



ANNUAL REPORT 2013 2014

TFF
GROUP



ANNUAL REPORT 2013 2014

SUMMARY

2013-2014 : GROWTH IS GOOD TO GO ! AN INTERVIEW WITH JÉRÔME FRANÇOIS, CEO	3
TFF 2014 KEY FIGURES FOR 2013/2014	6
2013-2014 : THE TWO MAJOR GLOBAL MARKETS OF TFF GROUP - THE WINE BARREL, CASK AND WOOD PRODUCT MARKET - THE WHISKY AND SPIRITS MARKET	8 9 10
THE SHAREHOLDER'S NOTEBOOK	12
THE FINANCIAL REPORT	16



CASK MAKING



STAVE MILLING



WOODEN PRODUCTS FOR OENOLOGY



WHISKY COOPERAGE



WINE COOPERAGE



ANOTHER YEAR OF GROWTH FOR TFF GROUP

TFF
GROUP



2012-2013 WILL HAVE PROVED A GREAT "VINTAGE", A YEAR MARKED BY :

- THE CONSOLIDATION OF RADOUX AND ITS SUCCESSFUL INTEGRATION
- THE TAKEOVER OF THE WHOLE OF STAVIN IN THE FIELD OF WOOD PRODUCTS FOR OENOLOGY,
- THE CONSTRUCTION OF A NEW COOPERAGE IN SCOTLAND TO KEEP UP WITH A WHISKY MARKET THAT IS STILL BOOMING

ALL OF WHICH HAS LED IN 2013/2014 TO SUSTAINED AND SOLID GROWTH: + 6.1% IN CONSOLIDATED REVENUES, UP 8.3% ON A COMPARABLE BASIS AND THIS DESPITE A NEGATIVE CURRENCY EFFECT FOR THE YEAR OF - 6 M €. THE TWO MAIN MARKETS OF TFF GROUP REMAIN WELL ORIENTED AND THE DIVERSIFICATION THAT HAS BEEN OUR PRIORITY FOR THE LAST SIX YEARS CONTINUES TO BEAR FRUIT.



AN INTERVIEW WITH JEROME FRANCOIS, CEO

WHAT COMMENTS DO YOU HAVE TO MAKE ABOUT THIS YEAR ?

JÉRÔME FRANÇOIS :

Once again TFF Group has fulfilled its promises ... and then some. Indeed 2013/2014 will have seen all of our stated objectives met and even exceeded, with: the overall growth of our businesses and our margins, a wine cooperage market that is well oriented, and a whisky cooperage market that is still buoyed by strong demand ... It has, once again, been a mixed year, but one during which overall growth has validated the relevance of our diversification strategy, both geographically and in terms of specialties. A strategy that remains both pragmatic and focused on our core business: the aging of wines and spirits.

TELL US ABOUT YOUR ACTIVITY ON THE WINE MARKET

As I mentioned before it has been contrasted but overall it's been a good year. Despite a scant harvest in France for the second consecutive year, North America saw a great harvest and demonstrated, for the third consecutive year, consistently strong growth of around 16%. Because of these contrasts, the wine barrel business appears over the course of the financial year to have seen limited growth of around 1%, while the wood products business continues to grow. The global wine market, where we are strengthening our position as the # 1 undisputed market leader, has seen slow but steady growth. And it is the strength of our position on that market that allows us to look beyond climactic or geopolitical uncertainties and towards continued growth on five continents and in both hemispheres.

WHAT ABOUT THE WHISKY MARKET ?

First of all may I remind you that our strategy to diversify into this market is a relatively new one, indeed it is less than six years old. And yet, we are already the undisputed leading independent cooper on this market with one cooperage in the United States and four in Scotland, one of which was only recently built to keep up with the extremely strong growth that we have seen in the market since we began operating on it. The growth of this sector, above + 30% for us this year, means that it now represents nearly a third of our consolidated revenues, growing from eight to more than fifty million euros in less than six years. Our business on this market is twofold:

- on one hand the maintenance, repair and reconditioning of barrels, with a high value added ;
- on the other sales and brokerage, with lower margins but with a sharp increase in growth.

The main characteristic of this market is poor supply for high demand. Growth this year is therefore largely the result of a rise in prices rather than volume, helped by the tendency towards the "premiumisation" of products including the extension of the time devoted to maturing, something that has led to new investments in storage capacity.

AND YOU HAVE HELD ON TO EXCEPTIONALLY HIGH MARGINS AGAIN THIS YEAR !

Not exceptional for our group, but still very high. They are margins largely related to those of our businesses with the highest value added, and they are margins that we intend to maintain at high levels in the future ! However, it should be noted that although the development of our trading business, which is growing at a much faster pace than our wine barrel business, will contribute significantly to our consolidated margin, it will also moderate the level of our consolidated operating profit . The growth of our business in wood products – confirmed year after year– is also largely contributing positively to our margin. The quality of R & D, both at Staviv and at Pronektar has helped us regularly expand our market share and broaden our base of new customers whose products do not bear the cost of aging in barrels.

WHAT PROSPECTS NOW AFTER ALL THESE YEARS OF GROWTH ?

Good: we are indeed resolutely optimistic about a wine market that seems well set on the road to recovery and an alcohol market that seems well overall. Moreover, the Group is currently positioned to take advantage of new opportunities for growth, both organically and externally.

On the wine market, our status as world No. 1 gives us a unique vantage point for observing and anticipating changes, giving us a head start when opportunities arise.

A concrete example of this strategy is the acquisition in May of the new financial year of the Maury cooperage, famous in Bordeaux both for the quality of its products and for the talents of its leaders.

In particular those of Serge Maury, the great Olympic sailing champion of the 1970s, whose son Mathieu has followed in his father's footsteps, and today perpetuates the image of the family business.

Then, on July 8, we made a further acquisition, that of the BERGER & Sons cooperage, another example of a family cooperage with a strong reputation for quality among the great properties of Bordeaux, but a reputation that has also resonated quickly abroad.

As for the whisky market, we are now equipped, as we have seen, both in Scotland and in the United States, to respond to a global demand that continues to grow unabated year after year and whose prospects remain very promising in both the short and medium term.

Finally, our financial health and our solid presence on the financial markets will allow us, when the time comes, to grab any new opportunities that present themselves.

ON THE QUESTION OF THE FINANCIAL MARKET DO YOU HAVE ANY COMMENTS ?

You know me by now and to this type of question, always the same answer : when you enter the stock market, as we did in 1999, you accept all of its rules, in particular those of supply and demand.

I will allow myself one comment however, which is that for nearly three years, from 2010 to late 2012, our group was valued at around 150 to € 180 million, with a price of about € 30 per share.

Then in 2013, everything suddenly accelerated and we grazed a valuation of € 350 million before it stabilized at around € 320 million, with a price of about 60 € per share.

I am delighted for our loyal shareholders who find a just reward for their patience.

For these same loyal shareholders, we've decided to propose, at the next General Assembly, the idea of maintaining a stable dividend of € 0.60 per share, but to supplement it this year with a significant extraordinary dividend of € 0.20 per share.

I believe however that the journey is far from over and that TFF Group has the potential for further appreciation thanks to its capacity for profitable growth.



JÉRÔME FRANÇOIS
CHAIRMAN OF THE MANAGEMENT BOARD

TFF
GROUP



A GLOBAL COMPANY
THAT HAS STRENGTHENED
ITS BALANCED GROWTH
IN ALL ITS BUSINESSES

2 MAJOR WORLD MARKETS :

PREMIUM WINES
WHISKY / BRANDY / SPIRITS



4 COMPLEMENTARY AREAS :

- COOPERING
 - CASK MAKING
 - WOOD PRODUCTS FOR OENOLOGY
 - STAVE PRODUCTION
- MAURY & FILS TONNELIERS (MAY 1 2014)
● TONNELLERIE BERGER & FILS (JULY 9 2014)



THE RISE OF OUR TRADITIONAL FIELDS

- 60% FROM WINE BARRELS
- 31% FROM BARRELS FOR ALCOHOL
- 9% FROM WOOD PRODUCTS FOR OENOLOGY

Locations on 5 continents

A commercial presence in 80 countries

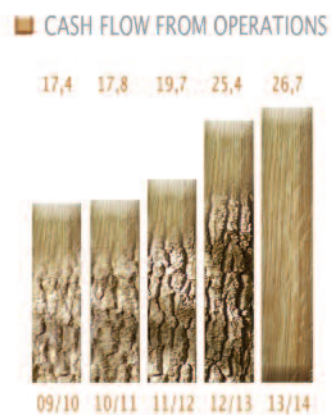
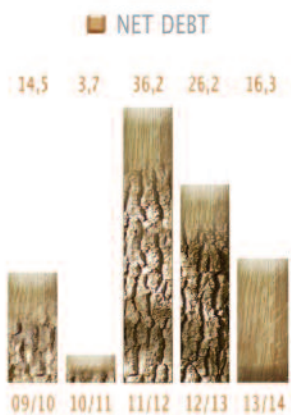
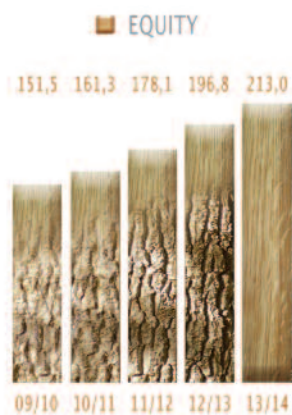
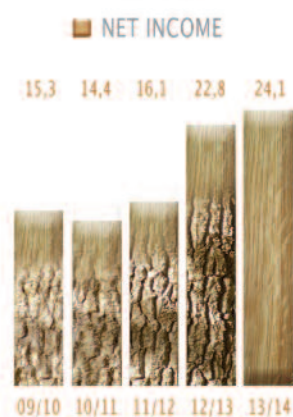
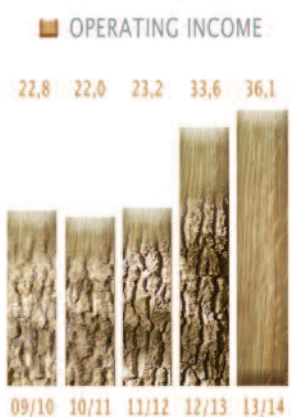
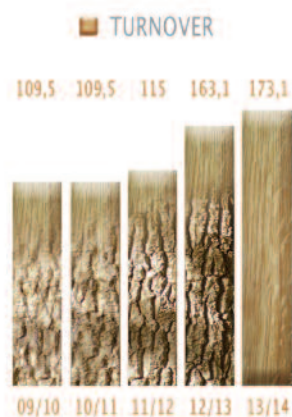
Sales abroad : 89%

