



First-Half Results

FY 2011-2012

Michel Boulaire, Chairman of the Management Board
Etienne Auriou, Chief Financial Officer

30 November 2011

Overview

- Relevance of strategic choices vindicated
- Results sharply improved
- The 2011 grape harvest
- Target of improved profitability unchanged

Overview

- **Strategic choices vindicated**
- Results sharply improved
- The 2011 grape harvest
- Target of improved profitability unchanged

The results for the first half of FY 2011-2012 confirm the relevance of our strategic choices

Overview of strategic choices

- Sustained growth driven by the Laurent-Perrier brand
- New cycle of price rises
- Restored profitability and continued debt reduction

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- Sustained growth driven by the Laurent-Perrier brand

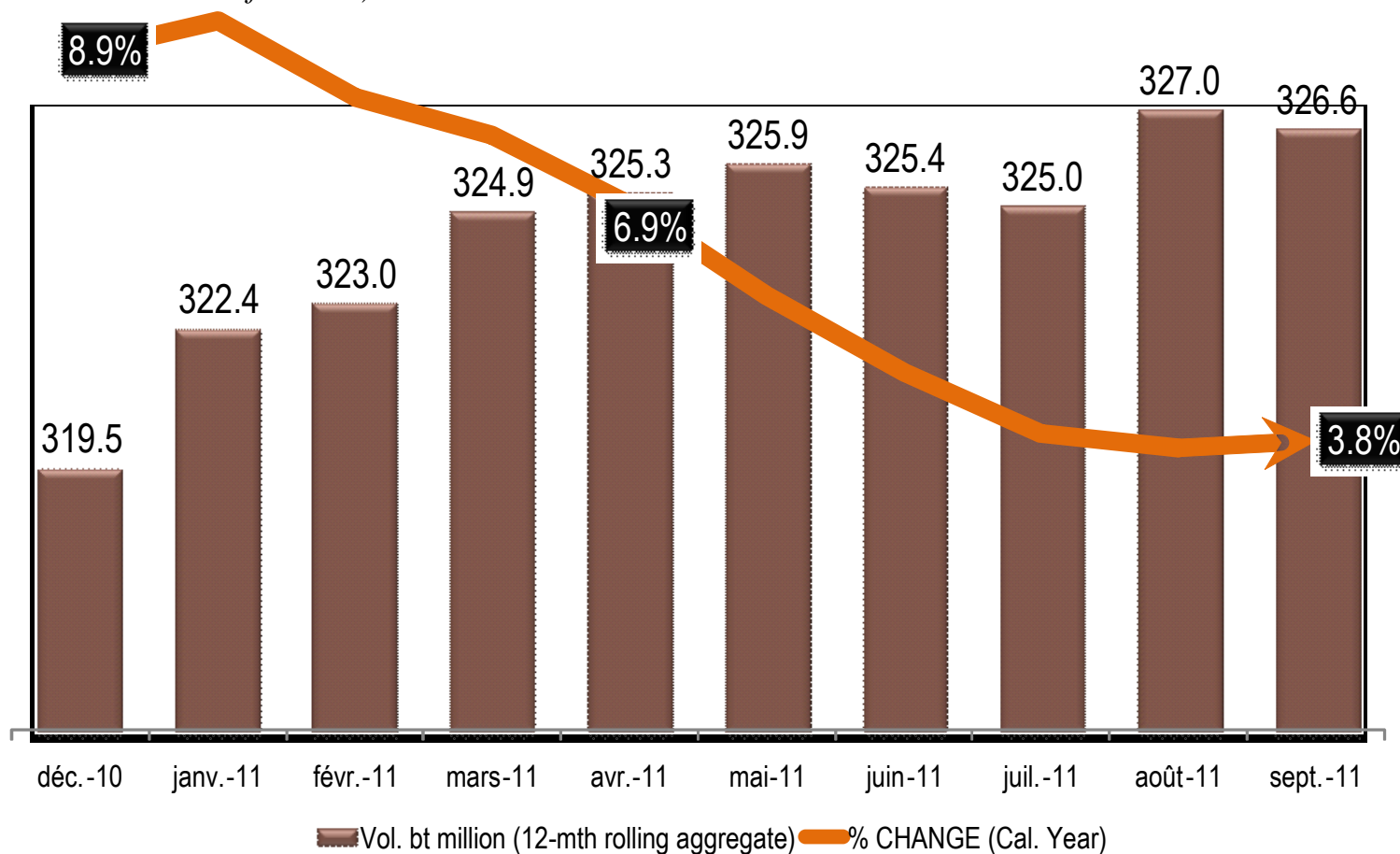
Achievements in first half of FY 2011-2012

