MARIE BRIZARD
WINE & SPIRITS

HALF-YEAR FINANCIAL REPORT

30/06/2017

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HALF-YEAR REPORT

1. Key figures of the activity

1.1. Overview of the consolidated financial statement

In €m, except for EPS	H1 2016	H1 2017
Net sales (excluding excise tax)	**202.3***	**212.5**
Gross profit	**69.7***	**72.5**
Gross margin	**34.5%***	**34.1%**
EBITDA	**0.4***	**-1.9**
Current operating profit	**-1.7**	**-6.1**
Attributable net income	**-13.5**	**2.2**
Earnings per share	**-0.50**	**0.08**

* Restated to reflect the cancellation of the Mateus and Ferreira distribution contracts in WEMEA, the reclassification of Pulco in Spain to Private Label activity, and the sale of the Augustowianka water brand in Poland.

Revenues exc. excise duties amounted to €212.5M in the 1st half of 2017, an increase of 3.9% compared to the restated revenues for the 1st half of 2016.

EBITDA fell to -€1.9M for the 1st half of 2017, compared with €0.4M the previous year. This deterioration is linked to the increase of €3M in promotional and marketing investments, and the impact on the 1st half of 2017 of the increase in the teams over the 2nd half of 2016.

Net result group share was €2.2M in the 1st half of 2017, against -€13.5M in the 1st half of 2016. The increase was driven mainly by an exceptional cash inflows linked to the sale of Marie Brizard's historic headquarters on rue Fondaudège in Bordeaux, and by the decrease in financial expenses following the repayment in 2016 of all frozen debt.

1.2. Results by region

Revenue for the 1st half of 2017 by cluster

In €M	HY 2016 restated*	Like-for-like changes	Exchange rate effect	HY 2017	Like-for-like changes (exc. foreign	Like-for-like changes (inc. foreign
Brand Activities						
- Western Europe, Middle East, and Africa	**67,7**	**-1,3**	**0,0**	**66,4**	**-1,9%**	**-1,9%**
France	56,3	-0,9		55,4	-1,7%	-1,7%
Balance of WEMEA	11,4	-0,4	0,0	11,0	-3,2%	-3,2%
- Central and Eastern Europe	**41,2**	**1,2**	**0,6**	**43,0**	**2,8%**	**4,4%**
Poland	27,6	-0,8	0,6	27,5	-2,8%	-0,5%
CEE Balance	13,5	1,9		15,5	14,3%	14,3%
- Americas	**12,1**	**-1,5**	**0,6**	**11,2**	**-12,1%**	**-7,4%**
- Asia Pacific	**1,2**	**0,4**		**1,6**	**34,5%**	**34,5%**
Brand activities Total	**122,2**	**-1,1**	**1,2**	**122,2**	**-1,0%**	**0,0%**
Other activities	**80,1**	**9,1**	**1,1**	**90,3**	**11,3%**	**12,7%**
Sobieski Trade	41,1	6,9	1,1	49,2	16,9%	19,6%
Private Label	39,0	2,1		41,1	5,4%	5,4%
MBWS TOTAL	**202,3**	**7,9**	**2,3**	**212,5**	**3,9%**	**5,0%**

* H1 2016 sales were restated following the termination of the distribution contracts of Mateus and Ferreira to WEMEA, the reclassification of the Pulco contract in Spain in the MDD activity and the sale of Augustowianka in Poland

EBITDA for the 1st half of 2017 by cluster

In €M	HY 2016 restated*	Like-for-like changes	Exchange rate effect	HY 2017	Like-for-like changes (exc. foreign	Like-for-like changes (inc. foreign
Brand Activities						
- Western Europe, Middle East, and Africa	**3,6**	**-0,6**	**-0,0**	**3,0**	**-16,5%**	**-16,5%**
- Central and Eastern Europe	**2,3**	**-0,1**	**-0,0**	**2,2**	**-3,6%**	**-3,8%**
- Americas	**0,8**	**0,3**	**-0,0**	**1,1**	**31,2%**	**28,6%**
- Asia Pacific	**-0,3**	**-0,4**		**-0,7**	**-117,6%**	**-117,6%**
Brand Activities Sub-Total (exc. Holding company)	**6,4**	**-0,8**	**-0,0**	**5,6**	**-12,4%**	**-12,8%**
- Holding company	**-5,5**	**-0,6**		**-6,1**	**-10,3%**	**-10,3%**
Brand activities Total	**0,8**	**-1,4**	**-0,0**	**-0,6**	**-164,9%**	**-168,1%**
Other activities	**-0,4**	**-0,9**	**-0,0**	**-1,3**	**-223,9%**	**-234,4%**
Assets sold	*-0,1*	*0,0*	*-0,0*	*-0,1*	*35,4%*	*33,9%*
MBWS TOTAL	**0,4**	**-2,2**	**-0,1**	**-1,9**	**-621,1%**	**-640,5%**

* EBITDA for the 1st half of 2016 has been restated to take account of the termination of the distribution contracts of Mateus and Ferreira in WEMEA, the reclassification of the Pulco contract in Spain in the MDD category and the sale of Augustowianka in Poland.

In the 1st half of 2017, the Brand activity generated revenues of €122.2M, down 1.0% compared with the 1st half of 2016. The growth in revenues of the CEE and Asia-Pacific clusters (+2.8% and +34.5%

respectively) has not totally offset the fall in revenue of the Americas and WEMEA clusters (-12.1% and -1.9% respectively). Other Activities generated an increase in revenues of 11.3%.

The significant increase in advertising investments in the 1st half of 2017 impacted the EBITDA of most clusters. Brand Activity posted an EBITDA of -€0.6M for the 1st half of 2017, versus €0.8M for the 1st half of 2016. With the exception of the Americas cluster, that recorded an increase in EBITDA of 31.2% to €1.1M, the other clusters recorded a fall in their EBITDA compared with the 1st half of 2016.

Other Activities recorded an EBITDA of €-1.3M for the 1st half of 2017, versus €-0.4M for the previous year.

Western Europe, Middle East and Africa - increase in advertising investments and extraordinary investment charge

The Western Europe, Middle East and Africa (WEMEA) cluster generated revenues of €66.4M in the 1st half of 2017, down 1.9% compared with the 1st half of 2016. The EBITDA of the WEMEA cluster was €3.0M in the 1st half of 2017, down 16.5% compared with the 1st half of 2016.

The 1st half of 2017 was characterized by increases in market share for most pillar brands of the Group. In France, Group spirits confirmed their dynamism in a flat market:- William Peel continued to increase its market share (+0.4 points) and has consolidated its place as leader on the French Scotch Whisky market. Sobieski also improved, achieving a market share of 15.7%. Fruits and Wine strengthened its position as leader in the category of aromatised wine-based beverages, with an increase in market share of 0.5 points to 30.2% (sources: Nielsen CAD P06 2017 and IRI P06 2017).

The EBITDA for the 1st half of 2017 was impacted by an extraordinary investment charge of €0.5M, linked to the sale of the historic Marie Brizard site, rue Fondaudège, in Bordeaux, and by the increase in advertising and marketing investment.

Central and Eastern Europe - decline in EBITDA, but improvement in the product mix in Poland and optimisation of costs

Revenue for the Central and Eastern Europe cluster (CEE) was €43.0M for the 1st half of 2017, an increase of 2.8% compared to the 1st half of 2016. EBITDA for the CEE cluster was €2.2M in the 1st half of 2017, down 3.6% compared with the 1st half of 2016.

The decline in EBITDA was focussed on the 1st half of 2017, and concerned essentially the Polish market. Beyond this decline, MBWS recorded a positive trend with an improvement in the product mix in Poland, supported by double-digit growth by Krupnik aromatised and by the optimisation of production costs. This positive dynamic was overshadowed by an increase in advertising and promotional expenditure, a consequence of the strong competitive pressure in the Polish vodka market.

The Group's results in Lithuania and Bulgaria in part made up for those of the Polish market, thanks to a better mix/price and an optimisation of production costs (essentially via new alcohol rectification equipment, put into service in mid-2016). Exports from the cluster also contributed to growth.

Americas - growth in EBITDA

The Americas cluster generated revenue of €11.2M in the 1st half of 2017, a fall of 12.1% compared with the 1st half of 2016, the slowdown being concentrated essentially on the first quarter.

In the USA, Sobieski outperformed the imported vodkas segment in certain states (as measured by NABCA) but could not avoid the significant competitive pressure in the vodka market. The weakness of Sobieski was partially offset by the growth of Marie Brizard and Cognac Gautier. The Group's pillar brands also recorded significant growth in Canada.

The Americas Cluster generated an EBITDA of €1.1M for the 1st half of 2017, an increase of 31.2% over the 1st half of 2016, due to improved optimisation of costs and part of the marketing and promotional investments being borne by the Group's holding company. The positive results recorded in the US market have offset the losses in the Brazilian market, which is still suffering the consequences of a macroeconomic environment in serious decline.

Asia-Pacific - investing in growth

The Asia-Pacific cluster generated revenue of €1.6M in the 1st half of 2017, an increase of 34.5% over the 1st half of 2016, driven essentially by the development of the distribution of William Peel in China. The sales of Marie Brizard in Australia, and Fruits and Wine in Japan also contributed to the increase in revenue.

The EBITDA of the Asia-Pacific cluster was -€0.7M for the 1st half of 2017, versus -€0.3M a year earlier. This decline is linked essentially to a significant increase in marketing investments in China, in accordance with the Group's growth strategy for the Asia-Pacific region, and the strengthening of the teams of the cluster.

Other Activities

Other Activities recorded an EBITDA of €-1.3M for the 1st half of 2017, versus €-0.4M for the 1st half of 2016. This decline is due in particular to the strong competitive pressure on the Polish vodka market in the 1st half, which had a significant impact on the margins of Sobieski Trade.

