



Half-yearly Results
2009-2010

Stéphane Tsassis, Chairman of the Management Board
Etienne Auriau, Chief Financial Officer

Tuesday 1 December 2009

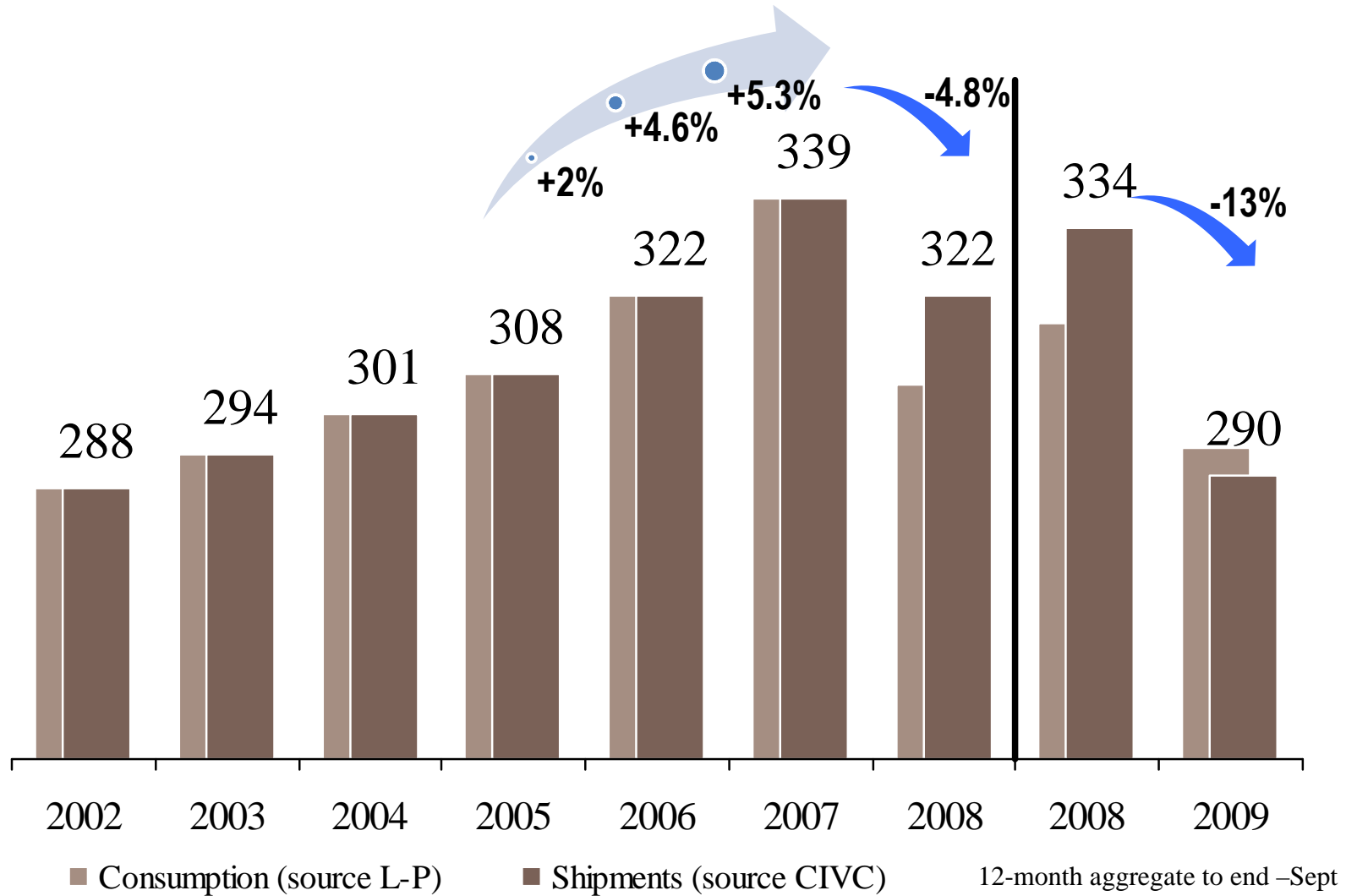
Overview

1. Improved Group sales performance in the second quarter in a sharply declining market
2. Half-year profit consistent with the crisis period of the past year
3. Balance sheet proving resilient to business climate
4. Encouraging outlook

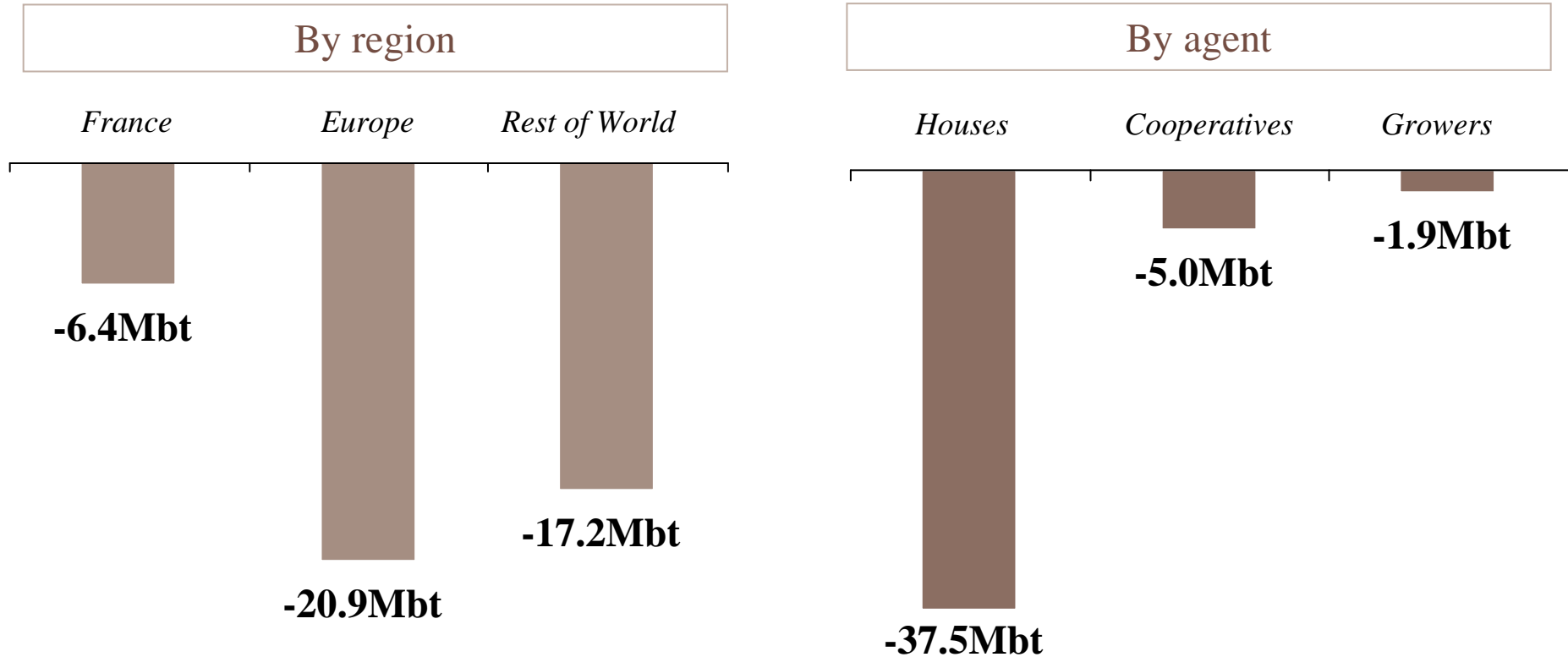
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At end-September 2009, the market was down 13% over the past 12 months.



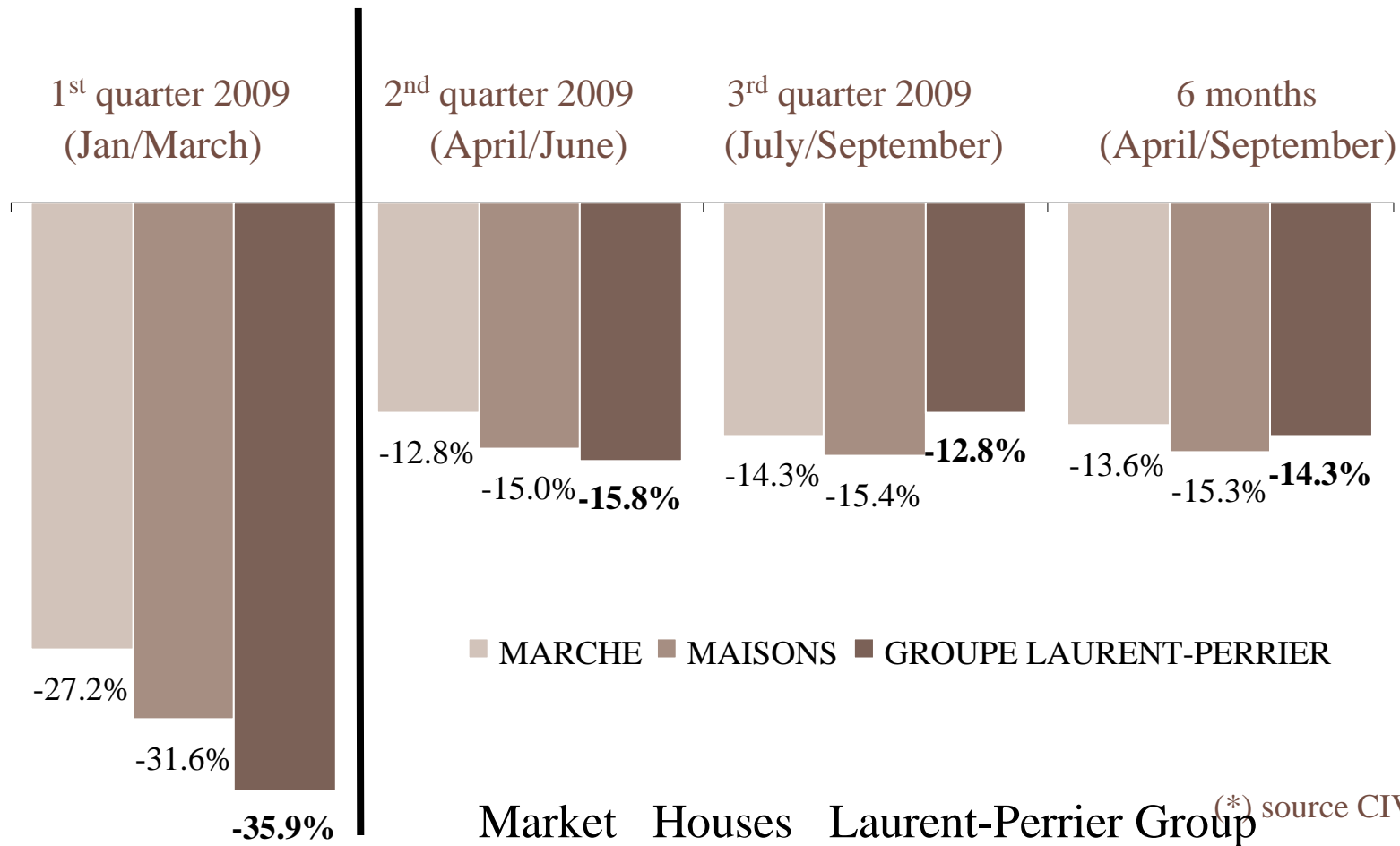
Export markets account for over 85% of the drop in shipments, mostly affecting the champagne houses



