price is set at 130 euros per share. In the event of a transaction involving the share capital, and in particular the splitting or reverse splitting of shares or the allotment of bonus shares, the above-mentioned amount will be adjusted pro rata (multiplier equal to the ratio

of the number of shares making up the legal capital prior to the transaction and the number of shares following the transaction).
The maximum amount of the transaction is thus set at €69,351.893.
The General Shareholders' Meeting confers full powers on the Management Board to carry out these transactions, set their terms and conditions, sign any and all agreements, and carry out all necessary formalities.

RESOLUTIONS PRESENTED AT THE EXTRAORDINARY SHAREHOLDERS' MEETING

Thirteenth resolution
Authority to reduce share capital by cancelling treasury shares held by the Company

Voting in accordance with the quorum and majority voting rules applicable to Extraordinary Shareholders' Meetings and after reviewing the report of the Management Board and the special report by the Statutory Auditors, the General Shareholders' Meeting, within the framework of the authority to buy back the Company's shares as agreed in the twelfth resolution of the Ordinary Shareholders' Meeting:

- authorises the Management Board, in accordance with the provisions of article L. 225-209 para. seven of the French Code of Commerce, to cancel, on one or more occasions and in the proportions and at the times of its own choosing, all or part of the Company shares it owns or will own in respect of any and all previous, present, or future authorities to purchase the Company's own shares conferred on the Management Board by the Ordinary Shareholders' Meeting, in accordance with the provisions of article L. 225-209 of the French Commercial Code, up to a maximum of 10% of the legal capital per period of twenty-four (24) months and to reduce the legal capital in the same amount;
- authorises the Management Board to allocate the difference between the purchase price of the cancelled shares and their face value to the available premiums and reserves;
- confers full powers on the Management Board to set the terms and conditions, carry out and record the capital reduction or reductions following the cancellation transactions authorised by the present resolution, record the corresponding transactions in the accounts, modify the Company bylaws accordingly and, more generally, carry out all necessary formalities.

This authority is conferred for a term of twenty-four (24) months and replaces and cancels all previous authorities conferred.

Fourteenth resolution
The General Shareholders' Meeting, having heard the report of the Management Board and the report of the Statutory Auditors, authorises the Management Board, pursuant to articles L 225-177 to L 225-186 of the French Commercial Code, to grant Company stock options to:

- Officers holding management positions within the Company and/or any entity in which the Company holds more than a ten per cent (10%) direct or indirect stake and more than ten per cent (10%) of the voting rights;
- One or more salaried employees of the Company and/or of any entity in which the Company holds more than a ten per cent (10%) direct or indirect stake and more than ten per cent (10%) of the voting rights.

Said authorisation shall expire thirty-eight (38) months from the date of this General Shareholders' Meeting. Until that time, the Management Board may exercise the authorisation freely one or more times.

The total number of Company shares eligible for distribution as Stock Options under the present authorisation shall not exceed 210,000 Stock Options. It follows therefore that the number of Stock Options that the Management Board may allocate to beneficiaries during the 38 months of the present authorisation may not exceed 210,000 Stock Options.

Stock Options may not be exercised by their holders until four (4) years after their date of granting. However, the Shareholders' Meeting gives the Management Board specific authority to change the four (4) year period if it believes this is necessary in the light of any changes in the fiscal regime governing the Stock Options.

Stock Options expire ten (10) years after they are granted and then may no longer be exercised.

The exercise price of Stock Options (the "Exercise Price" of the "Available Shares") shall be set by the Management Board but may not be less than the average quoted share price over the twenty (20) trading days prior to the date on which the Stock Options were granted.

The Exercise Price shall, however, be amended as and if required by applicable law, and respecting the present provisions.

The Management Board is therefore granted full authority, subject only to applicable legal requirements, the by-laws and the resolutions of this Shareholders' Meeting, to grant the Stock Options authorised under this Resolution, and to decide the conditions for such granting and in particular to:

- decide whether or not to grant Stock Options at one or more times;

- decide on the beneficiaries and the number of shares in the Company each beneficiary may acquire, and in particular and as necessary to decide on the terms and conditions applying: jobs, titles, duties and achievement of personal and collective targets by beneficiaries;

- decide on the Exercise Price for each beneficiary and if necessary to adjust that price and/or the number of Available Shares;

- decide any conditions the beneficiaries may have to fulfil before they can exercise their Stock Options, e.g. jobs, titles, unties, exercise date, achievement of personal or collective targets, full or partial exercise, conditions precedent etc.;

- set the participating date of shares acquired;

- if necessary prohibit the immediate resale of shares acquired by the exercise of Stock Options. Such prohibitions may not exceed three (3) years as of the date the option is exercised;

- implement Stock Options plans in compliance with applicable legal requirements and more generally decide on and carry out all transactions and formalities needed for the purpose.