Global market share : > 25%

Employees : 740 including 365 in France

KEY FIGURES FOR 2013/2014

- BUSINESS GROWTH : + 6.1% + 8.3% ON A LIKE-FOR-LIKE BASIS, WELL BEYOND OUR OBJECTIVES
- MARGINS REMAIN HIGH AT AROUND 21% OF TURNOVER FOR THE OPERATING PROFIT
- AND 14% FOR NET INCOME



TWO MAJOR GLOBAL MARKETS FOR TFF GROUP THE WINE BARREL, CASK AND WOOD PRODUCTS MARKETS THE WHISKY AND SPIRITS MARKET

THE STRATEGY OF TFF GROUP HAS BEEN THE SAME FOR MANY YEARS :
TO GROW STEADILY THROUGH ORGANIC GROWTH AS WELL AS THROUGH ACQUISITIONS AROUND
ITS CORE SPECIALTY, THE WOOD THAT IS USED FOR AGING WINES.
AFTER THE SLUMP OF THE WINE MARKET IN LATE 2000, TFF GROUP REACTED STRONGLY
BY LOOKING QUICKLY AND EFFECTIVELY TOWARDS DIVERSIFICATION,
BUT DIVERSIFICATION BUILT AROUND THE GROUP'S HISTORIC KNOW-HOW :

- CONTINUED GEOGRAPHICAL DIVERSIFICATION TO ENSURE A STRONG GLOBAL PRESENCE NEAR
THE PLACES WHERE WINE IS PRODUCED: THE USA, SOUTHERN AND EASTERN EUROPE
AND THE SOUTHERN HEMISPHERE, IN AUSTRALIA AND NEW ZEALAND. A GEOGRAPHICAL DIVERSIFICATION
THAT HAS ALSO LED TO A STRONGER COMMERCIAL PRESENCE IN AMERICA AND SOUTH AFRICA
AND THAT HAS LED US TO CHINA, A PRODUCING COUNTRY THAT ALSO PROMISES A STRONG
AND SUSTAINABLE INCREASE IN CONSUMPTION.
- DIVERSIFICATION ALSO OF OUR ACTIVITY, WITH THE APPLICATION OF OUR EXPERTISE
AND THE STRENGTH OF OUR R & D TO THE MARKET OF WOOD PRODUCTS FOR OENOLOGY.
GROWTH AND PROFITABILITY HAVE BEEN THE RESULT, BOOSTED BY THE INTEGRATION OF RADOUX
INTO THE GROUP'S STRUCTURE IN 2012 ALONG WITH ITS SUBSIDIARY PRONEKTAR, BOTH COMPANIES
THAT ARE AT THE FOREFRONT OF THE WOOD PRODUCTS FOR OENOLOGY MARKET.
- FINALLY, DIVERSIFICATION ONTO THE ALCOHOL MARKET WHICH BEGAN OVER 5 YEARS AGO
AND WHICH HAS FULFILLED ALL OF ITS PROMISES OF SUSTAINABLE GROWTH.
GROWTH THAT HAS ALLOWED TFF GROUP TO ESTABLISH ITSELF ON THE WHISKY MARKET
AS THE WORLD'S LEADING INDEPENDENT COOPER WITH FOUR COOPERAGES IN SCOTLAND
AND ONE IN THE UNITED STATES.

2013
2014



THE WINE COOPERAGE MARKET

2013/2014 has been a mixed year for wine cooperage. A year marked by a very low harvest for the second consecutive year in France, and by very good performances in the United States for the fourth consecutive year, performances that have made the US, the world's largest market by volume for domestic consumption in 2013. Once again, the counter-cyclicality of TFF Group's markets have enabled it to register a solid year with results that remain high in a market on which it still generates close to 70% of its consolidated revenues.

A SOLID, BUT MIXED MARKET

The wine market tends to be characterized by slow but steady growth. Over the last year it has grown slightly, with global production up slightly to just under 280 Mhl of wine produced and nearly 240 Mhl of wine consumed.

- **France, Spain and Italy** account for nearly 50% of world production, producing between 40 and 45 Mhl each. France was particularly affected by the small harvest of 2013 which meant a drop in business for TFF Group, which nonetheless maintained its position as the undisputed global leader.
- **The North American** market continues to expand and has allowed a solid performance for the Group which has grown by more than 16%. TFF Group is also looking to new diversification opportunities on this market, a market on which the group already generates more than 40% of its consolidated wine business.
- **The southern hemisphere** has also been a part of the world marked by contrasts. While Australia and New Zealand recorded growth, South America saw a slight decrease in activity as a result of the combined effects of protectionist policies and economic difficulties. South Africa meanwhile saw slight growth.

TFF Group has therefore confirmed its global leadership in this market through growth that has been the result more of a price effect than a volume effect. The group's position and financial strength will allow it to grasp any good acquisition opportunities that arise offering it the possibility of new conquests and, with them, an ever greater rationalization of its production facilities and therefore better prospects for improving its margins.





A MARKET FOR PROFITABLE GROWTH

While the barrel aging wine market is one of slow growth, reserved for premium wines which can bear the cost of being aged in barrels, great advances have been realized in the field of wood products for oenology which have proved huge catalysts for growth.

TFF Group took advantage of these advances with an extremely active R & D and is at the forefront of developments in this area, with a very solid know-how.

The benefits to the group are numerous :

- the saving of raw material thanks to the reuse of waste from the first transformation of oak staves which is transformed into wood products for wine ;
- the expansion of our targets, with wood products for oenology accessible to categories of wine that extend far beyond premium wines ;
- a range of products that are making a growing contribution to the group's margin, products with a high value added that are contributing more and more to the group's results.



MARKET CONSOLIDATION

The defining characteristics of coopering are that it is a traditional art and craft that is constantly evolving to ever more technical perfection, allowing it to provide ever more value added.

With its solid experience in making acquisitions at fair prices through specific strategies that adapt to individual cases and with a realistic and ambitious vision of its work on a global scale as well as a willingness to share a common vision in its international development, TFF Group has become the global leader in its field, a position that makes it an indispensable interlocutor in the sector.

Professional, attentive to its markets and to its players, respectful of its people and of their journey, TFF Group continues to intensify its strategy of expansion and of consolidation on the market in which it operates.



BREAKING NEWS :

■ "MAURY COOPERS & SON" JOINS TFF GROUP



In strict compliance with its stated strategy of uniting the smaller businesses of its sector, while respecting their specificities and their identity, TFF Group has made a new acquisition, that of "Maury Coopers & son", which joins TFF Group from 1 May 2014.

The "Maury style" is well known in Bordeaux, through the quality of its products and the personality of its leaders. Three generations of the Maury family have built a reputation for quality, high end products and an attentive and direct contact with their clients :

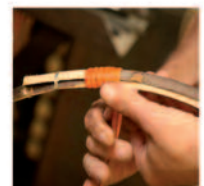
- First the grandfather who founded the company and gave it a strong identity.
- Then his son, Serge, who was able to develop the company after a brilliant career in Olympic sailing in the 1970s which saw him become a five time champion of France, a two time European champion, a two time world champion and an Olympic gold winner at the 1972 games! An extraordinary achievement.
- The grandson, Mathieu, is still at the helm of the family business which has now joined Demptos St. Caprais. Today he bears the standard of a family tradition and craft defined by rigor, human values and business acumen.



■ BERGER & SON COOPERAGE



On July 9th, 2014 TFF Group signed its second acquisition of the new year, with another traditional family business, and one whose values are very close to those of TFF Group. Located in the heart of the Médoc and enjoying a great reputation for quality, the company has seen its prestigious clientele spread from Bordeaux throughout the world. Its production of about 5000 barrels per year is perfectly complementary with that of Demptos in Bordeaux, as are its distribution networks.





THE WHISKY AND SPIRITS MARKET

The whisky market, in which there is even talk of a "gold rush", has more than kept its promises and proved the most profitable of the Group's diversifications, thus confirming the relevance of the choice made in 2008.

Targets for the year were exceeded with growth of around 30%. This despite a slight decline in production by distilleries, largely offset by the "premiumisation" of production which has resulted in :

- *the lengthening of the time devoted to aging*
- *which has in turn led to an increase in the demand for storage capacity*
- *and a higher and higher proportion of wine barrels recycled for use in whisky.*

So, with strong demand and scarce resource, growth has been the result of price variations rather than any real change in volume.



A PROFITABLE AND GROWING MARKET

World consumption of whisky continues to develop at a rapid pace, a fact that, combined with the "premiumisation" of products and the resulting increase in demand for production capacities and storage, has allowed TFF Group to grow at a steady pace.

The health of the market has led it to come to represent 30% of TFF Group's total consolidated revenue. At the moment this is a market that is seeing large investments by major players who are expanding their barrel parks and their storage capacities.

The outlook for this market is excellent with whisky producers increasing their demand for a product that is growing both scarcer and dearer.

On this market, TFF Group's five cooperages have organized themselves to meet the increasing demands of distilleries with the construction in 2013 of a new site in Scotland and the growth of its American cooperage located in Kentucky, near the resource that it needs, i.e. recyclable used bourbon barrels.

An order book that is already filled for the whole of 2014 – and that is looking good for 2015, suggests that further steps may need to be taken to ensure profitable growth.

Indeed the only problem could be one of sourcing the barrels rather than selling them, as was the case last year.



AN EXPANDABLE MARKET

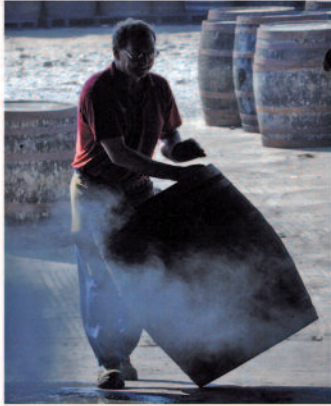
Thanks to the organization it has set up for the whisky market, TFF Group is now "equipped" to develop a professional and complementary offer for other alcohol markets.

The acquisition in 2012 of Radoux, located in Cognac and heir to a long tradition in this area, was a first window open onto these other markets.

The strengthening of the group's production capacity through the development of its American cooperage in Kentucky, is another potential source of growth.

It will be capable of providing a response to growing demand from other local spirits markets ensuring that diversification leads to more growth!





FOCUS: OUR AMERICAN COOPERAGE IN KENTUCKY

A cooperage dedicated to development

The creation of the cooperage in Kentucky, in the region where bourbon is made in the United States, was born from two observations :

- the continued strong demand for used bourbon barrels by Scotch whisky producers,
- the need for a better optimization of the logistics involved in the selection of barrels, their repair and their shipping.

Just one example of how optimization of the process can help generate additional margin: any staves broken during their repair are kept and then assembled to make flower pots sold on the U.S. market.