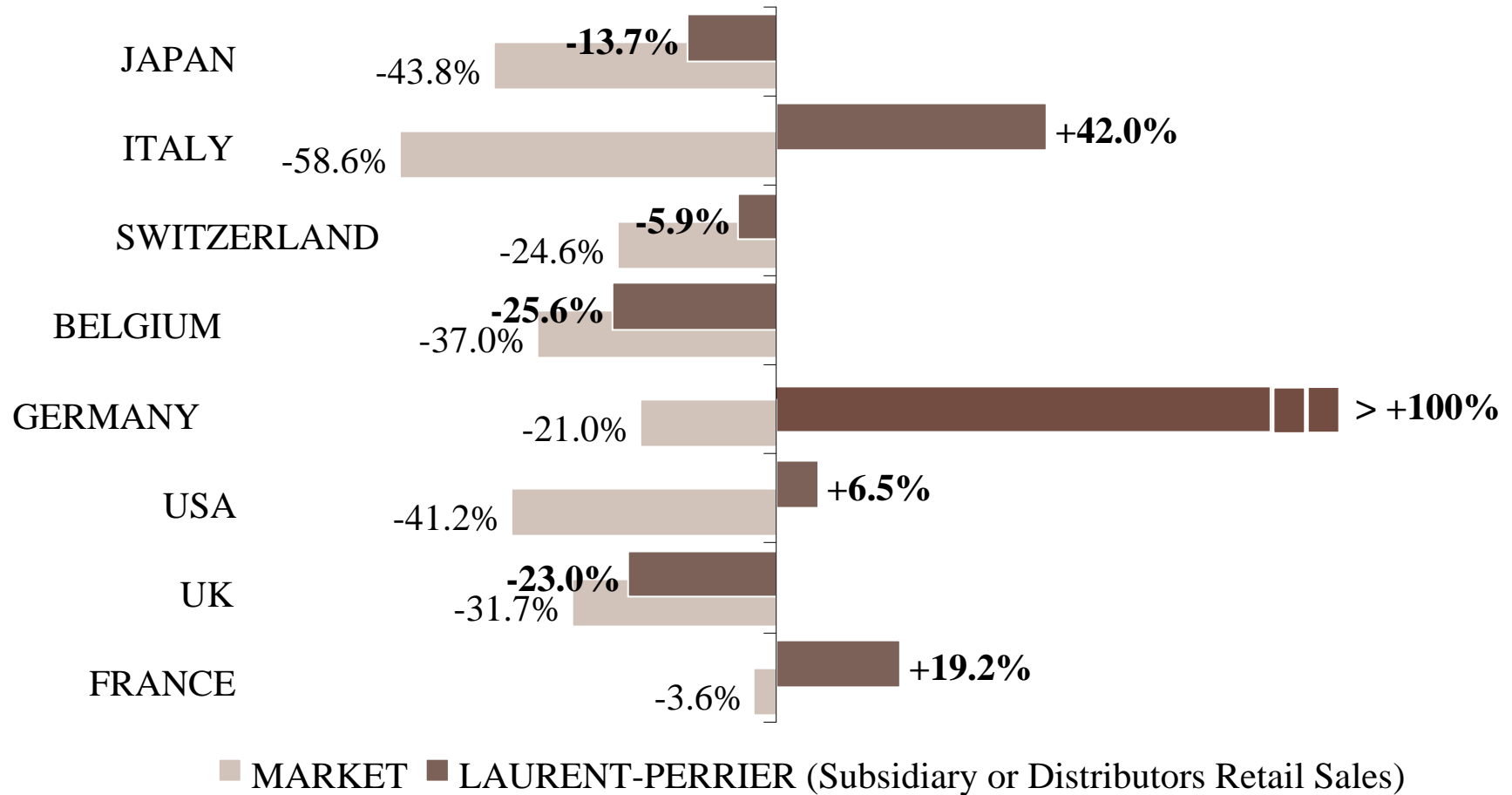
Source CIVC, 12 months to end-September 2009 /end-September 2008, in million bottles

The Group improved its sales performance in the second quarter

Volume changes as % of market (*) & Laurent-Perrier Group

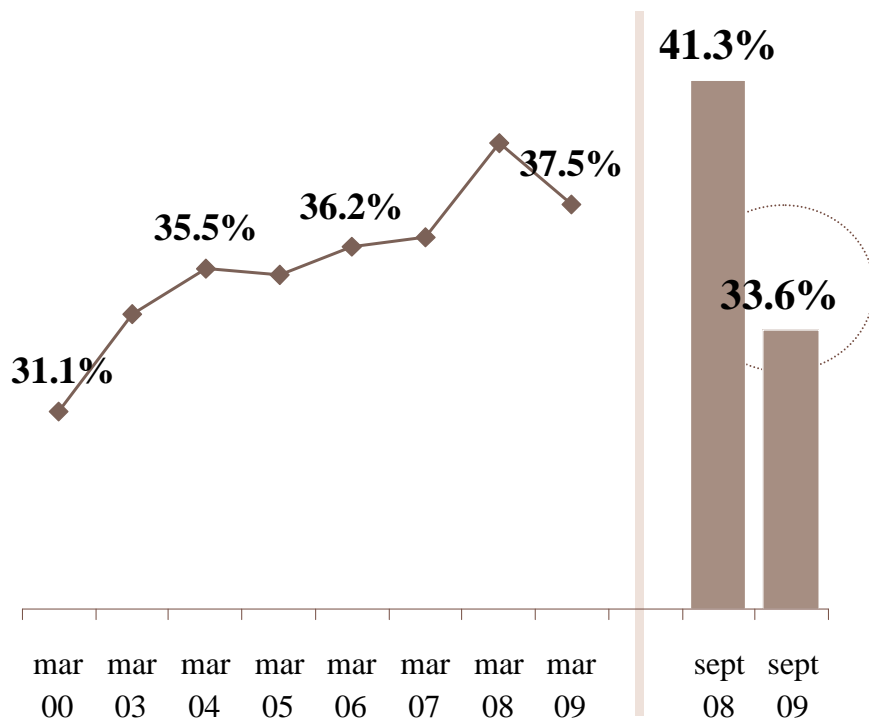


In the main export markets, Laurent-Perrier brand local sales performance is better than that of shipments (CIVC data)

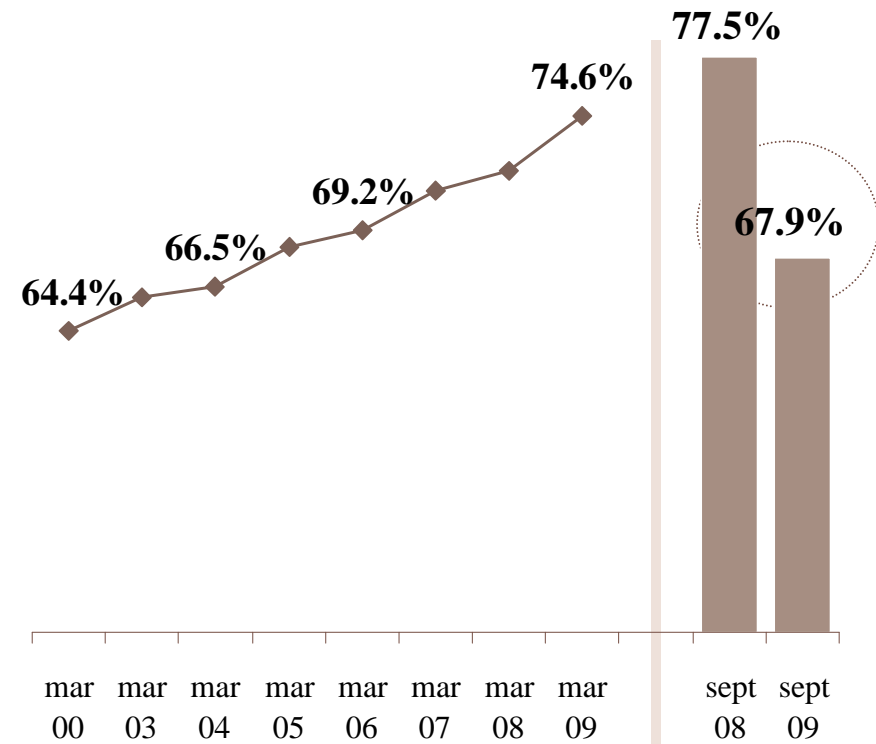


Laurent-Perrier brand value indicators reflect the unfavourable market conditions

