

Time is on our side



ANNUAL
REPORT
2016-2017



SUMMARY

TIME
IS
SOURCE
SIDE

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the world's leader
in the aging of
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TIME IS ON OUR SIDE

Respect for the time
which allows growth,
keeping its secrets
And enriching thought

Respect for the time
that gives rise to opportunities,
confirms good advice
and strengthens tradition

Respect for the time
It takes the vines to grow
and the richest fruit to mature
into the finest of great wines

Respect for the time
that transforms into an art-form
the perfection of know-how
and the elaboration of innovations

Respect for the time
which allows us to understand the earth
by observing the sky and its changing cycles,
all the better to respect the environment
and all of its wealth



Our new signature expresses both the strength inherited from our history and our positive vision for the future. It is because we know how to combine patience and action, that time is not only our ally, but also that of our customers, our partners and our shareholders.

Jérôme François

**RESPECT FOR THE TIME, WHICH IS ON OUR SIDE.
WITH IT, WE HAVE BECOME WORLD LEADERS.**

TFF GROUP EN 2017

GLOBAL LEADER IN AGING OF WINES AND ALCOHOLS

CASK MAKING



STAVE MILLING AND FORESTING



WOOD PRODUCTS FOR OENOLOGY



WHISKY & BOURBON COOPERAGE



WINE COOPERAGE



STAINLESS STEEL VAT MAKING



A MESSAGE FROM THE PRESIDENT

2016-2017 : A better year than expected for TFF Group

Dear Shareholder,

The year has been a very good one for TFF Group and its shareholders with:

- growth of close to 17% and 9% at comparable scope and exchange rates
- current operating income at 20%, in line with expectations
- net profit at € 32.5 million, exceeding 14% of sales
- net debt at € 46 million, or less than 15% of shareholders' equity
- a dividend of € 1.40 per share, up 75%
- a share price up more than 40% over the year

In short, a good year with better than expected, dynamically strong results that validate the wisdom of an aggressively proactive strategy on all our markets.

The wine market, our group's historical business, continued to grow, with a rise in global consumption in 2016 of 0.4%, even as the 2016 harvest hit one of its lowest levels in 20 years.

Only the USA, Spain, Italy, Australia and New Zealand, among the major producing countries, saw volumes rise.

In this market, our business grew by more than 15%, of which organic growth represented 4.4%.

The contribution of our last three acquisitions, Lejeune, Idelot and BUI for its wine business, consolidated respectively over 12, 10 and 6 months, will represent more than € 13 million in sales and all three will be accretive as of their first full financial year within the group.

The liquor market, as I told you last year, must now be analyzed in a segmented way: on one hand the Scotch market and, on the other, the American whisky or Bourbon market.

After 4 years of strong growth, the market for whisky saw, at the end of 2014, a forecast downturn of the cycle.

The decline in the global production of scotch whisky, which fell by almost 10% in 2015, stabilised slightly in 2016, falling only by 4.4%.



JÉRÔME FRANÇOIS
CEO



We had forecast this downward cycle and announced that it would likely continue in 2016 and 2017, before an expected recovery from 2018.

In fact, the good resilience of this market, the good health of our maintenance / renovation / repair business and the dynamism of our trading activity enabled us to achieve a turnover of nearly € 55 million and to limit the fall to less than 6% like-on-like.

This performance was achieved despite the «brexit effect» which penalized our turnover by nearly € 6 million as a result of the negative exchange rate effects between the British Pound and the Euro.

The bourbon market continues to grow, with a rise of 4.4% in sales between 2015 and 2016, and we have slightly exceeded our targets in our first full year.

Bourbon has proven to be the major growth driver that I had announced to you and its operating profitability is already satisfactory, despite investments of some \$ 40 million, slightly above what we had anticipated.

all of these positive elements will enable us to take a new step in our growth and to envisage, in 2017 – 2018, a level of activity of around 250 M €, with an operational profitability that will remain very high.

We confirm our target of € 300 million in revenues for an operating profit of € 60 million and a 50/50 balance between wine and liquor activities by 2020.

We therefore look to the future with serenity since «time is on our side»- a concept that has become our motto.

By placing time at the heart of our message, we also strongly reaffirm our commitment to both our history and to our positive vision for the future

These good results and solid prospects, combined with our low level of indebtedness, our strong faith in our markets, the quality and commitment of our teams and the great quality of our work tools, have all combined to allow us to raise our dividend to € 1.40 per share and thus to reward our shareholders for their confidence and loyalty.

“we look to the future with confidence and serenity, and in particular towards”

The year 2017/18 is looking promising with a full order book that should allow us to double our activity.

In order to maintain and ensure this performance, we have decided to make an additional investment of \$ 9 million in a mill in Virginia so as to secure both our supplies and our margins.

Thanks to these good results, we look to the future with confidence and serenity, and in particular towards :

- A strong level of activity on the wine market, despite the climatic vagaries of the beginning of the year in Europe which was hit by both frost and hail,
- a well anticipated and therefore well managed, slow down in whisky,
- a doubling of our activity in bourbon,
- the full-year consolidation of last year's acquisitions,

Finally, in an effort to further enhance the liquidity of our shares, we have decided to authorize the management board to divide the nominal value of TFF Group shares by a factor of four at the Shareholders' Meeting that was held on June 29th, 2017. This operation, designed to make the share more accessible and to promote its liquidity, will be implemented after the holding of our annual AGM on October 27th.

The confidence, determination and energy of all our teams remain focused on the balanced development of TFF Group and should continue to translate into a high valuation that serves as a benchmark for the quality of our company.

KEY FIGURES

A YEAR OF DOUBLE-DIGIT GROWTH

TFF GROUP IN 2017

2 WORLD MARKETS

Premium wines



Alcohols



Bourbon



Beer



Cognac



Tequila



Whisky

5 COMPLEMENTARY BUSINESSES IN WOOD FOR AGING



Forestry and logging



Stave Milling



Cooperage



Cask making



Wood and oenological products

1 NEW DIVERSIFICATION : high-end stainless steel containers

TOWARDS A REBALANCING OF OUR ACTIVITIES

60.5%

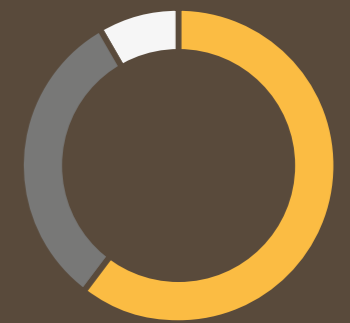
for barrels and large casks

31.2%

for alcohol barrels

8.3%

for wood and wood products for oenology



A PRESENCE ON 5 CONTINENTS



A commercial presence in **80 countries**

International turnover: **84%**

Global market share: **> 25%**

Staff : **980 of which 438 in France**

KEY FIGURES

IN MILLIONS EUROS

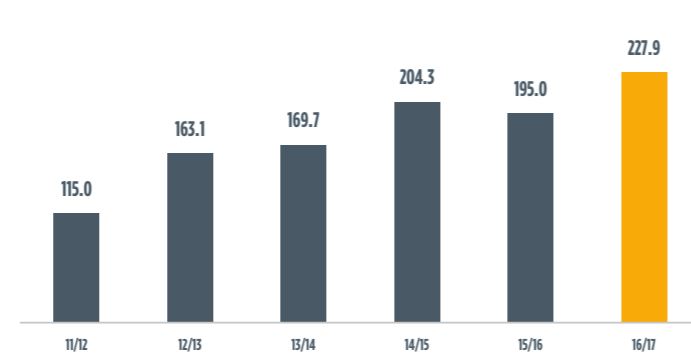


Turnover
€227.9 m

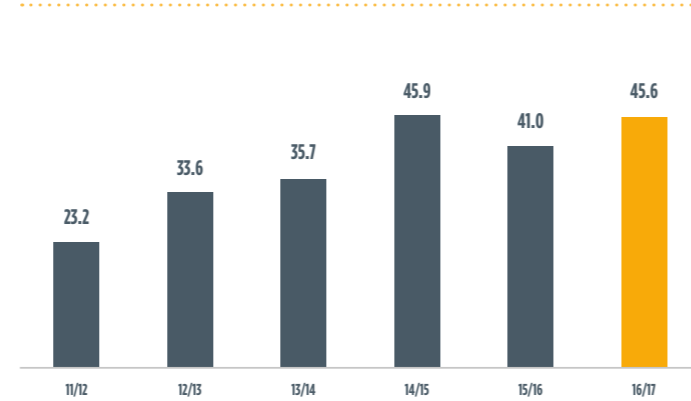
Net income
€32.4 m

Operating income
20% of turnover

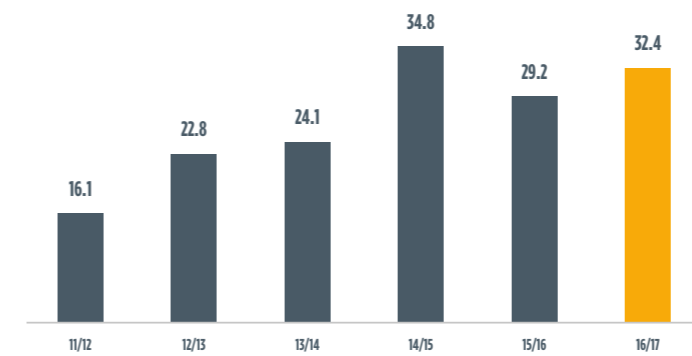
TURNOVER



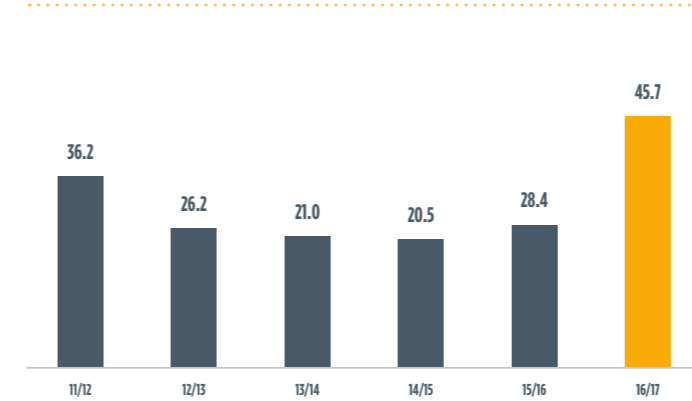
OPERATING INCOME



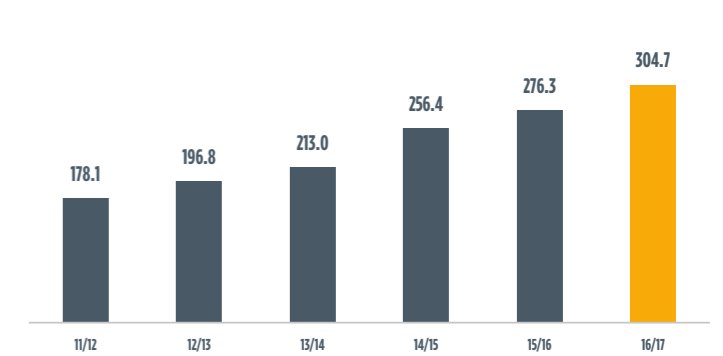
NET INCOME



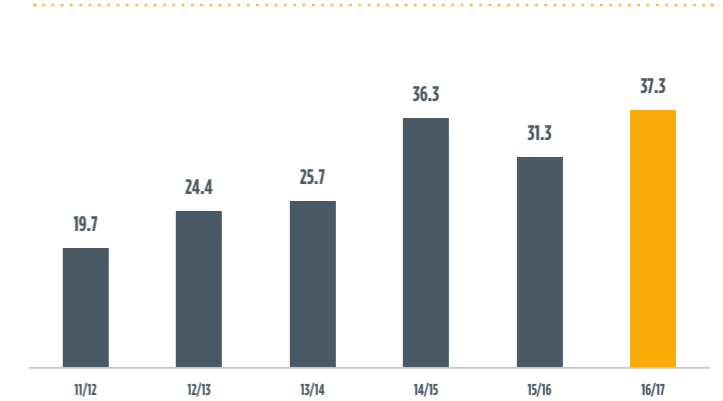
NET FINANCIAL DEBT



EQUITY



CASHFLOW FROM OPERATIONS



A STRONG AND DIVERSIFIED GROUP

For many years TFF Group has been pursuing a very specific strategy of diversification in order to consolidate its foundations and to protect itself against the risks associated with a single market.