Holding company

The expenditure of the holding company increased by 10.3% in the 1st half of 2017, compared with the 1st half of 2016, to €6.1M. This increase is linked to the increase of €1.7M in marketing and promotional investments, some of which (USA) are borne directly by the holding company. The increase in the expenditure of the holding company is linked to the expansion of the management teams over the course of the second half of 2016, and the impact of the IFRS2 charges.

The increased expenditure of the holding company was partially offset by a decrease in fees and consultancy costs, as certain functions were returned to the Group.

2. Future prospects

MBWS expects, for the 2nd half of 2017, continued strong competitive pressure on the vodka market in Poland and the USA, with a short-term impact on Group margins. Over the long term, this trend is reinforcing the relevance of the “mainstream” business model and confirms the growth strategy of the Group for 2020.

MBWS will publish its Q3 revenues on 7 November 2017.

CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

3. Half-year consolidated financial statement

(in thousands of euros)	Note	30.06.2017 6 months	30.06.2016 6 months
Revenues		**323 564**	**328 071**
Excise duties		(111 068)	(123 060)
Revenues exc. excise duties	4	**212 495**	**205 012**
Purchases consumed		(139 995)	(132 571)
External charges	5.1	(35 908)	(34 788)
Personnel costs	5.2	(34 370)	(32 366)
Taxes and levies		(4 141)	(4 664)
Depreciation charges		(4 095)	(3 175)
Other operating profit	5.3	4 348	4 262
Other operating expenses	5.3	(4 391)	(3 407)
Operating profit from continuing operations		**(6 058)**	**(1 697)**
Other long-term operating profit	5.4	12 850	8 227
Other long-term operating expenses	5.4	(1 012)	(4 704)
Operating profit		**5 780**	**1 826**
Income from cash and cash equivalents	5.5	65	124
Gross cost of borrowings	5.5	(3 594)	(957)
Net cost of borrowings		**(3 529)**	**(833)**
Other financial income	5.5	5 283	1 382
Other financial expenses	5.5	(5 067)	(17 679)
Financial result		**(3 313)**	**(17 130)**
Profit/(loss) before tax		**2 467**	**(15 304)**
Income tax (charge)/income	5.6	(254)	1 662
Net profit/(loss) from continuing operations		**2 213**	**(13 642)**
Profit/(loss) from discontinued operations, net of tax			
NET PROFIT/(LOSS)		**2 213**	**(13 642)**
Group share		2 160	(13 529)
of which net profit/(loss) from continuing operations		2 160	(13 529)
of which net profit/(loss) from discontinued operations			
Non-controlling interests		52	(114)
of which net profit/(loss) from continuing operations		52	(114)
of which net profit/(loss) from discontinued operations			
Net earnings per share from continuing operations, Group share (€)	5.7	0,08 €	-0,50 €
Diluted net earnings per share from continuing operations, Group share (€)	5.7	0,08 €	-0,50 €
Net earnings per share, Group share (€)	5.7	0,08 €	-0,50 €
Diluted net earnings per share, Group share (€)	5.7	0,08 €	-0,50 €
Weighted average number of shares outstanding		27 855 017	27 258 228
Diluted weighted average number of shares outstanding		27 893 055	27 290 768

4. Consolidated half-year comprehensive income statement

(in thousands of euros)	30.06.2017 6 months	30.06.2016 6 months
Net profit/(loss) for the year	**2 213**	**(13 642)**
Items that may be reclassified to P/L		
Cash flow hedging, net of tax	(904)	(1 084)
Translation differences	(1 222)	363
Items not reclassified to P/L		
Revaluation of liabilities under defined benefit pension plans, net of tax		
Items of other comprehensive income for the year, net of tax	**(2 126)**	**(721)**
COMPREHENSIVE INCOME/(LOSS)	**86**	**(14 363)**
Of which:		
Group share	(78)	(14 102)
Non-controlling interests	164	(261)

The amounts of the comprehensive income statement are shown net of tax.

5. Consolidated half-year balance sheet

Assets

(in thousands of euros)	Note	30.06.2017	31.12.2016
Non-current assets			
Goodw ill	6.1	28 581	28 408
Intangible assets	6.2	111 194	110 065
Property, plant and equipment	6.3	71 414	61 868
Financial assets	6.4	4 749	4 602
Non-current derivatives	6.13	253	633
Deferred tax assets	5.6	5 535	6 087
Total non-current assets		**221 727**	**211 662**
Currents assets			
Inventory and w ork-in-progress	6.5	72 858	75 931
Trade receivables	6.6	75 715	103 140
Tax receivables		1 177	699
Other current assets	6.7	31 506	28 881
Short-term derivative instruments	6.13	579	356
Cash and cash equivalents	6.8	57 657	49 928
Total current assets		**239 492**	**258 936**
Assets held for sale	3	1 557	3 760
TOTAL ASSETS		**462 775**	**474 359**

Liabilities

(in thousands of euros)	Note	30.06.2017	31.12.2016
Shareholders' equity			
Capital	6.9	56 664	56 661
Premiums		175 674	448 544
Consolidated and other reserves		18 774	(260 986)
Translation reserves		(19 498)	(18 164)
Consolidated net profit/(loss)		2 160	6 885
Equity capital (Group share)		**233 774**	**232 940**
Non-controlling interests		2 272	5 585
Total equity capital		**236 046**	**238 525**
Non-current liabilities			
Employee benefits	6.10	5 676	5 470
Non-current provisions	6.11	1 317	1 385
Long-term borrowings - due in more than one year	6.12	5 133	4 082
Other non-current liabilities	6.14	2 387	2 391
Short-term derivative instruments	6.13	1 156	587
Deferred tax liabilities	5.6	14 323	15 493
Total non-current liabilities		**29 993**	**29 408**
Current liabilities			
Current provisions	6.11	3 504	3 913
Long-term borrowings - due in less than one year	6.12	47 795	45 418
Short-term borrowings	6.12	6 682	2 535
Trade and other payables		73 449	70 993
Tax liabilities		920	806
Other current liabilities	6.14	63 523	82 110
Short-term derivative instruments	6.13	861	650
Total current liabilities		**196 735**	**206 425**
Liabilities held for sale			
TOTAL LIABILITIES		**462 775**	**474 359**

6. Statement of half-year consolidated cash flows

(in thousands of euros)	30.06.2017	30.06.2016
Total consolidated net profit/(loss)	**2 213**	**(13 642)**
Less net profit/(loss) from sold or held-for-sale operations		
Net profit/(loss) on continuing operations	**2 213**	**(13 642)**
Depreciation, amortisation and provisions	1 500	(1 379)
Fair value revaluation gains/losses	77	33
Impact of financial discounting		14 615
Difference between the fair value/cash obtained on the transfer of treasury shares	(140)	34
Gains/(losses) on disposals and dilution	(8 154)	(4 929)
Operating cash flow after net cost of borrowings and tax	**(4 505)**	**(5 269)**
Income tax charge (credit)	254	(1 662)
Net cost of borrowings	3 529	833
Operating cash flow before net cost of borrowings and tax	**(721)**	**(6 098)**
Change in working capital 1 (inventories, trade receivables/payables)	32 955	9 953
Change in working capital 2 (other items)	(24 185)	(77 839)
Taxes paid	(1 216)	(3 917)
Cash flows from operating activities	**6 832**	**(77 902)**
Purchase of PP&E and intangible assets	(14 028)	(6 470)
Increase in loans and advances granted	(313)	(2 997)
Decrease in loans and advances granted	147	257
Disposal of PP&E and intangible assets	13 548	3 430
Impact of change in consolidation scope	(925)	(792)
Cash flow related to investing activities	**(1 571)**	**(6 572)**
Capital increase	34	35 192
Purchase of treasury shares	(1 500)	(3 282)
Borrowings received	1 551	43 801
Borrowings repaid	(349)	(1 379)
Net interest paid	(1 332)	(693)
Net change in short-term debt	4 149	572
Cash flow related to financing activities	**2 552**	**74 211**
Impact of fluctuations in exchange rates	(84)	(239)
Change in cash and cash equivalents	**7 729**	**(10 501)**
Opening cash and cash equivalents	49 928	89 112
Closing cash and cash equivalents	57 657	78 611
Change in cash and cash equivalents	**7 729**	**(10 501)**

7. Change in half-year equity capital

(in thousands of euros)	Capital	Premiums	Consolidated reserves	Revaluation of liabilities under defined benefit pension plans	Fair value adjustments	Translation reserves	Treasury shares	**Equity capital - Group share**	Non-controlling interests	**Total equity capital**
01.01.2016 b/fwd	**53 031**	**416 615**	**(256 614)**	**47**	**(74)**	**(20 330)**	**(132)**	**192 546**	**11 788**	**204 334**
Income/loss for the period			(13 529)					(13 529)	(114)	(13 642)
Other items of the income/loss					(1 084)	510		(574)	(148)	(721)
Comprehensive income/loss for the period			**(13 529)**		**(1 084)**	**510**		**(14 102)**	**(261)**	**(14 363)**
Capital increase	3 628	31 563						**35 191**		**35 191**
Treasury shares							(3 248)	**(3 248)**		**(3 248)**
Stock-option plan expenses			33					**33**		**33**
Changes in consolidation			723					**723**	(1 497)	**(774)**
Other changes			92					**92**		**92**
Operations with shareholders	**3 628**	**31 563**	**847**				**(3 248)**	**32 790**	**(1 497)**	**31 293**
30.06.2016 c/fwd	**56 659**	**448 178**	**(269 295)**	**47**	**(1 158)**	**(19 817)**	**(3 380)**	**211 234**	**10 030**	**221 264**