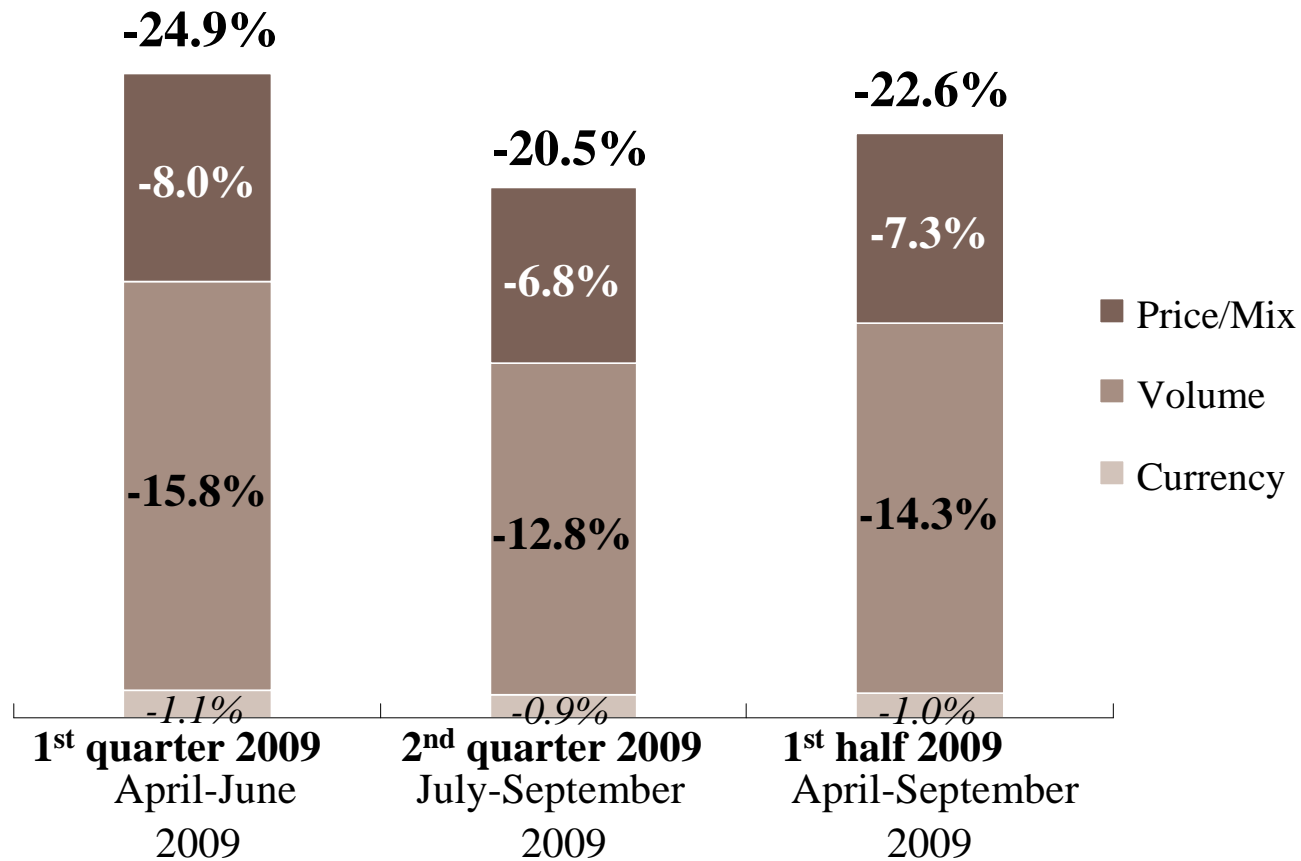
Premium contribution
Laurent-Perrier brand



Export contribution
Laurent-Perrier brand



Trends in volumes and in price/mix improved in the second quarter relative to the first, partly thanks to the greater weight of the Laurent-Perrier brand in Group volumes, at 61.3%



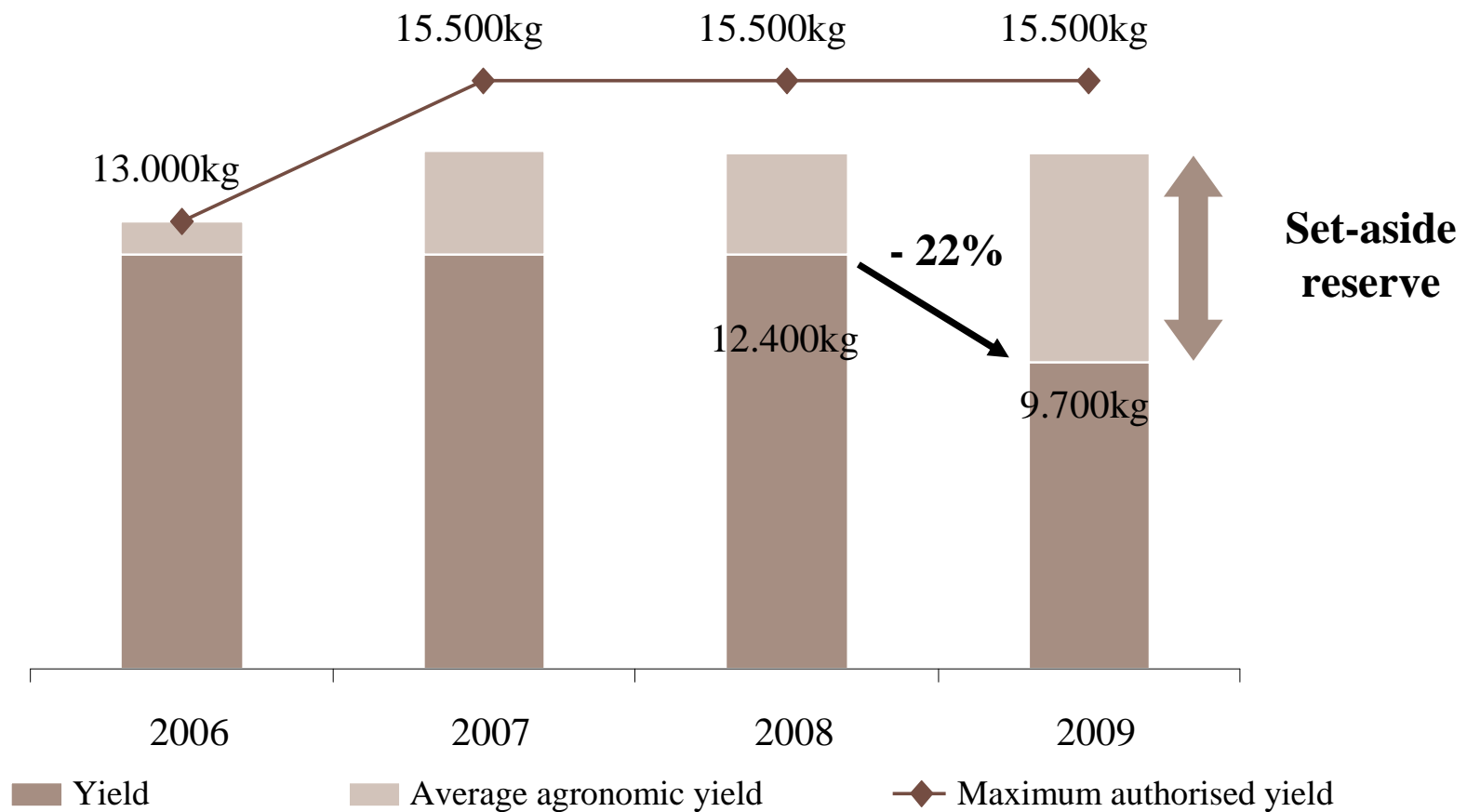
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Outcome of 2009 grape harvest

- All three grape varieties in perfect health, excellent ripeness overall, alcohol content around 10° vol
- Yield set at 9,700kg/ha
- Average agronomic yield of around 13,500kg/ha, with set-aside reserve at ceiling of 8,000 kg/ha
- Agreement reached: 2009 harvest payable in five instalments instead of the usual four, spread until November 2010
- Grape prices similar to those of the 2007 harvest

To take the rise in champagne inventories into account, the trade body has set the yield of the 2009 harvest 20% lower than in 2008