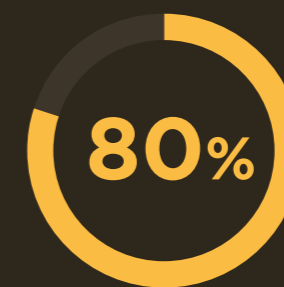
Founded more than 100 years ago in the field of wine barrels in Burgundy, the company has had the time to understand the rhythm of the markets and the vagaries of the climat as well as the various ways in which both can weigh on the activity levels of the group.

Growth and profitability have always been the overriding objectives for TFF Group. To achieve this dual goal, the focus has been placed on a strategy of diversification and external growth through:

- **Horizontal diversification in the wine regions**, first French, then North American, European and finally, in the southern hemisphere. The group's markets are now global and it holds 30% of the world's share making it the undisputed global leader.
- **Vertical diversification through the gradual integration** of timber production and logging activities in order to secure supplies and to reinforce margins. But also diversification further down the production line in the fields of large containers, oenological wood products, derived products, etc., in order to offer our customers a wide range of products and services for the aging of fine wines.



Our stave mills provide 90% of the oak used by the Group in France



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

68%

of the timber purchased by TFF Group is PEFC certified

Since the market for wine barrels is now a «mature» one, with slow but steady growth, the Scotch whisky market has established itself, after the thorough analysis that was initiated in 2007, as an obvious growth area for the group.

In less than 10 years, its very strong growth and the very aggressive strategy pursued by TFF Group, with the acquisition of 5 cooperages in Scotland and 2 in the USA to anticipate and respond to the needs of this market, have allowed us, once again, to become the global leader, this time in independent whisky coopering.

After 8 years of strong growth for the group, this market appeared to show signs of a cyclical slow down in 2015 – 2017, a period that seems to be coming to an end.

In line with its strategy of careful analysis, and then of anticipation and responsiveness, TFF Group has, since 2015, observed and invested in the Bourbon market, which is living up to its promise and looking to be the new growth driver for the next few years. The group's ambition by 2020, is to balance out the wine and alcohol businesses so that each contributes around 50 percent to the consolidated turnover.

THE WINE MARKET

A MUCH BETTER PERFORMANCE THAN EXPECTED

2016 was marked by a harvest of 267 million hectoliters, down by nearly 4%, one of the lowest in 20 years. World consumption meanwhile rose by 0.4 %, to 242 million hectoliters.

In this market TFF Group achieved some very good results, + 15.4% growth, of which 4.4% was organic and on a like-for-like basis.

The reasons for this growth:

- a more dynamic US market,
- growing European and Australasian markets: in particular an active Spanish market and the return of growth in the pacific zone (Australia and New Zealand), supported by an abundant harvest,
- good sales strength in France, despite a difficult start to the year in Burgundy,
- the contribution of the three acquisitions carried out during the year.

Despite a sharp decline in activity in South America (Argentina and Chile) which was affected by the El Nino phenomenon, in South Africa to a lesser extent, and in France, **coopering grew by + 5.3%**, well beyond the forecasts.

Oenological wood products also recorded growth of 14.5%, confirming the good orientation of this complementary market.

Large vat making had seen a very good year in 2015-2016, with strong growth. As a result, the slight 4% decline observed this year is entirely due to an unfavorable base effect.

But it is particularly to the external growth, which has been at once selective and ambitious, that we must attribute the acceleration that has been seen in wine coopering this year

156.7 M€ in sales,
up 15.4%
for TFF Group,

LEJEUNE, a family company specialized in stainless steel vats and acquired in May 2016, contributed € 6.3 million to the development of TFF Group during the year, and this with many of the synergies not yet fully in place during this first year of consolidation.

IDELOT, a family company specialized in logging, wood energy and industrial wood, acquired in July 2016, also contributed € 6.2 million to the development of TFF Group, and will also allow us to secure some of our wood supplies.

The synergies already observed with the SOGIBOIS stave mill, will grow and the contribution of Idelot will be measured in its full year over the course of the current financial year.

Our third acquisition was of **BARRELS UNLIMITED Inc (BUI)**, a family cooperage that has been specialized for more than 35 years in the repair, renovation and trading of used wine and bourbon barrels for whisky producers, as well as in the manufacturer of new American oak barrels for American wine producers.

BUI, consolidated within TFF Group from November 1st, 2016, also contributed over 6 months to the performance of the wine sector for the financial year 2016 -2017.

BUI, which operates in Fresno, California and in Charleston, Indiana, has naturally and quickly found its place within the Group's current organization which is centered on the complementary worlds of wine, whisky and bourbon.

LIQUOR MARKET

**A PERFORMANCE
MAINLY DUE TO NEW
GROWTH DRIVERS**

71.2 M€

in sales,
up 20.3%
for TFF Group

The alcohol business also recorded strong organic growth despite the impact of a particularly unfavorable currency effect, - € 5.6 million attributable to the decline in sterling (the Brexit effect).

The reasons for this growth:

- a good level of activity in the renovation / repair of whisky barrels,
- a trade in whisky barrels that exceeded expectations in terms of volume, thus offsetting lower unit prices,
- the contribution of the consolidated BUI over 6 months,
- the start-up of Speyside Bourbon.

SCOTCH WHISKY

STRONG RESISTANCE

STRONG RESISTANCE

55.4 M€

of sales,
organic decrease
of -5.9%

The whisky division achieved a higher-than-expected level of activity, demonstrating a strong capacity of resistance in what was a well anticipated downward cyclical turn.

The decline of the pound paradoxically restored the attractiveness of the whisky market.

Finally, the whisky market remains broadly well oriented in the medium term, with world consumption estimated to rise by around 2.3% per year over 2016-2020.

A NEW STRATEGIC ACQUISITION

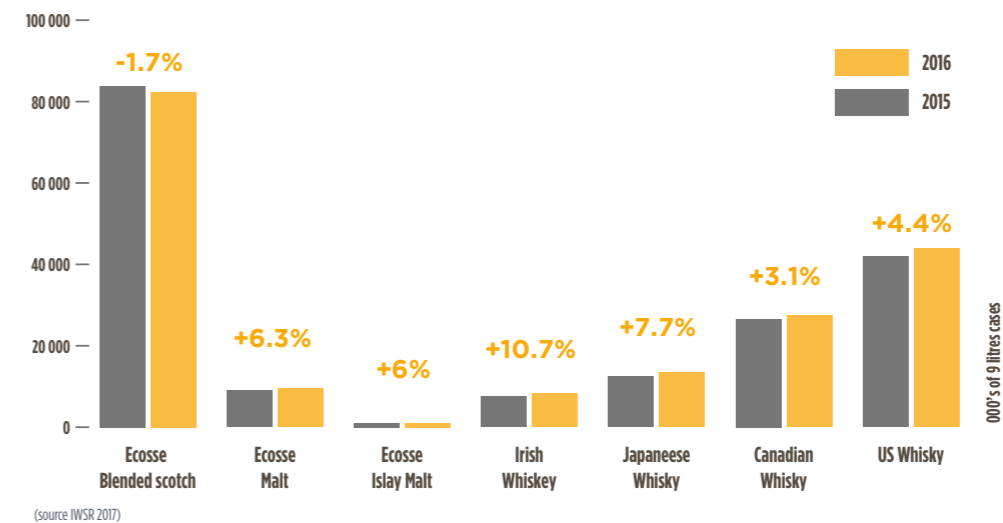
Barrels Unlimited Inc.

Renovation / trading – november 2016
Sales for whisky : 6 M€
2 workshops
50 people

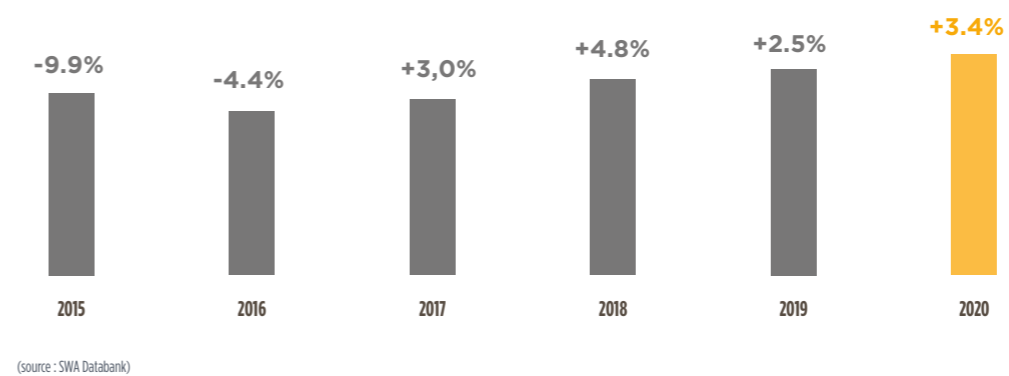


Renovation, trading : 80% of sales
Expected revenue 2017/2018 : 15 M€

EVOLUTION OF WORLD SALES VOLUME WHISKY 2016/2017



ANTICIPATED CHANGE IN WORLD PRODUCTION



BOURBON

A NEW SOURCE OF GROWTH

A MARKET THAT CONTINUES TO RISE

Bourbon sales rose from almost 42,000 cases to nearly 44,000 between 2015 and 2016 and the market is expected to grow by 14% by 2020.

TFF Group, after investing close to \$ 40 million in a new plant, in high-performance equipment and in stocks, needed to meet ambitious production targets. It held its forecast of \$ 20 million in sales with more than 100,000 barrels manufactured and sold in its first full year of production.