Fifteenth resolution
Voting in accordance with the quorum and majority voting rules applicable to Extraordinary Shareholders' Meetings and after reviewing the report of the Management Board and the special report by the Statutory Auditors, the General Shareholders' Meeting:

Authorises the Management Board to the extent allowed by law and pursuant to the conditions set out in articles L 225–197–1 to L 225–197–5 of the French Commercial Code to allocate existing or to-be-issued bonus shares in the Company in one or more transactions for the benefit of waged company employees or for selected categories of such and/or for the benefit of the company executives identified in article L 225–197–1 II of the said Commercial Code, and also for the benefit of waged employees and executives of companies or economic interest groupings linked to the said Company pursuant to the conditions set out in article L 225–197–2 of the said Commercial Code

Decides that the total number of shares that may be allocated shall not exceed one point seven per cent (1.7%) of the share capital, this percentage being calculated to include the said bonus shares allocated and/or issued;
The General Shareholders' Meeting authorises the Management Board, either alternatively or cumulatively, within the same limits as set out in the above paragraph, to:

- Allocate shares from the Company share buyback scheme pursuant to the conditions set out in articles L 225-208 and L 225-209 of the said Commercial Code, and/or to

- Allocate new shares to be issued through a capital increase. In this present case, the General Shareholders' Meeting authorises the Management Board to increase the company capital by the maximum nominal amount corresponding to the number of shares allocated, duly notes and decides, as far as is necessary, that the allocation of the shares to the beneficiaries designated by the Management Board entails, on the part of the said beneficiaries, express renunciation of their preferential subscription rights to the shares to be issued;

The General Shareholders’ Meeting decides that the allocation of the said shares to their beneficiaries shall become definitive:

- Either, for all or part of the shares allocated, at the end of a minimum acquisition period of four years and in this case with no minimum lock-up period;
- or, at the end of a minimum period of acquisition of two years, it being hereby specified that the beneficiaries shall be required to hold the said shares for a minimum period of two years from the date of their definitive allocation.

The General Shareholders’ Meeting hereby assigns full powers to the Management Board within the above-mentioned limits, to:

- Determine on the basis of the criteria set out hereafter the identify of the beneficiaries and the category or categories of beneficiaries for the allocation of the said shares, it being expressly understood that no shares shall be allocated to any waged employee or executive officer who each holds more than 10% of the share capital and that any such allocation of shares shall not involve the above-mentioned employees or executives exceeding the ownership threshold of more than 10% of the share capital,
- Allocate bonus shares to the following beneficiaries:
    - one or more executive officers performing executive duties within the Company and /or any entity in which the Company shall own either directly or indirectly more than ten per cent (10%) of the share capital or voting rights; and /or
    - one or more natural persons employed by the Company and/or by any entity in which the Company shall own, either directly or indirectly, more than ten per cent (10%) of the share capital or voting rights.

- To apportion the share allocation rights in one or more instalments at such times as the said Management Board shall see fit,

- To set allocation conditions and criteria such as but not restricted to seniority conditions, or conditions relative to maintaining the employment contract or the executive position during or at the end of the term or period of acquisition, and any other financial or individual or collective performance conditions,

- To determine the definitive duration of the acquisition period and lock-up period within the limits set above by the General Shareholders’ Meeting,

- To register the bonus shares allocated in a bearer account in the name of their owner, noting the locked up status and its duration,

- To lift the lock-up conditions during the lock-up period in the event of dismissal, forced or voluntary retirement, invalidity corresponding to registration in the second or third categories set out in the provisions of article L 341–4 of the French Social Security Code, or death of the bearer,
- To provision a reserve unavailable for distribution earmarked for the rights of beneficiaries with an amount equal to the total face value of the shares likely to be issued through a capital increase by debiting the sums necessary from any reserves freely available to the Company,
-
- To make any necessary withdrawals from this unavailable reserve in order to free the face value of the shares to be issued for the benefit of their beneficiaries,

- In the event of a capital increase, to modify the Company by-laws accordingly and to carry out all necessary formalities,

- In the event that any of the financial transactions set out in article L 228–99, §1 of the said Commercial Code during the acquisition period, to implement any and all measures necessary to safeguarding and adjusting the rights of beneficiaries of the said bonus shares, pursuant to the provisions and conditions set out in the 3rd paragraph of the said article,

- To implement the allocation of bonus shares pursuant to the legal provisions currently in force and more generally to decide and carry out all necessary transactions and formalities to this end.

Pursuant to the provisions of articles L 225–197–4 and L 225–197–5 of the said Commercial Code, the Ordinary General Shareholders' Meeting shall be informed each year in a special report presented to it of any and all transactions carried out in accordance with the present authorisation.