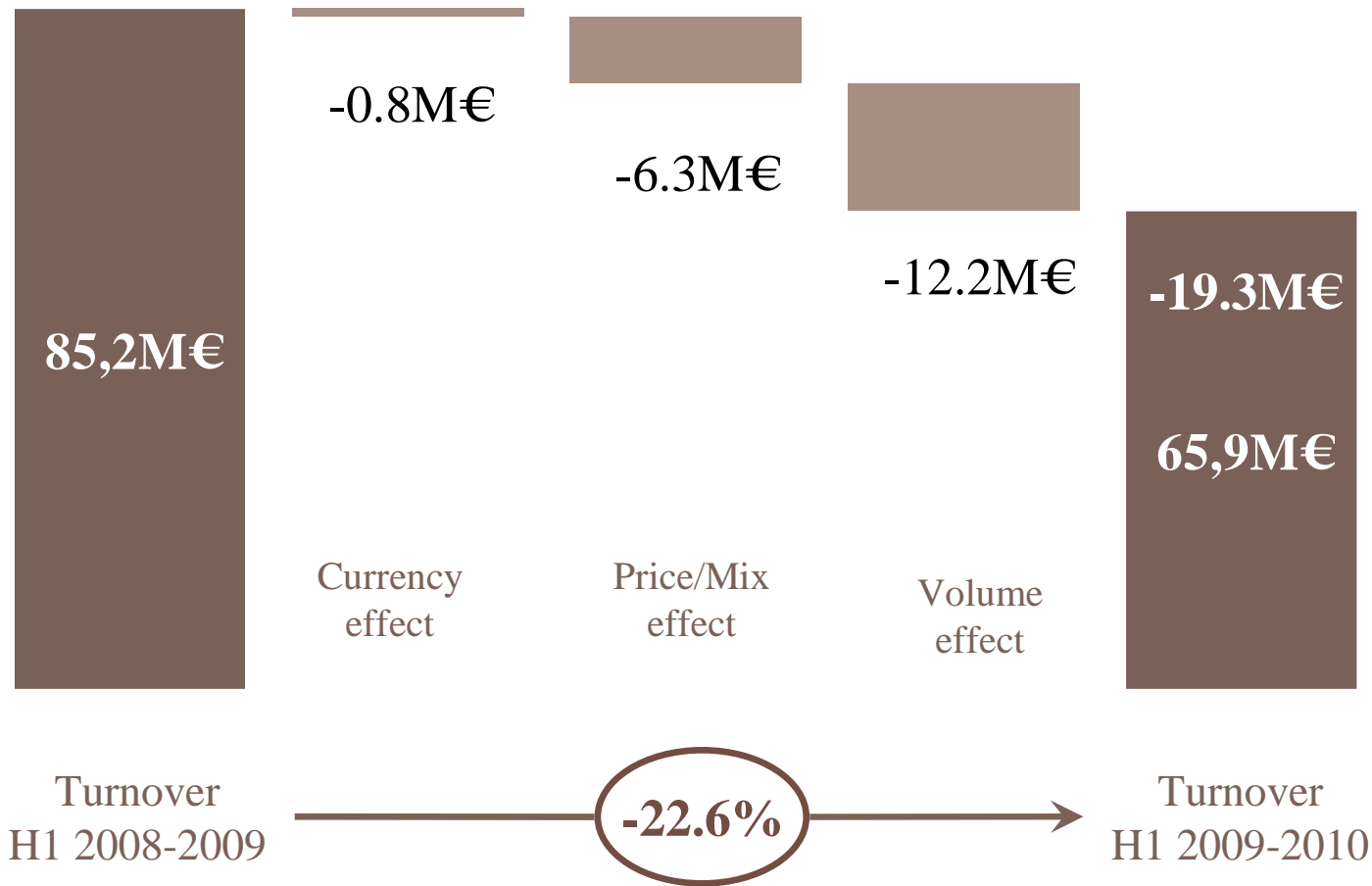


Key financial data

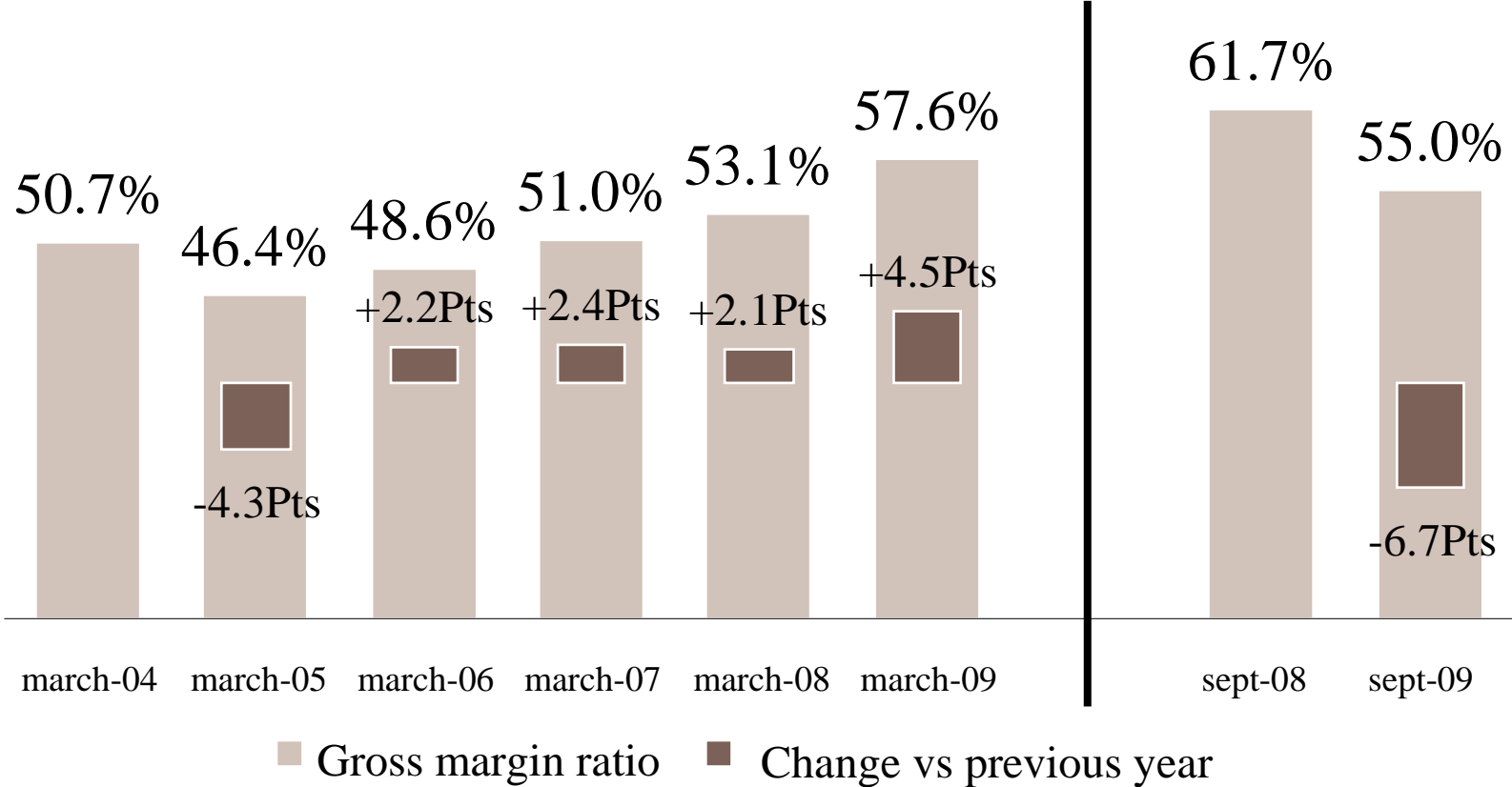
€m – 1st half six months to 30 September	2008	2009	Change
Turnover	85.2	65.9	-22.6%
Current operating income	23.8	9.1	-61.7%
<i>Current operating margin</i>	<i>27.9%</i>	<i>13.8%</i>	<i>-14.1Pts</i>
Net attributable income	11.6	1.7	-84.5%
<i>Net Cash-Flow (*)</i>	<i>-49.1</i>	<i>-45.2</i>	<i>+3.9</i>

* Cash flow from activity minus net investment and dividends

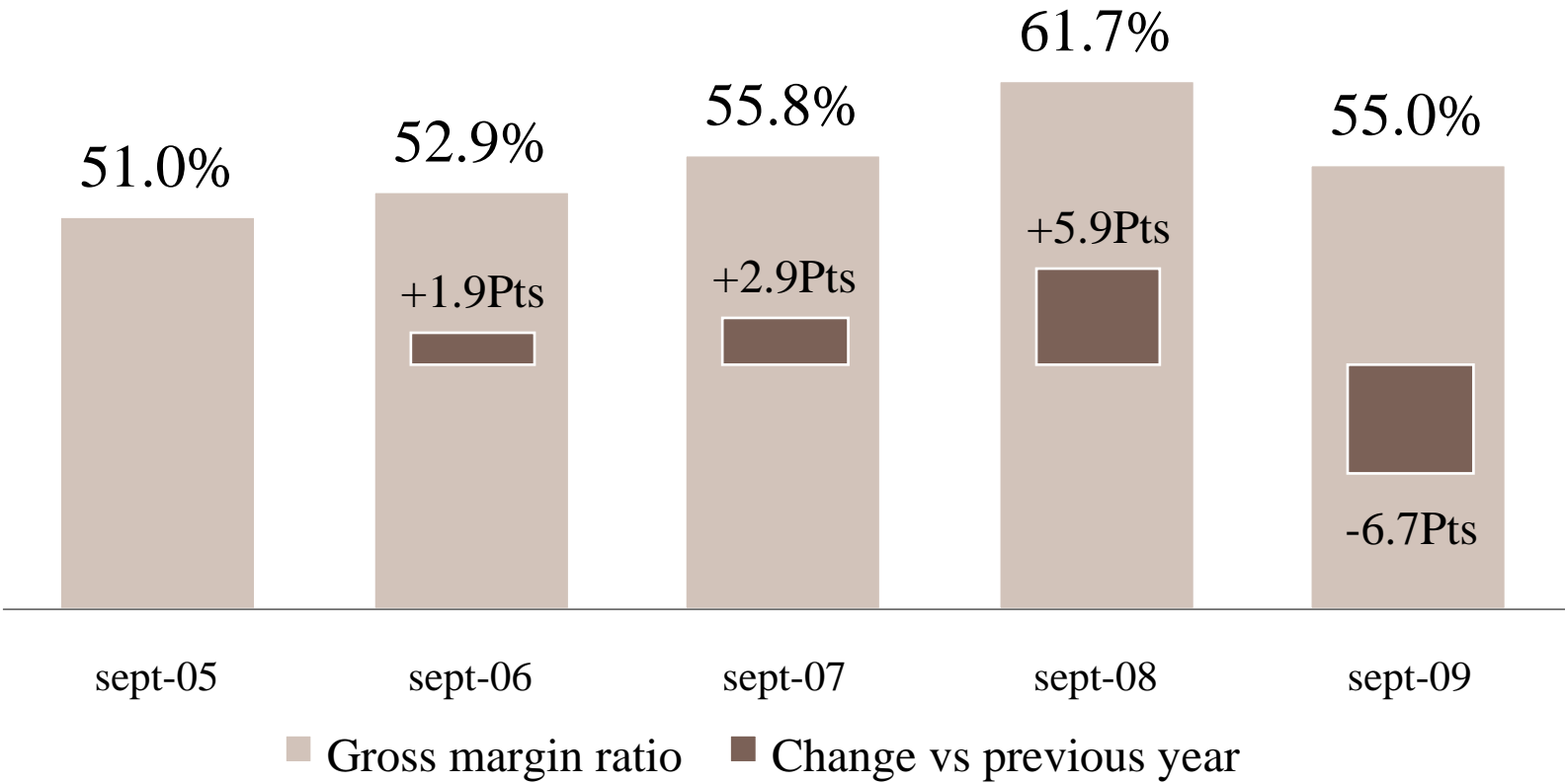
The 21.6% drop in turnover (at comparable exchange rates) is due 2/3 to the fall-off in volumes and 1/3 to the price/mix effect



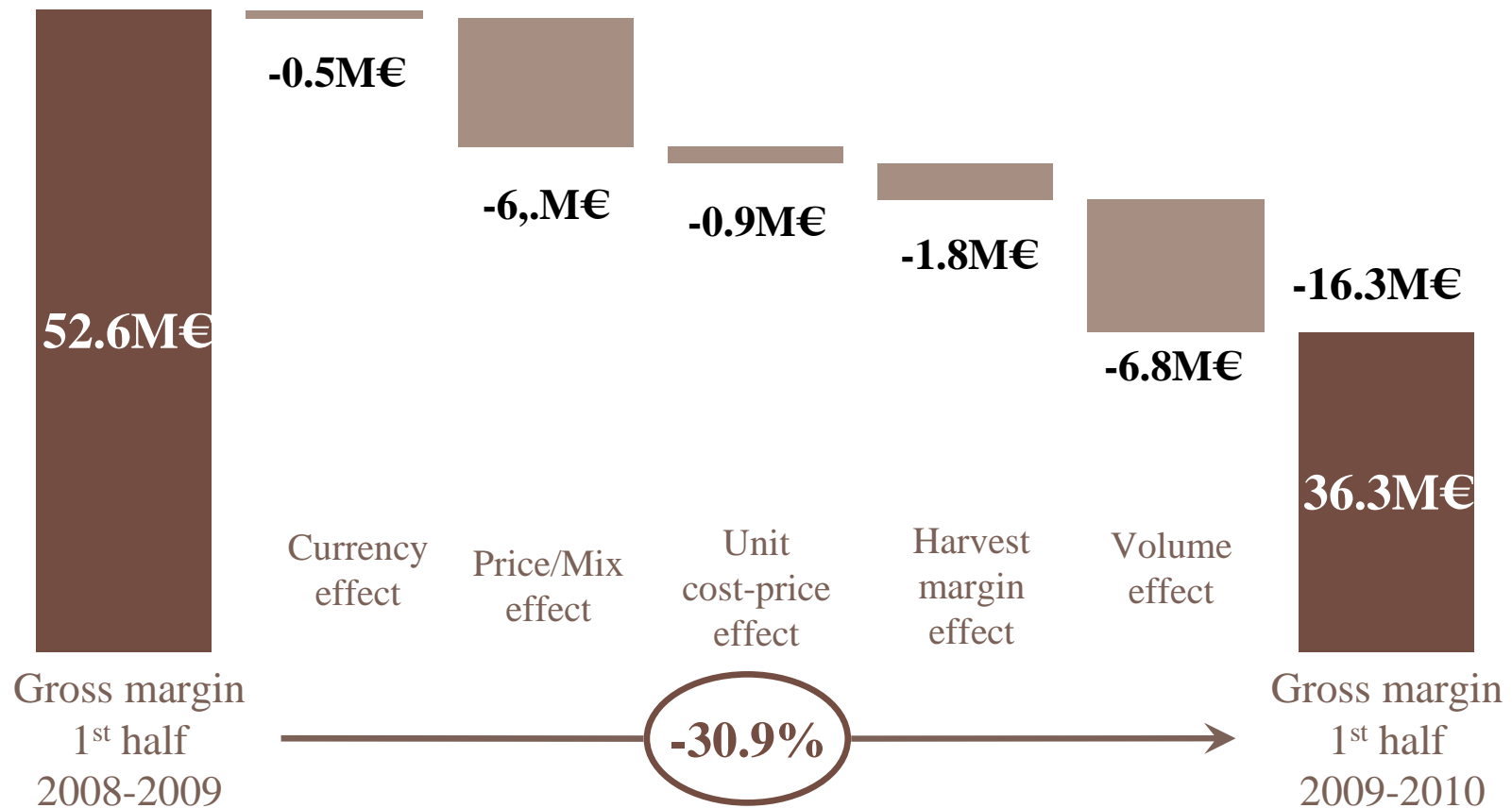
Gross margin down more than 6 points in 2009-2010 first half, nearly 2 points of which due to lower harvest margin