Today our goal is to double these figures over the current fiscal year, ie 200,000 barrels for \$ 40 million in sales, thanks to:

- market dynamics
- a full order book for 2017-2018
- our state of the art production tools
- the quality of our teams
- and finally, a new investment of \$ 9 million in the Virginia plant. An investment that will allow us to secure supplies and strengthen margins, although its effects will only really be felt in the 2018/19 fiscal year.

The current operating profitability will gradually strengthen as a result of the surge in sales and is expected to accelerate after the start of production at the stave mill.



ACCELERATION OF DIVERSIFICATION



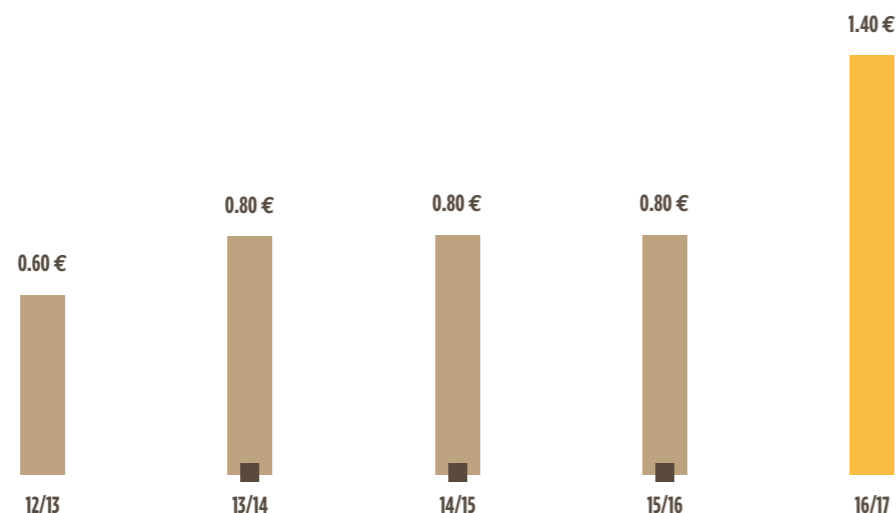
a new investment of \$9 million in Virginia stave mill

PRODUCTION AND TRADING OF WHISKEY AND BOURBON BARRELS



THE SHAREHOLDER'S BOOK

THE EVOLUTION OF THE DIVIDEND FROM 1999/2000 TO 2016/2017



ALLOCATION OF CAPITAL AT APRIL 30TH, 2017

71%
FRANCOIS Family

29%
Public



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

Euroclear: 7190

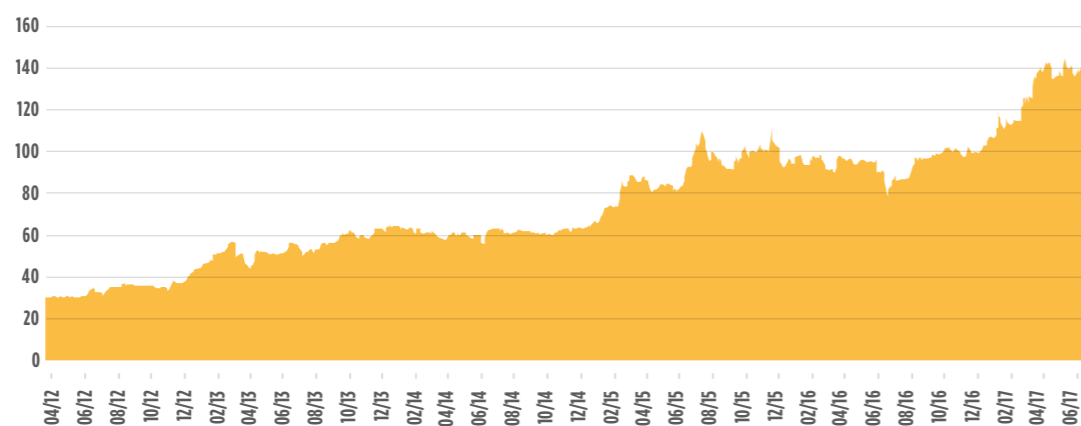
Eurolist - B
ISIN code FR 0000071904

Reuters: TEFE.PA

Bloomberg: TFF.FP

Eligible for PEA PME

THE FIVE-YEAR STOCK MARKET TREND



2017/2018 FINANCIAL COMMUNICATION CALENDAR

2017

- September: First quarter turnover 2017/2018
- 27th October: General assembly
- 5/15 December: Second half turnover 2017/2018
Half year results

2018

- 5/16 March: Third quarter sales 2017/2018
- 2/6 July: Annual results 2017/2018
Information meeting
- October: General assembly



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 Meo

Supervisory Board member

Monsieur Patrick Fenal

Supervisory Board member

Mademoiselle Philippine François

Supervisory Board member

TIME VISION OUR SIDE



SUMMARY

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MANAGEMENT REPORT OF THE BOARD OF DIRECTORS

AS PRESENTED TO THE COMBINED GENERAL ASSEMBLY OF OCTOBER 27TH, 2017

Ladies and gentlemen,

The General Meeting was convened to deliberate on the financial statements for the fiscal year that ended on April 30th, 2017; also to allocate the profits of said financial year, to rule on any regulated agreements entered into or continued during the same fiscal year and to look at other points, more fully described hereinafter.

The meeting will also allow us to give you an overview of the situation of the Company and of the Group (TFF Group) over the course of the past financial year, of its foreseeable evolution, of its research and development activities, of any important events included between the year's closing date and the publication of this report, as well as of any the social and environmental consequences of our activities.

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

I. CAPITAL DEVELOPMENTS

The capital did not change during the financial year that ended on April 30th, 2017, and thus amounts to 8,672,000 euros, divided into 5,420,000 shares with a nominal value of 1.60 euros each.

In accordance with article L 225-184 of the French Commercial Code, we inform you that there are currently no plans relating to stock subscriptions or purchase options;

II. ACQUISITIONS FOR THE YEAR DISPOSAL OF INVESTMENTS

TFF Group acquired the following companies during the year:

- 100% of the capital and voting rights of LEJEUNE SAS, located in the Bordeaux region, which manufactures and markets stainless steel tanks;
- 90% of the capital and voting rights of IDELOT PERE ET FILS, located in Villers Cotterêts, which is focused on forestry activities;
- 100% of the capital and voting rights of BARRELS UNLIMITED Inc., located in the United States, which is active in the following areas: the sale of new barrels, the sale of used barrels and the sale of flower pots.

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

III. CONSOLIDATED FINANCIAL PERFORMANCE AND STRUCTURAL RATIOS

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

Consolidated financial statements at April 30 th (in K€)	30/04/17	30/04/16
Turnover	227 880	194 987
Current operating income	45 639	40 380
Operating profit after MEE companies shares	45 611	41 039
Profit before Tax	46 394	41 264
Net income	32 448	29 285
Profit group share	32 077	28 928

Balance Sheet Accounts (in K€)

Shareholder equity	300 710	273 018
Net banking debt	45 721	28 374
Banking debt/own funds	0,152	0,104
Net inventories	189 718	167 184

2 - Evolution of business and results

- Progress made and challenges met

For the financial year 2016/17, consolidated sales amounted to 227,9 millions euros, a rise of 16,9 % on the previous year and of 8,9 % like-on-like (excluding currency and scope effects).

On a like-on-like basis, activity was up 4,4 % in wine and 19,1% in alcohols.

This growth was the result of the combination of two factors:

- The excellent performance of the Group's historical businesses,
- The acceleration of our expansion through new acquisitions and development.

On the wine market, barrel and oak products for oenology activities grew thanks to the dynamism of export markets and the solid resilience of sales in France despite the frost encountered in Burgundy.

The large containers market, which fell slightly, was penalized by an unfavorable base effect.

The three external growth operations carried out during the year: LEJEUNE (stainless steel vats), IDELOT (forestry operations) and BARRELS UNLIMITED Inc (for its wine cooperage business) contributed strongly to growth.

On the liquor market, Scottish cooperages recorded a higher level of activity than anticipated, demonstrating an unexpected resistance capacity in what remains an unfavorable cycle.

SPEYSIDE BOURBON achieved its business objective of \$ 20 million. Meanwhile the integration of BARRELS UNLIMITED Inc, over six months, with its whiskey repair and trading business has strengthened the growth of the Group's alcohol division.

The strong performance of the wine business, combined with a start-up phase for bourbon and a well anticipated decline in whiskey activities, all combined towards a good balance of profitability levels.

Profit from recurring operations increased by 13.2% to € 45.6 million compared with € 40.4 million in 2016, representing 20.0% of revenues.

The Group's operating income stood at € 45.6 million, up 11.2% after the integration of non-recurring items related to the latest diversifications.

The financial result for the year amounted to € 0.8 million, including a significant positive exchange rate effect.

Net income amounted to € 32.4 million (14.2% of revenues), an increase of 10.9%.

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

Financial and market risks

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

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

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

Legal risks

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

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

Insurance

As at April 30th, 2017, TFF Group regroups under a «master» policy in France the risks linked to property damage, interruption of business, civil liability and maritime transport. Depending on insurance risks, local policies are subscribed to locally and sometimes abounded by TFF Group's master policy. Civil liability insurance is taken out to cover all risks arising from the usual production activities of all TFF Group entities. In addition, product liability insurance protects the company from potential complaints arising from the use of TFF Group products.

The list of insurance plans taken out by the Group is provided in note 2.3.3 of the report of the Chairman of the Supervisory Board on the internal control procedures set up by the company.

4 - Information on the use of financial instruments

Please refer to the notes to the consolidated financial statements.

IV. ACTIVITIES OF THE PARENT COMPANY AND SUBSIDIARIES AND INVESTMENTS

1. Parent Company

It is specified that the annual accounts for the year ended at April 30th, 2017, which are subject to shareholder approval, have been prepared in accordance with the presentation rules and the valuation methods provided for by the regulations in force.

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

Turnover excluding taxes stands at 32,576 K € compared to 32,191 K € last year.

The operating result shows a profit of 8,542 K € compared to 7,648 K € last year.

The financial result stands at a profit of 3,495 K €.

Profit from recurring operations amount to € 12,037 thousand compared to € 13,688 thousand last year.

The exceptional result stands at a loss of 39 K €.

The net result shows a profit of 8,664 K € compared to 10,777 K € last year, taking into account a corporate tax of 3,058 K € and an employee profit-sharing of 276 K €.

In accordance with the provisions of Articles 223 quater and 223 quinquies of the General Tax Code, we note that the accounts for the parent company's current financial year cover those expenses that are not deductible from the taxable income as referred to in Article 39.4 of the General Code of Taxes, to the amount of 27,880 euros.

2. Subsidiaries and shareholdings

• French subsidiaries

French cooperages reinforced their level of profitability thanks to dynamic export markets.

French stave mills increased their levels of activity and results.

The large vat business fell slightly due to an unfavorable base effect.

The turnover in the field of wood products for oenology rose over the period.