THE SHAREHOLDER'S NOTEBOOK

FLOATED ON THE PARIS STOCK EXCHANGE
IN JANUARY 1999

Eurolist - B - code ISIN FR 0000071904

Euroclear : 7190

Reuters : TEFE.PA

Bloomberg : TFF.FP



CALENDAR OF FINANCIAL COMMUNICATION

2014

SEPTEMBER First quarter turnover

OCTOBER General assembly

DECEMBER Second quarter turnover
Half year results

2015

1/15 MARCHS Third quarter turnover

1/15 JUNE Fourth quarter turnover

1/7 JULY Annual results Annual analysts' meeting

15/30
OCTOBRE General assembly

THE ALLOCATION OF CAPITAL Public 29%
 AT APRIL 30TH, 2014 FRANCOIS family 71%



THE EVOLUTION OF OUR DIVIDEND
 FROM 1999/2000 TO 2013/2014

0,31 € 0,35 € 0,38 € 0,50 € 0,60 € 0,60 € 0,60 € 0,60 € 0,60 € 0,60 € 0,60 € + 0,20€*



03/04 04/05 05/06 06/07 07/08 08/09 09/10 10/11 11/12 12/13 13/14

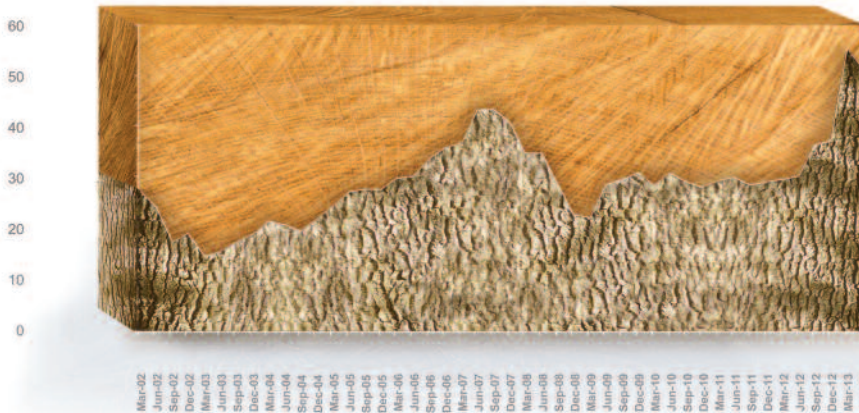
*+ 0,20€ extraordinary dividend

THE CURVE OF THE STOCK MARKET

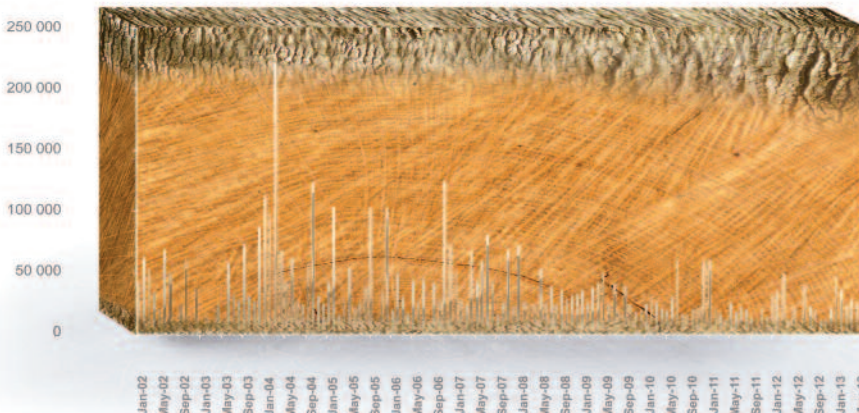
■ FROM APRIL 30TH

EUROS

■ 2010 AT € 28.52 TO JULY 14TH, 2014 AT 62.80 €



VOLUMES





FINANCIAL REPORT 2013 ■ 2014

ADMINISTRATION AND MANAGEMENT

SUPERVISORY BOARD AND MANAGEMENT BOARD

MONSIEUR JEAN FRANÇOIS
CHAIRMAN OF THE SUPERVISORY BOARD

MONSIEUR JÉRÔME FRANÇOIS
CHAIRMAN OF THE MANAGEMENT BOARD

MADAME NOËLLE FRANÇOIS
MEMBER OF THE MANAGEMENT BOARD

MADAME NATHALIE MÉO
SUPERVISORY BOARD MEMBER

MONSIEUR PATRICK FENAL
SUPERVISORY BOARD MEMBER





C O N T E N T S

REPORT OF THE MANAGEMENT BOARD

18

CONSOLIDATED FINANCIAL STATEMENTS

38

CONSOLIDATED BALANCE SHEET

CONSOLIDATED INCOME STATEMENT

REPORT OF THE MANAGEMENT BOARD PRESENTED TO THE COMBINED SHAREHOLDERS' MEETING Of October 31, 2014

Ladies and Gentlemen,

The General Assembly was convened to deliberate on the financial statements for the year ended on April 30th, 2014. It met also to decide on the distribution of the financial year's results and to approve any regulated agreements entered into over the year.

This meeting is also an opportunity for us to review not only the situation of the Company but also of the Group (TFF Group) during the past year, its foreseeable development, its activities in research and development, any major events between the closing date and the publication of this report, and the social and environmental consequences of its business.

We must point out that any comments accompanied by figures are made subject to the approval of the accounts as they are outlined here.

I CHANGES IN CAPITAL

The capital has not changed during the year ended on April 30th, 2014, and thus amounts to 8,672,000 euros, divided into 5,420,000 shares with a value of 1.60 euros per share.

In line with the provisions of Article L 225-184 of the Commercial Code, we inform you that there is no current plan relating to stock option subscriptions and/or stock purchases.

II ACQUISITIONS OF THE YEAR - TRANSFERS OF INTERESTS

TFF Group, whose company parent holding company is François Frères Cooperage, saw no external growth during the year.

III PERFORMANCE RATIOS AND CONSOLIDATED FINANCIAL STRUCTURE

1 - THE CONSOLIDATED FINANCIAL DATA CAN BE SUMMARIZED AS FOLLOWS (ACCORDING TO IFRS NORMS):

CONSOLIDATED FINANCIAL STATEMENTS AT
APRIL 30TH (IN THOUSANDS OF EUROS)

	30/04/14	30/04/13
Turnover	173 087	163,104
Current operating income	36,069	33,657
Profit before tax	34,182	32,642
Net income	24,131	22,761
Attributable profit	23,775	22,499

BALANCE SHEET ACCOUNTS (IN K €)

Group equity	210 719	194,698
Bank indebtedness net	16,286	26,165
Bank debt / equity	0.08	0.13
Net inventory	131 567	129,180

2. EVOLUTION OF BUSINESS RESULTS - PROGRESS AND CHALLENGES

For the fiscal year 2014, consolidated sales amounted to EUR 173.1 million, up 6.1% from the previous year, an increase of 8.3% on a like for like basis (excluding foreign exchange effects and scope).

On a comparable basis, revenues grew by 0.9% in the wine business and 32.1% in the whiskey business.

The growth in activity on the wine market has been limited by a small French harvest while the American market has seen its third consecutive year of double-digit growth.

Other parts of the world saw large fluctuations with a global wine market whose production levels changed in a very heterogeneous manner.

On the alcohol market, Scottish business has further boosted the development that began several years ago at the heart of a growth cycle that continues unabated in whiskey.

Current operating income rose 7.2% to € 36.1 million against € 33.7 million in 2013, to a level of 20.8% of sales against 20.6% in 2013.

The contributions of the two major markets of the Group have improved the level of its consolidated operating profitability:

- On the wine market thanks to a favorable price effect and geographic mix and thanks to the competitive employment tax credit,
- On the whiskey market, thanks to strong business growth with overheads that were better absorbed.

The level of financial expenses stands at € -1717K with a negative currency impact of - € 1318K.

The decline of net debt continues and stands at 16,3M € against 26,2M € in 2013.

Net income amounted to 24.1 million euros (14.0% of revenues, the same level of profitability as in 2013).

3. DESCRIPTION OF THE PRINCIPAL RISKS AND UNCERTAINTIES FACED BY THE COMPANY

Financial risks and Market risks

Market risk is the risk of adverse changes in the value of financial instruments caused by changes in exchange rates, interest rates or the market price rates. The Company is subject to market risk arising solely from the changes in exchange rates or interest rates.

Furthermore, the Company does not consider itself subject to liquidity risk.

The detailed report on the management of these risks is provided in the consolidated financial statements.

Legal risks

The Company operates manufacturing and / or distribution activities worldwide through its subsidiaries or through contracts with third parties in the fields of coopering, stave and cask production and the manufacture of wood products for oenology. In this regard, it is subject to a complex regulatory environment associated with its types of activity and / or its place of production. The risks are typical ones for companies with similar areas covered: defective products, problems related to marketing methods and relationships with suppliers and / or distribution networks.

In the normal course of business, the Company may face litigation. With the exception of the standard deductibles that apply, TFF Group maintains Civil Responsibilities insurance that is sufficient to ensure that it is covered against any material financial loss resulting from the involvement of its legal responsibility.

Insurance

At April 30, 2014, TFF Group gathers under a « master » policy held in France any risks linked to property damage and business interruption, liability, and maritime transport. According to the levels of risk involved, policies are also taken out locally and sometimes tied to the master policy of TFF Group. The Civil Liability insurance is intended to cover all risks stemming from the daily production activities of all entities of TFF Group. In addition, a product liability insurance protects the company from potential claims related to the use of TFF Group's products.

The complete list of all the insurances subscribed to by the Group can be found in note 2.3.3 of the report of the Chairman of the Supervisory Board on the internal control procedures implemented by the company.

4. INFORMATION ON THE USE OF FINANCIAL INSTRUMENTS

We refer here to the consolidated financial statements.

IV ACTIVITIES OF THE PARENT COMPANY, ITS SUBSIDIARIES AND AFFILIATES

1. PARENT COMPANY

It is stated that the financial statements for the year ended on April 30th , 2014, and which are subject to shareholder approval, are drawn up in accordance with the presentation rules and valuation methods specified in the regulations in force.

The presentation rules and valuation methods used are the same as last year.

Turnover excluding VAT amounted to 31,051 K € against € 27,236 K the previous year.

Operating income showed a profit of 7.543 K € against € 6,330 K the previous year.

Financial income is positive and stands at 574 K €.

Current beneficiary income amounted to 8.117 K € against € 8,961 K the previous year.

Exceptional income stands at 96 K €.

Net income shows a profit of 5.527 K € against € 6,953 K the previous year, including a corporate tax of € 2,425 K and employee profit-sharing of 261 K €.

In accordance with Articles 223 quater et 223 quinquies of the General Tax Code, we inform you that the accounts for the financial year of the parent company include non-deductible expenses under Article 39.4 of the General Code Tax to the tune of 35,120 euros.

2. SUBSIDIARIES AND AFFILIATES

FRENCH SUBSIDIARIES

French cooperages were again impacted by a small harvest in France while the good performance of the American market for the fourth consecutive year led to growth for some of them.