- Laurent-Perrier brand grew faster than Group and market

Growth in champagne shipments from Champagne back at long term trend levels

Volume of shipments over rolling 12 months to end September 2011

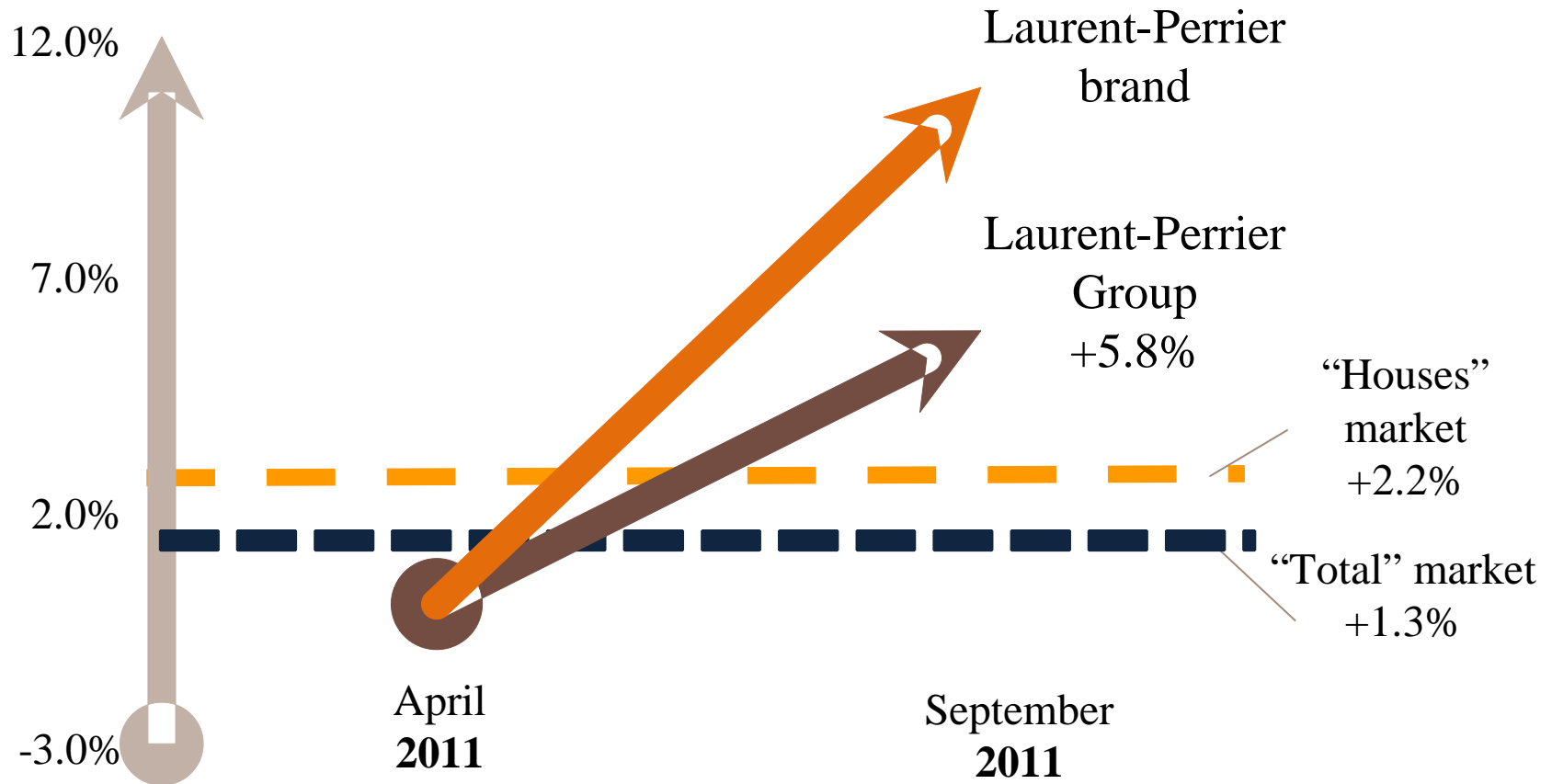
(Source CIVC – Millions of bottles)



The Laurent-Perrier Brand drives Group performance

Growth in shipments, 6 months to 30 September 2011

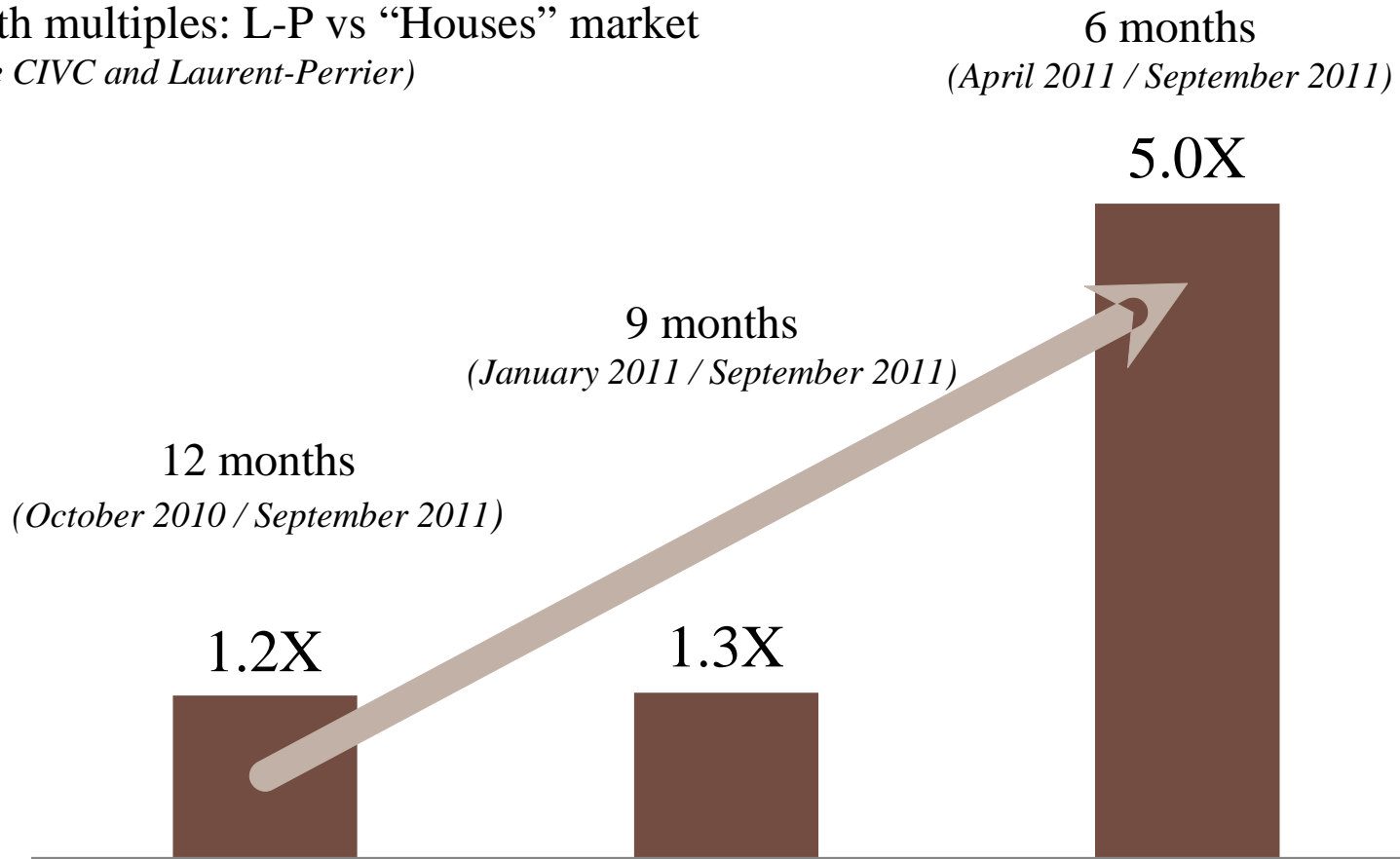
(Source CIVC and Laurent-Perrier)