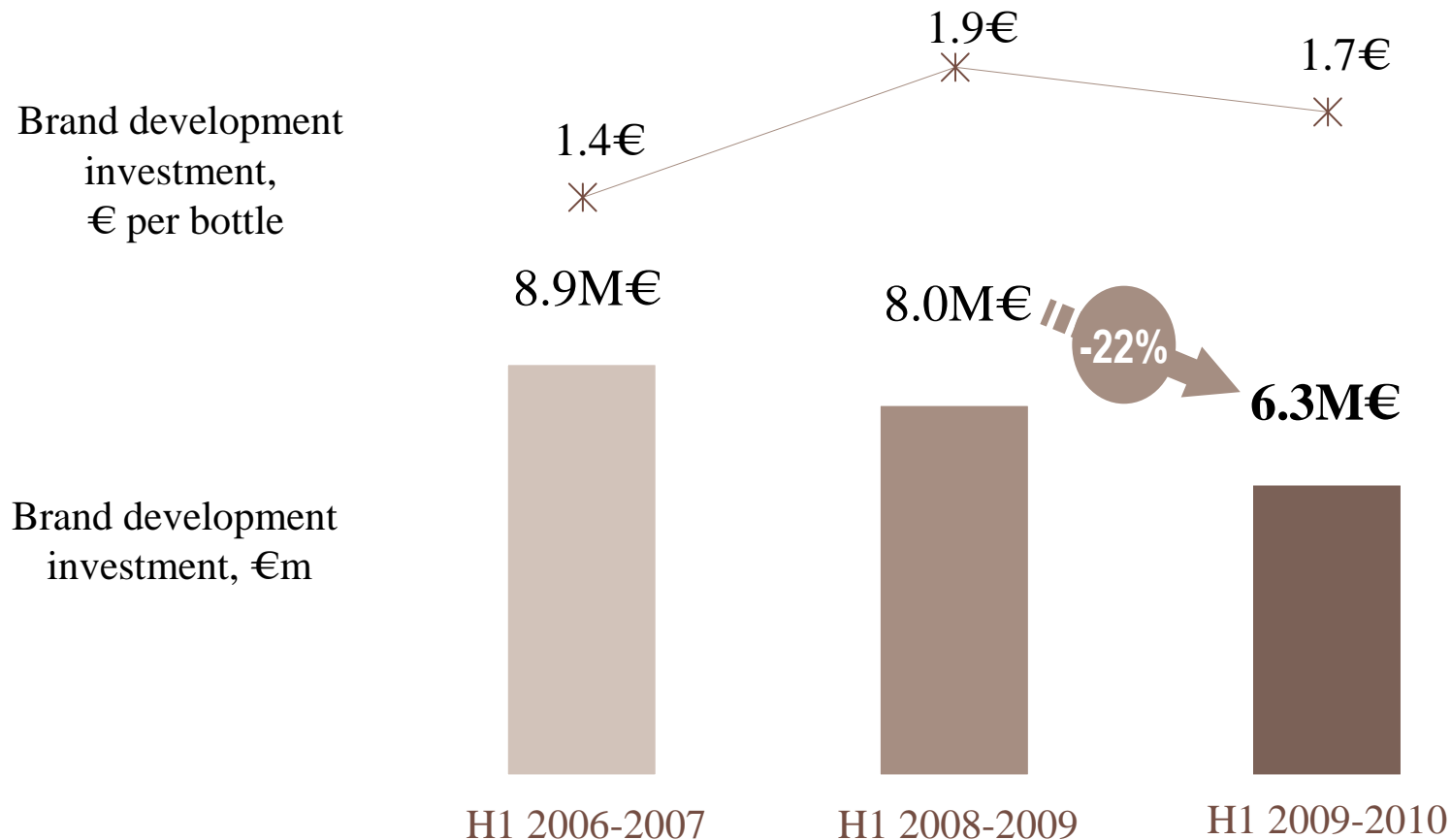
Margin ratio similar to that of 2007-2008 first-half



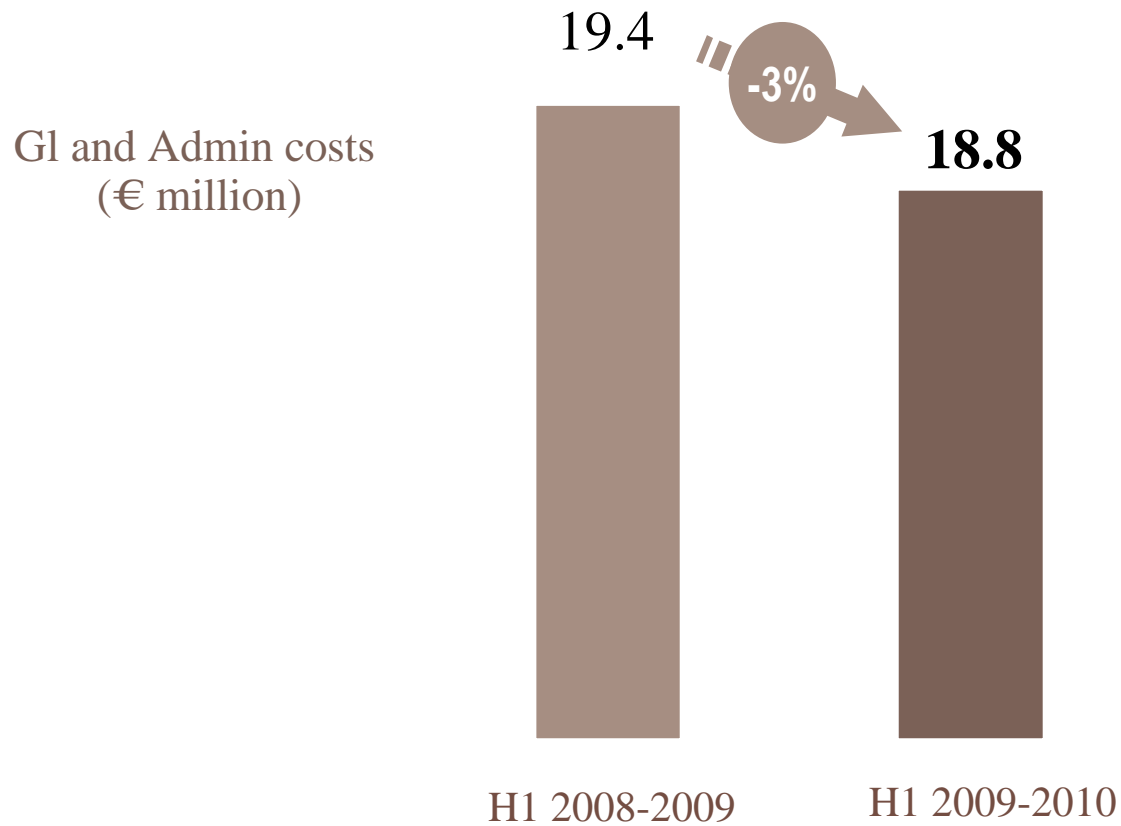
Excluding the currency effect and the impact of the harvest margin, the fall in gross margin is equally spread between price/mix and volume