(in thousands of euros)	Capital	Premiums	Consolidated reserves	Revaluation of liabilities under defined benefit pension plans	Fair value adjustments	Translation reserves	Treasury shares	**Equity capital - Group share**	Non-controlling interests	**Total equity capital**
Opening situation 01.01.2017	**56 661**	**448 544**	**(247 375)**	**95**	**1**	**(18 164)**	**(6 825)**	**232 940**	**5 585**	**238 525**
Income/loss for the period			2 160					2 160	52	**2 213**
Other items of the income/loss					(904)	(1 334)		(2 238)	112	**(2 126)**
Comprehensive income/loss for the period			**2 160**		**(904)**	**(1 334)**		**(78)**	**164**	**86**
Capital increase	3	31						**34**		**34**
Treasury shares							(1 640)	**(1 640)**		**(1 640)**
Stock-option plan expenses			40					**40**		**40**
Changes in consolidation			2 556					**2 556**	(3 477)	**(921)**
Other changes		(272 901)	272 823					**(78)**		**(78)**
Operations with shareholders	**3**	**(272 870)**	**275 419**				**(1 640)**	**912**	**(3 477)**	**(2 565)**
30.06.2017 c/fwd	**56 664**	**175 674**	**30 205**	**95**	**(903)**	**(19 498)**	**(8 465)**	**233 774**	**2 272**	**236 046**

8. Appendix to the condensed consolidated half-year financial statements

Marie Brizard Wine & Spirits (MBWS) is a public limited liability company with a Board of Directors incorporated under French law, subject specifically to the provisions of the French Commercial Code. MBWS shares are listed on the stock exchanges of Paris (Euronext, compartment B) and Warsaw (Warsaw Stock Exchange, WSE). The MBWS Group operates in the Wines and Spirits sector.

The company's head office is located at 27-29 rue de Provence, Paris (75009).

The condensed consolidated half-year financial statements at 30 June 2017 were drawn up by the Board of Directors on 19 September 2017.

The amounts are shown in thousands of euros, unless otherwise stated.

Note 1. Accounting rules and policies

1.1. Accounting principles and policies applied

The condensed consolidated financial statements of MBWS S.A. and its subsidiaries (the Group) for the six months ended 30 June 2017 have been prepared in compliance with IAS 34 - relative to Interim Financial Reporting and with all the standards and interpretations adopted by the European Union that are compulsorily applicable to financial years beginning on or after 1 January 2017.

These standards include the standards approved by the IASB *(International Accounting Standards Board)*, i.e. the IFRS standards, the IAS *(International Accounting Standards)* and their interpretations.

The condensed financial statements do not contain all of the information required by IFRS for the presentation of annual financial statements and should therefore be read in conjunction with the Group annual consolidated financial statements for the year ended 31 December 2016 as presented in the 2016 Annual Financial Report, which may be viewed on the Company website at http://www.mbws.com.

The accounting policies and methods applied to the condensed consolidated financial statements for the six months ended 30 June 2017 are identical to those applied to the consolidated financial statements at 31 December 2016, with the exception of the new accounting standards listed below.

<u>Standards, interpretations and IFRS amendments adopted by the European Union and compulsory from 1 January 2017</u>

- IFRS improvements published in December 2016 (2014-2016 cycle)
- Amendments to IAS 12, "Recognition of Deferred Tax Assets for Unrealised Losses";
- Amendments to IAS 7, "Disclosure Initiative";

These texts compulsorily applicable with effect from 1 January 2017 do not significantly impact the Group's financial statements.

Standards, interpretations and IFRS amendments published but not yet applicable or applied optionally by the Group

- IFRS 15 and amendment to IFRS 15 – "Revenue from Contracts with Customers";
- IFRS 9 – "Financial Instruments" (a standard intended to gradually supersede IAS 39);
- IFRS 16, "Leases";
- IFRS 17, “Insurance Contracts”;
- Amendments to IFRS 10 and IAS 28, "Sales or Contributions of Assets between an Investor and its Associate/Joint Venture";
- Amendment to IFRS 2 – “Classification and measurement of share-based payment transactions”;
- Amendment to IFRS 4 “Apply IFRS 9 with IFRS 4 - Proposed amendments to IFRS 4”;
- Amendment to IAS 40, “Transfers of Investment Property”;
- IFRIC 22, “Foreign Currency Transactions and Advance Consideration”.

The possible impact on accounts related to the application of these new texts is being assessed.

The effects of the application of IFRS 15 on the accounting of the revenue, from 1 January 2018, are being analysed and evaluated.

The effects of the application of IFRS 9 on financial instruments, from 1 January 2018, are also being analysed and evaluated. They will be principally linked to the change in accounting method of the ineffective shares of the derivatives.

1.2. Underlying valuation principles

The financial statements have been prepared according to the historical cost principle, with the exception of certain asset and liability categories measured at fair value in accordance with the rules imposed by IFRS.

1.3. Use of estimates and assumptions

The preparation of IFRS consolidated financial statements requires that management make judgements and estimates and uses assumptions that affect the accounting principles applied, as well as the valuation of assets, liabilities, income and expenses. Such estimates and assumptions are based on experience and on a set of criteria that Management considers reasonable and realistic, without third parties necessarily being in a position to judge those estimates and assumptions. Actual future results may differ from such estimates.

The underlying estimates and assumptions are reviewed on an ongoing basis. The impacts of such reviews are posted to the accounting period during which the reviews took place or to future accounting periods if applicable.

1.4. Financial liabilities

Financial liabilities are principally current and non-current financial debts with credit institutions. These financial liabilities are initially measured at fair value, less transaction costs directly attributable to the operation.

Subsequently, they are measured at their amortised cost by using the effective interest method.

1.5. Indicators used to measure Group performance

The Group used as principal performance indicators revenue, gross margin and EBITDA. These indicators are calculated as follows:

Revenue

Revenue is stated net of rebates and commercial benefits granted and taxes on sales.

Gross margin

Gross margin is defined as revenues excluding duties less the amount of the purchases consumed.

EBITDA

(in thousands of euros)	30.06.2017	30.06.2016	
UNDERLYING OPERATING PROFIT/(LOSS)	**-6 058**	**-1 697**	*Consolidated financial statement*
Elements to be reincorporated:			
- Depreciation charges	4 095	3 175	*Consolidated financial statement*
- Provision for pensions	152	138	*Note 5.2*
- Allocation to provisions	3 305	2 086	*Note 5.3*
Elements to be excluded:			
- Reversals	-3 404	-3 190	*Note 5.3*
= EBITDA	**-1 909**	**512**	

Like-for-like changes

Like-for-like changes is defined as a change:

- At a constant exchange rate - restated for currency fluctuations for the period (the amounts N are converted at the exchange rate N-1)
- On a like-for-like basis - restated for contracts finalized and changes in scope

Note 2. Main highlights

2.1. Early withdrawal from the Moncigale plan

By decision of 14 February 2017, the Commercial Court of Nîmes noted the early withdrawal from the Moncigale recovery plan after having noted the repayment of liabilities admitted in the plan.

2.2. Renegotiation of the banking contract

As at 31 December 2016, at the end of June 2017 the Group did not comply with the banking covenants as defined in the loan agreement. As a result, the debt was presented in portion due in less than one year on long-term debts in the Group's consolidated financial statements.

Moreover, as mentioned in *note 8.4. Post-balance sheet events*, in July 2017 MBWS refinanced its senior loan of €62.5M, put in place in May 2016, via a new syndicated loan of €77.5M maturing in July 2022.

2.3. Achievement of the growth objectives of the BiG strategic plan delayed by 2 years

MBWS confirmed its "mainstream" business model and the financial objectives of its BiG 3.0 strategic plan. Nevertheless, the implementation schedule for the growth component of the strategic plan is two years behind schedule. This decision, which was confirmed by the whole of the Board of Directors, was made necessary by the introduction and growth of the new distribution agreements announced at the end of 2016.

The roadmap for achieving EBITDA targets is supported by the following growth drivers:-

- Execution of the new distribution contracts in two key markets (Poland and the United States) and in China:-
  - In the United States, increased distribution in key states, and optimization of the management of the key accounts;
  - In Poland, increased distribution in traditional commerce, thanks to the new contract with Eurocash, and the restructuring and growth of Sobieski Trade;
  - In China, the ramp-up of the contract with COFCO in order to develop the distribution of William Peel and other pillar brands of the Group.
- Accelerated growth of pillar brands, in different geographic zones:
  - William Peel - continued growth in Poland, development in China, launch of innovations in France (in particular *Spicy Shot* in the spring of 2017);
  - Sobieski - distribution gains in the United States, continued dynamism in France;
  - Krupnik - continued growth of aromatised versions, notably through traditional commerce in Poland;
  - Marie Brizard - commercial focus on the CHR, and migration of brands in certain markets;
  - Fruits and Wine - consolidation of the leading position in the French BABV market, development in the United States and in the Asian markets;
  - Cognac Gautier - development in China and in the United States.
- Continued optimization gains, with in particular the construction of a vodka distillery in Poland (completion planned for the end of 2017), the growth of the *category management* and the fruits of commercial excellence.

2.4. Threshold crossing

Upper threshold crossed by COFEPP

In a letter received on 13 February 2017, Compagnie Financière Européenne de Prise de Participation (COFEPP), a Limited Company (85 rue de l'Hérault, 94220 Charenton-le-Pont) declared that it had crossed the upper 20% threshold in the Company's share capital and voting rights on 08 February

2017, and that it held 6,202,041 MBWS shares representing as many voting rights, i.e. 21.89% of the share capital and 21.70% of the voting rights in the Company.