Accelerating growth rate of Laurent-Perrier brand

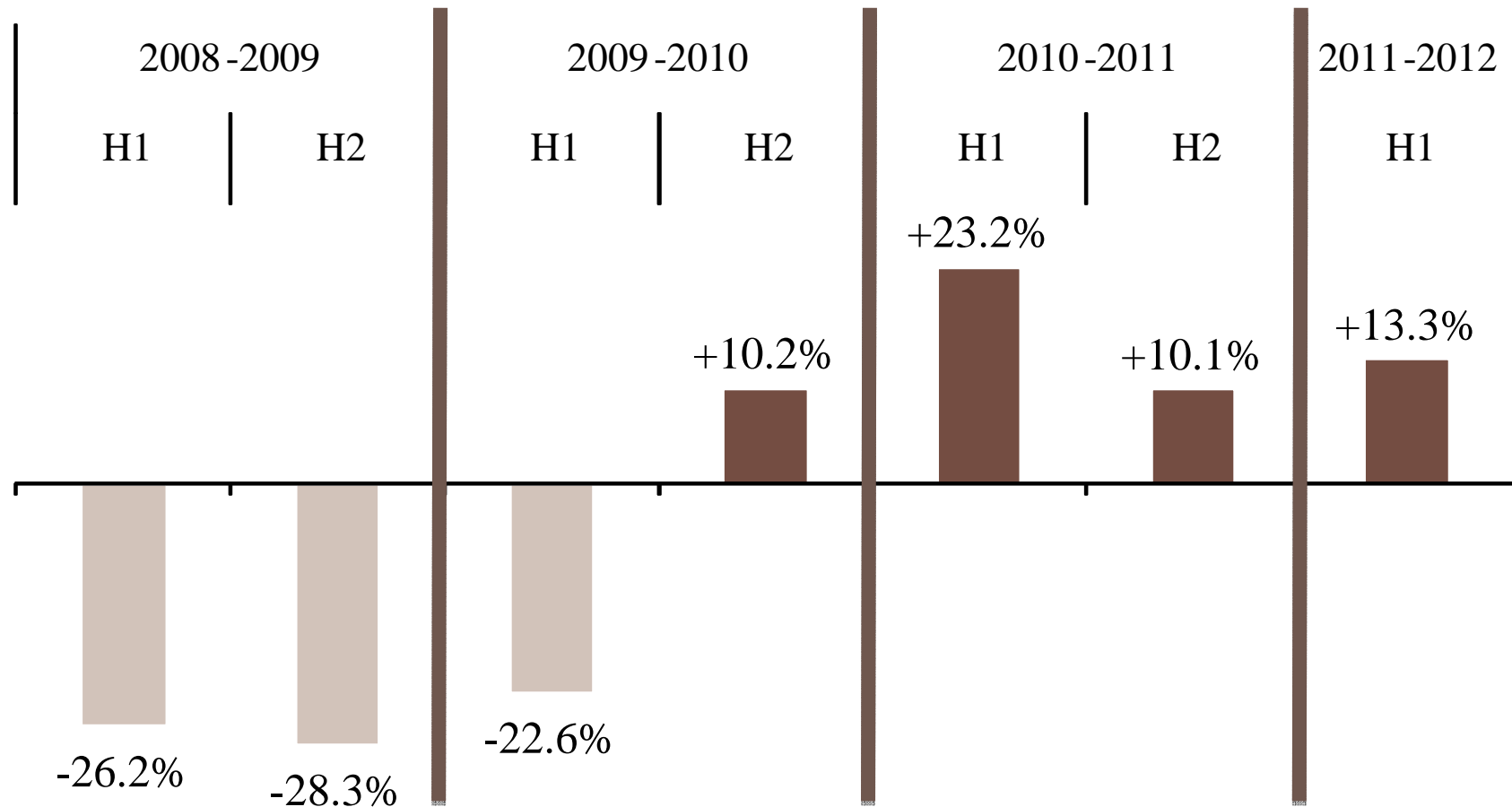
Growth multiples: L-P vs “Houses” market

(Source CIVC and Laurent-Perrier)



Group posts fourth semester of double-digit growth

Half-yearly change in Group turnover



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Overview of strategic choices