The General Shareholders' Meeting hereby sets a term of 38 (thirty-eight) months from the date of the present General Shareholders' Meeting during which the Management Board shall be able to avail itself, on one or more occasions, of the present authorisation.

Sixteenth resolution

The General Shareholders' Meeting authorises the bearer of an original, a copy or an extract of the minutes of this Meeting to execute all filing, publication and other formalities required under French law.

7. REPORTS

7.1. INFORMATION PUBLISHED OVER THE YEAR

7.1.1. The following documents are published either regularly or as and when required on the website of the French financial markets authority (Autorité des Marchés Financiers) www.amf-france.org and/or at www.finance-groupelp.fr.

	2014-2015
27.05.2014	Turnover, FY 2013-2014
27.05.2014	Results for FY 2013-2014
27.05.2014	Analysts' Briefing on the results for FY 2013-2014
12.06.2014	2013-2014 Reference Document
09.07.2014	Address to shareholders on the Annual General Shareholders' Meeting held on July 8, 2014
17.07.2014	First-quarter turnover FY 2014-2015
27.11.2014	First-half turnover FY 2014-2015
27.11.2014	Results first-half turnover FY 2014-2015
27.11.2014	Analysts' briefing on first-half results, FY 2014-2015
12.02.2015	Third-quarter turnover, FY 2014-2015

7.1.2. Information published in the industry and specialist press 2013-2014

May 2014	The Laurent-Perrier Garden, for the sixteenth RHS Chelsea Flower Show appearance, Champagne Laurent-Perrier wins its third best in show and the gold medal
	Champagne Laurent-Perrier is delighted to be returning to the 2014 RHS Chelsea Flower Show for the sixteenth consecutive year, and to have won both the Best in show for the third time and the gold medal, under the artistic direction of award-winning designer Luciano Giubbilei. Giubbilei has created a beautifully layered garden, intended to stimulate the enjoyment of observation and contemplation by visitors to the show. The design manifests Giubbilei's on-going fascination with texture, form and light whilst reflecting the elegance, creativity and pioneering spirit of the 200-year old family-run Champagne House. Garden details The tranquillity of the design composition, with its simple geometric layout, is juxtaposed with detailing exploring the contrasting concepts of stillness and movement, and elegance and rawness. The walls of concrete and metal combine lustres and materials; the stone surfaces are executed with contrasting finishes; the flow and reflection of the water gives light and animation to the space. The planting features delicate forms alongside bolder architectural leaves – providing a colour spectrum of yellows, creams and whites, punctuated by accents of blue, with a backdrop of deep green foliage.

A strong wooden sculpture designed by highly acclaimed American artist Ursula von Rydingsvard will contribute to the garden's exploration of texture. Constructed in meticulously assembled layers of cedar, the inclusion of this expressive piece will commence a partnership between Laurent-Perrier and the Yorkshire Sculpture Park (YSP). YSP is the leading international centre for modern and contemporary sculpture, and will host von Rydingsvard's most extensive exhibition to date and first ever large-scale survey in the UK opening in Spring 2014.

This is the third time Luciano Giubbilei has designed a Show Garden for Laurent-Perrier, following gold medal-winning gardens in 2009 and 2011. The Laurent-Perrier garden has previously won two Best in Shows in 2003 and 2008, 13 Gold medals and two Silver Gilts. Laurent-Perrier is also the official champagne sponsor of the RHS Chelsea Flower Show.

Champagne Laurent-Perrier is one of the most renowned Champagne Houses in the world. Based in the heart of Champagne, in Tours-sur-Marne, Laurent-Perrier has a pedigree for innovation, handcrafting a diverse and pioneering range of fine champagnes that are produced to traditional, time-honoured methods. The blend of soil, climate and nature is what makes Laurent-Perrier champagnes what they are and this is recognised through its commitment to spectacular garden design.

David Hesketh MW, Managing Director, Laurent-Perrier UK comments, "We are very pleased to return to the RHS Chelsea Flower Show for the sixteenth year, and work again with such a talented and inspirational designer. Our Champagne House has handcrafted a prestigious range of champagnes since 1812 and Luciano's design perfectly encapsulates the essence of our heritage, passion for creativity and innovation. This is an important relationship for Laurent-Perrier and I have no doubt the garden will be an awe-inspiring experience for visitors".

As in previous years, the Laurent-Perrier Garden is being built by Mark Fane and his team at Crocus.co.uk. Crocus is the UK's largest online garden centre, where most of the plants on the garden will be available to purchase online.

The 2014 RHS Chelsea Flower Show runs from 20-24 May 2014.

The wines crafted by the Champagne House are unique not only because of the philosophy that has inspired them, but also for their style, flavour and consistent quality, from one cuvée to the next. The result is a range of vins de plaisir – a diversified range of wines to be enjoyed at every occasion, each connected by the lightness, freshness and elegance that distinguishes Laurent-Perrier.