French stave makers maintained or developed their business levels.

The cask making sector was down due to an unfavorable base effect after a vintage year in 2013.

Turnover in the field of wood products for oenology strengthened.

MANAGEMENT
BOARD'S
MANAGEMENT REPORT
PRESENTED TO THE
COMBINED
SHAREHOLDERS'
MEETING
OF OCTOBER 31, 2014



18 & 19

FOREIGN SUBSIDIARIES

On the wine market, development has varied across different geographical regions according to variations in the levels of harvests:

- American companies exposed primarily to the US market continued to grow,
- Australian and New Zealand subsidiaries registered growth
- The Hungarian subsidiary (50%) reported an increase in activity,
- The Spanish subsidiary saw its levels of activity moderated by local conditions,
- The Chinese subsidiary was affected by a market that has come to a stand still.

Subsidiaries operating on the alcohol market continued to grow at a strong pace in the context of high demand for and scarce supply of barrels for breeding whiskeys. A movement reinforced by the tendency towards premiumisation.

In the area of products for oenology, the trend is for growth in sales despite some weaknesses in South America after a poor harvest in 2014.

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

V SHAREHOLDERS

To meet the requirement in law to mention the identity of the natural or legal persons who hold more than one twentieth, one tenth, one fifth, one third to one half of the capital, we inform you that at April 30th, 2014 the allocation of capital and voting rights of the company was as follows:

Situation at April 30th, 2014

	Number of shares	Number of voting rights	% of capital	% of voting rights
SAS La Demignière (François family)	2.578.700	2.578.700	47,58%	47,58%
SARL Familiale François (François family)	1.010.210	1.010.210	18,64%	18,64%
Mr et Mrs Jean François	71.760	71.760	1,32%	1,32%
Others (inc. Public)	1.759.330	1.759.330	32,46%	32,46%
TOTAL	5.420.000	5.420.000	100,00	100,00

VI POSITIONS AND DUTIES OF THE COMPANY'S OFFICERS

This information is available in the table attached to this report.

It is to be noted that each member of the Supervisory Board must hold at least two shares of the Company in accordance with Article 15 of the Statute.

VII STATE OF EMPLOYEE STOCK HOLDINGS ON THE LAST DAY OF THE YEAR

None

VIII ANNUAL SALARY OF OFFICERS IN THE COMPANY AND ITS SUBSIDIARIES (IN EUROS)

	Position occupied	Brut remuneration (including advantages in nature received from the company or its subsidiaries (in €))	Advantages in nature	Attendance fee (in €)	Total euros	Reminder total euros (N-1)
Jean FRANCOIS	Chairman of the Supervisory Board	67.118		2.000	69.118	69 856
Jérôme FRANCOIS	CEO	1.150.865*	Car		1.150.865*	747 282
Noëlle FRANCOIS	Board Member	NONE				
Nathalie MEO	Board Member			2.000	2.000	1.000
Patrick FENAL	Member of the Supervisory Board			2.000	2.000	1.000
Total		1.217.983		6.000	1.223.983	819.138

It is stated in this regard:

- that corporate officers do not receive remuneration that is variable, except in the case of ad hoc or exceptional bonuses,
- that there is not to date any form of post-appointment commitment made by the company to its corporate officers in respect of remuneration, compensation, or benefits due or which may become due in the taking on, termination or change of their duties,
- that there are no current plans for the allocation of stock options or stock purchases in favor of management.

*The remuneration of Jerome Francois includes for the fiscal year of 2014 an exceptional bonus of € 371,180 decided and paid for by a company that is 50% controlled by TFF Group company.

IX INFORMATION REGARDING THE TRANSACTIONS OF SENIOR OFFICERS OR THEIR FAMILIES IN SECURITIES OF A LISTED COMPANY

Appended to this report is a summary of the operations carried out by company officers and their families over the course of the last year (AMF General Reg., Art. 222-15-3).

X SOCIAL AND ENVIRONMENTAL IMPACTS

In accordance with the provisions of paragraph 4 225-102-1 of the Commercial Code article, we provide below the following information related to the consideration of the social and environmental impacts of our business.

MANAGEMENT
BOARD'S
MANAGEMENT REPORT
PRESENTED TO THE
COMBINED
SHAREHOLDERS'
MEETING
OF OCTOBER 31, 2014



20 & 21

A MESSAGE FROM TFF GROUP CEO JEROME FRANCOIS

TFF Group is firmly committed to a policy of corporate social responsibility, in line with the values that have always underpinned the actions of the Group. They are human values, dialogue and partnership with our stakeholders as well as the protection of natural resources. Beyond the regulatory requirement, CSR serves a guide, a focal point of common values around which social cohesion can be built. It therefore constitutes a priority for the coming years. The fundamental principles of societal, corporate and social responsibility have always been a key component of the Group's development.

TFF Group has always favored a cautious but ambitious attitude to growth:

- through an international presence, close to production areas, that seeks to integrate and respect regional or local characteristics,
- Through the acquisition of complementary businesses that aim to maintain and motivate the teams already in place.

This strategy of diversification and internationalization at TFF Group has naturally led us to reflect on our organization in terms of structures that are socially and economically responsible globally.

Indeed, the presence of TFF Group on five continents and its commercial presence in 80 countries, oblige us to take into account differences in regulations, cultures and sensitivities both within the Group and in our relationships with stakeholders. Establishing a consistent approach in terms of social and corporate responsibility demands that we make a real effort in raising awareness, through both information and training that ensure that best practices are harmonized even while local specificities are maintained.

For this second year of social and environmental reporting, TFF Group has developed a powerful and well adapted reporting tool which allows us to track the monthly indicators that are most relevant to social and environmental issues, as well as the yearly CSR indicators of the Group. This monitoring will allow us in the future to better direct our policy of sustainable development be it social, societal or environmental.

This year TFF Group continued its strategy of sustainable development while integrating the data collected last year. The fundamental principles of this strategy are:

- The search for performance and innovation in research and development as we seek to make optimal use of our wood resources, recycling wood leftovers in order to limit the wastage of this scarce and vital resource.
- A constant attention to the health and safety of consumers through our R & D and through follow-up analysis on our products.

- The Group's human development, with a focus on social dialogue and training, combined with a broad policy based on sustainable employment, empowerment and the delegation of responsibility within each of TFF Group's companies.

- A commitment to protecting our supplies of raw materials from sustainable forests, through the PEFC certification of all French subsidiaries of TFF Group.

All of these values and principles to which TFF Group has been attached for several generations, namely a respect for the land and sustainable development, an insistence on quality, innovation, the protection and transmission of know-how, all are brought together and embodied in the City of Wine Civilizations in Bordeaux, a project to which TFF Group is committed for several years.

"For our centennial business, representing as it does an ancient art, the opportunity to participate in the transmission of the heritage of wine civilizations; to help ensure the protection and influence of that heritage, to help contribute to its meaning, is a mission that fits perfectly within our philosophy."

Jerôme Francois.

Date: 07/24/2014

Signature:



CHAPTER I

PRESENTATION OF THE GROUP

METHODOLOGY AND REPORTING

Reporting methodology

CSR reporting is performed for the Group's financial year 2013, which runs from May 1st 2013 until April 30th, 2014.

The perimeter considered for CSR reporting is identical to that considered for accounting purposes with exception of the following:

We have chosen to exclude from our 2014 CSR report a number of our sites, where our participation level was below 51% or where there were no employees.

The rules of entry and exit for CSR reporting are identical to those used for the accounting year: namely that any site bought or sold during the reference period will be subject to reporting in relation to the length of its time spent in the Group over the course of the period considered.

Highlights of the period

To be noted first of all is a lack of any acquisition or transfer over the relevant period. This reporting was drawn from the GRI 3 model and follows AMF recommendations on the basis of a diagnosis corresponding to the ISO 26000 standard.

The collection of information was performed on all subsidiaries using the non-financial reporting IT tool OPERA-AMELKIS and then checked and consolidated at TFF Group headquarters.

Exclusions from the reporting

Given the lack or irrelevance of the information provided at Group level on this subject, it was decided to exclude the following from our CSR report:

Land use

This point was considered irrelevant because all our current sites are located on older sites and because our business is by its nature non-polluting and craft driven.

Responsibility for the reporting

CSR reporting is overseen by the Group's Finance Director, and directed by the Hygiene, Health and Safety Assistant of François Frères Management.

Stakeholders of the company



MANAGEMENT
BOARD'S
MANAGEMENT REPORT
PRESENTED TO THE
COMBINED
SHAREHOLDERS'
MEETING
OF OCTOBER 31, 2014

TFF
GROUP

22 & 23

CHAPTER II

OUR COMMITMENTS

1 - GOVERNANCE

TFF Group values:

Our values are aimed at ensuring the economic performance of the company while respecting the law, human rights, and the welfare of the environment in the broad sense, as well as at meeting the expectations of all of the Group's stakeholders.

Our sense of responsibility and our commitments can be summarized around the following principles:

Profitability and responsibility

For TFF Group, achieving and maintaining a high level of profitability is considered a duty towards its employees, its shareholders as well as to all of its stakeholders. As a major player in the market for products for the aging of wine and spirits, TFF Group is aware of its responsibilities vis-à-vis its customers and partners.

We are committed to the preservation of natural resources through the careful management of the timber we use, first of all through the supplying of PEFC timber from sustainably managed forests, but also through the entry this year of TFF Group's French subsidiaries into a system of PEFC certification.

Spirit of partnership and social dialogue

TFF Group strives to maintain fair and constructive relations with all its stakeholders. Our policy is one of integration into the areas where we operate. It is based on a respect of local cultures and aims to take account of the aspirations of communities.

Our recruitment policy favors long term staff contracts, almost exclusively. Our focus on the maintenance and transmission of know-how through the training of our staff also demonstrates our commitment to maintaining jobs in a healthy environment where ever better working conditions and health are considered priorities to be worked towards in collaboration with employees.

Customer Satisfaction / Safety of our products

Key to the development and sustainability of the Group is the satisfaction of its customers, a constant concern at TFF Group and one that is at the heart of our R & D as it seeks to develop safe and innovative products that are tailored to meet market needs.

The organization of TFF Group:

See the report of the Chairman of the Supervisory Board on the internal control procedures implemented by the company, paragraph 2

Shareholding:

See Management Report, Chapter V.

Extra-financial risk assessment

The assessment and planning of business risks take into account factors related to sustainable development.

Among the risk factors monitored:

- The supply of raw materials:

Ever conscious of the importance of its raw material, TFF Group seeks to ensure, via a PEFC certified supply of wood, that the management of the forest be reasonable and sustainable over the long term.