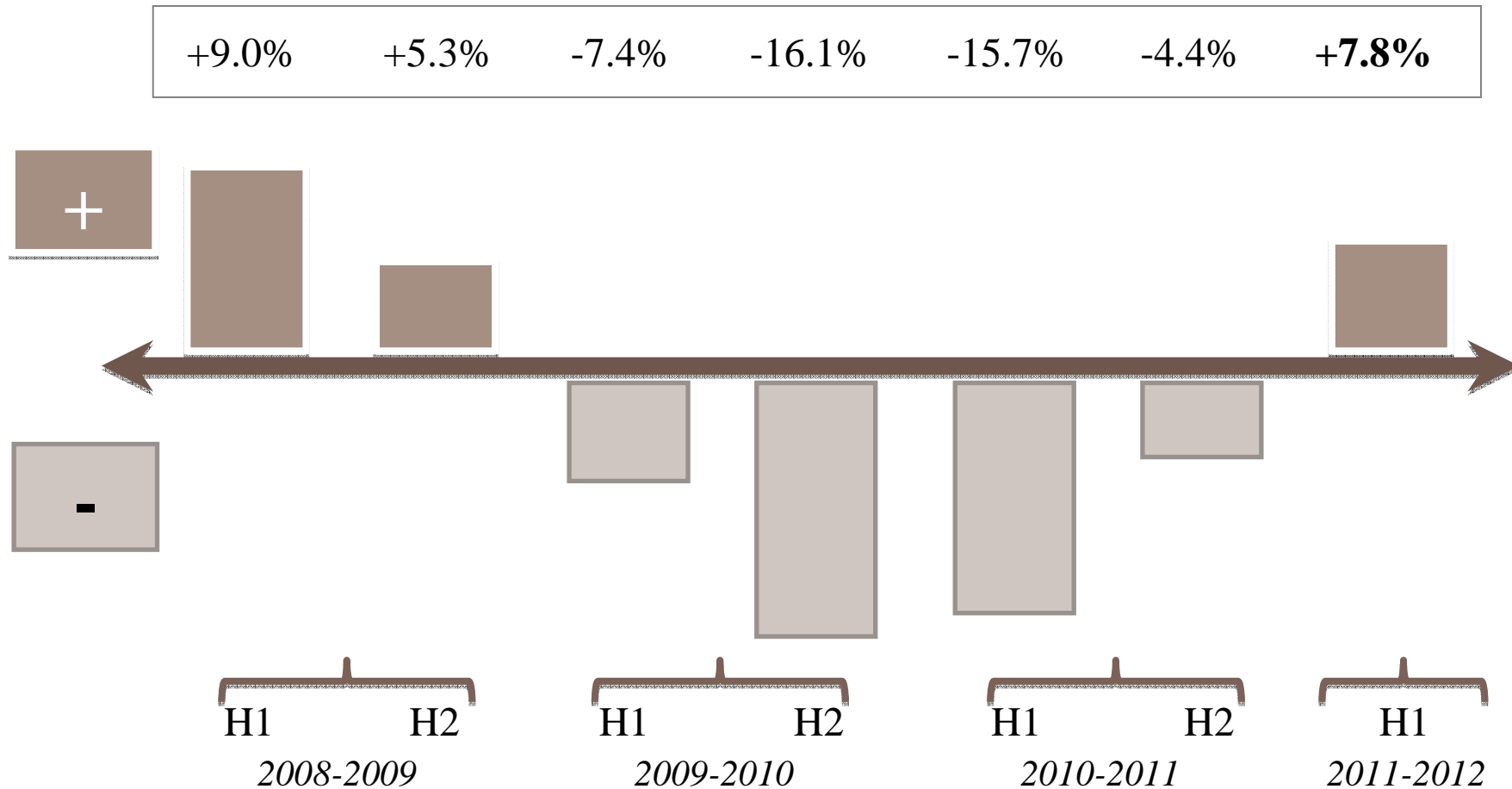
- Sustained growth driven by the Laurent-Perrier brand
- New cycle of price rises

Achievements in first half of FY 2011-2012

- Laurent-Perrier brand grew faster than Group and market
- Return to positive price/mix effect

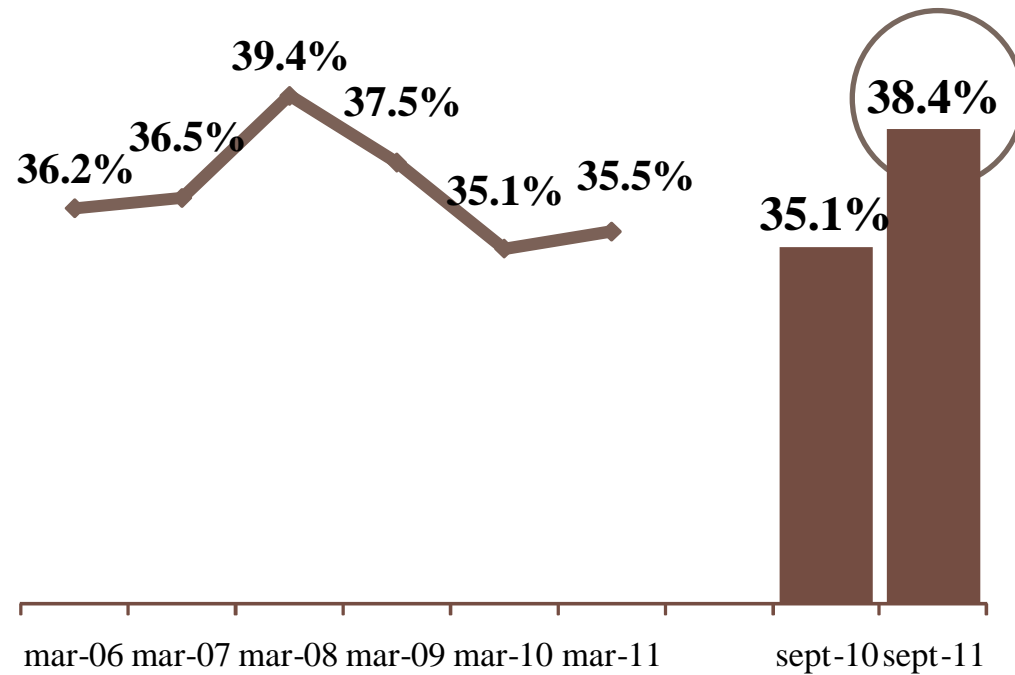
Confirmed upturn in price/mix effect

Breakdown of Price & Mix effects in turnover growth – 6 months to 30 September 2011