Laurent-Perrier's success must also be attributed to the energy of the Nonancourt family, headed by Bernard de Nonancourt. Working in a very demanding business environment, Bernard successfully avoided many pitfalls and managed to preserve the independence of his champagne house and its related values.

These same principles guide the current management team headed by his two daughters, Stéphanie Meneux de Nonancourt and Alexandra Pereyre de Nonancourt.

May 2014	Domaine de Mazerolles winner of the Prix des Honneurs de la Chasse Laurent-Perrier/Groupama 2014

The Honneurs de la Chasse judges selected Domaine de Mazerolles in the Loire Atlantique region of western France as the winner of the 33rd Les Honneurs de la Chasse Laurent-Perrier/Groupama award for its initiatives in favour of sustainable land management aimed at positioning hunting as a major player in, and manager of, biodiversity.

The Honneurs de la Chasse Laurent-Perrier /Groupama Prize was founded in 1980 by Bernard de Nonancourt to showcase the initiatives of a new generation of huntsmen who are extremely receptive and respectful for biodiversity; to reward their efforts to rehabilitate and stock emblematic areas of countryside and their outstanding management of animal populations and culling and search for balance between the natural environment and fauna and their ability to communicate with the farmers and other local agents.

Transmission of know-how

Domaine de Mazerolles is a perfect match for the spirit of the Honneurs de la Chasse award as it points the way to what will give the future approach to hunting its legitimacy, as a means of passing on know-how with respect to managing land and species.

Domaine de Mazerolles covers a single tract of land in an outstanding biotope,

with a total surface area of over 650 hectares, including 150ha of woodland, 150ha of lakes, and 350ha of marshland that are managed, used as pasture and/or mowed. The Mazerolles diked marshland area has received NATURA 2000 classification for the wealth of its biodiversity.
The reopening of the environment, the creation of reserves, the maintenance of the hydraulic network and marshland functions, together with farming practices aimed at improving and protecting wildlife habitats, ensure the natural development of the estate's flora and fauna.
Sustainable wildlife management takes in management plans for snipe, pheasant, and partridge.
Domaine de Mazerolles also strives to improve farming practices by putting in place extensive organic agriculture designed for quality grass production and the raising of the Nantaise breed of cattle.
The estate also carries out extensive fish farming concentrated on the production of pike, perch-pike, and eel. It also produces Vendée honey from European dark bees.
Hunting activities at Domaine de Mazerolles take place in compliance with the best hunting and wildlife management practice:
Hunting with pointers: partridge, pheasant, snipe, quail, etc.
Wild boar hunting with organised beaters or in hides.
Wildfowling in flyways or from blinds.
As a promoter of biodiversity, Domaine de Mazerolles is one of the 134 European ELO estates. In 2013 it was awarded the Wildlife Estates Label for the high quality of its sustainable management. And it has now been awarded the 33rd Les Honneurs de la Chasse Laurent-Perrier/Groupama Prize.
The Jury wished to highlight the selected application due to the quality of the achievements in coping with the difficulties faced by grey partridge populations in recent years. A hunting association, the Amicale des Chasseurs et Propriétaires de Maisons, with a vast area of 820ha in the heart of the Beauce (a region west of Paris), at the behest of Jean-Claude Bernardon, contacted local farmers to work with them on restoring habitats for this emblematic species in order to encourage its development.
To achieve its objectives, the association invested heavily in regulating predators, setting up large numbers of feeders, drinking points and anti-buzzard shelters, and perfected the technique of breeding local partridge using broody hens in order to bolster the natural population while complying with a ban on shooting birds until the population had reached an acceptable level. In this way, 100-200 partridge have been raised and released each year since 2009. In parallel, the farmers have allowed and taken part in work to restore hedges and buffer strips.
The efforts deployed helped to increase the populations from three pairs per 100ha in 2009 to 34 in 2012. Unfortunately, the 2012/2013 and 2013/2014 seasons saw a dramatic fall in numbers. Despite this, the Amicale de Maisons is continuing its efforts and the Honneurs de la Chasse Laurent-Perrier/Groupama award has encouraged them in their actions.
The awards ceremony took place on Friday June 13, 2014 at the Game Fair event held in Chambord, and was attended by Jean-Pierre Poly (Director General of ONCFS, the National Office of Hunting and Wildlife), Alexandra Pereyre de Nonancourt (Member of the champagne Laurent-Perrier Management Board), Jacky Desbrosse (Secretary General, FNC National Hunting Federation).

June 2014	Change to Laurent-Perrier Group Management Board

Jordi Vinyals, a member of the Laurent-Perrier Group Management Board, has decided to step down from his position for personal reasons.
The Group's Supervisory Board thanks Jordi Vinyals for his commitment to the company and wishes him every success in his future undertakings.
The Chairman of the Supervisory Board, Maurice de Kervénoaël, has announced that the role and responsibilities of Jordi Vinyals will be taken over by the Management Board.
Jordi Vinyals will cease his other operational functions in the Laurent-Perrier Group in August 2014.