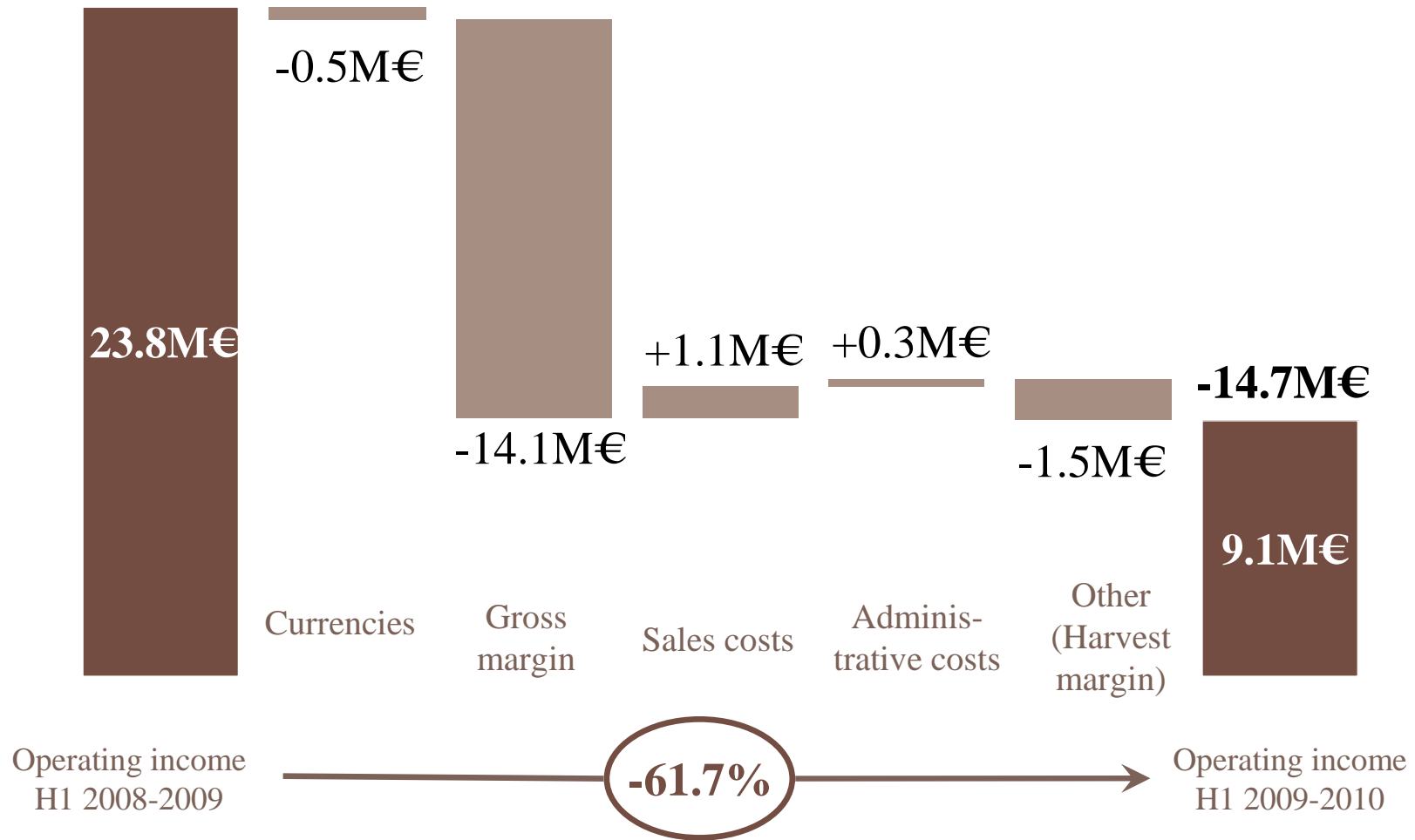
The Group has demonstrated its ability to adjust to the business climate: brand development investment down 22% by value, and by 8.6% per bottle



The steady fall in general and administrative costs continued during the first half



Improvement in operating income will come from recovery in export volumes and improved product mix.



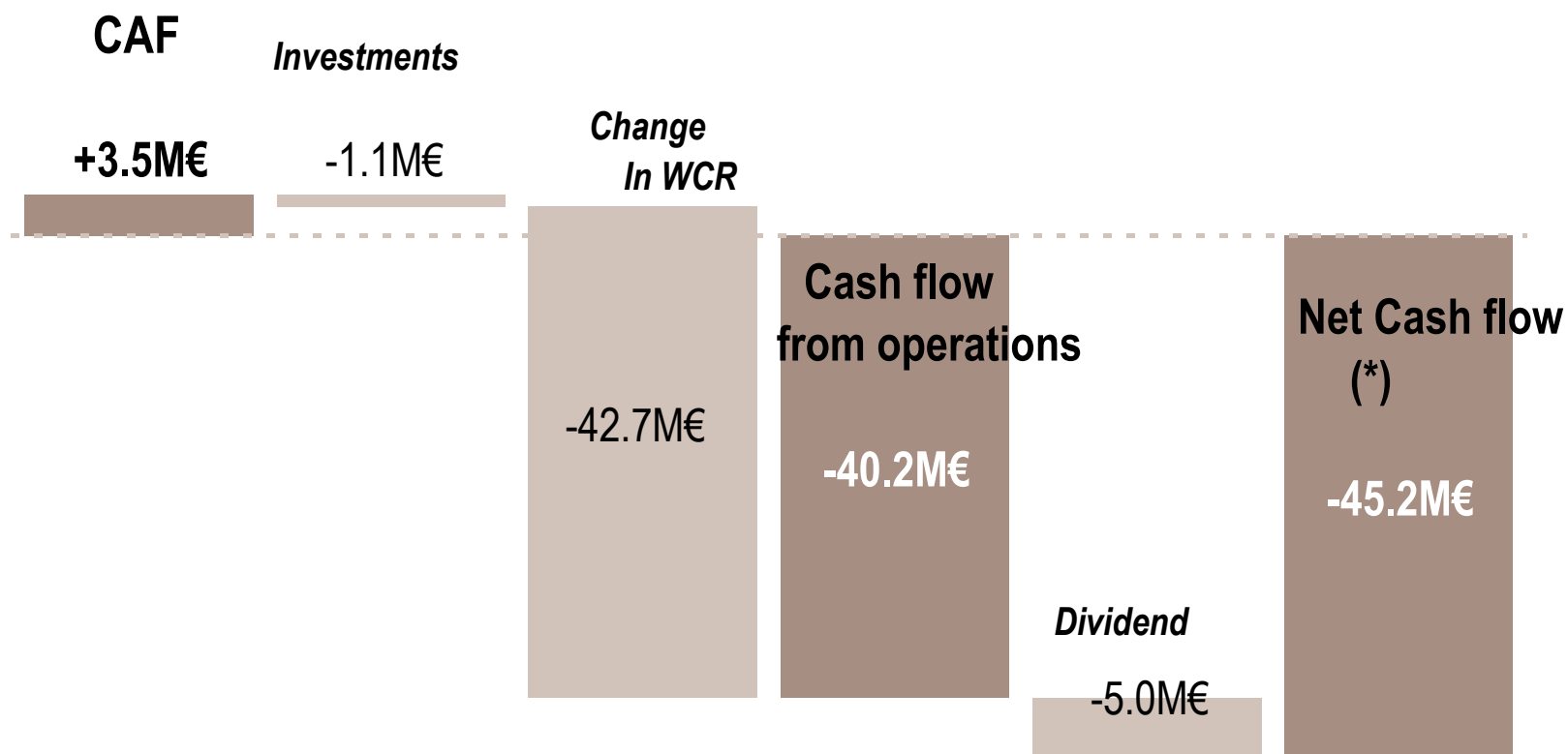
Income statement, 2009-2010 first half

Laurent-Perrier Group (Millions Bottles & Euros)	30 september 2008	30 september 2009	Change %
Volume	4.3	3.7	-14.2%
Turnover	85.2	65.9	-22.6%
Gross Margin	52.6	36.3	-30.9%
<i>As % of Turnover</i>	<i>61.7%</i>	<i>55.1%</i>	<i>-6.6Pts</i>
Brand support	-8.0	-6.3	-21.6%
Sales expenses	-11.8	-12.0	+1.8%
General & Administrative expenses	-9.3	-8.9	-4.1%
Other income	0.3	0.4	+31.2%
Currency gain/losses	0.1	-0.4	-474.7%
Current operating income	23.8	9.1	-61.7%
<i>As % of Turnover.</i>	<i>27.9%</i>	<i>13.8%</i>	<i>-14.1Pts</i>
Cost of debt	-6.6	-5.5	-16.7%
IFRS interest charges	0.1	-0.8	
Other income & charges	-0.1	-0.0	-21.4%
Income Tax	-6.0	-1.0	-83.4%
Attributable net income	11.1	1.7	-84.5%
<i>As % of turnover</i>	<i>13.1%</i>	<i>2.6%</i>	<i>-10.4Pts</i>

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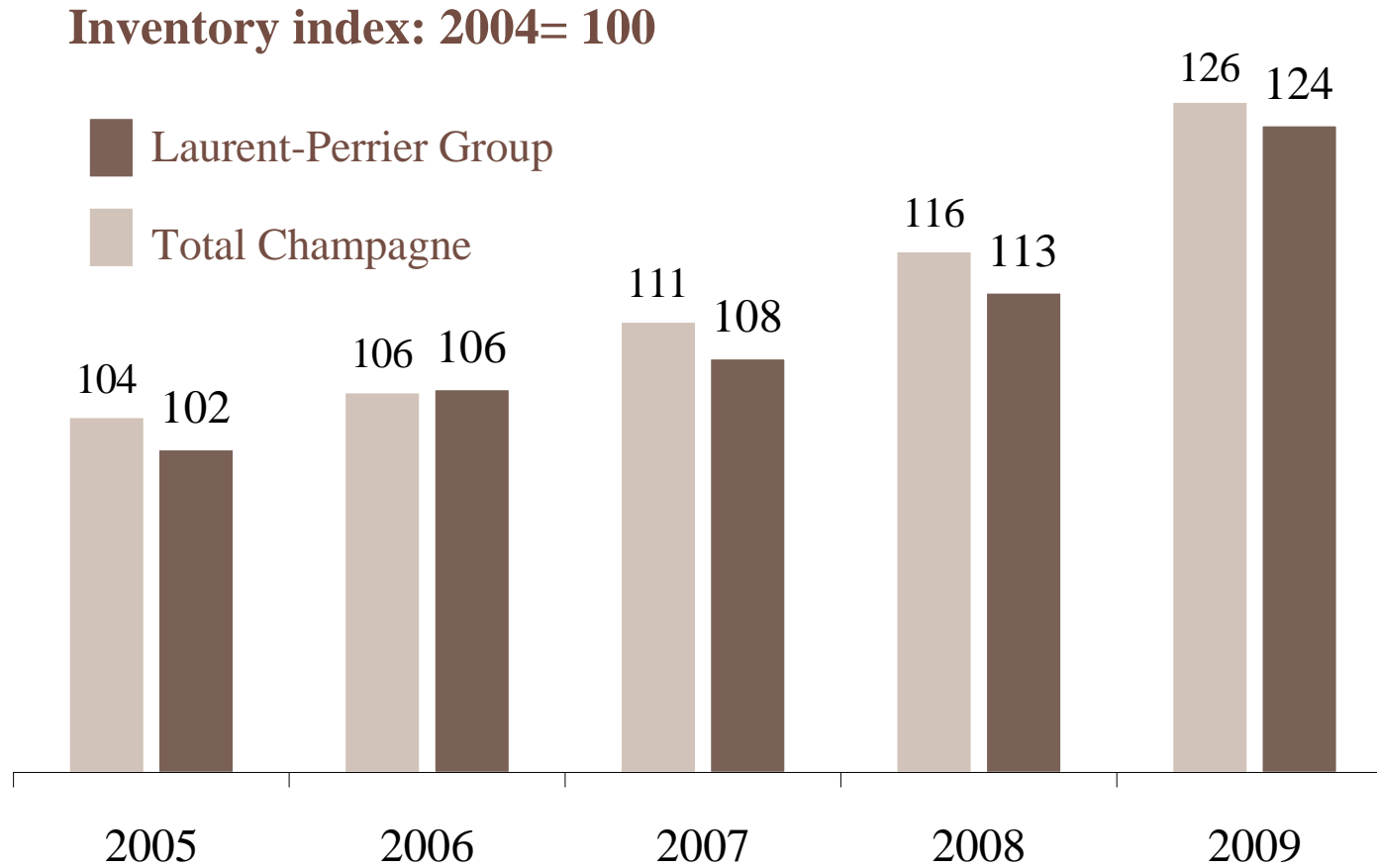
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Cash-flow improved by €4 million relative to the first half of 2008-2009 despite payment of the balance of the 2008 grape harvest and the fall-off in volumes