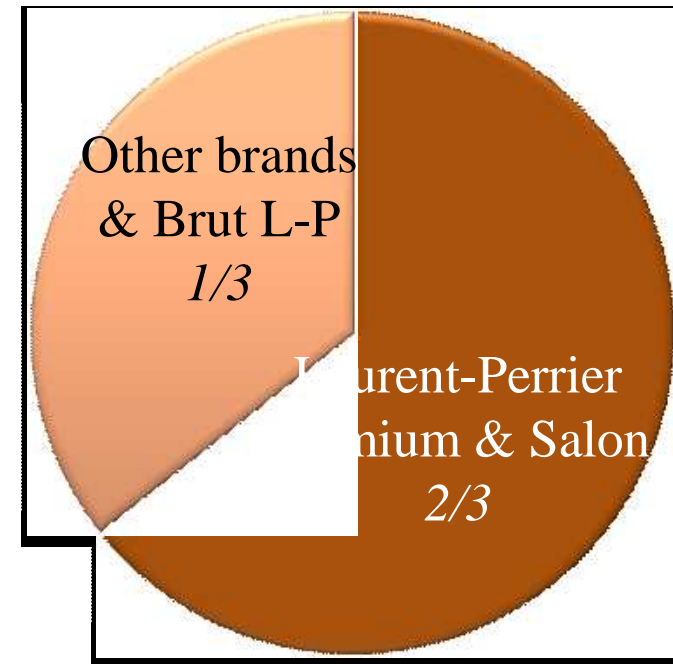


Growth in turnover particularly boosted by premium champagnes

Ratio of premium champagnes in turnover, Laurent-Perrier brand

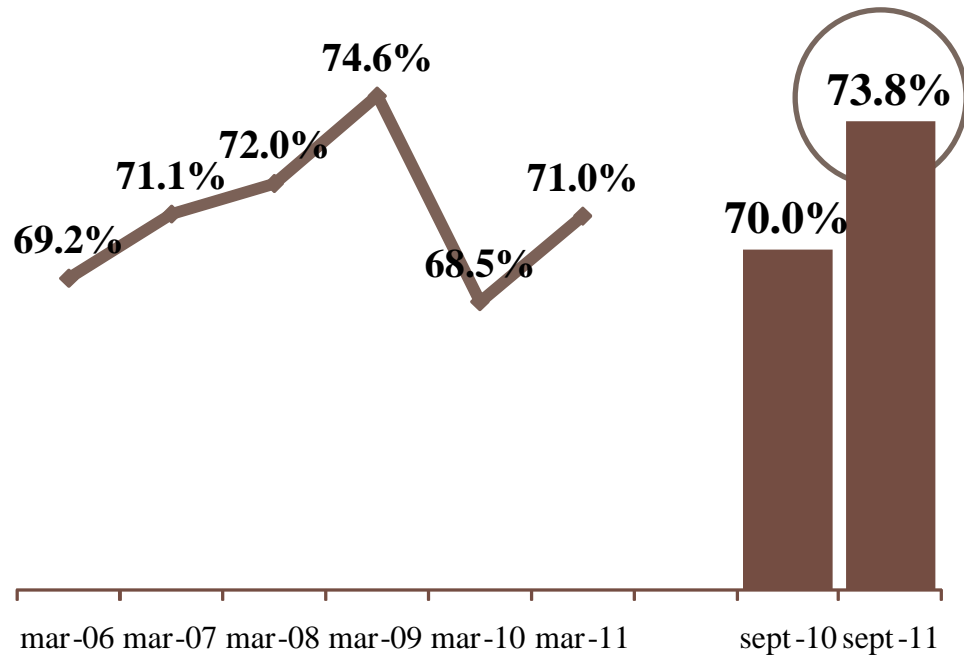


Share in growth in Group turnover

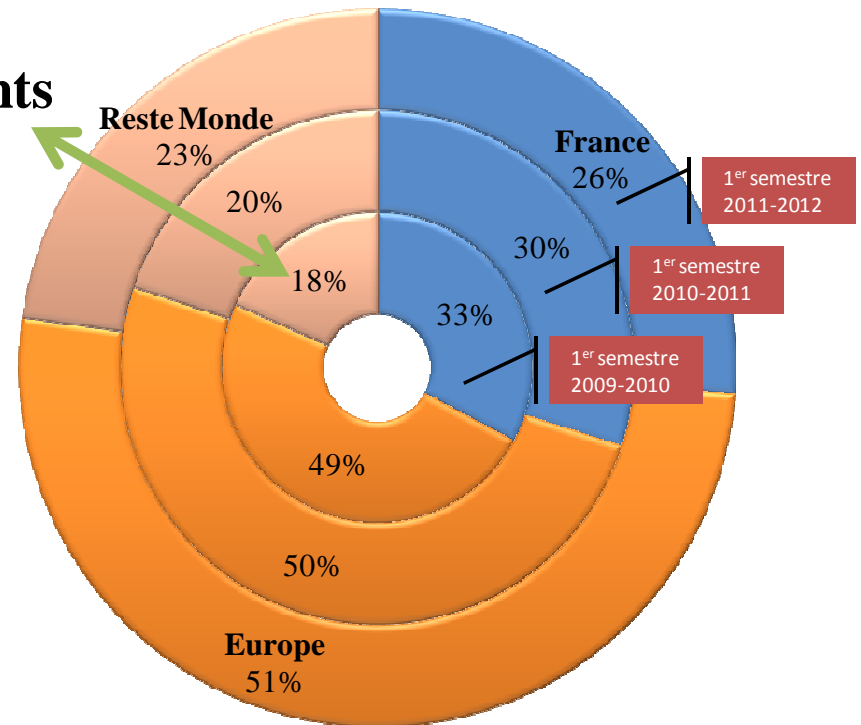


“Rest of World” now accounts for close to a quarter of Laurent-Perrier brand sales