June 2014	Laurent-Perrier strengthens its grape supply base

Laurent-Perrier has announced the acquisition of Négociant François Daumale, located in Rilly-la- Montagne. The move bolsters its grape supply base in a sector where it has had operations since 1972.

	The acquisition is in line with Laurent-Perrier's strategic objectives, largely driven by sourcing adequate supplies of quality grapes, underpinned by a long-standing policy of partnership with grape growers.
September 2014	Laurent-Perrier appoints Stéphane Dalyac Chairman of Management Board
	On Wednesday 24 September, the Laurent-Perrier Supervisory Board chaired by Maurice de Kervenoaël agreed to appoint Stéphane Dalyac Chairman of Laurent-Perrier's Management Board. He takes over from Michel Boulaire, who has held the position since May 2010. After starting out with PAI Partners, one of Europe's leading venture capital firms, Stéphane Dalyac joined the Danone Group in 1992, where he held a number of marketing and sales positions, in the United Kingdom in particular. He subsequently moved to the Yoplait Group in 2002, where he was appointed Managing Director, Europe, in 2011. Stéphane Dalyac, 51, is an agricultural scientist who graduated from the Institut National Agronomique Paris-Grignon and the Institut d'Etudes Politiques de Paris ("Sciences-Po"). He also holds a DEA post-graduate diploma in financial mathematics from Paris Dauphine University. The Supervisory Board expresses its warmest thanks to Michel Boulaire for his dedication to the Group which, over the past four years, has accelerated its rate of international expansion and won market share in the leading export markets despite the difficult economic environment. During this period, the Group has also significantly bolstered its financial strength, enabling it to continue investing for the future. Leveraging his experience as a Managing Director in an international group, Stéphane Dalyac will be tasked with accelerating growth at Laurent-Perrier to take the Group to a new level in the value strategy it has resolutely pursued for many years.
November 2014	Change to Laurent-Perrier Group Management Board
	Etienne Auriau, Laurent-Perrier Group Chief Financial Officer and a member of the Management Board, has decided to make a career change and will shortly be taking up new duties with an independent France pharmaceuticals and dermo-cosmetics company. Etienne joined Laurent-Perrier in 2005 as Chief Financial Officer and became a member of the Management Board in 2010. A successor is currently being recruited and the name of the new CFO will be announced within the next few weeks. The Laurent-Perrier Group Supervisory Board wishes to thank Etienne for his dedication during his nine years with the Group and for the financial discipline he was able to strengthen in the service of overall Group strategy

7.1.3. Information filed with the Commercial Court of Reims

18.07.2014	Annual financial statements, extract from the minutes of the July 8, 2014 Ordinary and Extraordinary General Shareholders' Meeting, company management report, reference document (including the consolidated management report), audit report on the ordinary and consolidated financial statements, Chairman's report on internal controls.

7.1.4. Information made available to shareholders prior to the July 8, 2014 General Shareholders' Meeting

Notice of meeting, BALO
Notice of meeting, Les Echos
Notice of meeting, Matot Braine
Laurent-Perrier Bylaws
Invitations to the statutory auditors
Invitations to registered shareholders
Attendance sheet

Voting form Publication of financial statements, BALO
Information note on share buy-back programme
Documents to be sent to shareholders:

- Agenda
- List of shares
- Corporate financial statements at March 31, 2014
- Consolidated financial statements at March 31, 2014
- Results for the last five years
- Summary
- Audit reports on the statutory and consolidated financial statements and special audit report
- List of unregulated agreements
- Report by the Chairman of the Supervisory Board on the operations of the Supervisory Board
- and internal controls
- Management Board report
- Draft resolutions
- List of members of the Management and Supervisory Boards and other offices held
- Postal/proxy vote form
- Request for documents

For further information please contact
Tel: 33 (0)3.26.58.91.22 – fax: 33 (0)3.26.58.17.29

7.2. SPECIAL REPORT ON TRANSACTIONS UNDERTAKEN FOR THE SHARE BUY-BACK PROGRAMME

Pursuant to paragraph 2, article L 225-209 of the French Commercial Code, the following are the transactions undertaken on the basis of the authority you granted the Management Board under Resolution 15 by the July 8, 2014 General Shareholders’ Meeting and pursuant to the requirements set out in the information note approved by the Autorité des Marché Financiers (AMF) on June 5, 2015.