• Foreign subsidiaries

In the wine business, development was as follows:

- US companies were affected by a high level of barrel stocks (left with customers) from 2015, a year that saw a small harvest,
- Australian and New Zealand subsidiaries benefited from a good harvest which improved their levels of activity and results,
- The activity of the Spanish subsidiary grew once again,
- The Chinese subsidiary maintained a moderate level of activity, in line with last year.

The whiskey cooperage business in Scotland and the United States held up as a result of steady growth in renovation / repair turnover and a rise in volume in the trading business. These above-average levels of activity offset the drop in unit prices.

In the oenological wood products sector, activity rose solidly in the USA after 2016 was impacted by a low harvest.

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

Under the terms of Article L.232-1 II of the Commercial Code, as amended by Order 2015-900 of July 23, 2015, it is specified that TFF Group does not have any branches.

V. SHAREHOLDINGS

In order to fulfill the legal obligation to disclose the identity of natural or legal persons owning more than one twentieth, one tenth, one fifth, one third or one half of the share capital, we hereby inform you that as of April 30th, 2017, the breakdown of the Company's capital and voting rights was as follows:

Situation at April 30th, 2017

	Number of shares	Number of voting rights	% of capital	% voting
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 and Mrs Jean François	71.760	71.760	1.32%	1.32%
Mr Jérôme François	174 409	174 409	3.22%	3.22%
Other (including Public)	1.584.921	1.584.921	29.24%	29.24%
TOTAL	5,420,000	5,420,000	100.00	100.00%

VI. LIST OF MANDATES AND FUNCTIONS EXERCISED BY EACH CORPORATE OFFICER

You will find this information in the table annexed to this report.

It is noted that each member of the Supervisory Board must own at least two shares of the company in line with article 15 of the articles of association.

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

None.

VIII. ANNUAL REMUNERATION OF CORPORATE OFFICERS IN THE COMPANY AND SUBSIDIARIES (IN EUROS)

	Fonctions exercées	Gross remuneration (including benefits in kind received from the company or its subsidiaries) (in €)	Benefits in kind	Attendance fees (in €)	Total euros	Reminder total euros (N-1)
Jean François	Chairman of the Supervisory Board	48.000		2.000	50.000	50.000
Jérôme François	Chairman of the Management Board	1.000.000	Car		1.000.000	808.249
Noëlle François	Member of the Management Board		None			
Nathalie Meo	Member of the Supervisory Board			2.000	2.000	2.000
Patrick Fenal	Member of the Supervisory Board			2.000	2.000	2.000
Philippine François *	Member of the Supervisory Board					
Total		1,048,000		6,000	1,054,000	862,249

* Appointed as of June 29th, 2017

It is specified in this respect:

- that the corporate officers do not receive any variable remuneration, except, where applicable, one-off or exceptional bonuses,
- there are currently no post-term commitments made by the company for the benefit of its corporate officers corresponding to elements of remuneration, indemnities, or benefits due or likely to be due in respect of the taking, cessation or change of their functions,
- that in the case of the retirement commitments from which Mr Jérôme François is entitled to benefit, there are no mechanisms or mechanisms for any such entitlements for other employees of the company,
- that there are no outstanding plans for the granting of options or bonus shares to executive officers.

Finally, additional information on the remuneration of corporate officers is included in the Supervisory Board's report on the draft resolutions relating to the principles and criteria for determining and allocating the fixed, variable and exceptional components of the total compensation and benefits attributed to corporate officers (Law Sapin II - Article L.225-82-2 of the Commercial Code).

IX. INFORMATION CONCERNING THE TRANSACTIONS CARRIED OUT BY THE OFFICERS AND THEIR FAMILIES OF ANY SECURITIES OF A LISTED COMPANY

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

X. SOCIAL AND ENVIRONMENTAL CONSEQUENCES OF OUR ACTIVITY

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

DECLARATION BY JÉRÔME FRANÇOIS CHAIRMAN OF THE BOARD OF DIRECTORS OF TFF GROUP

The exercise we have just completed was marked by the successive integration of three new companies operating in complementary businesses. These three entities, all strongly marked by family values, have joined TFF Group but have retained their managerial and staff teams.

The activities of SAS LEJEUNE, specializing in the design of stainless steel vats and tanks and those of BARRELS Unlimited, which is involved in the manufacture, renovation and trading of barrels, sit perfectly well within the Group's production chain, which is built around a variety of entities dedicated to the aging of wines and spirits.

IDELOT Père et Fils, which specializes in logging, completes the stave milling business and extends the group's expertise into the supply of oak wood.

The staff of these three companies will enrich the group's know-how.

The growth of TFF Group, which continued over the last year, is based on three key principles:

- The careful assimilation of the staff of the companies that join the group by ensuring their adherence to the values of TFF.
- The placing of customer service at the heart of the group's priorities, and the ability to provide products and services that are diversified.
- The guarantee of a quality product with controlled traceability and produced with sustainably managed raw materials, in partnership with responsible suppliers who are as committed as we are to preserving the environment.

Adherence to these principles enables TFF Group to achieve steady and balanced growth in partnership with its various stakeholders.

Jérôme François



REPORTING METHODOLOGY

This year, the scope of our Corporate Social Reporting was broadened with the entry into the group of two new French companies: SAS Lejeune and Idelot Père et Fils; as well as a company in the USA: Barrels Unlimited. The CSR perimeter is identical to that used for accounting purposes but excludes a number of sites that have no employees or companies in which our stake is below 51%. Any site sold or purchased during the reference period will be subject to reporting in proportion to the time spent within the Group.

Our CSR reporting was carried out for the period from May 1st, 2016 to April 30th, 2017. The reporting follows the GRI 3 model, which conforms to the recommendations of the AMF on the basis of a diagnosis corresponding to ISO 26000. The information is collected from all subsidiaries via Opera Amelkis software, and is checked at subsidiary level and then at head office level, before being consolidated at head office level.

We have not excluded any indicators this year.

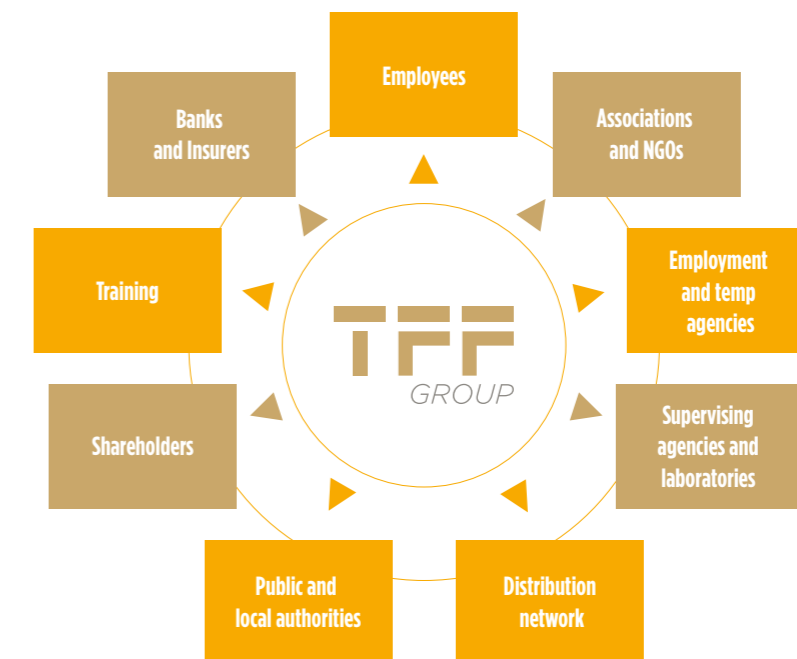
CSR reporting is overseen by TFF Group's Chief Financial Officer, and carried out by the person in charge of hygiene, health and safety at François Frères Management.

OUR VALUES

TFF Group has grown with the acquisition of three new companies this year, increasing its workforce by 191. True to its values, TFF Group has taken on all of the existing teams, thus perpetuating the human potential of these companies and retaining their know-how.

Like all Group companies, these new entities will ensure a regularity and quality of service thanks to their proximity with customers, even as any environmental impact due to transport is minimised.

Stakeholders of TFF Group:



CUSTOMER SATISFACTION AND CONSUMER HEALTH AND SAFETY

RESEARCH AND DEVELOPMENT

TFF Group pursues a constant objective of improving its products and production equipment. Each company within the group develops innovative and varied solutions in order to satisfy customer requirements. TFF Group internally designs processes to adapt its production tools to any technical evolutions and to specific customer requests (during this research and design phase, ergonomics as well as different user requests are taken into account). Follow-up after implementation and corrective actions are carried out to ensure the proper functioning of all production tools. This year, Stavin was awarded the Vineyard and Winery Management Award for Best Supplier in the Wine Industry.

QUALITY AND TRACEABILITY

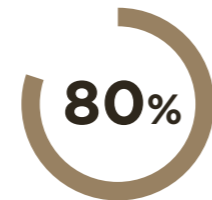


TFF Group continued its vertical integration this year, with the acquisition of Idelot Père et Fils, a company specializing in logging, with the aim of ensuring an adequate and regular supply of quality wood, particularly in France. Our foreign subsidiaries ensure the traceability of their resources and barrels by acquiring raw materials locally as much as it can.

Our stave mills provide



Of the oak used by the Group in France



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



SUSTAINABLE USE OF RESOURCES

68,15 % of the timber purchased by TFF Group is PEFC certified.

Change over 3 years	N-2	N-1	2016-2017
% of PEFC wood purchases	40.93 %	47.63 %	68,15 %



(EN12 GRI 3)

In France, 50 % of our cooperages and 100 % of our stave mills are PEFC certified

TFF Group favors the purchase of certified wood where the availability of its suppliers allows. This certification, as well as the French and American origin of the wood used, is a guarantee of compliance with the rules and requirements as defined by international standards. (HR 2 GRI 3) The provenance of our woods, 67.48% of French oak and 32.51% of American oak, ensures the sustainable exploitation of the forests in question and the respect of the biodiversity of the forest's ecosystems. (EN 12 GRI 3) In order to take into account environmental issues, eight subsidiaries out of twelve in France and six production units out of eleven abroad, have a person in charge of Hygiene Safety and the Environment (AP John - Camlachie - Speyside Bourbon - Speyside Kentucky - Demptos USA - Isla) Environmental awareness actions are provided internally. (LA10 GRI 3)

FOOD SAFETY

TFF Group uses manufacturing processes to eliminate known allergens such as gluten and to carry out analysis of its products and raw materials by authorized specialist laboratories.