Percentage of Laurent-Perrier brand in total sales



Breakdown of turnover Laurent-Perrier brand



The results for the first half of FY 2011-2012 confirm the relevance of our strategic choices

Strategic choices

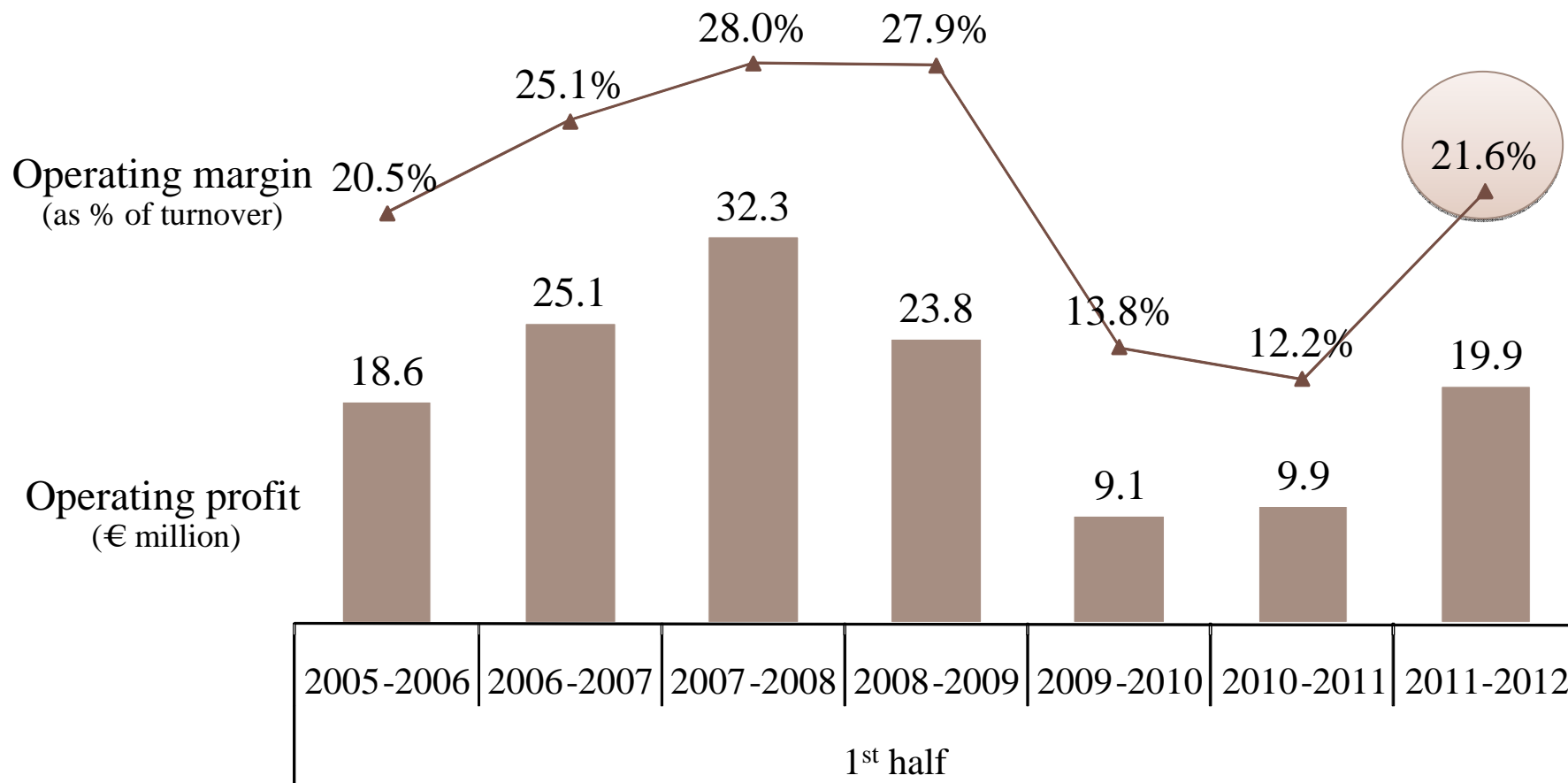
- Sustained growth driven by the Laurent-Perrier brand
- New cycle of price rises
- Restored profitability and continued debt reduction

Achievements in first-half of FY 2011-2012

- Laurent-Perrier brand grew faster than Group and market
- Return to positive price/mix effect
- Operating margin: 21.6%
- Net debt : down €30 million in 1 year