Lower threshold crossed by Azvalor

In a letter received on 20 April 2017, the Spanish company Azvalor Asset Management SGIIC (Paseo de la Castellana 110, 3rd Floor, 28046, Madrid Spain) acting on behalf of funds that it manages, declared that it had crossed the lower 5% threshold in the Company's share capital and voting rights on 17 April 2017, and that it held, on behalf of said funds, 1,208,740 MBWS shares representing as many voting rights, i.e. 4.27% of the share capital and 4.23% of the voting rights in the Company.

Threshold crossed by Schroder Investment Management Limited

In a letter received on 11 May 2017, the company Schroder Investment Management Limited (31 Gresham Street, London EC2V 7QA, UK) acting on behalf of clients and funds that it manages, declared that it had crossed the upper 5% threshold in the share capital and voting rights of MBWS on 9 May 2017, and that it held, on behalf of said clients and funds, 1,429,190 MBWS shares representing as many voting rights, i.e. 5.04% of the share capital and 5.01% of the voting rights in the Company.

In a letter received on 16 May 2017, the company Schroder Investment Management Limited (31 Gresham Street, London EC2V 7QA, UK) acting on behalf of clients and funds that it manages, declared that it had crossed the lower 5% threshold in the share capital and voting rights of MBWS on 15 May 2017, and that it held, on behalf of said clients and funds, 1,370,035 MBWS shares representing as many voting rights, i.e. 4.84% of the share capital and 4.81% of the voting rights in the Company.

Lower threshold crossed by Diana Holding and DF Holding

In a letter received on 19 May 2017, the companies Diana Holding and DF Holding acting in concert declared that they had, on 16 May 2017, crossed below the thresholds of 15%, 10% and 5% as a result of the end of the action in concert between these companies in the share capital and voting rights of MBWS and that they no longer held in concert any shares in the Company, each retaining its individual interest.

On this occasion:-

- Diana Holding has indicated that it holds 3,940,000 MBWS shares representing as many voting rights, i.e. 13.91% of the share capital and 13.82% of the voting rights of the Company;
- DF Holding has indicated that it holds 1,400,000 MBWS shares representing as many voting rights, i.e. 4.94% of the share capital and 4.91% of the voting rights of the Company;

Note 3. Scope of consolidation

During the first half of 2017, the Group continued to buy back minority interests of the Lithuanian subsidiary Vilnius Degtine and the Polish subsidiary Destylarnia Sobieski. As at 30 June 2017, the subsidiaries were owned 98.91% and 95.79% respectively by the Group.

In March 2017, MBWS France dissolved SCI Roger and transferred its assets.

In May 2017, the Bulgarian company Domain Menada Bulgaria merged with MBWS Bulgaria.

As at 30 June 2017, the Group's management estimates that only the assets not yet disposed of in the Polish company Polmos Krakow fulfil the conditions for the application of IFRS 5 "Non-current assets held for sale" (presented in IFRS 5 as at 31 December 2016). Following the signature in the first quarter of 2017 of the definitive deed of sale of the Fondaudège site in France, this site is no longer included in the assets intended to be sold on 30 June 2017.

Note 4. Segment Information

At the end of 2016, the Group changed the definition of its operating units for its segment reports. The Group’s activities are now presented based on the following 2 areas:-

- “Brand Activities” - activities of production and/or marketing of wines and spirits by the Group’s subsidiaries;
- “Other Activities” - additional production and/or marketing activities that allow the Group’s subsidiaries to optimise their performance and their profitability;

Segment information 2016 has been restated to be presented in the new Group segment reports.

The financial information for each segment is presented in the same manner as the internal reporting process used to measure the Group’s performance.

Segment information - income statement

	BRAND ACTIVITIES								
(in thousands of euros)	*Western Europe, Middle East, Africa*	*Eastern Europe, Central Europe*	*Americas*	*Asia, Pacific*	***OTHER ACTIVITIES***	***HOLDING COMPANY***	***ASSETS SOLD***	*INTER-SEGMENT*	**30.06.2017**
Third party revenues	66 399	153 363	11 897	1 651	90 253				**323 564**
Inter-segment revenues	3 782	4 197			1 447		41	(9 467)	
Revenues	**70 181**	**157 560**	**11 897**	**1 651**	**91 700**		**41**	**(9 467)**	**323 564**
Excise duties		(110 367)	(702)						**(111 069)**
Revenues exc. excise duties	**70 181**	**47 193**	**11 196**	**1 651**	**91 700**		**41**	**(9 467)**	**212 495**
Operating profit from continuin	**2 250**	**315**	**896**	**(697)**	**(2 373)**	**(6 388)**	**(62)**		**(6 058)**

	BRAND ACTIVITIES								
(in thousands of euros)	*Western Europe, Middle East, Africa*	*Eastern Europe, Central Europe*	*Americas*	*Asia, Pacific*	***OTHER ACTIVITIES***	***HOLDING COMPANY***	***ASSETS SOLD***	*INTER-SEGMENT*	**30.06.2016**
Third party revenues	69 202	164 466	13 105	1 228	79 763		307		**328 071**
Inter-segment revenues	2 031	4 312			97	(5)	230	(6 665)	
Revenues	**71 233**	**168 778**	**13 105**	**1 228**	**79 860**	**(5)**	**537**	**(6 665)**	**328 071**
Excise duties		(122 223)	(837)						**(123 060)**
Revenues exc. excise duties	**71 233**	**46 555**	**12 268**	**1 228**	**79 860**	**(5)**	**537**	**(6 665)**	**205 012**
Operating profit from continuin	**3 449**	**2 034**	**716**	**(320)**	**(1 831)**	**(5 660)**	**(85)**		**(1 697)**

Segment information - balance sheet

	BRAND ACTIVITIES								
(in thousands of euros)	*Western Europe, Middle East, Africa*	*Eastern Europe, Central Europe*	*Americas*	*Asia, Pacific*	***OTHER ACTIVITIES***	***HOLDING COMPANY***	***ASSETS SOLD***	*INTER-SEGMENT*	**30.06.2017**
Goodwill	24 446	2 255			1 880				**28 581**
Intangible assets	103 781	3 565	1 058		349	2 442			**111 194**
Property, plant and equipment	23 835	38 305	2 317		6 804	153			**71 414**
Fixed assets	**152 062**	**44 125**	**3 375**		**9 033**	**2 595**			**211 190**

	BRAND ACTIVITIES								
(in thousands of euros)	*Western Europe, Middle East, Africa*	*Eastern Europe, Central Europe*	*Americas*	*Asia, Pacific*	***OTHER ACTIVITIES***	***HOLDING COMPANY***	***ASSETS SOLD***	*INTER-SEGMENT*	**31.12.2016**
Goodwill	24 446	2 209			1 753				**28 408**
Intangible assets	103 902	3 466	1 160		333	1 204			**110 065**
Property, plant and equipment	23 129	29 365	2 305		6 943	125			**61 868**
Fixed assets	**151 477**	**35 039**	**3 465**		**9 030**	**1 329**			**200 340**

Note 5. Notes on the income statement

5.1. External charges

(in thousands of euros)	30.06.2017 6 months	30.06.2016 6 months
Marketing and promotion	(11 471)	(8 460)
Rental and maintenance	(4 592)	(5 445)
Transport	(5 962)	(5 586)
Other external services	(13 883)	(15 296)
External charges	**(35 908)**	**(34 788)**

External charges for the first half of 2017 increased by 3% versus the first half of 2016. This increase is due principally to:-

- the increase in marketing and promotion expenditure related in particular to the advertising campaigns launched in the first half of 2017, the re-launch of the Marie Brizard brand, and the change in advertising and promotion investment policy in Poland;
- offset to a lesser extent by the fall in other external services, in particular fees.

5.2. Personnel costs

(in thousands of euros)	30.06.2017 6 months	30.06.2016 6 months
Payroll	(25 800)	(24 170)
Social security and personal insurance charges	(8 418)	(8 058)
Retirement provisions	(152)	(138)
Personnel costs	**(34 370)**	**(32 366)**

	30.06.2017 6 months	30.06.2016 6 months
Total Workforce	**2 146**	**2 241**

5.3. Other operating and income expenses

Other operating income and expenses are detailed below:

(in thousands of euros)	Income	Expenditure	30.06.2017 6 months	30.06.2016 6 months
Provisions and reversals	3 404	(3 305)	99	1 104
Other operating and income expenses	944	(1 086)	(142)	(250)
Other operating and income expenses	**4 348**	**(4 391)**	**(44)**	**855**

5.4. Other non-current operating income and expenses

(in thousands of euros)	Income	Expenditure	30.06.2017 6 months
Impairment losses on tangible and intangible assets			
Restructuring income and expenses	31	(469)	(438)
Gains/losses on asset disposals and acquisition costs	10 816	(133)	10 683
Items related to Group financial restructuring	2 003	(410)	1 593
Other long-term operating profit and expenses	**12 850**	**(1 012)**	**11 838**

(in thousands of euros)	Income	Expenditure	30.06.2016 6 months
Other long-term operating profit and expenses	**8 227**	**(4 704)**	**3 523**

Other non-current operating income and expenses consist of non-recurring operations and are separated from current operating profit/(loss) in order to improve the readability of Group performance, particularly in terms of drawing comparisons between the periods presented.

As at 30 June 2017, non-current operating income amounted to €11.8M and mainly corresponded to the capital gains on the sale of the Fondaudège site in France.