1/3 of French subsidiaries have set up a Quality Management System

RESPONSIBLE GROWTH AND SOCIAL ENGAGEMENT

RESPONSIBLE GROWTH

TFF Group's raw material supply depends mainly on French and American oak forests. The protection of these ecosystems and the sustainability of the forests is a prerequisite for ensuring the future of the group. TFF Group is diversifying its offer to meet market and customer needs, while meeting European and global sanitary standards for products destined to contain food products. TFF Group is committed to removing all sources of contamination during its production processes in order to ensure the health and safety of the end user. TFF Group is constantly looking for solutions to improve its products while reducing its environmental impact, in particular by optimizing its logistics, energy and raw materials consumption. The activity and location of the TFF Group's sites does not, to our knowledge, cause competition with the populations of the countries concerned, as regards access to the land used. We did not find any harm to the local biodiversity due to the activity of the subsidiaries of TFF Group. (EN 12 GRI 3)

RESOURCES

Wood purchases and consumption rose sharply this year, mainly due to the purchases and consumption of Speyside Bourbon, whose production represents half of the Group's wine barrel production (purchases and consumptions in proportion to the number of months since they entered the accounting perimeter). (EN 1 GRI 3)

	N-2	N-1	2016-2017
Total wood consumption (m ³)	57 713	57 244	67 279
Total wood purchases (m³)	62 501	58 844	151 500

All TFF Group products meet European and international food safety standards. No substances that do not comply with food safety standards are used in our products. (PR 1 GRI 3)

NB : purchases and consumption of wood tend to be over-estimated as they include our purchases and consumption from staves bought from within the group.

The integration within the accounting perimeter of Idelot Père et Fils raises wood purchases by 78 961 m³ over the period. Excluding Idelot, these purchases would be 72 535 m³. Idelot Père et Fils carries out a trading activity only and has no wood consumption of its own. For the first time and because of the integration of SAS Lejeune which specializes in stainless steel tanks, TFF Group is declaring purchases and consumption levels for stainless steel. All of our stainless steel suppliers are European and therefore subject to European regulations.

	2016-2017
Total stainless steel consumption (Tonnes)	299
Total stainless steel purchases (Tonnes)	299

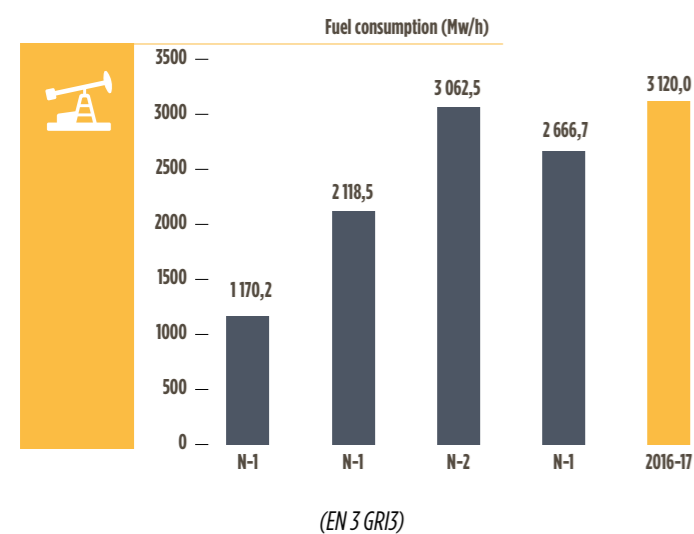
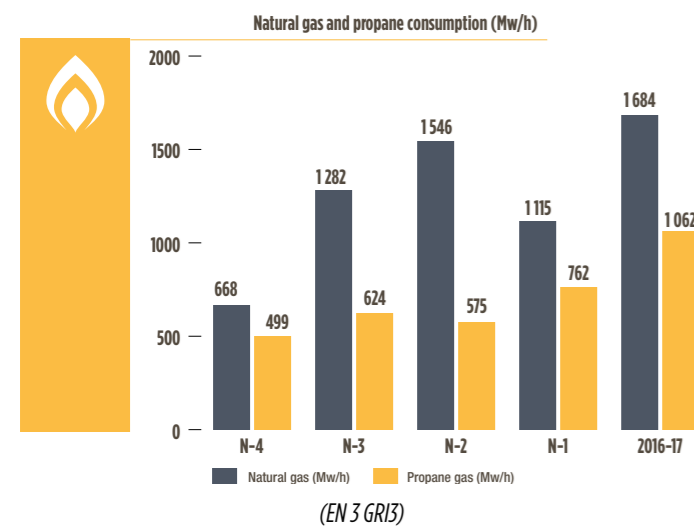
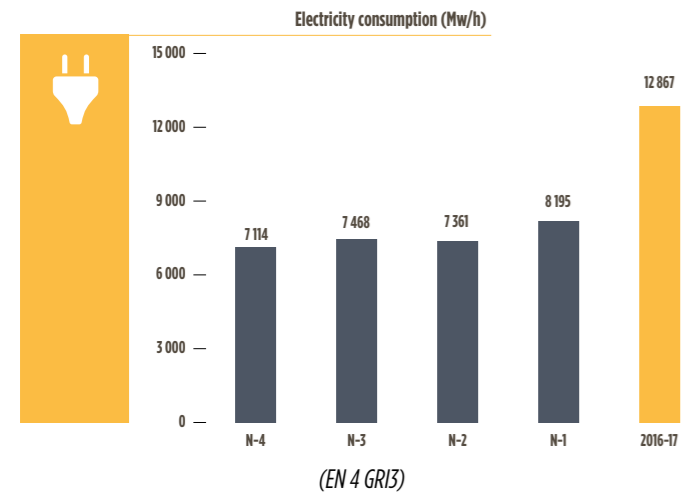
TFF Group reduces its environmental impact through its whiskey chain by recycling used barrels from its own production and also from other cooperages. This year the number of recycled barrels stood at 2.61 barrels recycled for every barrel produced. (EN 2 GRI 3)

Number of recycled barrels for each barrel produced



ENERGY

TFF Group's overall energy consumption has doubled over the last five years, with all energy sources increasing in various proportions. TFF Group's first energy source is electricity, followed by fuel, then natural gas and propane.

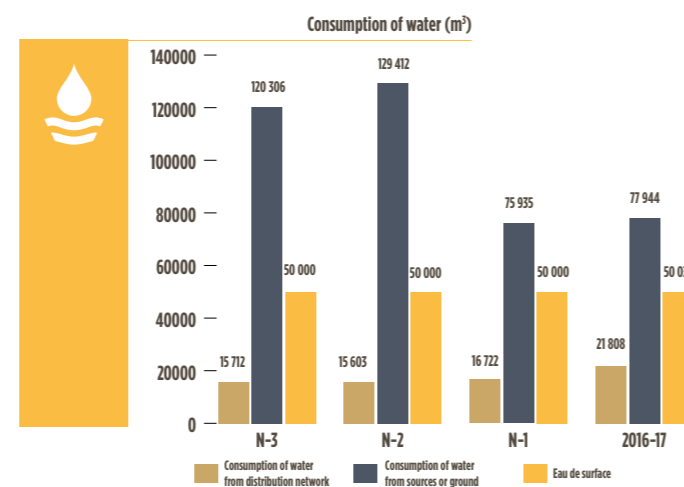


TFF Group has, for many years now, put in place measures to improve energy efficiency. Measures that remain in force to this day. This year, there was no additional investment in this area. (EN 5 GRI3)

Initiatives to reduce energy consumption

Lejeune and Bouyoude cooperages have reduced their energy consumption by replacing their neon lights with LED neon lights. Bouyoude also bought a condenser battery to improve the power supply while reducing the impact of any disturbances on the electricity network, This should lead to a decrease in electricity consumption. (EN 7 GRI3)

WATER MANAGEMENT



Consolidated figures from the calendar year (EN 8 GRI3)

TFF Group's water supply comes mainly from groundwater extractions (52.04%), but also from surface water collection (33.40%). The remaining 14.56% is drawn from the distribution network. It should be noted that this year the share of water drawn from the distribution network rose by 2 points. (EN 9 GRI3)

TFF Group recycles 450,000 m³ of water per year, or 3.03 times more water than it consumes. This water is used several times for the watering of the wood and comes from a pond fed with rainwater. This process greatly reduces the impact of water usage by TFF Group. (EN10 GRI3)

450 000 m³ of water recycled each year

NOISE POLLUTION

Sound insulation measures have been put in place in the subsidiaries concerned in order to reduce noise pollution for local residents. They include :

- The replacement of the turbine of the cyclo filter at Demptos cooperage
- The limiting of working hours at Arobois.

PREVENTION AND MANAGEMENT OF WASTE

	N-2	N-1	2016-2017
Production of hazardous waste (tons)	44	3	7
Production of non-hazardous waste (tons)	8 389	8 722	35 363

(EN 22 GRI3)

TFF Group reuses 90.31% of the by-products of its production - such as sawdust, wood chips and pieces of wood - which are then transformed into compressed wood, firewood, and wood to feed the heaters in the cooperage. Other waste is collected and recycled at the waste collection center (including plastic, cardboard and metals).

CIRCULAR ECONOMY



As part of our activities, we contribute to the circular economy at all stages of the barrel's life:

- Upstream, by sustainable purchases of raw materials
- During the production process, by rationalizing the use of the raw material and by re-using part of the wood for oenological products and for heating the barrels.
- Downstream:
 - By purchasing and reconditioning second-hand barrels to give them a second life as alcohol barrels
 - By the resale of wood waste as firewood
 - Through a final transformation of the barrels either into wood for furnishing, or into decorative objects or flower pots.

FOOD WASTE

TFF Group is not directly affected by this indicator because we do not have collective catering within the group.

ENVIRONMENTAL PROTECTION

TFF Group does not use CFCs in its production processes. Air-conditioned premises represent a surface area of just over 3,200 m² for the entire Group. (EN 19 GRI3)



TFF Group recycles up to 90% of its waste

The evolution of TFF Group's carbon emissions follows the evolution of production, which is considerably higher than last year, following the increase in production generated by the development of Speyside Bourbon. The carbon footprint of TFF Group remains however relatively low, as subsidiaries are generally located close to their customers. This carbon calculation applies only to TFF Group's cooperages. (EN 16 GRI3)

	N-2	N-1	2016-2017
Carbon footprint in Tonnes equivalent in CO ²	17 534	15 939	26 581

As TFF Group is aware of the risks associated with climate change, it has diversified its activities in order to limit any potential impacts. For the moment, its sites are not directly affected by any restrictive measures imposed either by local or national authorities. (EC 2 GRI 3)

TFF Group's activities do not place it as a major contributor to greenhouse gas emissions. Only travel and logistics represent sources of greenhouse gas emissions. TFF Group is working to reduce these by rationalizing the transport of its goods and through the careful planning of its staff's travel. (EN30 GRI3)

All French subsidiaries of the group are covered by a civil liability plan for environmental risks. (EN28 GRI3)