- Proportion of equity held directly or indirectly at 31.03.2015: 0.98%
- Number of shares cancelled over the past 24 months: 0

Treasury shares portfolio

- Securities held for trading: 58,069
- Investments: 0
- Book value of the portfolio: €3,833,349.70
- Market value of the portfolio, at €84,00 per share: €4,877,796.00

Transactions under the last authorisation given (June 6, 2014 to June 5, 2015)

	Market making liquidity contract	Scrip issues	Acquisitions	Use of stock options for plans	Cancellation of shares	Total
Purchase						
Number of shares	41,000			0		
Share price	€71.14					
Amount Used	€2,916,674.03					
Reallocation for other purposes						
Sales/transfers						
Number of shares	42,913			13,350		
Share price	€70.24			€46.97		
Amount	€3,014,073.78			€627,080.00		

The Company has not used derivatives to buy back shares.

Treasury shares have been allocated for no other purposes since the last authorisation from the General Shareholders' Meeting. The 61,110 treasury shares at March 31, 2015 have all been allocated to the share buy-back programme organised by Oddo Pinatton Corporate and have been used for two purposes:

- market making;
- stock options awarded to employees and Company officers.

The Management Board

7.3. EXCERPT FROM THE MANAGEMENT REPORT

7.3.1. Detailed figures

All the components of the management report are included in the reference document.
Some of these components are detailed below.

1. General information about the Laurent-Perrier company – situation and activity at March 31, 2015

Turnover at March 31, 2015
During FY 2014-2015, Laurent-Perrier generated turnover of 1.49 million euros (€M) compared with € 1.49 million in FY 2013-2014.
The figure mainly comprises the Group management fee. Revenue also includes brand royalties paid for the financial year.

Analysis of financial income at March 31, 2015

In FY 2013-2014, financial income amounted to a profit of 4,533.15 million euros (€M) compared with 3.15 million euros in FY 2013-2014.

Analysis of extraordinary income at March 31, 2015

In FY 2014-2015 the non-recurring income item is – 0.004(€M), compared with -0.004 (€M) in FY 2013-2014.

As a result, and after deduction of all expenses, tax, provisions and amortisation, FY 2014-2015 showed a profit of 5.61 million euros (€M), compared with a profit of €5.40 million in the previous financial year.

Amount of investment and details of Investments amounted to € 0.07-million (€M).

Liabilities
A provision has been recorded in Liabilities to cover commitments in respect of share warrants distributed by the Company in the amount of 1.17 million euros (€M), of which 1.20 million euros (€M) in provisions written in respect of previous financial years.

2. Non tax-deductible expenses

Pursuant to the provision of Article 223 *quarter* of the General Tax Code, please note that the accounts for the financial year just ended do not deduct non-deductible expenses from taxable income in accordance with Article 39-4 of the same General Tax Code. For the record, the accounts include a 18,7K€ write back of excess vehicle leasing payments.

3. Information on trade payables and settlement times.

France's LME Act on the modernisation of the economy requires a reduction in settlement times and lays down a principle of payment no later than 45 days from the end of the invoicing month or 60 days from the date on which an invoice is issued.

Pursuant to Article L 441-6-1 of the new Commercial Code introduced by the LME Act, we set out below a breakdown of the balance of trade payables at closing date for the past two financial years by settlement date.

Status of Trade Payables at 31.03.2015

K€	Gross amount	Amount due	Amount accruing		
			At 30 days at most	At 60 days at most	At more than 60 days
Payables	110.3	13.2	97.1		

Status of Trade Payables at 31.03.2014

K€	Gross amount	Amount due	Amount accruing		
			At 30 days at most	At 60 days at most	At more than 60 days
Payables	360.6	93.9	266.2	0.5	

7.3.2. Information on related party agreements as set out in article L225-102-1 of the French Commercial Code

Henceforth, the management report presented to the General Meeting of Shareholders must mention any related party agreements entered into directly or indirectly (or by proxies) between one of its senior executives or principal shareholders and one of its direct or indirect subsidiaries.
None.

ANNEXES

Annex 1 - THE MAKING OF CHAMPAGNE

The champagne production process comprises ten major stages:

Stage 1 – harvest* (September - October)
All grapes are handpicked and transported in small baskets to ensure the highest-quality champagne.

Stage 2 - pressing* (September - October)
Grapes are pressed to extract 25.5 hectolitres of must* per 4,000 kilos of crushed grapes, which is exceptionally high compared to other wine products.

Stage 3 - fermentation* (October - November - December)
The wine undergoes an initial phase of fermentation* in tanks or barrels during which the sugar content is transformed into alcohol.

Stage 4 - blending* (January - March)
This is a crucial step in the process, as it will determine the taste of the champagne after ageing*. A cellar master or chef de cave* with an intimate knowledge of his champagne house's traditional style, blends different crus* both vertically and horizontally to achieve a consistent product quality every year. A proportion of exceptional harvests that do not require blending with a previous year's harvest may be used to produce vintages.