5.5. Financial result

(in thousands of euros)	Income	Expenditure	30.06.2017 6 months	30.06.2016 6 months
Income from cash and cash equivalents	65		65	124
Interest and similar charges		(3 594)	(3 594)	(957)
Net cost of borrowings	**65**	**(3 594)**	**(3 529)**	**(833)**
Provisions and reversals				
Exchange gains/losses	4 624	(5 066)	(442)	(1 733)
Discounting effects				(14 615)
Other operating income and expenses	659	(1)	659	51
Other operating income and expenses	**5 283**	**(5 067)**	**217**	**(16 297)**
NET FINANCIAL ITEMS	**5 348**	**(8 661)**	**(3 313)**	**(17 130)**

The increase in the cost of net financial debt versus 30 June 2015 is linked to interest charges on the senior loan put in place in May 2016 and to the accelerated depreciation of issuance costs further to the implementation of a new loan to replace the senior loan in July 2017.

5.6. Income tax

Breakdown of the tax charge

Group tax is calculated by using the annual rates projected in each tax jurisdiction of the Group and corrected for the main permanent differences.

The tax expense at 30 June 2017 was €0.3M. It consisted of a current tax expense of €0.9M and a deferred tax credit of €0.6M.

5.7. Earnings per share

Net profit Group share and EPS from continuing operations

(in thousands of euros unless otherwise stated)	30.06.2017 6 months	30.06.2016 6 months
Numerator *(in thousands of euros)*		
Net profit/(loss) Group share	2 160	(13 529)
Net profit/(loss) from continuing operations, Group share	2 160	(13 529)
Denominator *(number of shares)*		
Number of shares outstanding	27 855 017	27 258 228
Number of shares outstanding after dilution	27 893 055	27 290 768
Earnings per share *(€)*		
Net earnings per share, Group share (€)	0,08 €	-0,50 €
Diluted net earnings per share, Group share (€)	0,08 €	-0,50 €
Net earnings per share from continuing operations, Group share (€)	0,08 €	-0,50 €
Diluted net earnings per share from continuing operations, Group share (€)	0,08 €	-0,50 €

Note 6. Notes to the balance sheet

6.1. Goodwill

(in thousands of euros)	31.12.2016	Impairment	Change in consolidation	Transfer	Translation differences	30.06.2017
Gross goodwill	**172 550**				**1 279**	**173 828**
- France	143 216					143 216
- Poland	28 972				1 265	30 237
- Others	361				14	375
Impairment	**(144 141)**				**(1 106)**	**(145 248)**
- France	(118 770)					(118 770)
- Poland	(25 334)				(1 106)	(26 440)
- Others	(38)					(38)
Net goodwill	**28 408**				**173**	**28 581**

(in thousands of euros)	31.12.2015	Impairment	Change in consolidation	Transfer	Translation differences	31.12.2016
Gross goodwill	**176 912**		**(3 318)**		**(1 045)**	**172 550**
- France	143 216					143 216
- Poland	32 009		(2 003)		(1 034)	28 972
- USA	1 315		(1 315)			
- Others	372				(11)	361
Impairment	**(146 968)**		**1 951**		**876**	**(144 141)**
- France	(118 770)					(118 770)
- Poland	(26 846)		636		876	(25 334)
- USA	(1 315)		1 315			
- Others	(38)					(38)
Net goodwill	**29 944**		**(1 367)**		**(169)**	**28 408**

The *goodwill* arose from the historical brand acquisitions made by the MBWS Group. The two most important of which were Marie Brizard and William Peel.

Goodwill impairment test:

A review of the Group's assets was performed as at 30 June 2017, in accordance with IAS 36, in order to identify if the cash generating units (CGU) presented indications of impairment charges.

The recoverable value of the CGUs is based on the assumptions presented in the updated strategic plan "BiG v3.1", drawn up in particular based on the rates of growth expected in the wines and spirits market and the capacity of the Group to materialize the different shares detailed in the plan.

No impairment charge indicator by CGU having been noted, the value tests were not carried out in the half-year statement and no additional impairment charge was recognised at 30 June 2017.

6.2. Trademarks and other intangible assets

(in thousands of euros)	31.12.2016	Acquisitions	Disposals	Net charges/impairment	Other movements	Change in consolidation	Translation differences	30.06.2017
Concessions and patents	1 865	116	(52)				8	1 937
Trademarks	138 205	6					173	138 383
Other intangible assets	14 053	1 515	(801)		21		120	14 908
Gross	**154 123**	**1 637**	**(853)**		**21**		**301**	**155 228**
Concessions and patents	(1 418)		52	(22)			(6)	(1 395)
Trademarks	(31 140)			(17)			(171)	(31 328)
Other intangible assets	(11 499)		690	(422)			(80)	(11 311)
Amortisation and provisions	**(44 058)**		**742**	**(461)**			**(257)**	**(44 034)**
NET	**110 065**	**1 637**	**(111)**	**(461)**	**21**		**44**	**111 194**

(in thousands of euros)	31.12.2015	Acquisitions	Disposals	Net charges/impairment	Other movements	Change in consolidation	Translation differences	31.12.2016
Concessions and patents	2 202	45	(7)		(366)	(3)	(6)	1 865
Trademarks	138 177						28	138 205
Other intangible assets	13 553	1 300	(155)		(628)	(10)	(7)	14 053
Gross	**153 932**	**1 345**	**(162)**		**(995)**	**(13)**	**15**	**154 123**
Concessions and patents	(529)		7	(7)	(898)	3	6	(1 418)
Trademarks	(36 107)			4 659	175		133	(31 140)
Other intangible assets	(12 042)		62	(551)	983	10	40	(11 499)
Amortisation and provisions	**(48 678)**		**69**	**4 101**	**260**	**13**	**179**	**(44 058)**
NET	**105 254**	**1 345**	**(93)**	**4 101**	**(736)**		**193**	**110 065**

Trademarks

The net value of trademarks amounted to €107.1M as at 30 June 2017. The main trademarks valued were those of the Marie Brizard segment (acquired by the Group in 2006).

The William Peel trademark was pledged to a bank as security for the loan subscribed in May 2016 by the Group for a residual principal amount of €45M

Leasehold rights

Long-term leasehold rights on land in Poland meet the criteria for recognising an intangible asset under IFRS and are amortised over the 99-year period of the long-term lease.

The net value of the long-term leasehold rights recognised under 'Other intangible assets' as at 30 June 2017 amounted to €0.6M.

<u>Impairment tests on trademarks</u>

In the absence of an identified impairment charge indicator, the value tests were not carried out at end June 2017 and the recoverable value of the trademarks is based on the assumptions used at end of December 2016.

6.3. Property, plant and equipment

(in thousands of euros)	**31.12.2016**	Acquisitions	Disposals	Net charges/impairment	Other movements	Change in consolidation	Translation differences	**30.06.2017**
Land	11 338						(6)	11 331
Buildings	82 879	593	(6 987)		466		562	77 512
Plant, machinery and equipment	97 518	2 545	(4 925)		1 582		1 152	97 871
Other PP&E	24 573	1 126	(774)		(1 442)		205	23 687
PP&E in progress	5 402	9 614	(15)		(650)		201	14 552
Gross	**221 709**	**13 878**	**(12 702)**		**(45)**		**2 113**	**224 953**
Landscaping	(1 789)			(90)	134		(12)	(1 757)
Buildings	(58 197)		6 629	(1 001)	(12)		(427)	(53 008)
Plant, machinery and equipment	(82 620)		4 183	(1 617)	(39)		(1 096)	(81 189)
Other PP&E	(16 738)		757	(912)	(73)		(102)	(17 068)
PP&E in progress	(498)			(14)			(6)	(518)
Depreciation and provisions	**(159 841)**		**11 568**	**(3 634)**	**10**		**(1 642)**	**(153 539)**
NET	**61 868**	**13 878**	**(1 134)**	**(3 634)**	**(35)**		**471**	**71 414**

(in thousands of euros)	**31.12.2015**	Acquisitions	Disposals	Net charges/impairment	Other movements	Change in consolidation	Translation differences	**31.12.2016**
Land	20 969	446	(2)		(10 234)		158	11 338
Buildings	83 322	3 346	(3 215)		675	(732)	(517)	82 879
Plant, machinery and equipment	95 436	4 983	(5 108)		5 758	(2 663)	(888)	97 518
Other PP&E	13 358	4 342	(1 163)		8 409	(228)	(144)	24 573
PP&E in progress	6 270	5 594			(6 428)		(34)	5 402
Gross	**219 355**	**18 710**	**(9 487)**		**(1 820)**	**(3 623)**	**(1 426)**	**221 709**
Landscaping	(1 358)			(1 070)	631		7	(1 789)
Buildings	(60 375)		2 537	(2 265)	1 097	417	392	(58 197)
Plant, machinery and equipment	(86 457)		4 883	(3 786)	163	1 716	861	(82 620)
Other PP&E	(18 761)		985	3 136	(2 313)	131	85	(16 738)
PP&E in progress	(475)			(27)			5	(498)
Depreciation and provisions	**(167 426)**		**8 405**	**(4 013)**	**(422)**	**2 264**	**1 350**	**(159 841)**
NET	**51 929**	**18 710**	**(1 082)**	**(4 013)**	**(2 242)**	**(1 360)**	**(76)**	**61 868**

Capital expenditure mainly concerned the upgrading and replacement of production equipment in Poland.