- Social and environmental policy risk:

TFF Group remains vigilant in terms of social rights and regulatory changes, and contributes wherever possible to reducing the potential environmental risks of its activities by, for instance, investing in innovative solutions that aim to reduce emissions (see 2.5 Examples of facilities - Stavin) or, in another example, by engaging its French subsidiaries in a PEFC approach to limit the negative impact of its activities and the risk of climate change.

An insurance policy related to the environment has been taken out for French subsidiaries in order to deal with any potential environmental hazards including cleanup costs.

- Risks related to "clients," « consumers" and « distribution »:

We are acutely aware that both wine quality and consumer health depend on our products. TFF Group therefore pays constant attention to potential health risks and to quality control of its products through regular inspection and testing from independent laboratories.

TFF Group puts research and innovation at the very heart of the development of its traditional businesses in order to refine its processes both to ensure the most efficient use of wood, and to improve the measurement of tannins so as to respond efficiently to customer expectations.

TFF Group remains vigilant about the respect of its values as they are passed to its customers through the distribution network.

2 - SOCIAL COMMITMENT

TFF Group: Development based on people

TFF Group was built on ancestral and traditional know-how, transmitted by men and teams whose gestures, techniques and traditions must be respected and promoted even while seeking the optimization, growth and mutual transfer of knowledge.

The integration of new businesses has always been carried out by retaining existing structures and staff through a policy of autonomy, delegation of responsibilities, and the encouragement of staff initiatives.

Staff:

The Group workforce, calculated on the CSR perimeter, as defined above is 647 people at April 30th, 2014.

This number is calculated without the President and excludes apprentices and temporary workers. Data from last year has been recalculated in order to exclude apprentices, so that consistent comparisons can be made from one year to another.

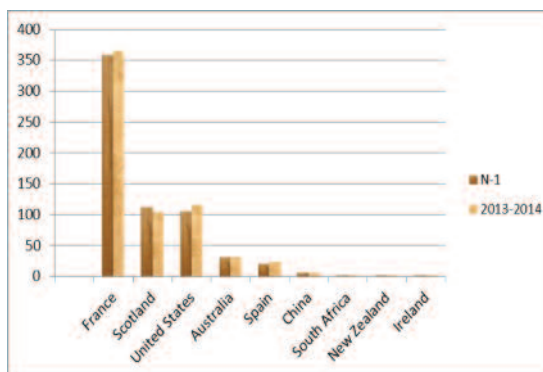
Comment:

The number of employees at TFF Group increased slightly, by 13 people (staff, excluding apprentices) between last year and this year.

Headcount by Geographical Area

Geographical area	N-1	2013-2014
France	358	365
Scotland	112	104
United States	105	115
Australia	31	31
Spain	20	23
China	5	5
South Africa	1	1
New Zealand	1	1
Ireland	1	2
Total	634	647

Headcount by country



Numbers have increased in France, the USA, Spain and Ireland. They fell in Scotland and remained stable in other regions of the world.

Employees by sector

Staff numbers were up slightly in the stave mill and wood product businesses

Type of business	Staff N-1	Staff 2013-2014
Cooperages	463	466
Stave mills	93	99
Large vats	11	11
Wood products	44	48
Distribution	23	23
Total	634	647

Numbers of employees by type of contract:

Type of contract	Year N-1	2013-2014
Staff contract	97.8%	96.6%
Fixed term contract	2.2%	3.4%

Numbers of temporary staff and apprentices

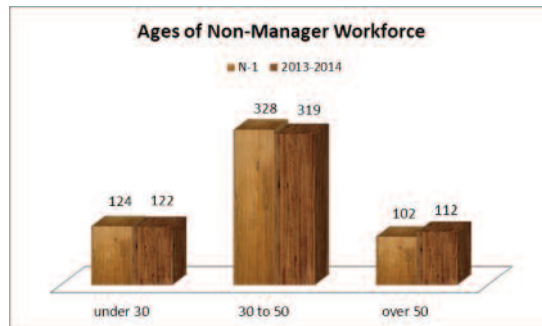
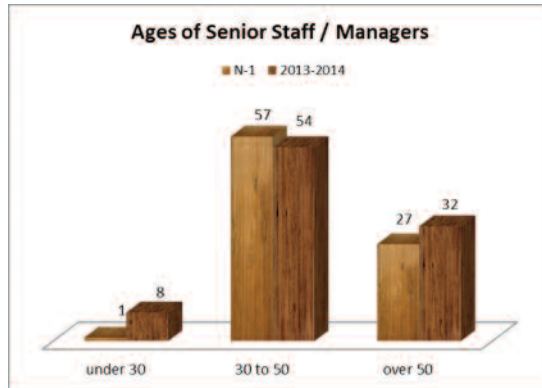
Contract type	Year N-1	2013-2014
Temporary	32	52
Apprentices	17	20

MANAGEMENT
BOARD'S
MANAGEMENT REPORT
PRESENTED TO THE
COMBINED
SHAREHOLDERS'
MEETING
OF OCTOBER 31, 2014



24 & 25

Staff ages



Gender distribution

Women represent 14.7% of the total workforce this year, which means that the women workforce is slightly up compared to last year (14.35% in 2012-2013).

Staff turnover within the Group

	2014	2013
Turnover rate	11.91%	12.48%
Entry rate	12.93%	12.77%
Exit rate	10.88%	9.94%

Definitions:

Turnover = (entry + exit rate) / 2 = 11.91%

Entry rate = number of people hired/ total number of staff at the start of the period x 100 = 12.93%

Exit rate = number of departures (retirement, resignation, death, dismissal/termination) / total number of staff at the start of the period x 100 = 10.88%

2.1 - Employment

TFF Group Policy is based on the following principles:

- Priority to long-term employment (hiring mostly on a staff basis)

2.2 - The organisation of working time

Working hours

French companies within TFF Group have opted for agreements to reduce working time and use, in some cases, an annual modulation.

In terms of the organization of working time, we favor daytime working. No employee at TFF Group works at night.

Similarly, we do not use shift work, with the exception of one of our subsidiaries.

Our companies outside of France apply local regulations regarding the timetabling of staff presence and working time.

2.3 - Remuneration Policy

TFF Group at minimum meets or exceeds the statutory minimum wages in each country.

2.4 - Industrial relations and collective agreements

TFF Group applies the laws and regulations in force for each of its subsidiaries.

Signed collective agreements

In France Demptos and Radoux cooperages as well as the Sogibois stove mill have signed collective agreements on gender equality. Our subsidiaries in the United States comply with the laws regarding non-discrimination based on sex, origin, religion, marital status, color of skin and disability.

So called « generational agreements » have been signed by Tonnellerie François Frères, Demptos and Sogibois.

An agreement that places working time and wage bargaining on a yearly basis has been signed by Demptos.

Percentage of employees covered by a collective agreement.

In France, 100% of the workforce is covered by a collective agreement, At group level, 65% of employees are covered by collective agreements.

Social dialogue

In France: The company is in compliance with the Labour Code and the collective agreements on these points.

The vast majority of French companies whose workforce is over 10 have staff representatives. All of those with more than fifty employees have a HSC. These bodies ensure the existence of social dialogue.

2.5 - Health and safety at work

The health and safety policy of TFF Group is based around the following principles:

- The improvement of working conditions in the workplace according to requests made either through staff representatives or directly by individual employees,
- Improved tools for diminishing the difficulty of work (rising tables, polyethylene chasses, etablis for established posts).
- Prevention of occupational hazards particularly in the design of machines for group.

Examples of arrangements that have been made in this spirit:

- Demptos cooperage in Bordeaux has installed a hoist and a dowl in order to limit the heavy lifting and handling that were causing musculoskeletal disorders for staff. Similarly, the decision to replace all skylights in the workshop was made in order to improve natural lighting of the premises.
- Stavim United States has invested in a new system of ventilation for smoke, using centrifugal and electrostatic force to separate particles in the air and then from water in order to cleanse the air of finer particles. This water is then filtered to remove all particles harmful to the environment, and recycled.
- Sciage du Berry has installed 3 benches and has modified saws heads in order to limit injuries during the sawing of staves.
- Brive Tonneliers has invested in a machine to lift barrels and Bouyouud Distribution has equipped itself with a lift table, which allows staff to perform their tasks in a better position and to limit handling.
- Tonnellerie François Frères has completed the purchase of a new trimmer with automatic carpet, limiting the lifting and transport of heavy loads. It has also acquired several anti-fatigue mats on posts where staff remain in a static position for a long time.

Percentage of the total workforce represented by health and safety committees

The coverage rate for the Group was 45%, a slight increase compared to last year (43%).

In France:

Our three French subsidiaries with more than 50 employees have HSCs and among our subsidiaries with fewer than 50, Brive Tonneliers has chosen to create a HSC which also covers Bouyouud Distribution and Foudrerie Francois.

Abroad:

7 of our fifteen subsidiaries have a portion of their staff that is covered by a health and safety authority.

Issues of health and safety topics covered in formal agreements with trade unions or personnel representatives.

In line with the agreements on strains at work that were signed by all French subsidiaries last year, action plans are being elaborated.

Rates of injury, occupational illness, absenteeism, numbers of working days lost and numbers of occupational fatalities by region.

	Group rate 2014	Group rate 2013
Absenteeism rate	5.92%	4.87%
Rate of work stoppages	68.32	39.74
Rate of gravity of stoppages	2.82	2.28

Absenteeism rates in France in 2012: 4.53% (source: barometer of absenteeism 2013 - Alma CG)

Frequency rate for the timber industry in 2010: 72.6

Severity rate for our industry in 2010: 3.27 (source: CNAMTS Mstat-DRP-2010)

The absenteeism rate increased by 1.11 points in France (several people being off for long term sickness) and rose 0.90 points abroad between last year and this year.

The frequency rate of accidents is up by 4.24 in France and abroad by 58.57 (better reporting this year which helped better identify long-term stoppages abroad).

The rise in the rate of gravity is due to an increase abroad (better reporting this year).

Number of fatal accidents

There is no fatal accident to report within the Group this year.

Number of occupational diseases

We recorded three additional occupational sicknesses within the Group this year, in addition to the three occupational sicknesses that are still ongoing.

2.6 - Training and education

Training policy TFF Group aims to maintain and train highly qualified staff to ensure a quality of workmanship that meet the our demanding production criteria.

A policy that promotes the transmission of know-how and the internal recruitment wherever possible ensure the quality of products that are hand crafted.

Budgets and training hours are determined at each company within TFF Group according to specific needs related to the activity and qualification of personnel.