Stage 5 - bottling
Cane liqueur and yeast are added to the wine, which is poured into the bottles. The bottles are then stored in wine cellars or temperature and humidity-controlled warehouses for ageing*.

Stage 6 - creating the sparkling effect
The added sugar ferments at low temperature, forming alcohol and carbonic gas, the latter ensuring its transformation into a sparkling wine.

Stage 7 - ageing*
The minimum ageing* requirement for champagne is 15 months and three years for a vintage champagne.

Stage 8 - riddling/remuage*
At the end of the ageing* process, the bottles are rotated slightly at regular intervals over several weeks to allow fermentation deposits to gather in the neck of the bottle.

Stage 9 - disgorgement*
Fermentation deposits that develop during the ageing* process and which gather in the neck of the bottle during the remuage process are removed from the bottle through a freezing process. A cane sugar liqueur (a mixture of cane sugar and wine) is added before the champagne is corked. Depending on the amount of sugar added, the champagne will be brut* nature, brut*, extra dry, sec, demi-sec or doux (sweet).

Stage 10 - packaging*
Finally, the bottle is packaged with a cap, collar and label and is put in a box or case ready for shipment.

Annex 2 - Glossary

Ageing *(vieillissement)*
As wines age in the bottle, a series of phenomena take place, which refine the wines and allow their bouquet and sparkling effect to develop. The Champagne AOC* regulations require a minimum of 15 months from bottling for non-vintage champagne and three years minimum from bottling for vintage champagne.

Appellation d'Origine Contrôlée *(AOC)*
AOC refers to clearly delimited regions and occasionally to the locality of the vineyard. AOC wines must comply with precise criteria established by the INAO with regard to the maximum yield per hectare, alcoholic content, grape varietal used and minimum sugar content required in the must*. The wines are approved each year by a tasting panel.

Blanc de blancs
Champagne produced with white grapes only. This champagne (vintage or non-vintage) is made with chardonnay grapes to give it a characteristically fresh taste.

Blending *(assemblage)*
This operation is carried out after fermentation and consists in blending several wines to obtain a single harmonious mix. In Champagne, wines of different vintages, varietals and vineyards are mixed together. The blending process produces a wine of better and more consistent quality than each of its component wines from one year to the next.

Bottling *(tirage)*
This involves the bottling and addition of natural ferments and sugar, after the first fermentation and blending and before the champagnisation*.

Brut
Traditionally the driest of the champagnes until the relatively recent development of champagnes with little or no added sugar that are now called "extra brut", "brut nature" or "brut zéro".

Brut nature
Champagne with little or no added sugar (0-3 grams of sugar per litre).

Cépage
Grape varietal. Only three are authorised for the production of champagne: the pinot noir, the pinot meunier and the chardonnay.

Champagnisation *(Bottle fermentation)*
This is the second fermentation* process, once the wine is in the bottle, which lasts for several months. It is produced by the addition, at the time of bottling, of a cane sugar liqueur and of selected ferments. This second fermentation increases the alcohol concentration from 10.5° to 12° and produces carbonic gas which, because it cannot escape, dissolves in the wine and gives it its sparkle.

Chef de cave
The "cellar master" is responsible for blending* the wines and supervising the production process.

CIVC
The *Comité Interprofessionnel des Vins de Champagne* is an independent authority founded in 1941 that acts in the interests of grape growers and producers, setting and implementing professional standards for grape growing and the production of champagne and ensuring that the level of production is in line with demand.

Clear wines *(vins clairs, vins en cercle)*
Clear wines refer to the wines stored in vats before bottling.

Côte des Blancs
Prestigious grape growing region in the hills south of Epernay.

Cru *(Quality of grapes)*
The CIVC attributes to each wine-growing district a grade depending on the quality of its production for its grapes by reference to production. This quality grading is reflected in a quality scale. Champagne may be called *grand cru* (17 villages) if it is produced from grapes graded 100%, and *premier cru* (43 villages) if it is produced from grapes graded 90% to 99%. The minimum percentage grading for champagne is 80%.

Cuvée spéciale
Brut champagne, including vintage champagne, made from a special blend, aged longer and sold in a special bottle with more luxurious packaging.

Disgorgement
Disgorgement consists in removing the sediment *(lees)* from the neck of the bottle after second fermentation, ageing and rotation. In order to avoid a loss of wine, the neck of the bottle is plunged into a vat at – 23°C. A block of ice, enclosing the deposit, is formed and expelled by the pressure of the gas on opening. Dosing* then takes place.

Dosing
A small amount of liqueur, made up from old wine and cane sugar, is added in the bottle after disgorgement. According to the dosing of sugar, the champagne will be brut nature (less than 3 grams per litre), extra brut (less than 6 grams per litre), brut (less than 12 grams per litre), sec (between 17 and 32 grams per litre) demi-sec (between 32 and 50 grams per litre) or doux (more than 50 grams per litre).