SOCIAL DATA

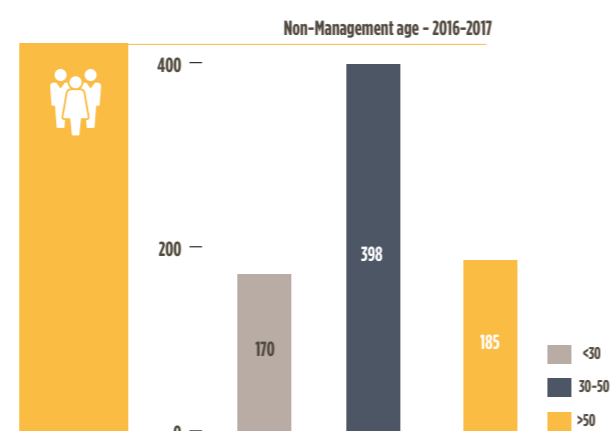
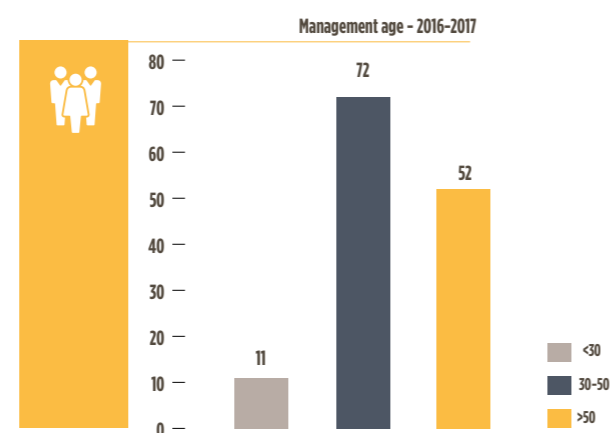
Number of employees by area:

TFF Group's workforce grew by 191 this year as 99 newcomers were added through the new subsidiaries and Speyside Bourbon increased its workforce by 59. (LA1 GRI3)

Areas	N-2	N-1	2016-17
Europe	511	503	575
United States	106	154	270
Australia	31	31	34
New Zealand	1	1	1
China	6	6	6
South Africa	2	2	2
TOTAL	657	697	888

Workforce by age :

The majority of TFF Group employees are between the ages of 30 and 50, with simliar numbers of those under thirty and those over fifty. The management staff has relatively few members under the age of thirty, despite a slight increase this year. (LA1 GRI3)



Staff turnover (LA2 GRI3) :

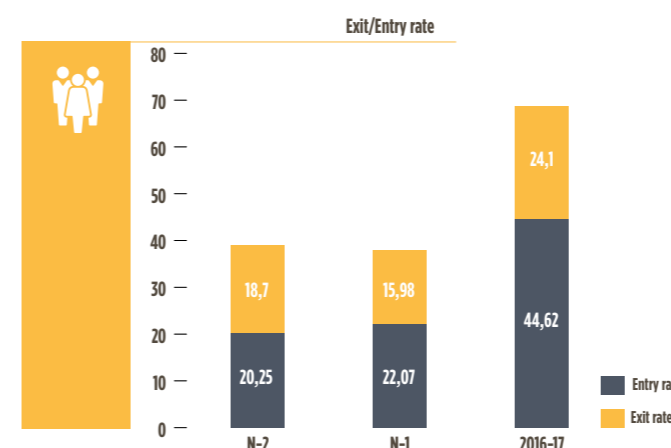
	N-2	N-1	2016-2017
Turnover	11.91%	19.03%	34.36%*

* Entry rate sharply up as a result of the arrival of staff from the three new subsidiaries.

The turnover rate stands at 13.32% in France, which marks an increase of a little more than 5 points compared to last year. (Average rate for French companies: 16.8% in the 1st quarter 2015 – source : Dares Indicators N° 054 - July 2015).

In foreign subsidiaries the rate is higher (59.43%), mainly in the United States.

Overall, TFF Group's rate was 34.36% this year, due to a strong increase in the entry rate (44.62 compared to 22.07 in N-1). The exit rate rose slightly to 24.10 this year against 15.98 in N-1. This increase is multifactorial: retirements, resignations and redundancies, as well as the ending of some fixed-term contracts.



Men / Women (LA13 GRI3)

Women accounted for 15.7% of TFF Group's staff this year, down slightly from 16.2% last year. They accounted for 23.1% of managerial staff, compared with 24% last year- in all, half of the members of TFF's Management Board and one third of the members of its Supervisory Board.

All of TFF's French subsidiaries are covered by a professional branch agreement, which covers professional and wage equality between men and women, an agreement that was signed on July 5th, 2011.

Three subsidiaries with more than 50 employees concluded gender equality agreements in 2014, in accordance with the legislation in force. Foreign subsidiaries in the United States and China have a parity clause included in their employment contracts, in accordance with the regulations there.

The rate of training for women was 53.95% this year (59% in N-1), with an average of 15.56 hours spent per trained employee (22 hours in N-1). It should be noted that the training rate and average hours of training of women is equal to that of men, respectively 54.6% and 15.99%.

Employment of persons with disabilities

TFF Group employs 32 people with disabilities worldwide and 20 disabled people in France, ie 4.56% of the staff (4.22% in N-1). The number of disabled people employed in France increased in line with the increase in the number of overall employees in those subsidiaries. To fulfill its obligations, TFF Group uses ESATs or equivalent to perform certain subcontracting tasks. (LA13 GRI3)

Measures Taken for Better Accessibility

The Demptos cooperage built new offices and reception rooms this year in line with the latest accessibility standards.

Discrimination in employment and occupation

There were no discrimination incidents reported over the course of the year within TFF Group. (HR4 GRI3)

HEALTH AND SAFETY POLICY

TFF Group's health and safety policy aims to improve working conditions and is based on the adaptation of workstations and machines, in particular on an ergonomic level to reduce pain. This common policy is managed by each subsidiary with the participation of employees, employees' delegates and Health, Safety and Working Conditions Committees.

Some examples of facilities:

- Stavin invested in the construction of a soundproof room with an aspiration system, to eliminate wood dust and reduce noise inside the workshop.
- Improved extraction of heating fumes and commissioning of 2 new loading docks at the Demptos site.
- Purchase of lifting tables, a stacked heated tent, and a forklift with closed cabin at the Bouyoude site.
- Purchase of two lift trucks with a closed cabin at the François Frères site.

Accidents, occupational sicknesses and absenteeism (LA7 GRI3)

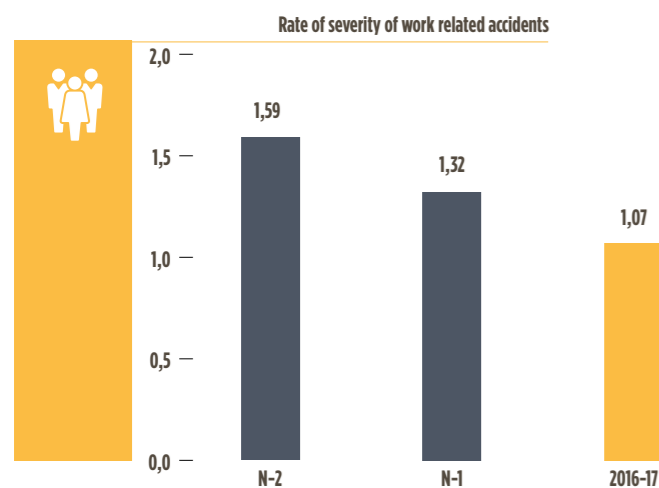
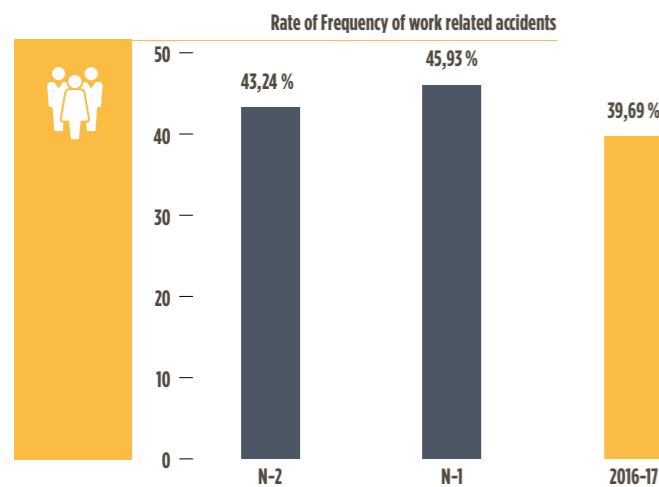
The rate of absenteeism has been steadily declining over the past three years, largely due to a reduction in the severity of occupational accidents, leading to a fall in the number of days taken off.

The number of accidents leading to work stoppages remained at 57 this year. The severity of these accidents has been also declining steadily over the past three years.

	N-2	N-1	2016-2017
Absenteeism rate	4,84%	4,59%	4,39%
Frequency rate of work-related accidents *	43,24%	45,93%	39,69%
Severity rate of work-related accidents	1,59	1,32	1,07

* frequency rate for the French cooperage sector: 58,8 in 2013

SPIRIT OF PARTNERSHIP AND DIALOGUE



Total number of training hours (LA10 GRI3)

TFF Group employees benefited from 7,710 hours of training this year. (LA10 GRI3)

	N-2	N-1	2016-2017
Hours of training	10 214	13 169	7710

Skills development (LA11 GRI3)

New skills within TFF Group are acquired either through tutoring within the context of apprenticeships or through the development of in-house skills and know-how for those cooperers who already have a diploma in coopering. Further training is provided at the request of employees throughout their career.

Percentage of trained employees

55% of TFF Group's workforce was trained for an average of 16 hours. The average duration of training in France was 13 hours per trained employee (18 hours in N-1), and 17 hours for foreign subsidiaries (57 hours in N-1). We see a sharp drop in the number of hours of training per employee abroad which can be explained by the fact that Speyside Bourbon and Camlachie completed the training of all the employees recruited last year.

38% of employees in France and 70% of employees abroad were trained during the year.

TFF Group saw 9 occupational diseases reported in the 2016-2017 financial year. These occupational diseases were all musculoskeletal-related, the most frequent cause of occupational disease in our industry. TFF Group regularly invests to improve the ergonomics of its work posts in order to prevent these diseases.

Brive Tonneliers this year redesigned a workstation in order to improve the conditions for an employee with musculoskeletal disorders, even though the disorders in question were neither declared nor recognized as being work-related.

MAINTENANCE AND DEVELOPMENT OF SKILLS/KNOW-HOW

TFF Group focuses on in-house training for its employees in order to maintain and develop their skills and know-how, both of which are essential ingredients in the manufacture of our products. In terms of training in health and safety, TFF Group uses outside organizations to train its employees.

The budgets and training hours are managed within each subsidiary of the group according to the specific needs related to their activity.

TFF Group favors recruitment on the basis of open-ended contracts, although this year the use of fixed-term contracts and of temporary workers did increase, mainly in the United States. This increase was the result of a temporary adaptation of the subsidiaries to the constraints of the market.

Number of employees by type of contract:

Type of contract	N-2	N-1	2016-2017
Permanent contract	97.4%	97.1%	92.5%
Short term contract	2.6%	2.9%	7.5%

Evolution du nombre d'intérimaires et d'apprentis :

Type of contract	N-2	N-1	2016-2017
Temporary workers	38	39	52
Apprentices	17	15	17

In terms of working time organization, TFF Group focuses on daytime work. Two subsidiaries use work in 2 x 8 or 3 x 8 shifts for a total of 36 employees, including 4 women. Scheduling according to family or personal constraints is possible and depends on negotiations within the different entities of the group.