MANAGEMENT
BOARD'S
MANAGEMENT REPORT
PRESENTED TO THE
COMBINED
SHAREHOLDERS'
MEETING
OF OCTOBER 31, 2014



26 & 27

Hours of training

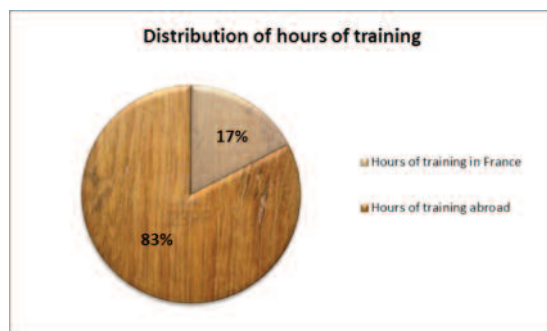
The number of employees being trained is on the up, rising from 246 to 270 employees trained this year (135 in France, 135 abroad).

Average hours of training per year, per employee by employee category

The number of training hours is 13,221 in total.

At group level 42% (38% last year) of employees received training during the reference period with an average number of training hours of 49 hours per employee trained (57 hours last year).

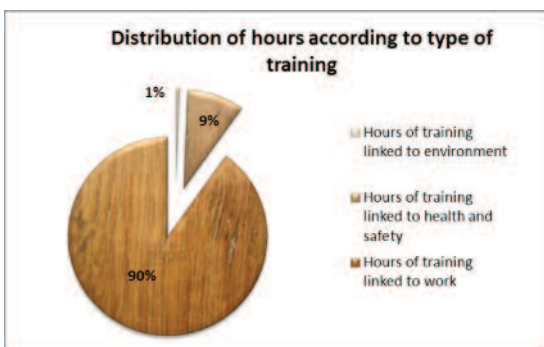
The number of hours of training for senior staff represents 5.74% of the total number of hours of training (managers representing 14.5% of the workforce). Most of the training is thus provided for non-executives.



* Includes hours worked by apprentices

The number of employees trained in France and abroad is the same (135 in France and abroad), but the training provided abroad tends to be longer, and is primarily conducted internally. In-house training in France is so far not taken into account as it falls outside of training budgets.

Courses by type of education



The distribution has not changed compared to last year.

2.7 - Skills Development

Programs for skills development and training throughout life, intended to ensure the employability of staff and to assist them in managing the end of their careers

The program for skills development in French workshops is not formalized. Only training that comes from training budgets is counted.

The development of job skills is a priority at TFF Group, the job skills training represents 65.24% of the total training in France, and 96.18% of the total training abroad.

20 apprentices are being trained this year (4 in France and 16 abroad). The Camlachie site in Scotland won a prize for the training of apprentices.



The winners of the apprentice prize

Annual individual interviews were conducted in the following proportions:

	Percentage
Number of employees having had an annual review in 2013-2014	20.90 %
Number of employees having had an annual review in N-1	29.11%

Number of older worker agreements signed by the group in France.

The eight seniors plans signed last year are underway, two of which have been replaced by inter-generational contracts.

2.8 - Diversity and Equal Opportunities

Equal pay for men and women:

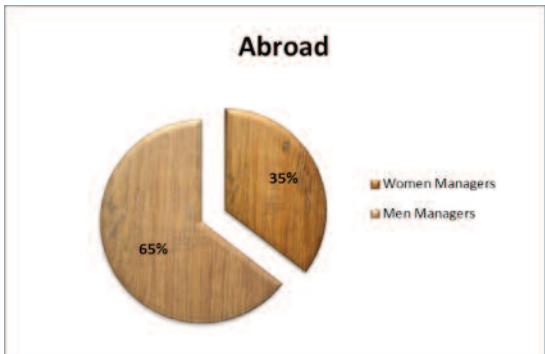
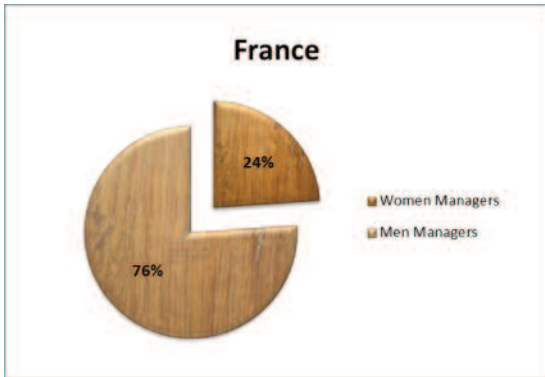
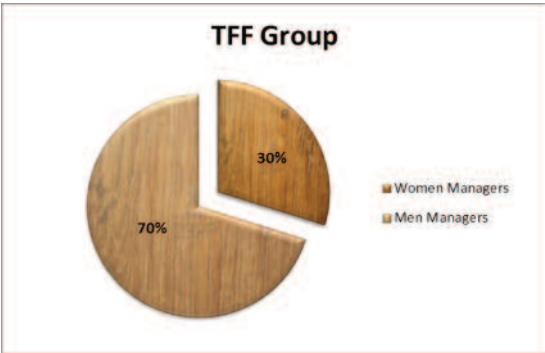
In France : a professional agreement on occupational and wage equality was signed on July 5, 2011, by the « wood businesses and import » sector.

In addition, Demptos cooperage, Radoux and So.Gi.Bois stave mill all signed agreements in 2014 on equal treatment in hiring and equal pay.

For Foreign Subsidiaries: a Male / Female parity clause is included in the employment contracts of our subsidiaries in the United States and China.

Management:

Composition of governing bodies and breakdown of employees by gender



comments:

The proportion of women managers abroad is higher than in France.

There is a high proportion of women in our group through the Management Board and the Supervisory Board of the Group.

They make up:

- 50% of the workforce of the Management Board
- 33% of the workforce of the Supervisory Board.

Work of disabled employees:

Currently 11 people with declared disabilities are employed in France or 3.013% of staff in France.

We turn to ESAT and CAT to perform certain subcontracting tasks.

Given the differences in legislation, it is impossible to publish the data from abroad.

3 - SOCIETAL COMMITMENTS

3.1 Community

The first objective of TFF Group, during the process of implementation of any infrastructure, is to manage and mitigate the potential negative impacts of its activities and its operations on the life of the local community. To minimize this impact, when we make acquisitions, we keep teams in place and we recruit locally, which allows us a better integration into the local economy.

Our second objective is to participate, to the extent possible, in improving the living conditions of populations nearby. We seek to help to promote local economic growth, health, education, sport and culture, and to work in partnership with local communities. Each site manages its own budget for community relations and development.

A concrete example of this willingness to participate actively in local and regional life is the financial investment of "Demptos Napa", located in the Napa Valley in the United States, in two programs that aim to help local communities:

- Family House program that helps with accommodation and counseling for families with a seriously ill child hospitalized away from home.
- The "Boys and Girls Club of Napa Valley" program, which gives children with difficult living conditions access to tutoring classes, civic education, sports and healthy cooking courses, to give them a solid foundation for a better future.

3.2 Corruption

TFF Group has so far not identified any incident of corruption, either internally or in its relations with third parties.

The implementation of the Group reporting process promotes the passing on of information, and scrutiny from our accounting teams is an effective preventive measure.

We have no major risk of corruption in terms of our sites locations, and our clientele is diverse enough to avoid the risk of corruption during contract negotiations.

MANAGEMENT
BOARD'S
MANAGEMENT REPORT
PRESENTED TO THE
COMBINED
SHAREHOLDERS'
MEETING
OF OCTOBER 31, 2014



28 & 29

3.3 Public Policy

TFF Group encourages the proximity of its subsidiaries to various stakeholders in government agencies, professional organizations and business sectors. This enables us to keep informed of changes in regulations and to better defend our business interests and find effective solutions.

TFF Group is a member of the French Cooperage Federation, and works with health and safety organizations (CARSAT, NAALC, occupational medicine).

3.4 Human Rights

Investment and purchasing practices

The vast majority of our purchases are of timber and come from longstanding and secure sources: we buy oak mainly from 3 countries: France, Hungary and the United States. Although each country is unique, all share the goal and practice of sustainability. This year TFF Group has further committed itself to the principle of the sustainable management of forests and timber resources by integrating the PEFC system. All of our French cooperages and stave mills are engaged in a process of PEFC certification which is to be completed by the end of the calendar year. Already 6 French subsidiaries have obtained their PEFC certification.

Percentage of significant suppliers and subcontractors that have been the subject of an investigation or measures with respect to human rights

The majority of our purchases are of wood (51% of PEFC). All our main suppliers adhere to the PEFC label which contains a clause on respect for human rights.

3.5 Non-discrimination

There were no incidents of discrimination reported in TFF Group.

3.6 Freedom of association and collective bargaining

Operations identified in which the right to freedom of association and collective bargaining may be at risk; measures taken to ensure this right.

No incidents have been reported on the reference period regarding non-compliance to labor laws within TFF Group.

62% of TFF Group employees are represented by

delegates and 45% of staff is represented in HSCs.

In France 94% of employees are represented by delegates, and 65% are represented in HSCs. Rates are lower abroad, respectively 20 and 19%.

3.7 Prohibition of child labor

Activities identified as presenting a significant risk of child labor; measures taken to contribute to the elimination of child labor.

TFF Group complies with local regulations.

In addition, considering the nature of the work in cooperages, it is considered unlikely that child labor should ever be a problem.

Regular visits by management and technical personnel to out sites confirm this intuition.

3.8 Abolition of Forced Labour

Activities identified as presenting a significant risk of forced or compulsory labor; measures taken to contribute to the elimination of forced work.

Currently 494 people work in the EEC, 115 in the U.S. and 32 in Australia and New Zealand. The risk of forced labor in these countries is lower.

For other countries (6 people), we have not identified any significant risk in this area for TFF Group.

3.9 The rights of Indigenous Peoples

Total number of incidents involving violations of the rights of indigenous peoples.

TFF Group is not affected due to the locations of its subsidiaries.

4 - ECONOMIC COMMITMENTS

Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.

These items are listed above in Chapter X of the report.

4.1 Economic Performance

Financial implications and other risks and opportunities for the organization's activities due to climate change.

Our sites locations are not yet involved, and the diversification of activities carried out by TFF Group take this risk into account.

4.2 Market Presence

Distribution ratios comparing the basic salary at intake to local minimum wage levels at our principal locations

Starting salaries in TFF Group meet statutory minimum different levels in the countries where we operate.

Policy, practices and proportion of spending on locally-based suppliers at our main locations.

Given our policy at TFF Group of seeking to integrate all parts of the production process, we do not create any dependency of our suppliers.

4.3 Peripheral economic activities

As part of its activities, TFF Group is not involved in the investment and development of infrastructure utilities. However TFF Group does participate in public life through philanthropic initiatives.