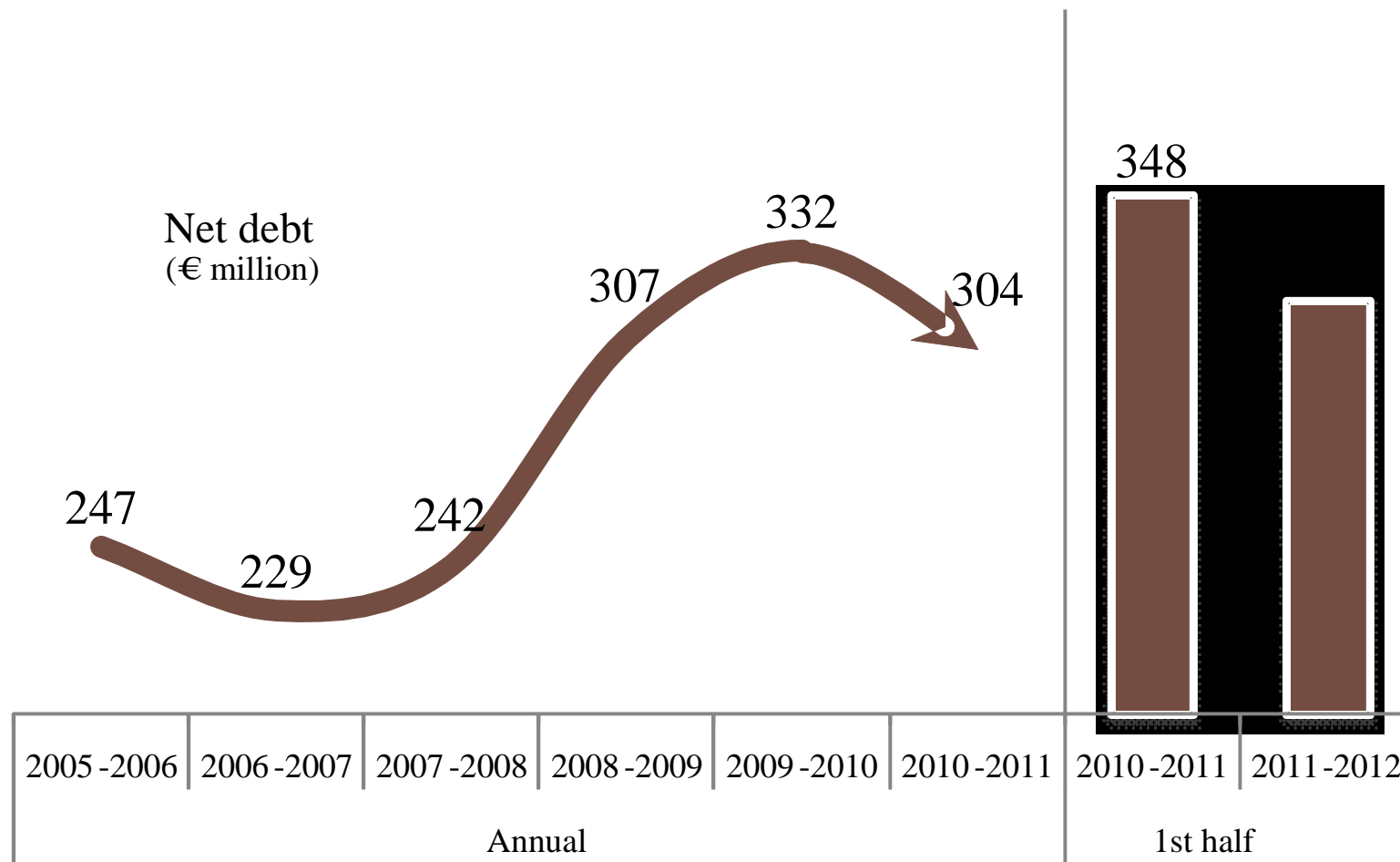
Operating margin again above 20%

Laurent-Perrier Group operating margin – 6 months to 30 September 2011



Debt reduction continued in first half

Change in net debt – 6 months to 30 September 2011



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- **Results sharply improved**
- The 2011 grape harvest
- Target of improved profitability unchanged

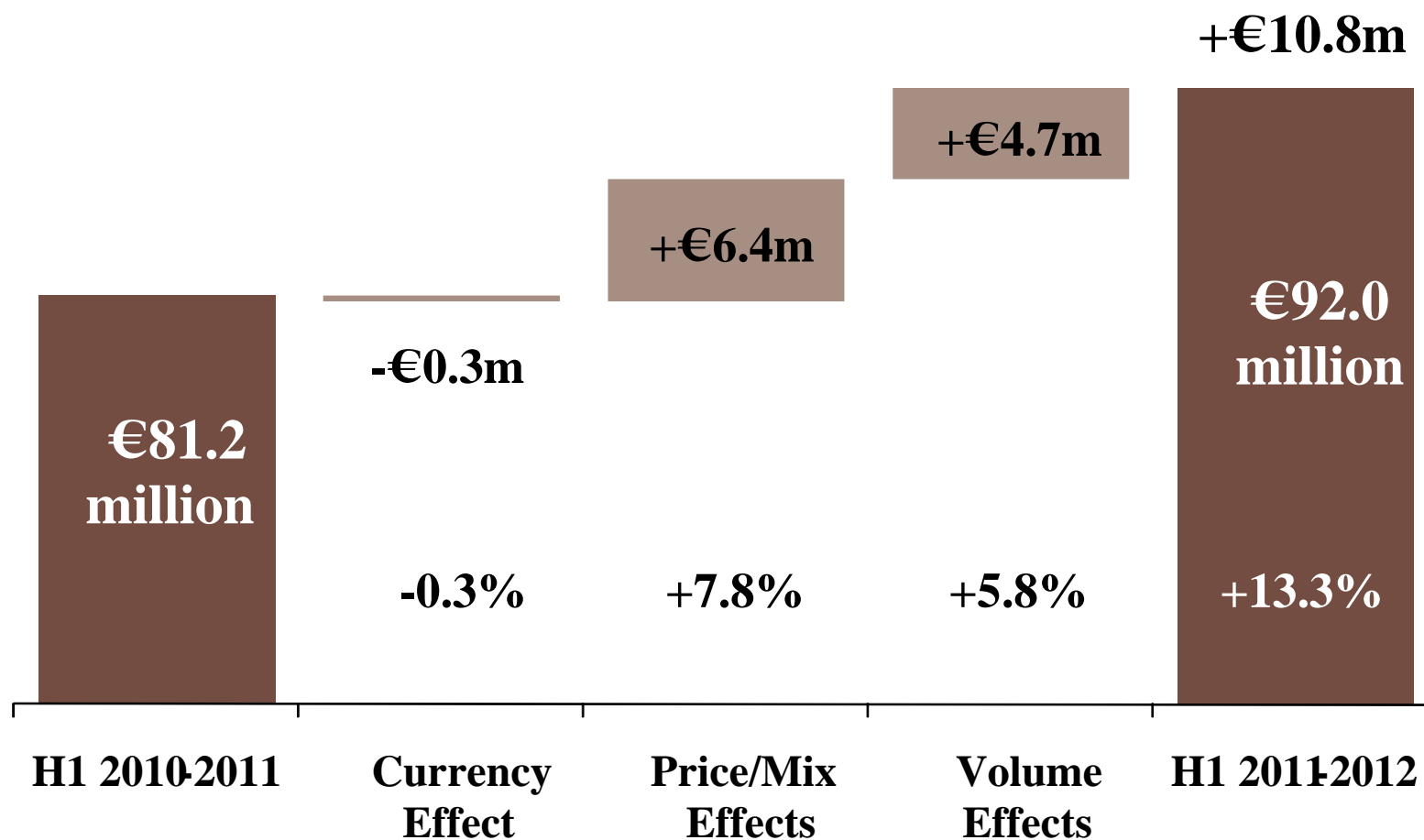
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Main financial date – 6 months to 30 September 2011