6.4. Financial assets

(in thousands of euros)	31.12.2016	Acquisitions / increases	Disposals / decreases	Net charges	Other movements	Change in consolidation	Translation differences	30.06.2017
Equity shares	17 361		(2 292)				7	15 076
Other long-term securities	21							21
Other investments	35 995	313	(147)				(16)	36 145
Other receivables	11 161							11 161
Gross	**64 538**	**313**	**(2 439)**				**(9)**	**62 403**
Equity shares	(17 344)		2 292				(8)	(15 060)
Other investments	(31 430)						(2)	(31 432)
Other receivables	(11 161)							(11 161)
Impairment	**(59 935)**		**2 292**				**(9)**	**(57 653)**
NET	**4 602**	**313**	**(147)**				**(18)**	**4 749**

(in thousands of euros)	31.12.2015	Acquisitions / increases	Disposals / decreases	Net charges	Other movements	Change in consolidation	Translation differences	31.12.2016
Equity shares	17 795	10	(2 050)			1 619	(14)	17 361
Other long-term securities	17	4						21
Other investments	34 091	3 111	(620)		(7)	(607)	27	35 995
Other receivables	11 161							11 161
Gross	**63 064**	**3 125**	**(2 669)**		**(7)**	**1 012**	**13**	**64 538**
Equity shares	(17 779)		2 050			(1 619)	4	(17 344)
Other investments	(31 998)			(20)		607	(19)	(31 430)
Other receivables	(11 161)							(11 161)
Impairment	**(60 938)**		**2 050**	**(20)**		**(1 012)**	**(15)**	**(59 935)**
NET	**2 126**	**3 125**	**(619)**	**(20)**	**(7)**		**(2)**	**4 602**

Equity shares:

Equity shares primarily correspond to investments in companies with no operations or companies that are in the process of being shut down. Most of these investments have been fully written off.

Other financial assets:

Other financial assets primarily correspond to the commercial paper subscribed with Clico Investment Bank in 2006, which has been fully written off.

6.5. Inventories

(in thousands of euros)	30.06.2017	31.12.2016
Raw materials	27 576	29 202
Work in progress	5 237	5 434
Semi-finished and finished goods	21 575	20 150
Traded goods	29 783	32 074
Gross	**84 170**	**86 860**
Raw materials	(2 107)	(2 458)
Work in progress	(19)	(21)
Semi-finished and finished goods	(1 116)	(1 173)
Traded goods	(8 070)	(7 276)
Impairment	**(11 312)**	**(10 928)**
NET	**72 858**	**75 931**

6.6. Trade and other receivables

(in thousands of euros)	30.06.2017	31.12.2016
Trade and other receivables	81 373	108 453
Impairment	(5 658)	(5 312)
Net trade receivables	**75 715**	**103 140**

Some Group companies, primarily in France, Poland and Spain, have signed direct “reverse factoring agreements” with their main customers, in order to boost the performance of their key operating working capital indicators.

In net value, trade receivables decreased by €27.4M during the 1st half of 2017. This decrease reflects in particular the seasonal nature of the activity.

The factoring contracts leading to so-called deconsolidation meet the derecognition conditions set out in IAS 39. Accordingly, the trade receivables assigned are not shown under balance sheet assets. The amount received in consideration for receivables not due assigned as at 30 June 2017 was €68.3M.

6.7. Other current assets

(in thousands of euros)	30.06.2017	31.12.2016
Advances and payments on account	952	3 784
Tax and employee receivables	14 029	7 678
Short-term deposits	214	306
Other receivables	23 470	24 754
Gross	**38 665**	**36 523**
Other receivables	(7 159)	(7 642)
Impairment	**(7 159)**	**(7 642)**
NET	**31 506**	**28 881**

6.8. Cash and cash equivalents

(in thousands of euros)	30.06.2017	31.12.2016
Cash equivalents	7 610	3 218
Cash	50 046	46 710
Cash and cash equivalents	**57 657**	**49 928**

A breakdown of the change in cash and cash equivalents during the first half of 2017 is provided in the *cash flow statement*.

Cash and cash equivalents increased by €7.7M compared with 31 December 2016 and amounted to €57.7M at the end of the period.

6.9. Equity capital

6.9.1 Breakdown of the share capital and dilutive instruments

	30.06.2017	31.12.2016
Share capital *(€)*	56 664 346	56 660 912
Number of shares	28 332 173	28 330 456
Nominal value *(€)*	2	2
Treasury shares		
Number of shares	477 127	380 988

The treasury shares held at the end of June 2017 are shares held in registered accounts. The treasury shares held by the Group have no voting or dividend rights.

Potential dilution

	30.06.2017	31.12.2016
Number of shares comprising share capital	**28 332 173**	**28 330 456**
Potential dilution of BSA	-	-
Potential Bonus Shares	13 000	13 150
Potential Preferential Bonus Shares	4 732	4 462
Potential Subscription Options or shares purchases	20 305	19 085
Potential number of shares	**28 370 210**	**28 367 153**
Share capital in euros *(nominal value of €2)*	**56 664 346**	**56 660 912**

There was no potential dilution from the share warrants as at 30 June 2017, as the exercise price was higher than the average annual share price for the first half of 2017.

Statement of the share warrants as at 30 June 2017

	Parity	Subscription price per share	Exercise price of a BSA	End of exercise period	30.06.2017	31.12.2016
BSA 2004 / 'BSAR1'	1,10	23,82	26,20	23/04/2018	38 184	38 184
BSAR 2006 / 'BSAR2'	1,07	23,82	25,49	23/04/2018	49 878	49 878
BSA Actionnaires 2	0,38	23,82	9,16	23/04/2018	1 672 951	1 672 951
BSA 2023	1,00	25,00	25,00	31/12/2023	1 659 772	1 659 772
Number of BSA outstanding					**3 420 785**	**3 420 785**

6.9.2 Share-based payments

The Group recorded an expense of €226k in operating profit/(loss) (with a matching entry in shareholders' equity) for the stock options and bonus share plans in effect as at 30 June 2017.

Information on stock option and bonus share plans

	PLAN 12 MARCH 2015	PLAN 12 MARCH 2015	PLAN 01 July 2016	PLAN BIS 01 JULY 2016	PLAN TER 01 JULY 2016	PLAN 01 July 2016
Nature of the options / shares	Purchase	Bonus	Bonus	Bonus	Bonus	Bonus
Performance Conditions	Yes	No	Yes	Yes	Yes	No
Presence conditions	Yes	Yes	Yes	Yes	Yes	Yes
Number of options / shares that may granted initially	529 729	529 729	566 363	566 363	566 363	566 363
Number of beneficiaries	26	469	22	4	1	469
Allocation date	12/03/2015	12/03/2015	01/07/2016	20/09/2016	25/04/2017	01/07/2016
Starting point of the options	30/06/2015	12/03/2022	30/06/2019	30/06/2019	30/06/2019	01/07/2022
Number of options / shares initially allocated	**480 000**	**9 380**	**419 000**	**27 200**	**39 000**	**4 690**
Number of options / shares exercised over the period	-5 500					
Number of options / shares cancelled over the period	-8 500	-40	-12 000			-110
Number of options / shares exercisable at 30.06.2017	**349 000**	**8 620**	**407 000**	**27 200**	**39 000**	**4 380**
Exercise price(€)	10,64	N/A	N/A	N/A	N/A	N/A
Expiry date	12/03/2020	N/A	30/06/2024	30/06/2024	30/06/2024	N/A
Expenses related to stock options / shares at H1 2017 *(in thousands of euros)*	**(135)**	**(10)**				**(81)**

6.10. Employee benefits

The Group's commitments relate to one-off retirement compensation, disability and death annuities (Poland), and long-service awards (or anniversary bonuses in Poland). These defined benefit schemes are accounted for in accordance with IAS 19 revised.

The two main countries concerned by employee benefits are France and Poland.

The commitments amounted to €5.7M as at 30 June 2017.

6.11. Provisions

(in thousands of euros)	31.12.2016	Charges	Reversal (prov. used)	Reversal (prov. not used)	Other changes	Change in consolidation	Translation differences	30.06.2017
Provisions for pensions and employee benefits (cf. Note 6.10)	**5 470**	**185**	**(32)**				**53**	**5 676**
Social security provisions	320	120						440
Tax provisions:								
Non-current provisions	1 065		(194)				6	877
Non-current provisions	**1 385**	**120**	**(194)**				**6**	**1 317**
Social security - due in <1 year	3 300	790	(1 157)	(26)				2 908
Other provisions - due in <1 year	613	48	(32)				(33)	596
Current provisions	**3 913**	**838**	**(1 189)**	**(26)**			**(33)**	**3 504**

(in thousands of euros)	31.12.2015	Charges	Reversal (prov. used)	Reversal (prov. not used)	Other changes	Change in consolidation	Translation differences	31.12.2016
Provisions for pensions and employee benefits (cf. Note 6.10)	**6 221**	**515**	**(1 105)**		**(82)**	**(10)**	**(68)**	**5 470**
Social security provisions	1 555	200	(1 328)	(104)			(2)	320
Tax provisions:	2 728		(2 728)					
Non-current provisions	767	1 604	(1 283)	(144)		118	3	1 065
Non-current provisions	**5 050**	**1 804**	**(5 339)**	**(248)**		**118**	**1**	**1 385**
Social security - due in <1 year	3 639	1 539	(1 553)	(325)				3 300
Other provisions - due in <1 year	996	385	(854)	(8)	48		46	613
Current provisions	**4 635**	**1 924**	**(2 407)**	**(333)**	**48**		**46**	**3 913**

Social security provisions:

Current and non-current Social Security provisions amounted to €3.3M as at 30 June 2017. These provisions related to employment disputes.

6.12. Borrowings

Group borrowings amounted to €59.6M as at 30 June 2017, compared with €52.0M as at 31 December 2016. This mainly corresponds to a bank loan of €62.5M, signed in May 2016 €45M of which was drawn down over a five-year period.

In July 2017 MBWS refinanced its senior loan via a new syndicated loan of €77.5M maturing in July 2022. This syndicated loan consists of a €45M loan to refinance the previous outstanding amount of the senior loan and a €32.5M revolving loan dedicated to financing the Group's general needs.

At the end of June 2017, the Group's net indebtedness stood at €1.9M.