Our sponsorship activities this year are:

. Cultural:

- For the second consecutive year we've contributed to the City of Wine Civilizations Bordeaux Museum grant



- Grant given to the Music and Wine Festival at Clos Vougeot, and to the festival's Musicaves at Givry

- Subsidy given to the Cap Ferret Music Festival



- Grant given to the Bourbon Festival (Kentucky)



Kentucky Skyline



. Social:

- Koret Family House Program (California)
- Boys and Girls Club of Napa Valley (California)
- Grant to the YMCA and Boys & Girls Clubs (USA)

Sports:

- Grant to the Highland Games (Scotland)



- Grant to the Primrose Tennis Club and Hockey Villa (France)

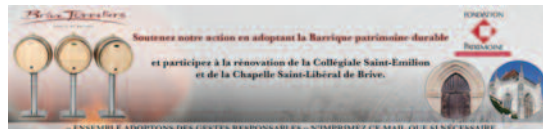


- Grants to several football clubs in France and Scotland

- Grant to a golf club in Scotland

Miscellaneous:

- Donation to the Heritage Foundation, through the "Sustainable Heritage Barrel" (France) operation



- Donation given for the Christmas lights of the city of Isla (Scotland)

4.4 Health Consumer Safety

In France it was decided to limit the risks of food allergies by using a gluten-free flour for the assembling of the bottoms of barrels (trace amounts of gluten may still exist, from the manufacturing processes of the supplier).

Analysis in line with regulations ensure that our barrels are free from contaminants. The analysis is carried out by independent and accredited laboratories.

We do not use any food substances that are not in line with regulations in any of our products.

MANAGEMENT
BOARD'S
MANAGEMENT REPORT
PRESENTED TO THE
COMBINED
SHAREHOLDERS'
MEETING
OF OCTOBER 31, 2014



5 - ENVIRONMENTAL COMMITMENT

Organization:

Each site manager is responsible for environmental management and compliance with the regulations in force in the country where the company operates.

5.1 Materials

Consumption of materials in volume.

	2013-2014	N-1
Total wood consumption (in m3)	55 175	54 629
Total wood purchases (in m3)	57 234	52 318

Note: These figures cover the purchases and consumption of logs, staves and wood for oenology. Consumption and purchases of French oak staves are themselves derived from the consumption and purchases of our French logs, which means that these figures are overestimated since consumption and purchases of staves are listed twice.

Percentage of materials used

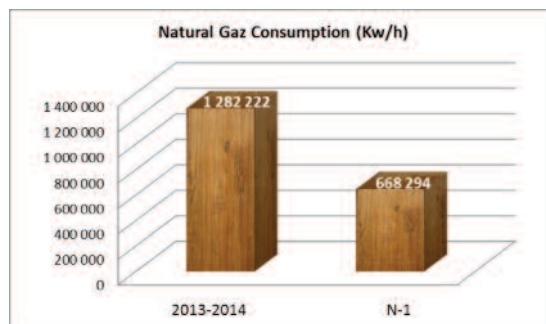
Our whiskey business in Scotland and in the United States use second hand wine barrels from the wine and bourbon markets, barrels that they repair and sell for the aging of whiskey. Through this process, we recycle more barrels than we produce:

Proportion of recycled barrels: We recycle 2.9 times more barrels than we produce.

And we give a second life to the wine and bourbon barrels of our customers.

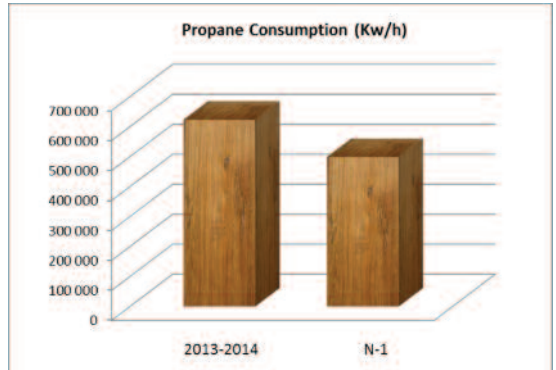
5.2 Energy

Natural Gas consumption



The increase in the consumption of natural gas by TFF Group is mainly due to the enlargement of our site in Scotland and to the under estimation last year of consumption because of the sharing with another company of a site that did not include individual meters.

Propane consumption

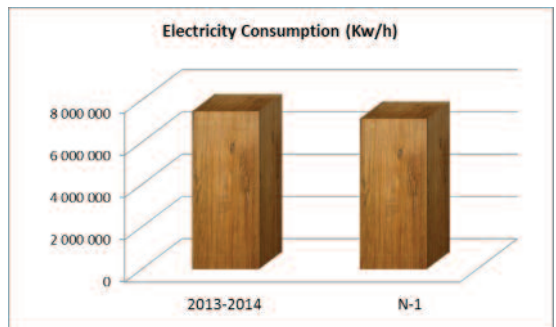


The increase in propane consumption comes from improved reporting that provides more accurate results this year.

Fuel consumption

Fuel consumption of the Group stands at 212 M3 this year, against 117 M3 last year.

Electricity consumption



Energy saved due to energy efficiency

The renewal and improvement of the skylights in the Demptos cooperage workshop enabled a gain in natural light and the reduction of electricity costs.

Initiatives to reduce indirect energy consumption and reductions achieved

None.

5.3 Water

	2013-2014	N-1
Consumption of water from the distribution network (M3)	14 249	15 712
Consumption of water taken from sources or groundwater (M3)	120 306	83 184

• Data calculated on a calendar year

The difference in consumption of water taken from sources or groundwater between last year and this year comes from the taking into account of our Sogibois site which had not been able to communicate its consumption last year.

Percentage volume of water recycled

At Sciage du berry, a water retention pond of 900 M3 has been created which allows the collection of rainwater and the recycling of the water used for watering timber, thus reducing the levels of fresh water needed.

5.4 Biodiversity

	2013-2014	N-1
% of wood purchases that are PEFC certified	50.96%	52.01%

Our main impact on biodiversity remains the removal of oak from the natural environment for the manufacture of barrels.

To minimize this impact and prevent the depletion of natural wood resources, TFF Group has initiated a process of PEFC certification in all its French subsidiaries.

"PEFC certification certifies compliance with the rules and requirements set by international standards (Lisbon recommendations, SFM, FAO, MCPFE, IUCN, ITTO) to which one must add national specifications. Forest owners, farmers and businesses implement sustainable forest management practices through the application of particular specifications and / or through the establishment of a chain of inspection. Members are regularly monitored on their compliance with the certification criteria. "(Source: PEFC-France.org)



5.5 Emissions, effluents and waste

	2013-2014	N-1
Generation of hazardous waste (tons)	35	6
Generation of non-hazardous waste (tons)	8 041	850

The rise in the generation of hazardous and non-hazardous waste is due to incomplete reporting last year by foreign subsidiaries.

Reduction measures and recovery of waste

Much of the waste from the manufacturing process is reused and recycled:

- Through the creation of fuel for sites equipped with wood boilers, or where wood is sold for firewood
- Through the use of wood waste to fuel the fires used for heating barrels at the point of their shaping.
- Through the recovery of some of the waste from the primary wood processing in the production of wood products for oenology.

Carbon footprint

With an eye on ecological concerns, coopers licensed with the BTC certification for barrels in the French tradition have signed up to a collective process for estimating emissions of greenhouse gas (GHG) under the "Bilan Carbone" ADEME tool. This estimation of the carbon footprint covers the entire supply chain from supply to shipping (including all upstream and downstream cargo freight).

Last year we extrapolated our carbon footprint for the Group from the results of two subsidiaries of TFF Group, using the ADEME tool. This year we were able to extend that extrapolation to all the cooperages of the group, which allows us to refine the result. Note, however, that the carbon footprint does not take into account stave mills and wood product businesses.

	2013-2014	N-1
Carbon footprint in T eq. CO2	16 863	13 235

For the purposes of comparison, a ton of CO2 corresponds to the consumption of gas required to heat a 3 room apartment in Paris for a year or to a round trip Paris-New York flight. (Source: green IT.fr)

Emissions of substances that deplete the ozone layer by weight.

French subsidiaries are not CFC users except some offices that are equipped with air conditioning (in very small amounts).

5.6 Noise Pollution

Two of our sites, Sciage du Berry and Sogibois have measured noise levels caused outside and Sciage du Berry has put in place noise protection measures and has soundproofed part of its premises to reduce the level of noise caused outside.

XI ACTIVITY IN RESEARCH AND DEVELOPMENT

The Group has a research and development department working in partnership with the laboratories and scientific and technical staff of the Faculty of Oenology of Bordeaux and CESAMO (Center for Structural Studies and Analysis of Organic Molecules). Our team of four researchers conducts research, expert missions, oenological consulting and training in collaboration with various organizations.

The results of the research are regularly disseminated to the Group's clients via a newsletter and have several objectives: technological innovation, highlighting interactions between oak wood and wine, the adaptation of product range to client needs, improving the quality of products as well as providing advice in wine production and support to clients.

XII SIGNIFICANT EVENTS SINCE THE END OF THE YEAR

TFF Group made two acquisitions since the end of the fiscal year, namely:

- the acquisition of the Maury brand with effect from May 1st, 2014, the activity of which has been absorbed by one of TFF Group's Bordeaux cooperages
- the acquisition of Berger & Sons Cooperage, located in the Bordeaux region.

XIII INFORMATION ON PAYMENT TERMS

In accordance with Articles L. 441-6-1 and D. 441-4 of the Commercial Code, the breakdown by maturity of amounts due to suppliers of our company at 30 April 2014 and 30 April 2013 is set out below. In their report on the annual accounts for the year ended at April 30th, 2014, the auditors have expressed their views on the accuracy and consistency of this information.

In Euros	April 30th, 2014	April 30th, 2013
Payment deadlines missed	None	None
Payments due in less than 30 days	1,959,771 euros	2,155,534 euros
Payments due between 30 and 60 days	159 euros	881 euros
Payments due in more than 60 days	388,959 euros	363,486 euros
TOTAL	2,348,889 euros	2,519,901 euros

XIV ANNUAL GENERAL MEETING OF 31 October 2014

1 - PRESENTATION OF THE RESOLUTIONS UNDER THE USUAL FORM

- The first resolution is to submit for your approval the financial statements as at April 30th 2014 and to discharge the members of the Management and Supervisory Boards from their duties for the year.
- Under the second resolution, the General Assembly will decide on the payment as of November 7th, 2014 of a dividend of € 0.60 per share with an extra bonus on last year of 0.20 €, making an overall dividend of € 0.80 per share.

When paid to individuals resident in France for tax purposes, the dividend is payable after the application at source of social security contributions on the gross amount at an overall rate of 15.5% as well as, in most cases, a mandatory flat rate of 21% taken as a deposit on income taxes. Given that this contribution does not represent a discharge of liabilities, the gross dividend is, after the application of a 40% deduction under section 158, 3-2 of the Tax Code, subject to income tax on a progressive scale.