TFF Group's remuneration policy is decided at subsidiary level with the approval of the General Management of TFF Group and in accordance with the regulations in force in each country. TFF Group exceeds statutory minimum wages in all its subsidiaries, except two where the minimum wage is identical to the country's legal minimum wage. Each subsidiary practices a regular salary indexation in order to promote and encourage the efforts of its employees. (EC1 and EC5 GRI3)

	2015-16	2016-17	Change
Wages paid to staff without taking the new acquisitions into account (K€)	29 032	31 577	8.8%
Gross wages paid to staff with the new acquisitions taken into account (K€)	29 032	34 173	17.7%
Workforce	787	978	24.26%

The organization of the group's social dialogue takes place within each subsidiary in accordance with the laws in force, between the delegates or representatives of the staff and the management of the different companies.

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

Collective agreements

In France, four intergenerational plans, two "hardship at work" plans, two annual working time agreements and an incentive agreement were all signed this year. No agreements have been signed in the foreign subsidiaries. (LA4 and LA9 GRI3)

The representation of employees within the Group by delegates stands at 43% this year, compared to 51% last year, of which 77% are employees in France. (LA6 GRI3)

In France, 47% of employees are covered by a CHSCT (61% last year), and seven out of sixteen subsidiaries abroad have staff members who are part of a health and safety committee. (LA9 GRI3)

In France, the subsidiaries of TFF Group have completed their hardship at work plans. The last part of the new law on hardship at work is being finalized, so we are awaiting the Government's final clarification concerning the law's simplification. For the time being, subsidiaries abroad are not concerned.

DIALOGUE WITH STAKEHOLDERS

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

TFF Group practices a long-term investment policy and its purchases, mainly made of oak wood (of which 68.15% is PEFC certified), come from identified and secured channels originating mainly from three countries: France, the United States and Hungary.

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

TFF Group carries out actions in support of the heritage, culture and preservation of the wine-growing regions and associated know-how, whether through patronage, specific actions by staff, the loan of products, tools for events, the organization of forest visits or through apprenticeship training. (SO 5 GRI 3)

In a spirit of sustainability and the maintenance of know-how, TFF Group favors proximity recruitment and the retention of staff when acquiring companies. The exchanges with the various stakeholders are thus simplified and allow for better integration and collaboration within the community. (SO 1 GRI 3)

TFF Group, did not find any major risks of corruption on its sites, either internally or in its relations with third parties. The monthly and annual reporting of subsidiaries, as well as accounting, financial and CSR controls, are essential preventive measures. Nevertheless, TFF Group's management remains very attentive to these questions, and regularly visits the various subsidiaries to ensure that the Group's values are respected. (SO 3 GRI 3)

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

Strengthened procedures have been put in place within subsidiaries in the USA to ensure that employed persons are not in an unlawful situation and are therefore not subject to forced labor. In France and in other subsidiaries, recruitment procedures and low staff turnover make it possible to monitor the situation of employees very efficiently. (HR 7 GRI3)

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

OUR EVENTS

CULTURE

Tonnellerie Radoux subsidizes two local musical events:

The Cap Ferret Festival - 7th edition, a dozen open-air concerts in the enchanting setting of the Cap Ferret peninsula.

The Cognac Blues Passion Festival, a five-day event, which brings together 40 artists for a series of fifty concerts in the sumptuous setting of a listed garden.



Tonnellerie François Frères subsidizes several cultural events:

The Music and Wines Festival at the Clos Vougeot - 10th edition, and the « Festival des Musicaves de Givry », as well as the unmissable event of « Saint Vincent Tournante 2017 » in the Burgundy town of Mercurey.



SPORT

Tonnellerie Demptos subsidizes the Tennis & Hockey Club Villa Primrose of Bordeaux, a club founded in 1897.



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

Speyside Broxburn organized, in partnership with the Guinness Book of



Records, an attempt to set a world record for the fastest ever assembly of a 190 liter barrel. In doing so they created a new category of record for the Guinness Book of Records.



CHARITY

- Donation by Speyside Broxburn to Cancer Research
- Donation by Stavin to a university education program on wine and youth associations.
- Donation by Demptos Napa to research on Multiple Sclerosis (Crush MS) and to Dunn Stanford University.

XI. RESEARCH AND DEVELOPMENT-COMMITMENTS OF THE COMPANY FOR THE CIRCULAR ECONOMY

These topics are developed in Part X dedicated to CSR.

XII. IMPORTANT EVENTS SINCE THE END OF THE FINANCIAL YEAR

There have been no significant events since the end of the financial year, except for an ordinary and extraordinary general meeting of TFF Group held on June 29th, 2017, at which the following decisions were taken:

- Appointment of a new member of the Supervisory Board in the person of Miss Philippine François for a period of six (6) years, which will expire at the meeting called to approve the accounts of the Company at the end of 2023.
- New authorization granted to the Management Board to implement a share buy-back program for TFF Group in accordance with Article L.225-209 of the French Commercial Code, this as a result of the increase in the market price since the last such program, which was granted by the general meeting of 27 October 2016.
- Authorization granted to the Executive Board to cancel all or part of the shares acquired, up to a limit of 10% of the share capital, for a maximum period of eighteen months.
- Power granted to the Supervisory Board to make the necessary amendments to the Articles of Association to bring them into line with the laws and regulations, subject to the ratification of these amendments by the next extraordinary general meeting (this in line with Article L.225-36 of the Commercial Code amended by Law 2016-1691, of December 9th, 2016).
- Division of the nominal value of the Group's shares in order to favor the access of new shareholders to the company's capital and thus to promote the liquidity of its shares: the nominal value of the company's shares will be set at 0.40 € and, consequently, a split of each share of € 1.60 will be carried out through an exchanging of the shares on the basis of the delivery of four shares of € 0.40 against one of 1.60 €. Shares of € 0.40 will simply be substituted for the € 1.60 shares that will be canceled, without the result of this exchange leading to any change in the relations between the company and its shareholders. All powers have been granted to the Management Board to carry out this exchange, to record the number of existing shares, to amend the bylaws accordingly and more generally, to take the necessary steps to implement these decisions by, at the latest, the general assembly held in 2018 to approve the financial statements for the year ended in 2018.

XIII. INFORMATION ON PAYMENT TIMES

In accordance with the provisions of articles L. 441-6-1 and D. 441-4 of the French Commercial Code, the breakdown by maturity of the balance sheet of our company as of April 30th, 2017 and April 30th, 2016 is shown below.

In their report on the annual accounts for the financial year ended April 30th, 2017, the Statutory Auditors expressed their observations concerning the fairness and consistency of this information.

In Euros	April 30 th 2017	April 30 th 2016
Expired deadlines	189.280 euros	183.788 euros
Deadlines less than 30 days	1.705.994 euros	1.988.453 euros
Deadlines of between 30 and 60 days	1.112.771 euros	1.284.997 euros
Deadlines of more than 60 days	21.676 euros	5.724 euros
TOTAL	3.029.721 euros	3.462.962 euros

XIV. MENTION OF THE POSSIBLE CONVENTIONS REFERRED TO IN THE LAST SUBPARAGRAPH OF ARTICLE L. 225-102-1 OF THE COMMERCIAL CODE

The management report must now include, except in cases of current transactions, concluded under normal conditions, any agreements concluded, directly or through intermediaries, between:

- on the one hand, one of the members of the Management Board or the Supervisory Board or one of the shareholders with a fraction of the voting rights exceeding 10%, TFF Group and,
- on the other hand, a subsidiary of which TFF Group owns, directly or indirectly, more than half of the capital.

In this context, it is hereby stated that no such agreement was found, apart from those relating to current operations and concluded under normal conditions.

XV. COMBINED GENERAL MEETING OF 27 OCTOBER 2017

1 - PRESENTATION OF RESOLUTIONS IN ORDINARY FORM

• The purpose of the first resolution is to submit to your approval the parent company's financial statements for the year ended on April 30th, 2017, as well as to discharge the members of the Management Board and the Supervisory Board with regard to the execution of their mandate for the year.

• Pursuant to the 2nd resolution, the General Meeting will have to decide on the payment on November 8th, 2017 of a dividend of € 1.40 per share of the share making up the capital.

When dividends are paid to natural persons domiciled in France, the dividend is paid after application at source of gross social contributions at an overall rate of 15.5% and, in most cases, of a compulsory 21% levy deducted as an advance payment of income tax. As the latter dividend is not final, the gross dividend is subject, after application of the 40% reduction provided for in Article 158, 3-2 ° of the General Tax Code, to income tax on a progressive scale.

Thus, the profit of the parent company, or € 8,663,769 would be allocated as follows:

- the distribution of a dividend of	7,588,000 euros
- and to the balance of the «Other reserves» account	1,075,769 euros
Total equal of the profit to be allocated	8,663,769 euros

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

Exercice	2013/2014	2014/2015	2015/2016
Number of shares	5 420 000	5 420 000	5 420 000
Net dividends (euros)	0,80	0,80	0,80
Dividend eligible for rebate	0,80	0,80	0,80

• The purpose of the 3rd resolution is to approve the Statutory Auditors' special report on regulated agreements entered into during the financial year ended on April 30th, 2017. In this regard, the following clarifications are made:

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

2) These agreements are now reviewed annually by the Supervisory Board and communicated to the statutory auditor in accordance with the applicable legal provisions (Article L. 225-88-1 of the French Commercial Code). The Supervisory Board conducted this annual review at its meeting on July 17th, 2017.

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

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

With SAS LA DEMIGNIERE

Shareholder and director concerned: SAS LA DEMIGNIERE which holds more than 10% of the voting rights, Mr Jérôme FRANCOIS Chairman of SAS LA DEMIGNIERE.

1st Convention

Nature and purpose: Renewal of the lease ended on December 31st, 2016 relating to premises for reception use representing a total area of 33 ares 78 centiares located at SAINT ROMAIN (21190) Impasse Saint Hilaire.

Terms and interest: The lease is renewed for a further nine-year period from January 1, 2017 to December 31st, 2025 and granted at an annual tax-free rent of € 32,000, representing an expense of € 10,666 for the year. This agreement aims to facilitate the reception of customers and partners of the company thus allowing the maintenance and development of the business.

2nd Convention

Nature and purpose: Effective January 1st, 2017, the 9-year lease agreement entered into on May 1st, 2014 and ending on April 30th, 2023, relating to a property complex representing a total area of 17 ares 69 centiares located in SAINT ROMAIN (21190), Le village bas.

Modalities and interests: The lease is modified to take into account the renovation and fitting work carried out within the building and borne by the lessor. The rent of the lease is increased by 3,000 euros excluding taxes and granted from now on for an annual rent excluding taxes of 50,000 euros or an expense of 16,667 euros for the year. The modification of this agreement aims to facilitate the reception of customers and partners of the Group's entities allowing the maintenance and development of its activity.

- The purpose of the 4th resolution is to submit for your approval the consolidated financial statements for the year ended on April 30th, 2017, as presented above.
- Within the framework of the 5th resolution and pursuant to Article L.225-82-2 of the French Commercial Code, the Shareholders' Meeting will have to vote on the principles and criteria for determining, allocating and attributing fixed, variable and exceptional items comprising the total compensation as well as benefits of any kind paid to the Chairman of the Executive Board, as detailed in the report attached to the report referred to in Articles L.225-100 and L.225-102 of the Commercial Code and presented in the annual report (it being specified that the second member of the Supervisory Board does not receive any remuneration at this time within TFF Group).