Breakdown of borrowings by type and maturity

(in thousands of euros)	30.06.2017	Current	Long-term	31.12.2016	Current	Long-term
Senior Debt	45 184	45 184		43 077	43 077	
Other medium/long-term borrowings	2 570	1 066	1 504	2 862	1 035	1 827
Finance leases	5 174	1 545	3 629	3 561	1 306	2 255
Short-term loans and bank overdrafts	6 447	6 447		768	768	
Other financial liabilities	235	235		1 767	1 767	
Gross financial liability	**59 611**	**54 478**	**5 133**	**52 035**	**47 953**	**4 082**
Cash and cash equivalents	**(57 657)**	**(57 657)**		**(49 928)**	**(49 928)**	
NET FINANCIAL DEBT	**1 954**	**(3 179)**	**5 133**	**2 107**	**(1 975)**	**4 082**

Distribution of borrowings by currency

(in thousands of euros)	30.06.2017	31.12.2016
Euros	56 789	49 584
Polish Zlotys	2 047	2 441
Other currencies	775	10
FINANCIAL LIABILITY	**59 611**	**52 035**

6.13. Financial instruments and management of financial risk

6.13.1 Fair value of the financial instruments according to the IAS 39 classification

The following table shows the fair value of financial assets and liabilities and their book value.

The Group distinguishes three categories of financial instruments based on the valuation methods used and uses this classification in accordance with international accounting standards to present the elements of the financial instruments recognized in the balance sheet at fair value through profit and loss at the closing date:-

Level 1 category: financial instruments listed on an active market;

Level 2 category: financial instruments measured at fair value using valuation techniques based on observable market parameters;

Level 3 category: financial instruments measured at fair value using valuation techniques based on unobservable market parameters (parameters where the value is a result of assumptions which are not based on prices of transactions on observable markets for the same type of instrument or on data from observable markets available at the closing date) or which are only partially so.

(in thousands of euros)	Level of valuation	BREAKDOWN BY ACCOUNTING CLASSIFICATION: Fair value through profit or loss	Fair value through shareholders' equity	Loans and receivables	Liabilities at amortised cost	Balance sheet value 30.06.2017
Assets:						
Financial assets held for sale	Level 3		16			**16**
Other financial assets:				4 733		**4 733**
Trade receivables				75 715		**75 715**
Other current assets				31 506		**31 506**
Derivative instruments - assets	Level 2	228	604			**832**
Cash and cash equivalents	Level 1	57 657				**57 657**
Liabilities:						
Long-term borrowings					52 928	**52 928**
Short-term borrowings					6 682	**6 682**
Derivative instruments - liabilities	Level 2	74	1 944			**2 018**

(in thousands of euros)	Level of valuation	BREAKDOWN BY ACCOUNTING CLASSIFICATION: Fair value through profit or loss	Fair value through shareholders' equity	Loans and receivables	Liabilities at amortised cost	Balance sheet value 31.12.2016
Assets:						
Financial assets held for sale	Level 3		17			**17**
Other financial assets:				4 585		**4 585**
Trade receivables				103 140		**103 140**
Other current assets				28 881		**28 881**
Derivative instruments - assets	Level 2	73	916			**989**
Cash and cash equivalents	Level 1	49 928				**49 928**
Liabilities:						
Long-term borrowings					49 500	**49 500**
Short-term borrowings					2 535	**2 535**
Derivative instruments - liabilities	Level 2	273	964			**1 237**

Financial instruments were measured using the following methods:-

Marketable securities - fair value of marketable securities was determined based on the last share price at 30 June 2017;

Other financial assets - book values are determined based on reasonable estimates of their market value.

Derivative financial assets - fair value was calculated based on standard valuation methods using market conditions at the closing date.

6.13.2 Management of financial risk

Liquidity risk

As at 30 June 2017, the Group's cash and cash equivalent amounted to €57.7M. The Group's financing is secured by long-term debt, short-term financing lines and factoring programs.

As at the end of June 2017, the Group reviewed its liquidity risk and believed that it is in a position to meet its future payment instalments.

The following table sets out the timetable for the different financing arrangements:-

(in thousands of euros)	**Amounts outstanding at 30.06.2017**	< 1 year	2 years	3 years	4 years	5 years and more
Senior Debt	45 184	45 184				
Other medium/long-term borrowings	2 570	1 066	1 068	362	74	
Finance leases	5 174	1 545	1 747	951	643	289
Short-term loans and bank overdrafts	6 447	6 447				
Other financial liabilities	235	235				
TOTAL GROSS FINANCIAL DEBT	**59 611**	**54 478**	**2 815**	**1 313**	**717**	**289**

Market risk

The Group uses various firm or optional financial instruments in order to cover its exposure to currency risks. As at 30 June 2017, foreign exchange derivatives eligible for hedge accounting essentially hedge future foreign currency purchases. These derivatives are recognised on the balance sheet in assets under "derivative instruments - assets", or under "derivative instruments - liabilities".

(in thousands of euros)	**30.06.2017**	Current	Long-term	**31.12.2016**	Current	Long-term
Derivatives assets	**832**	**579**	**253**	**989**	**356**	**633**
Derivatives assets - at fair value through profit or loss						
Derivatives assets - cash flow hedges	604	351	253	916	283	633
Derivatives assets - fair value hedges	228	228		73	73	
Derivatives - liabilities	**2 018**	**861**	**1 156**	**1 237**	**650**	**587**
Derivatives liabilities - at fair value through profit or loss						
Derivatives liabilities - cash flow hedges	1 944	788	1 156	964	377	587
Derivatives liabilities - fair value hedges	74	74		273	273	
TOTAL DERIVATIVES	**(1 185)**	**(282)**	**(903)**	**(248)**	**(294)**	**46**

Currency risk

The Group faces operational currency risk as part of the transactions performed by its subsidiaries in a currency other than their functional currency.

The Group's main exposure relates to purchases of whisky in pounds sterling. This risk is hedged by forward currency purchases and options intended to hedge transactions that are certain or highly probable.

These hedges have been arranged in order to cover the currency risk relating to whisky purchases in GBP for 2017 to 2020.

(in thousands of euros unless otherwise stated)	Nominal		Fair value assets	Fair value liabilities	**Net value 30.06.2017**	**Net value 31.12.2016**
Forw ard purchases / Optior	63,6	MGBP	342	(1 971)	(1 629)	(39)
Forw ard purchases / Optior	227,7	MPLN	319	(13)	307	(221)
Forw ard purchases / Optior	11,5	MUSD	165	(13)	153	(22)
Forw ard purchases	3,0	MBRL		(12)	(12)	31
Other*			5	(9)	(4)	3
Total foreign exchange derivatives			**832**	**(2 018)**	**(1 185)**	**(248)**

* *HKD, BGN*

Interest-rate risk

The Group is exposed to risks relating to changes in interest rates. The interest-rate risk management policy consists in optimising the Group's cost of financing.

(in thousands of euros)	**30.06.2017**	Fixed rate	Floating rate	**31.12.2016**	Fixed rate	Floating rate
Bank loans	52 744	2 515	50 230	49 296	1 436	47 860
Accrued interest on loans	184		184	204	17	187
Long-term borrowings	**52 928**	**2 515**	**50 414**	**49 500**	**1 453**	**48 047**
Short-term lines of credit	**6 682**	**9**	**6 674**	**2 535**	**1 984**	**551**
BORROWINGS	**59 611**	**2 523**	**57 088**	**52 035**	**3 437**	**48 598**
Breakdown of borrowings by c	***100%***	***4%***	***96%***	***100%***	***7%***	***93%***

Risk relating to shares and other financial investments

The Group has no financial investments likely to be exposed to the risk of price fluctuations.

Counterparty risk on financial operations

The Group may be exposed to counterparty risk, including on temporary cash investments, the value of hedging instruments and the recovery of trade receivables.

The Group selects its counterparties in a thorough and diverse manner in order to limit its exposure.

The counterparty risk relating to trade receivables is limited, due to the significant number of customers included in the portfolio and their geographical diversification.

The schedule of trade receivables and related accounts at the end of June 2017 and end of December 2016 is as follows:

(in thousands of euros)	30.06.2017	Unmatured	Matured < 90 days	Matured 90-180 days	Matured > 180 days
Trade and other receivables	81 373	55 598	16 359	2 952	6 464
Impairment	(5 658)		(206)	(269)	(5 183)
Net trade receivables	**75 715**	**55 598**	**16 153**	**2 683**	**1 281**

(in thousands of euros)	31.12.2016	Unmatured	Matured < 90 days	Matured 90-180 days	Matured > 180 days
Trade and other receivables	108 453	81 006	19 844	2 467	5 136
Impairment	(5 312)		(129)	(639)	(4 544)
Net trade receivables	**103 140**	**81 006**	**19 715**	**1 827**	**592**

6.14. Other liabilities

6.14.1 Other non-current liabilities

(in thousands of euros)	30.06.2017	31.12.2016
Investment subsidies	2 142	2 021
Other	245	371
Other non-current liabilities	**2 387**	**2 391**

6.14.2 Other current liabilities

	30.06.2017	31.12.2016
Advances and down payments received	2 246	840
Tax and social security payables (inc. excise duty)	53 678	64 058
Deferred income	815	1 040
Other payables	6 784	16 172
Other current liabilities	**63 523**	**82 110**

Note 7. Cash flow statement

7.1. Working capital requirement 1 (inventory – trade receivables – trade payables)

Working capital 1 (inventory + trade receivables - trade payables) amounted to €75.1M at 30 June 2017 compared with €108.1M as at 31 December 2016 and €89.3M at 30 June 2016. Corrected for factoring, Working Capital 1 amounted to €143.4M compared with €186.7M at 31 December 2016 and €141.9M at 30 June 2016.

The sharp decline in Working Capital 1 between 31 December 2016 and 30 June 2017 is mainly due to the seasonal nature of the Group's business but also to the very significant improvements in supplier payment terms, particularly in France.