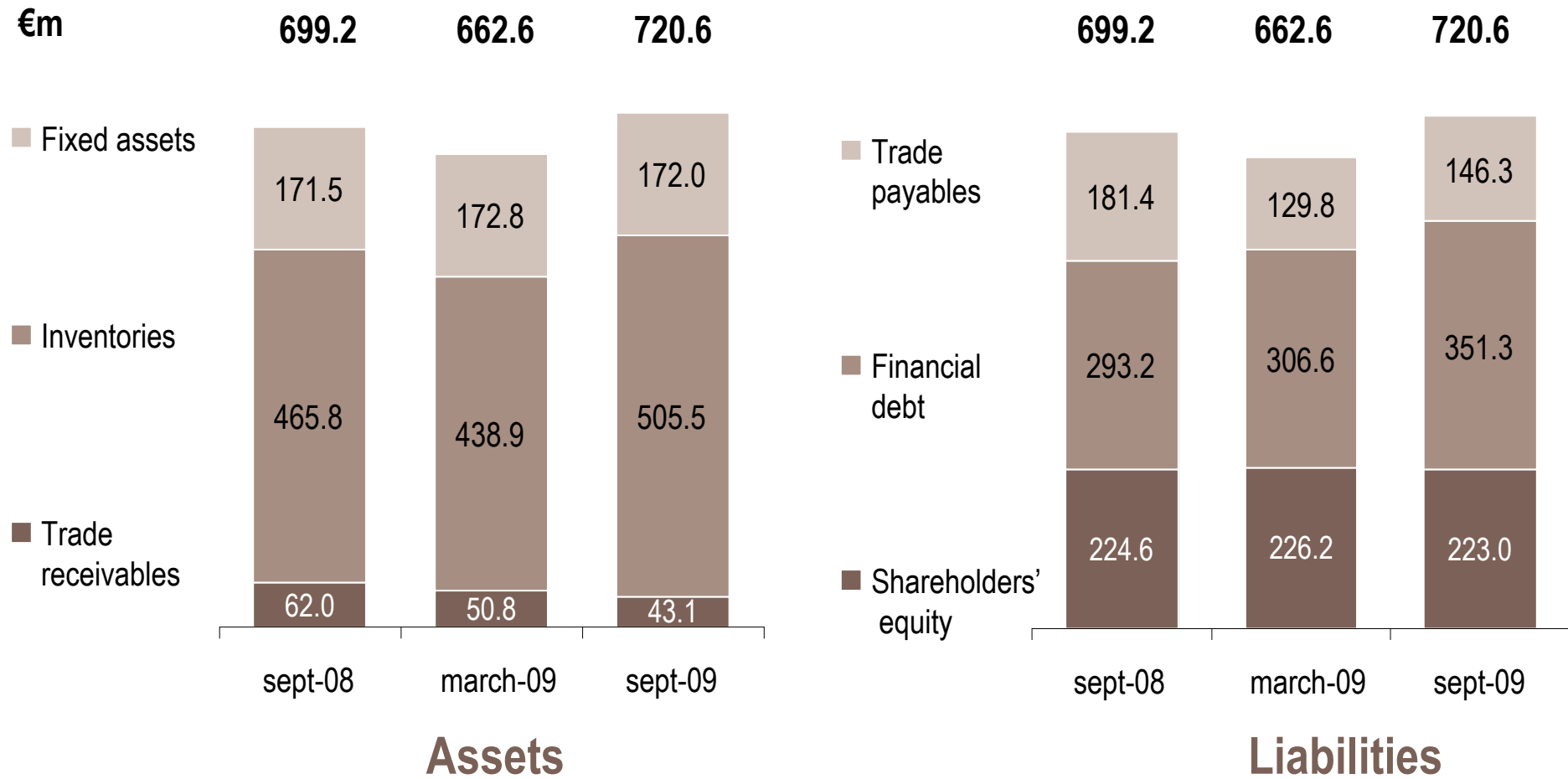


(*) Before purchase of treasury shares

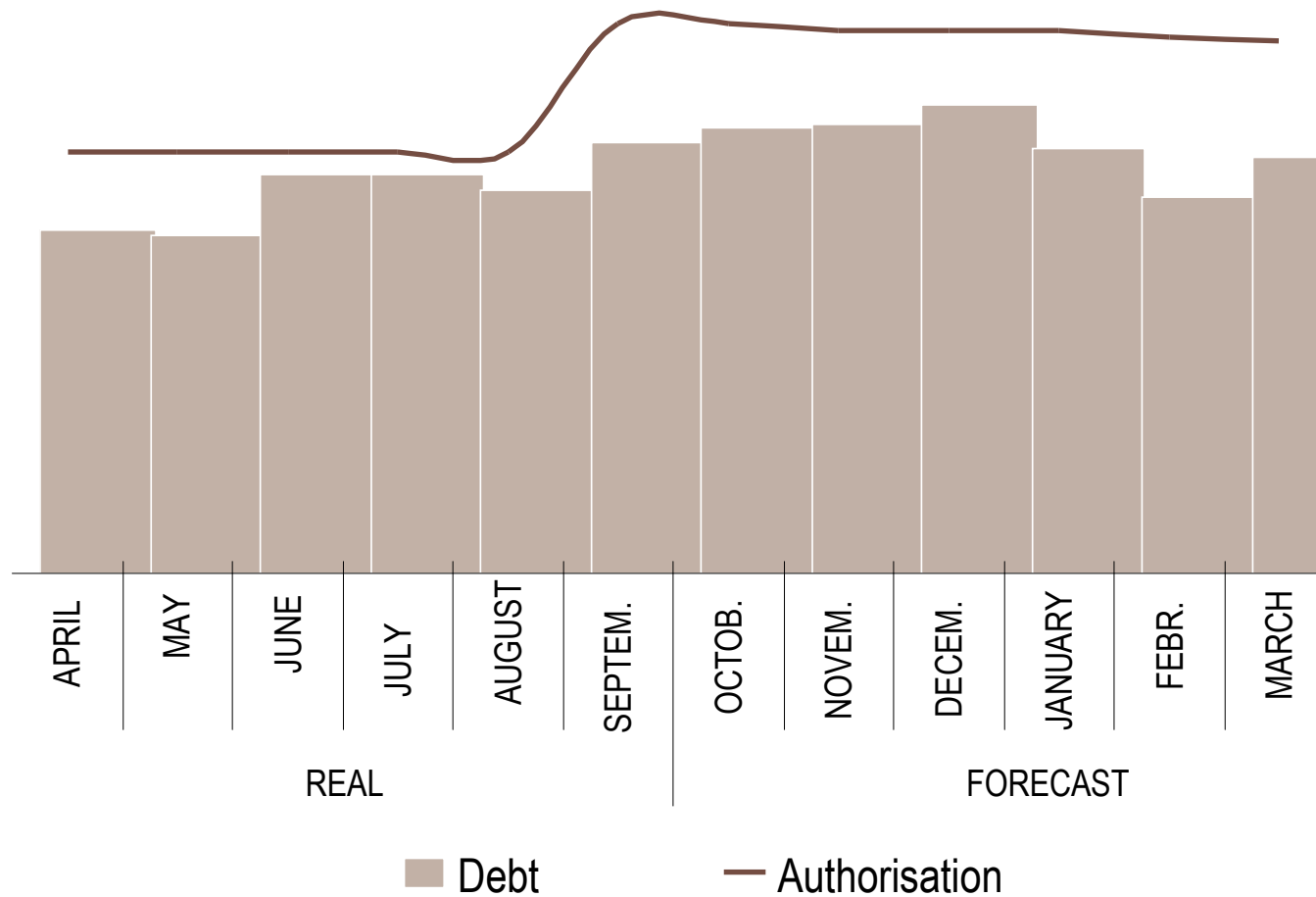
Since 2004, the inventory growth of the Group is similar to that of Champagne as a whole



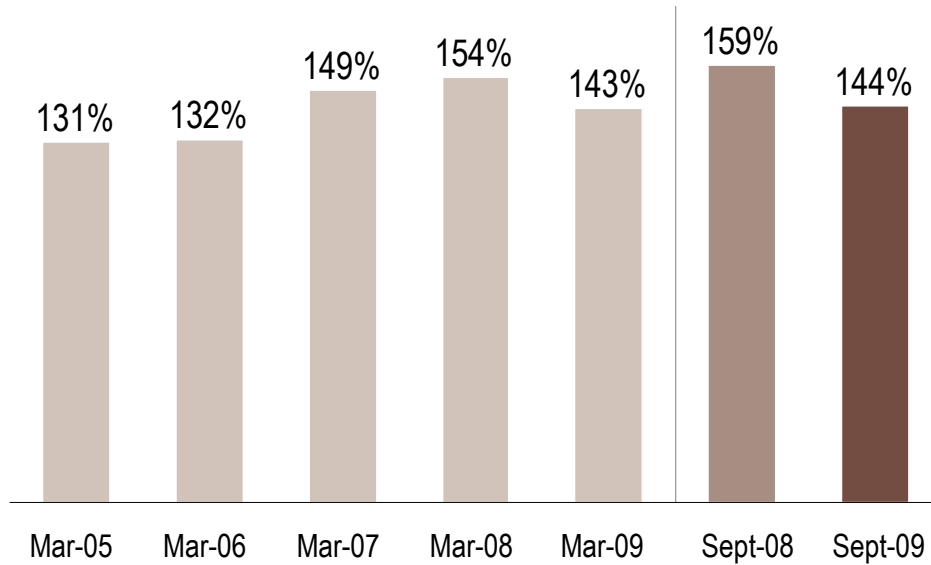
Since end-March 2009, net debt has risen slower than inventories, which include the 2009 harvest



The Group has secured the credit lines needed to ride out the present difficult times