Extra Brut
This champagne has very little sugar added (0-6 grams per litre). If no sugar at all is added, the champagne becomes brut nature, or unsweetened.

Fermentation
Fermentation process of the must* in stainless steel or, more rarely, in oak vats.

Fruit set
Initial formation of the grape bunches.

Grand cru
Champagne made from grapes graded 100%.

Grape-grower-operator *(récoltant manipulant)*
A grape grower who makes wine from his own harvest and bottles it.

Grape quality
The quality of grapes is measured in percentage terms from 80% to 100%. The quality of champagne is largely dependent on the quality of the grapes used.

Harvest *(vendange)*
The grape harvest in the Champagne region is exclusively picked by hand to avoid damaging the grapes. The dates of the harvest are set by the CIVC* and fall between September and October.

INAO
The Institut National des Appellations d'Origine is an independent authority that controls and safeguards the AOC against fraudulent use. INAO monitors in compliance with AOC standards.

Lees (or sediment)
These are the residues which settle in wine recipients after fermentation and/or storage. In the bottle, lees are the sediment that appears after the second fermentation. During the ageing process, the "lysis" phenomenon of these lees gives the champagne its characteristic aromas, which is why ageing on the lees is so important. The sediment is then sent toward the bottle neck during remuage* and finally expelled through disgorgement*.

Maximum authorised grape yield
The maximum authorised grape yield is set each year by the INAO* and since 2007 may not now exceed 15,500 kg of grapes per hectare. The maximum authorised grape yield in the event of an outstanding harvest is the upper limit for production (Plafond Limite de Classement - PLC) which authorises a yield normally limited to 25% over the basic yield.

Merchant operator *(négociant manipulant)*
A wine merchant, who purchases grapes from grape growers, manages the fermentation process and who only buys wines for blending.

Millésimé
A millésimé (vintage) champagne is made from an assemblage of wines from a single year and aged for at least three years after bottling. These champagnes are characteristic of the climate of a given year. Millésimé wines are usually made only in exceptional years.

Montre
See "Fruit set".

Must
The juice obtained from pressing the grapes. The first must produces the best champagne. The total quantity of must is regulated and limited to no more than 25.5 hectolitres per 4,000 kilos of grapes. Surplus can be distilled or used to make ratafia*.

Non-vintage champagne
Champagne blended from wines from several years.

Packaging
Packaging includes putting on the label, the wire collar, tinfoil capsule and in some cases a medallion and a back label.

Premier cru
Champagne made using grapes graded 90-99%.

Pressing
This process is regulated and each pressing centre must have authorisation to carry it out. This process consists in pressing the grapes to obtain the juice or must. The maximum yield from pressing is 160 kilos of grapes for 1 hl of must (100l.).

Quality reserves
This practice was developed by the profession to counter the adverse effect of bad weather on harvests in the Champagne region. Above and beyond the maximum yield set for each harvest (15,500 kilos per hectare since 2007), a fixed amount can be set aside as a qualitative reserve (4,300 kilos per hectare for 2009, 1,500 kilos per hectare for 2010, 3,100 kilos per hectare in 2011). This reserve is converted into wine and stored by wine merchants, but it may not be bottled. Stored in vats, it may only be released by decision of the CIVC* and the INAO* to compensate for a poor grape yield in a subsequent year or for the economic requirements of the Champagne region which was done on 1st February 2015,t a collective output of 500kg/ha was decided by the profession in order to adjust the volumes to the overall volume shipments of Champagne in 2014. The storing of this regulating set-aside is funded both by the grape growers (who cannot invoice the grape production until it is released) and by the wine producers (who bear the cost of wine making and storage in vats in february 2015).

Ratafia
A sweet aromatic liqueur made in Champagne from grape juice and alcohol.

Reserve wines
Reserve wines are stocks of wine from previous years used in the blending of non-vintage champagnes.

Remuage
The process takes place during the final months of ageing*, when bottles are placed upside down in racks and small rotations are carried out at regular intervals in alternating directions and at an incline. The aim of this process is to drive the deposits left in the bottle during the second

fermentation* towards the neck of the bottle. While progressive rotation is still carried out manually in some instances, automation is increasingly used.

Stacked wines *(vins sur lattes)*
Stacked wines refer to bottled champagne which has not yet been disgorged.

Taille
The juice from the grapes at the second pressing.

Wine-making (vinification)
This is the process of transforming must* into wine. For champagne, this process is the first fermentation*.

Annex 3 - CROSS-REFERENCES BETWEEN THE REFERENCE DOCUMENT AND THE REPORT OF THE MANAGEMENT BOARD

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In order to facilitate the reading of the reference document, the following table refers to the main headings in the AMF draft regulation and to the pages of the present document.

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