Working Capital 2, composed of the other items of Working Capital, was negatively impacted by the strong decline in tax debts in Lithuania and Poland.

Note 8. Additional information

8.1. Pledging of assets and off-balance sheet commitments

Pledges

Country	Nature obligation	Nature of assets	Collateral value at 30.06.2017 *(in thousands of euros)*
France	Senior loan granted to Bank pool	Joint surety and Pledge on trademark	62 500
Poland	Loan granted to MBWS Polska	Operating receivables, current account deposit	12 778
	Long-term loans ING bank Slaski	Property, operating receivables and trademarks	3 645
	Credit lines	Property	2 634
Bulgaria	Credit line	Property	7 515
Lithuania	Credit line	Property, w arehouse, inventories, operating receivables, current account deposit, right to use the Sobieski trademark in Vilnius	22 913
Denmark	Credit line	Inventories	354

Off-balance sheet commitments

- Liability guarantee

A €473k liability guarantee clause was recorded at the time when Sobieski Trade sold Galerie Alkoholi SP. Zo.o to Carrefour.

- Alcohol duty deposits

In some countries where Group subsidiaries operate (France, Poland, Lithuania, Bulgaria and Denmark), deposits must be paid to Customs as security for payment of excise duties on alcohol. These deposits are generally paid in by insurance companies and banks on behalf of the subsidiaries concerned.

- Long-term purchase commitments

Cognac Gautier has contracted multi-year commitments to purchase cognac raw materials.

MBWS France has contracted multi-year commitments to purchase whisky raw materials.

Moncigale has entered into three-year commitments to purchase wine.

(in thousands of euros)	30.06.2017	< 1 year	from 1 to 3 years	> 3 years
Commitments related to issuer's operating activities				
Commitments to purchase raw materials	362 454	55 686	67 253	239 515

(in thousands of euros)	30.06.2017
Commitments related to issuer's operating activities	
Lease agreements	12 715

- Commitment to Mr Krzysztof Trylinski

Mr Krzysztof Trylinski benefits from a guarantee, which provides that the Company will compensate him for any loss suffered on a personal basis as the result of the potential consequences of the signing of a settlement agreement between MBWS and Angostura Holdings Limited on 4 February 2013. This guarantee was granted for a period of 10 years from 11 February 2013.

8.2. Litigation and contingent liabilities

Dispute relating to the Krupnik trademark

Proceedings for unfair competition were initiated by Destylarnia Sobieski, the Group's Polish subsidiary, against Toorank Polska Sp. Z.oo for illegal use of the Krupnik trademark by the latter.

In fact, our subsidiary has been successfully producing, selling and distributing a vodka- and honey-based liqueur, and a vodka, under the Krupnik trademark for many years.

Having observed that Toorank Polska was using the Krupnik trademark, Destylarnia Sobieski sent that company a letter of notice summoning it to cease such use, which remained without effect. Our subsidiary consequently decided to institute legal proceedings on the grounds of unfair competition, relying on the recognition that the Krupnik trademark has earned in the Polish market.

In response, Toorank Polska argued that the Krupnik wordmark was invalid and obtained the cancelled of the registration of the Krupnik wordmark in a decision dated 3 October 2012, due to its descriptive nature, the term Krupnik having been recognised by the Court as the common designation of a Polish honey-based liqueur.

Following this decision, new filings of the Krupnik trademark associated with other common terms and graphic elements were made by our Polish subsidiary in order to strengthen the protection of the said trademark.

The Polish trademark office took into account the arguments of our subsidiary and rendered a favourable decision by which it grants protection to this trademark and thus recognises its validity. This decision strengthens our subsidiary's exclusive rights to the Krupnik trademark, and its position vis-à-vis potential counterfeiters.

The proceedings for unfair competition taken by the Polish subsidiary Destylarnia Sobieski against the illicit use of the Krupnik trademark by Toorank Polska is, however, still in progress. However, the Court has prohibited, as an interim measure, Toorank from selling beverages under the Krupnik brand.

Dispute in Ukraine

The Company's Ukrainian subsidiary, Belveder Ukraine LLC, was placed in court-ordered liquidation in January 2014, on the basis of a ruling handed down by the Kiev Commercial Court following proceedings instituted at the request of one of the company's creditors in July 2011.

MBWS holds around 85% of Belveder Ukraine LLC's overall debt.

Belveder Ukraine LLC's assets (including shares in the subsidiaries owned by the company in liquidation and assets belonging to its subsidiaries, which are now controlled by the liquidator appointed by the Kiev Commercial Court) were transferred to a third party outside the Company's control in November 2014.

Following several proceedings initiated by the Company, the Kiev Court upheld the Company's claims in early April 2015, and (i) overturned the sale of its assets in Ukraine, which took place in November 2014, and (ii) ordered the liquidation proceedings to be reopened.

This decision was upheld by the Ukraine High Commercial Court on 22 March 2016. However, several decisions were taken in the second half of 2016, in particular a decision validating the resale of the assets by the first purchaser, even though the first sale was invalidated.

Yelkenci dispute

On 25 July 2016, Mr Yelkenci, Director of the Turkish subsidiary Belvedere Icecek until February 2010, petitioned the Company for payment of amounts owed under an employment contract and as reimbursement for amounts that he claimed he had paid on behalf of the subsidiary, and liquidated in 2011.

An initial directions hearing took place on 6 September 2016 with a second hearing on 18 April 2017. The matter was postponed to October 10, for submission of the Company's findings.

8.3. Related parties

The remuneration paid to the administrative and management bodies for their roles within the Group amounted to €500k for the first half of 2017.

Other related parties consist mainly of non-consolidated subsidiaries of the Group. No material transactions were performed with these parties.

8.4. Post-balance sheet events

Refinancing of the senior loan with new syndicated loan of €77.5M

In July 2017 MBWS refinanced its senior loan of €62.5M, put in place in May 2016, via a new syndicated loan of €77.5M maturing in July 2022. This syndicated loan, now held by the holding company of the MBWS Group, consists of a €45M loan to refinance the previous outstanding amount of the senior loan and a €32.5M revolving loan dedicated to financing the Group's general needs.

Signature of a pan-European factoring contract

On 8 September 2017, MBWS increased its financing by signing a factoring contract with Natixis Factor in the amount of €85M for France, Spain and Poland.

The operation provides the Group with flexible financing to finance its operational Working Capital, the Working Capital linked to very significant excise duties in the wine and spirits sector, and to finance its expected growth in Europe over the next 5 years.

Upper threshold crossed by COFEPP

In a letter received on 2 August 2017, Compagnie Financière Européenne de Prise de Participation (COFEPP), a Limited Company (85 rue de l'Hérault, 94220 Charenton-le-Pont) declared that it had crossed the upper 25% threshold in MBWS's share capital and voting rights on 1 August 2017, and that it held 7,574,930 MBWS shares representing as many voting rights, i.e. 26.74% of the share capital and 26.58% of the voting rights in the Company.

Threshold crossed by Schroder Investment Management Limited

In a letter received on 04 August 2017, the company Schroder Investment Management Limited (31 Gresham Street, London EC2V 7QA, UK) acting on behalf of clients and funds that it manages, declared that it had crossed the upper 5% threshold in the share capital and voting rights of MBWS on 3 August 2017, and that it held, on behalf of said clients and funds, 1,440,290 MBWS shares representing as many voting rights, i.e. 5.08% of the share capital and 5.05% of the voting rights in the Company.

STATUTORY AUDITORS' REPORT ON THE 2017 HALF-YEAR FINANCIAL STATEMENT

Period from 1 January 2017 to 30 June 2017

To the Shareholders,

Pursuant to the assignment entrusted to us by your General Meetings, and in application of Article L.451-1-2 III of the Monetary and Financial Code we carried out:

- the limited review of the condensed consolidated half-year financial statements of Marie Brizard Wine & Spirits S.A. relating to the period from 1 January 2017 to 30 June 2017, as attached to this report;
- the verification of the information given in the half-year activity report.

These condensed consolidated half-yearly financial statements were drawn up under the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our limited review.

I - Conclusion on the financial statements

We conducted our limited review in accordance with the professional standards applicable in France. A limited review consists essentially in making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical procedures. These reviews are substantially less in scope than an audit conducted in accordance with professional standards applicable in France. Accordingly, the assurance obtained from a limited review that the financial statements, taken as a whole, are free from material misstatement is a limited assurance, less than that obtained from an audit.

Based on our limited review, we have not identified any material misstatements that would render the condensed consolidated half-year financial statements non-compliant with IAS 34 - IFRS reference standard, as adopted by the European Union relating to Interim Financial Statements.

II – Specific Verifications

We have also verified the information provided in the half-year activity report commenting on the condensed consolidated half-year financial statements, on which we conducted a limited review. We have no further comments to make with regard to their accuracy and consistency with the first half 2014 condensed consolidated financial statements

Paris La Défense, on 20 septembre 2017

KPMG Audit
Département de KPMG S.A.

Eric Ropert
Associé

Stéphane Devin
Associé

Paris La Défense, on 20 septembre 2017

Mazars

Dominique Muller

Associé

Erwan Candau
Associé

STATEMENT BY THE PERSON RESPONSIBLE FOR THE FIRST HALF 2017 FINANCIAL REPORT

I hereby certify that, to the best of my knowledge, the condensed financial statements for the previous six months have been prepared in accordance with applicable accounting standards and give a true and fair view of the financial position and earnings of the company and all companies included in the consolidation, and that the half-year activity report presented at the beginning of the report gives a fair view of the events that occurred during the first half of the year, the impact thereof on the financial statements and the main related party transactions and includes a description of the main risks and uncertainties applicable to the remaining six months of the year.

20 September 2017

Jean-Noël REYNAUD

Chief Executive Officer