Despite the crisis the financial ratios are strong

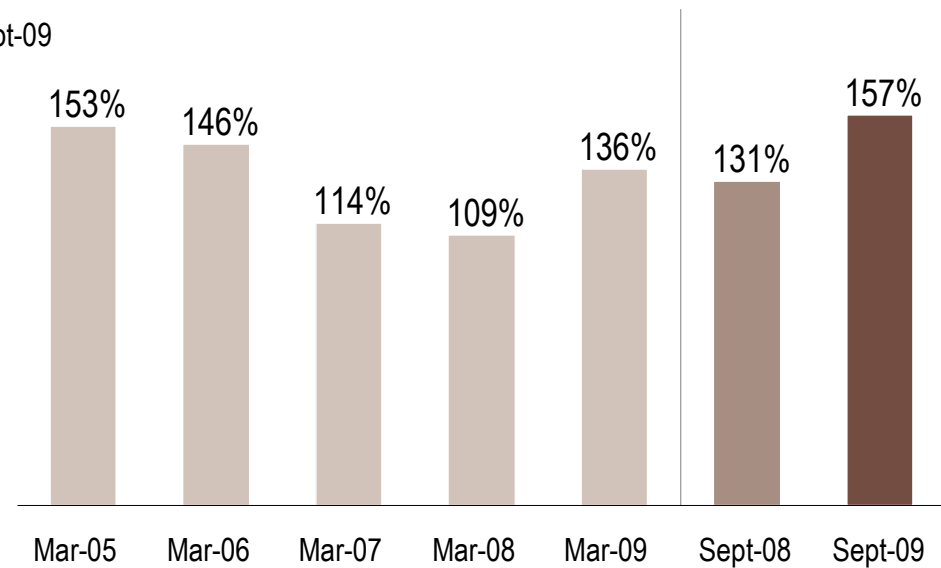


Inventories/Net debt, %





Value of inventories still largely exceeds net debt

Net debt/Shareholders' Equity, %

Debt to equity ratio still below covenants



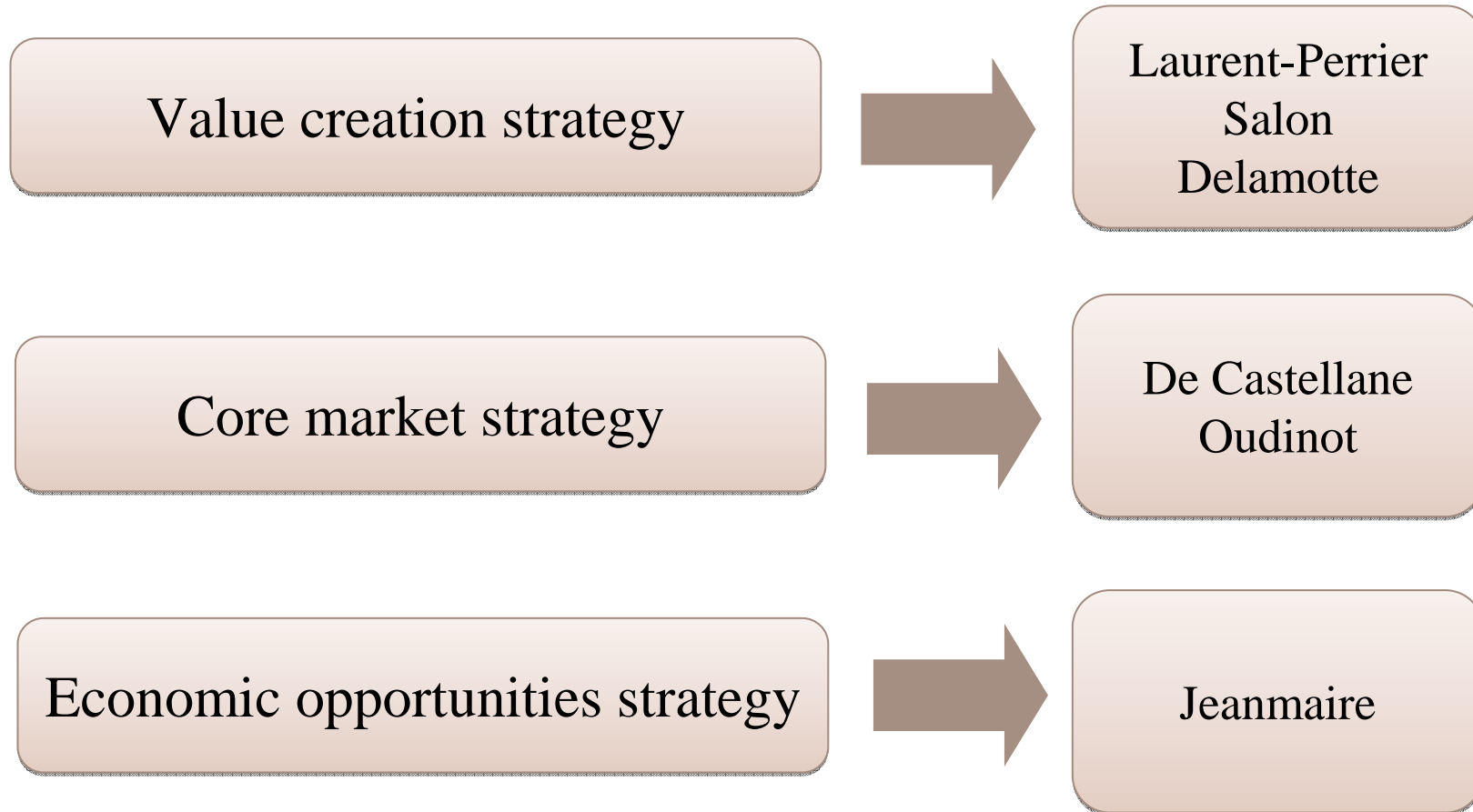
The Group is carefully managing its cost structure and investment, preparing itself for recovery

- **Corporate Structure**  Sales structure in place and long-term know-how preserved
- **Brand development**  Investment tailored to each of the brands, refocused on priority markets
- **Industrial investment**  Completion of programme begun at Tours-Sur-Marne in 2006
- **Net cash-flow**  Prospect of a sharp reduction in growth of working capital requirement

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The Group relies on its brand portfolio, which helps it to devise strategies adapted for the business climate



Value-creation strategy: Laurent-Perrier, Salon, Delamotte

Value creation strategy

- Priority for specialist & selective distribution channels,
- Preservation of competitive position
- Focus on premium products, legitimised by product quality
- Investment in brand development on priority markets
- High value-added sales initiatives
- Development of brand visibility and desirability

Ongoing initiatives

- Aiguère campaign for Grand Siècle
- Launch of Laurent-Perrier 2000 vintage
- Launch of sleeve for Brut L-P at year-end
- Partnership with Alinghi in Switzerland
- Prix Grand Siècle
- Garden-related corporate communication

Core market strategy: Castellane, Oudinot

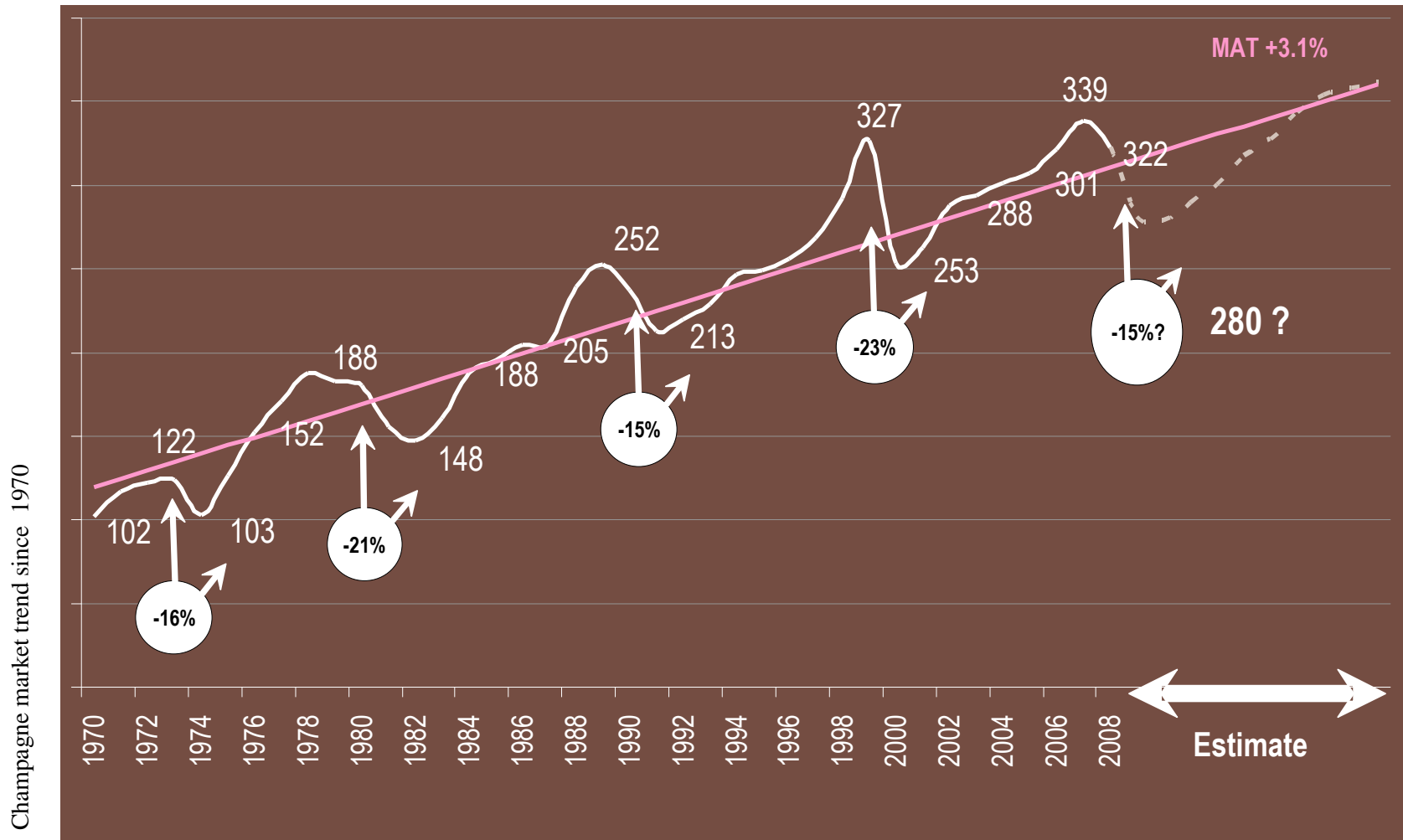
Core market strategy

- Priority given to modern retail channels
- Increased shelf visibility and presence
- Targeted internationalisation

Ongoing initiatives

- New packaging for Castellane range
- Sales activities in supermarket chains
- Expansion in the UK

The market will return to its trend growth level of 3% on average per year



The Group has the strengths to adjust to different types of business climate

Economic crisis

- Brand diversity
- Recognition of quality
- Strengthening in traditional export markets
- Careful cost control
- Financial strength

Recovery

- Geographic diversity
- Growing weight of Laurent-Perrier brand
- Breadth of Laurent-Perrier range (weight of premium brands)
- Corporate structure in place and operational



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