We propose that you approve the principles and criteria adopted by the Supervisory Board as presented in this report.

- Within the framework of the 6th resolution and in line with Article L.225-82-2 of the French Commercial Code, the Shareholders' Meeting will have to vote on the principles and criteria for determining, allocating and attributing shares and exceptional elements comprising the total remuneration and benefits of any kind attributable to the Chairman of the Supervisory Board as detailed in the report attached to the report referred to in Articles L.225-100 and L.225-102 of the French Commercial Code and as presented in the annual report.

We propose that you approve the principles and criteria adopted by the Supervisory Board as presented in this report.

- In the context of the 7th resolution and in line with Article L.225-82-2 of the French Commercial Code, the Shareholders' Meeting will have to vote on the principles and criteria for determining, allocating and attributing all fixed and variable components of the total remuneration and benefits of any kind attributable to the members of the Supervisory Board, as detailed in the report attached to the report referred to in Articles L.225-100 and L.225-102 of the French Commercial Code and as presented in the annual report.

We propose that you approve the principles and criteria adopted by the Supervisory Board as presented in this report.

- Pursuant to the 8th resolution, you be asked to decide on the allocation of attendance fees to your Supervisory Board, the total amount of which would be 12,000 euros.
- Pursuant to the 9th resolution, you will be asked to vote on the appointment as substitute co-statutory auditor, the Compagnie Générale d'Audit et Associés, domiciled at 7 rue Marguerite Yourcenar - BP 67916 in Dijon (21079). They will replace Jean-Yves Martin (who resigned due to retirement), for a period expiring at the annual general meeting that will be called to approve the accounts for the financial year ended on April 30th, 2018, which will also be the date of expiry of the term of office of the predecessor.

- As part of the 10th resolution, the Shareholders' Meeting will have to decide on the renewal of the term of office of a member of the Supervisory Board. In this respect, we propose to renew the term of office of Mrs Nathalie Méo, a member of the Supervisory Board, for a term of six (6) years expiring at the meeting to approve the financial statements for the financial year ending in 2023
- In accordance with the 11th resolution, you will also be asked to authorize the Executive Board to implement a share buy-back program in accordance with Article L.225-209 of the French Commercial Code: In order to enable our Company to improve the financial management of its own funds, we propose, in accordance with the provisions of Article L.225-209 of the French Commercial Code, to authorize your Executive Board to acquire a number Shares representing up to 10% of the shares making up the company's share capital.
- The purpose of the 12th resolution is to confer powers to carry out all legal formalities in connection with ordinary resolutions.

2 - PRESENTATION OF RESOLUTIONS IN EXTRAORDINARY FORM

Establishment of new delegations

The Management Board requests of your meeting, after hearing the special report of the statutory auditors, to grant it the following powers:

- The authorization to reduce the share capital by cancellation of treasury shares held by the Company (13th resolution)

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

- Finally, the purpose of the 14th resolution is to confer powers to carry out all legal formalities in connection with the extraordinary resolutions.

XVI. INFORMATION ON THE ELEMENTS WHICH MAY HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFER (ART.L.225-100-3 OF THE COMMERCIAL CODE)

Nothing to declare here.

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

Pursuant to the provisions of Articles L.511-6 and R. 511-2-1-1 II of the Monetary and Financial Code, joint stock companies whose accounts are certified by an auditor must disclose in the management report the amount of loans to companies with which they have economic links, as evidenced by the auditor (a different regime than for intra-group loans as authorized by Article L.511-7 of the Monetary and Financial Code).

No agreements of this nature are to be reported within TFF Group for the past financial year.

XVIII. OUTLOOK

Given the external growth achieved in the previous financial year and the growth of the cooperage business in Bourbon, TFF Group is expected to post both strong business growth and strong operating profitability in 2017/2018.

The Executive Board

APPENDICES TO THE MANAGEMENT REPORT

LIST OF MANDATES OF CORPORATE OFFICERS

JEAN FRANCOIS

COMPANY	TYPE	ROLE
TONNELLERIE FRANCOIS FRERES	SA	President of the Supervisory Board
AP JOHN (Australie)	LTD	Administrator
FRANCOIS FRERES INC (USA)	LTD	Administrator
STAVIN (USA)	LTD	Director

JEROME FRANCOIS

COMPANY	TYPE	ROLE
TONNELLERIE FRANCOIS FRERES	SA	President of the Executive Board
AP JOHN (Australia)	LTD	Administrator
CLASSIC OAK AUSTRALIA (Australia)	LTD	Administrator
CLASSIK OAK NEW ZEALAND (New Zealand)	LTD	Administrator
SOGIBOIS	SASU	President
TRUST INTERNATIONAL CORPORATION (USA)	LTD	Chairman
DEMPTOS NAPA COOPERAGE (USA)	LTD	President
TONNELLERIE LAGREZE	SARL	Manager
TONNELERIA DEMPTOS ESPANA	SA	Administrator
LA GAILLARDE	SCI	Manager
FAMILIALE FRANCOIS	SARL	Manager
DEMPTOS SOUTH AFRICA	LTD	Chairman
DEMPTOS 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
TONNELLERIE BOUYOUD	SARL	Manager
SPEYSIDE BOURBON COOPERAGE	LTD	Director
FRANCOIS FRERES USA INC	LTD	Administrator
BARRELS UNLIMITED INC	LTD	« Director »
SPEYSIDE BOURBON STAVE MILL IN VIRGINIA INC.	LTD	« Director »

NOELLE FRANCOIS

COMPANY	TYPE	ROLE
TONNELLERIE FRANCOIS FRERES	SA	Member of the Board

NATHALIE MEO

COMPANY	TYPE	ROLE
TONNELLERIE FRANCOIS FRERES	SA	Member of the Supervisory Board
FESTIVE FRANCE EVENEMENTS DE BOURGOGNE	SARL	Manager

PATRICK FENAL

COMPANY	TYPE	ROLE
TONNELLERIE FRANCOIS FRERES	SA	Member of the Supervisory Board
UNIGESTION ASSET MANAGEMENT	SA	Administrator
UNIGESTION ASSET MANAGEMENT LTD	SA	Administrator

STATEMENT OF DELEGATION OF POWERS STILL IN VALIDITY GRANTED BY THE GENERAL SHAREHOLDERS 'MEETING TO THE EXECUTIVE BOARD IN THE FIELD OF CAPITAL INCREASES AND THE USE OF THESE DELEGATIONS DURING THE FINANCIAL YEAR

Nature of the delegation	Date of the Shareholders' General Assembly – duration	Use of the delegation on the day of the report's publication
	NONE	

CONCLUDING STATEMENT OF OPERATIONS CARRIED OUT BY COMPANY OFFICERS AND BY THEIR FAMILIES DURING THE LAST FINANCIAL YEAR (AMF, GENERAL REGULATION, ARTICLE 222-15-3 NEW)

NONE

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

	04/30/2017 IFRS	04/30/2016 IFRS
Assets (thousands of euros)		
Non current assets		
Intangible fixed assets	72 588	2 682
Goodwill	4 158	60 144
Intangible fixed assets	76 746	62 826
Tangible assets	58 407	46 635
Investments in equity-valued companies	13 896	12 754
Deferred tax assets	1 512	5 964
Financial assets	5 680	1 399
Total non current assets	156 241	129 578
Current assets		
Raw material, intermediate and finished products	189 718	167 184
Trade receivables	45 848	37 491
Other receivables	6 576	7 025
Cash	66 773	66 394
Total current assets	308 915	278 094
Non current assets to be discontinued	0	0
Total assets	465 156	407 672

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

	04/30/2017 IFRS	04/30/2016 IFRS
Equity and Liabilities (thousands of euros)		
Shareholder's equity		
Common stock	8 672	8 672
Retained earnings	257 817	233 444
Translation adjustment - shareholders' equity	2 169	2 193
Consolidated income of the year	32 077	28 928
Translation adjustment - income	(25)	(219)
Total Group shareholders' equity	300 710	273 018
Minority interests / reserves	3 641	2 949
Minority interests / income	370	346
Total shareholders' equity	304 721	276 313
Non current liabilities		
Long term provisions	801	627
Deferred tax liabilities	3 377	3 116
Long term interest-bearing loans and borrowings	30 070	9 797
Retirement benefit obligation	1 967	1 618
Total non current liabilities	36 215	15 158
Current liabilities		
Trade payables and equivalent	24 102	19 788
Other liabilities	17 694	11 442
Short term loans and borrowings	82 424	84 971
Short term provisions		
Total current liabilities	124 220	116 201
Non current liabilities to be discontinued	0	1
Total current and non current liabilities	160 435	131 359
Total Equity and Liabilities	465 156	407 672

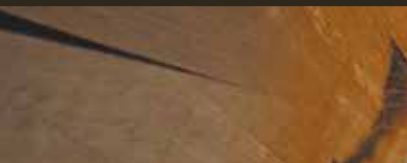
INCOME STATEMENT

Thousands Euros	04/30/2016 12 months IFRS	04/30/2016 12 months IFRS
Revenue	227 880	194 987
Inventories	(140)	2 189
OPERATING INCOME	227 740	197 176
Purchase of raw materials and goods	(114 250)	(109 214)
Change in goods	9 618	14 930
GROSS PROFIT	123 108	102 892
Other purchases and external charges	(27 975)	(21 339)
VALUE-ADDED	95 133	81 553
Operating grants	0	0
Taxes and similar payments	(2 472)	(2 035)
Personnel expenses	(42 373)	(35 856)
EBITDA	50 288	43 662
Reserves written back to income and internal transfers	2 024	1 586
Other income	136	210
Allowances for amortizations	(5 108)	(3 330)
Allowances for reserves	(1 588)	(1 567)
Other operating expenses	(113)	(181)
INCOME OF OPERATING ACTIVITIES	45 639	40 380
Other income	(951)	(522)
INCOME FROM CONTINUING OPERATIONS	44 688	39 858
Share in net income of equity affiliates	923	1 181
INCOME AFTER SHARE IN NET INCOME OF EQUITY AFFILIATES	45 611	41 039
Financial income	2 737	1 562
Financial expense	(1 954)	(1 337)
Net Financial Expense	783	225
EARNINGS BEFORE TAX	46 394	41 264
Income tax	(13 946)	(11 979)
NET INCOME FROM CONTINUING OPERATIONS	32 448	29 285
NET INCOME FROM DISCONTINUED OPERATIONS	0	0
NET INCOME	32 448	29 285
Group share	32 077	28 928
Minority interests	371	357
Earnings per share		
net income	5,92	5,34
net income from continuing activities	5,92	5,34
	5,92	5,34
	5,92	5,34

TIME IS ON OUR SIDE

TFF
GROUP

Time is on our side



ANNUAL REPORT 2016-2017