Thus, the profit of the parent company, or € 5,526,518 will be allocated as follows:

- The distribution of a dividend amounting to 4,336,000 euros
 - And the balance to an account entitled "Other reserves" of 1,190,518 euros
- Total amount to be distributed 5,526,518 euros

Here is a reminder of the dividends distributed over the course of the last three years:

FISCAL YEAR	2010/2011	2011/2012	2012/2013
Number of shares	5,420,000	5,420,000	5,420,000
Net dividends (euros)	0.60	0.60	0.60
Dividend eligible for the deduction	0,60	0,60	0,60

- The third resolution concerns the approval of the special report of the auditors on agreements entered into during the year ended 30 April 2014. In this regard the following details are provided:

1) The special report of the auditors, which appears in the annual report of the company, has already laid out agreements that were previously approved by the General Assembly and which remained effective during the past year.

2) New agreements entered into during the financial year and approved by the supervisory board, and the only ones subject to the vote of the meeting:

None.

- The fourth resolution is to submit for your approval the consolidated financial statements at April 30, 2014, which have been presented above.

- Under the fifth resolution, you'll be asked to decide on the award of fees to the Supervisory Board. The total amount stands at 6,000 euros, an amount equivalent to that agreed last year.

- Under the 6th resolution, you will also have to decide on an authorization for the Management Board to implement a program to repurchase shares of the Company in accordance with Article L. 225-209 of the Commercial Code. In order to enable our Company to improve the financial management of its own funds, we suggest, in accordance with Article L. 225-209 of the Commercial Code, that the management Board be allowed to acquire an amount equivalent to up to 10% of the number of shares comprising the capital of the Company.

- The seventh resolution aims to confer the power to complete all the legal formalities in relation to the ordinary resolutions.

2 - Presentation of the resolutions in their extraordinary form

Granting of new authority

The Management Board requests that the meeting, having heard the special reports of the auditors and using its legal power to grant overall delegation, grant the following:

- Authorization to the Board of Directors to reduce the share capital by cancellation of treasury shares held by the company (eighth resolution)

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

- Finally, the ninth resolution confers the power to complete all the legal formalities in relation to the extraordinary resolutions.

XV INFORMATION ON ANY FACTORS THAT MAY AFFECT A PUBLIC OFFER (ART. L.225-100-3 OF THE COMMERCIAL CODE)

Nothing particular to report.

XVI OUTLOOK

Business objectives remain high for the start of the new fiscal year with the acquisition in quick succession of two family cooperages in the Southwest of France, MAURY and Sons Cooperage MAURY and BERGER and Son Barrels.

We believe that the combination of organic and external growth, both of which look to be strong this year, could contribute to a turnover close to € 185 million.

Margin targets aim to maintain operating profit above 20% of turnover.

The Management

MANAGEMENT
BOARD'S
MANAGEMENT REPORT
PRESENTED TO THE
COMBINED
SHAREHOLDERS'
MEETING
OF OCTOBER 31, 2014



34 & 35

NOTES TO THE MANAGEMENT REPORT

LIST OF OFFICES OF OFFICERS

JEAN FRANÇOIS

COMPANY NAME	COMPANY TYPE	ROLE
TONNELLERIE FRANCOIS FRERES	SA	Chairman of the Supervisory Board
AP JOHN (AUSTRALIA)	LTD	ADMINISTRATOR
FRANCOIS FRERES INC (USA)	LTD	ADMINISTRATOR
STAVIN (USA)	LTD	DIRECTOR

JEROME FRANÇOIS

COMPANY NAME	COMPANY TYPE	ROLE
TONNELLERIE FRANCOIS FRERES	SA	President of the Management Board
AP JOHN (AUSTRALIA)	LTD	ADMINISTRATOR
CLASSIC OAK AUSTRALIA (AUSTRALIA)	LTD	ADMINISTRATOR
CLASSIC OAK NEW ZEALAND (NEW ZEALAND)	LTD	ADMINISTRATOR
SOGIBOIS	SASU	PRESIDENT
TRUST INTERNATIONAL CORPORATION (USA)	LTD	CHAIRMAN
DEMPLOS NAPA COOPERAGE (USA)	LTD	PRESIDENT
TONNELLERIE LAGREZE	SARL	MANAGER
TONNELERIA DEMPLOS ESPANA	SA	DIRECTOR
LA GAILLARDE	SCI	MANAGER
FAMILIALE FRANCOIS	SARL	MANAGER
DEMPLOS SOUTH AFRICA	LTD	CHAIRMAN
DEMPLOS LIMITED	LTD	DIRECTOR
SPEYSIDE COOPERAGE	LTD	DIRECTOR
ISLA COOPERAGE	LTD	DIRECTOR
LA DEMIGNIERE	SAS	PRESIDENT
FRANCOIS FRERES MANAGEMENT	SARL	MANAGER
STAVIN (USA)	LTD	DIRECTOR
TONNELLERIE FRANCOIS FRERES LTD	LTD	DIRECTOR
SPEYSIDE KENTUCKY	LTD	DIRECTOR
TONNELLERIE RADOUX USA INC.	LTD	DIRECTOR
RADOUX AUSTRALASIA	LTD	DIRECTOR
ALCAJE	SAS	PRESIDENT

NOËLLE FRANCOIS

COMPANY NAME	COMPANY TYPE	ROLE
TONNELLERIE FRANCOIS FRERES	SA	MEMBER OF THE MANAGEMENT BOARD

NATHALIE MEO

COMPANY NAME	COMPANY TYPE	ROLE
TONNELLERIE FRANCOIS FRERES	SA	MEMBER OF THE SUPERVISORY BOARD
FESTIVE FRANCE EVENEMENTS DE BOURGOGNE	SARL	MANAGER

PATRICK FENAL

COMPANY NAME	COMPANY TYPE	ROLE
TONNELLERIE FRANCOIS FRERES	SA	MEMBER OF THE SUPERVISORY BOARD
UNIGESTION ASSET MANAGEMENT	SA	ADMINISTRATOR
UNIGESTION ASSET MANAGEMENT LTD.	SA	ADMINISTRATOR

STATE OF THE DELEGATION OF AUTHORITY AND POWERS GRANTED BY THE SHAREHOLDERS TO THE MANAGEMENT IN THE FIELD OF CAPITAL INCREASES, AND ANY USES MADE OF SUCH DELEGATIONS DURING THE YEAR

Nature of the delegation	Date of the shareholders' meeting – Length	Use of the delegation at date of the report
None		

MANAGEMENT
BOARD'S
MANAGEMENT REPORT
PRESENTED TO THE
COMBINED
SHAREHOLDERS'
MEETING
OF OCTOBER 31, 2014



SUMMARY OF ANY TRADING BY MEMBERS OF THE COMPANY'S MANAGEMENT AND THEIR FAMILIES OVER THE COURSE OF THE FINANCIAL YEAR (AMF, REGL. GENERAL, ART. 222-15-3 NEW)

36 & 37

PERSON INVOLVED	NATURE OF THE OPERATION	DATE OF THE OPERATION	AMOUNT OF THE OPERATION
	SALE OF 233.500 SHARES TO SAS		
M. JEAN FRANÇOIS	LA DEMIGNIÈRE SALE OF 26.500 SHARES TO SARL	OCTOBER 8TH 2013	12.912.550 €
M. JEAN FRANÇOIS	FAMILIALE FRANÇOIS	OCTOBER 8TH 2013	1.465.450 €

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

ASSETS (THOUSANDS OF EUROS)	04/30/2014	04/30/2013
	IFRS	IFRS
NON CURRENT ASSETS		
Intangible fixed assets	2 411	1 832
Goodwill	51 890	52 868
Intangible fixed assets	54 301	54 700
Tangible assets	28 076	28 021
Deferred tax assets	4 518	3 546
Financial assets	1 135	899
Total non current assets	88 030	87 166
CURRENT ASSETS		
Raw material, intermediate and finished products	131 567	129 180
Trade receivables	39 109	34 001
Other receivables	4 851	4 739
Cash	38 102	35 428
Total current assets	213 629	203 348
Non current assets to be discontinued	0	0
TOTAL ASSETS	301 659	290 514

EQUITY AND LIABILITIES (thousands of euros)	04/30/2014	04/30/2013
	IFRS	IFRS
SHAREHOLDERS' EQUITY		
Common stock	8 672	8 672
Retained earnings	183 005	163 943
Translation adjustment - shareholders' equity	(4 733)	(231)
Consolidated income of the year	23 775	22 499
Translation adjustment - income	0	(185)
Total Group shareholders' equity	210 719	194 698
Minority interests / reserves	1 929	1 850
Minority interests / income	360	255
Total shareholders' equity	213 008	196 803
Non current liabilities		
Long term provisions	919	389
Deferred tax liabilities	2 641	2 492
Long term interest-bearing loans and borrowings	7 998	21 789
Retirement benefit obligation	1 404	1 315
Total non current liabilities	12 962	25 985
Current liabilities		
Trade payables and equivalent	16 953	15 509
Other liabilities	12 346	12 413
Short term loans and borrowings	46 390	39 804
Short term provisions		
Total current liabilities	75 689	67 726
Non current liabilities to be discontinued	0	0
Total current and non current liabilities	88 651	93 711
TOTAL EQUITY AND LIABILITIES	301 659	290 514

INCOME STATEMENT

THOUSANDS EUROS

	04 / 30 / 2014 12months IFRS	04 / 30 / 2013 12months IFRS
Revenue	173 087	163 104
Inventories	(2)	(265)
OPERATING INCOME	173 085	162 839
Purchase of raw materials and goods	(85 459)	(71 258)
Change in goods	(5 290)	(1 777)
GROSS PROFIT	92 916	89 804
Other purchases and external charges	(19 759)	(19 452)
VALUE-ADDED	73 157	70 352
Operating grants	0	0
Taxes and similar payments	(2 174)	(1 996)
Personnel expenses	(31 922)	(32 052)
EBITDA	39 061	36 304
Reserves written back to income and	1 366	1 543
Other income	208	(2 928)
Allowances for amortizations	(2 991)	(1 296)
Allowances for reserves	(1 190)	(205)
Other operating expenses	(385)	33 657
INCOME OF OPERATING ACTIVITIES	36 069	33 657
Other income	(170)	(469)
INCOME FROM CONTINUING OPERATIONS	35 899	33 188
Financial income	1 052	1 094
Financial expense	(2 769)	(1 640)
Net Financial Expense	(1 717)	(546)
EARNINGS BEFORE TAX	34 182	32 642
Income tax	(10 051)	(9 881)
NET INCOME FROM CONTINUING OPERATIONS	24 131	22 761
NET INCOME FROM DISCONTINUED OPERATIONS	0	0
NET INCOME	24 131	22 761
Group share	23 775	22 499
Minority interests	356	262
Earnings per share		
net income	4,39	4,15
net income from continuing activities	4,39	4,15

CONSOLIDATED
BALANCE
SHEET

TFF
GROUP

38 & 39

TFF
GROUP