	Amount	Change
Group Volume	5.4 million bts	+5.8%
Turnover	€92.0 million	+13.3%
Gross margin	51.1%	+3.2 pts
Operating income	€19.9 million	x 2
Net income	€9.5 million	x 3.2
<i>Net Cash-Flow</i>	<i>-€14.2 million</i>	<i>+€3 million</i>

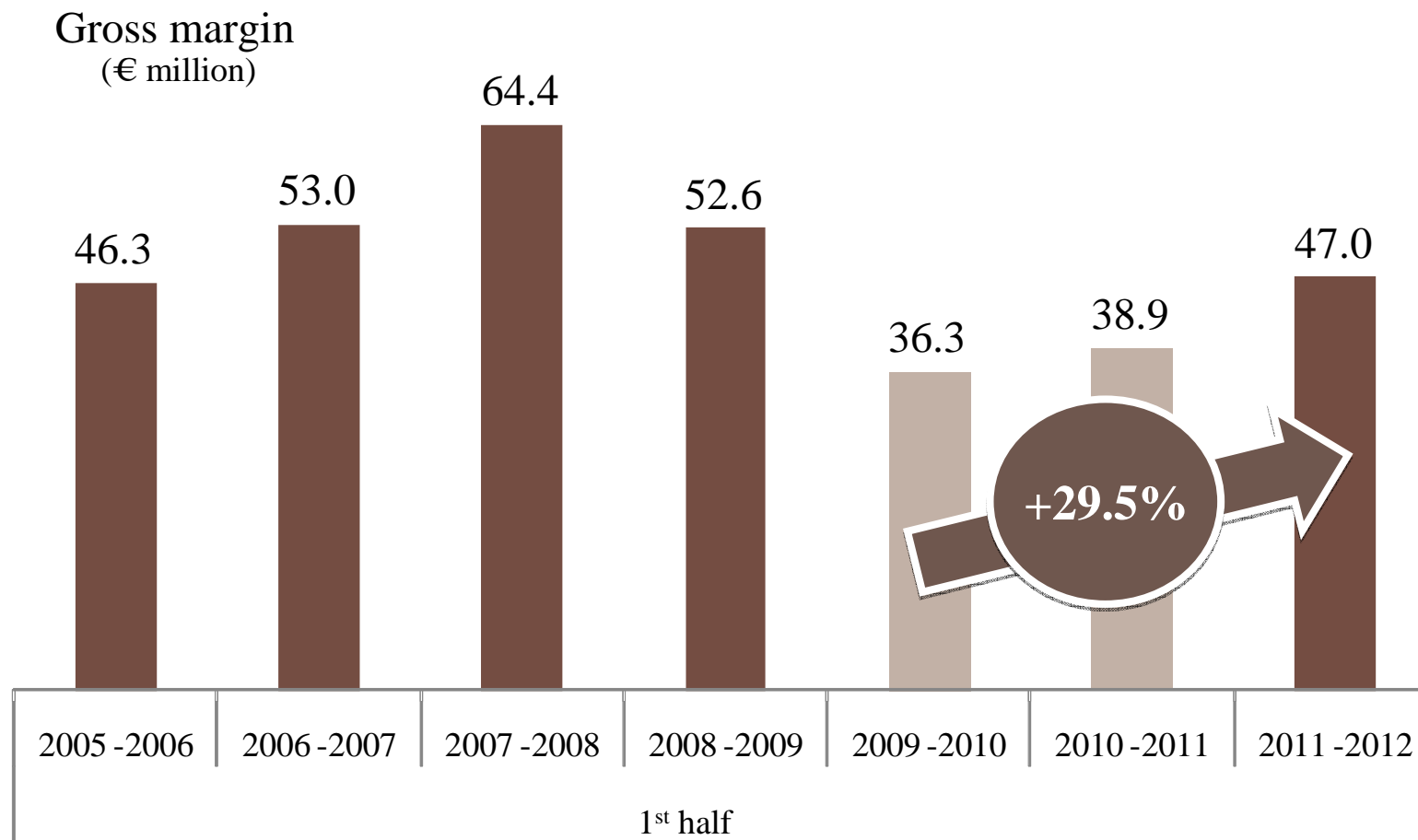
Close to two-thirds of increase in turnover growth can be attributed to price and mix effects

Analysis of changes in turnover – 6 months to 30 September 2011

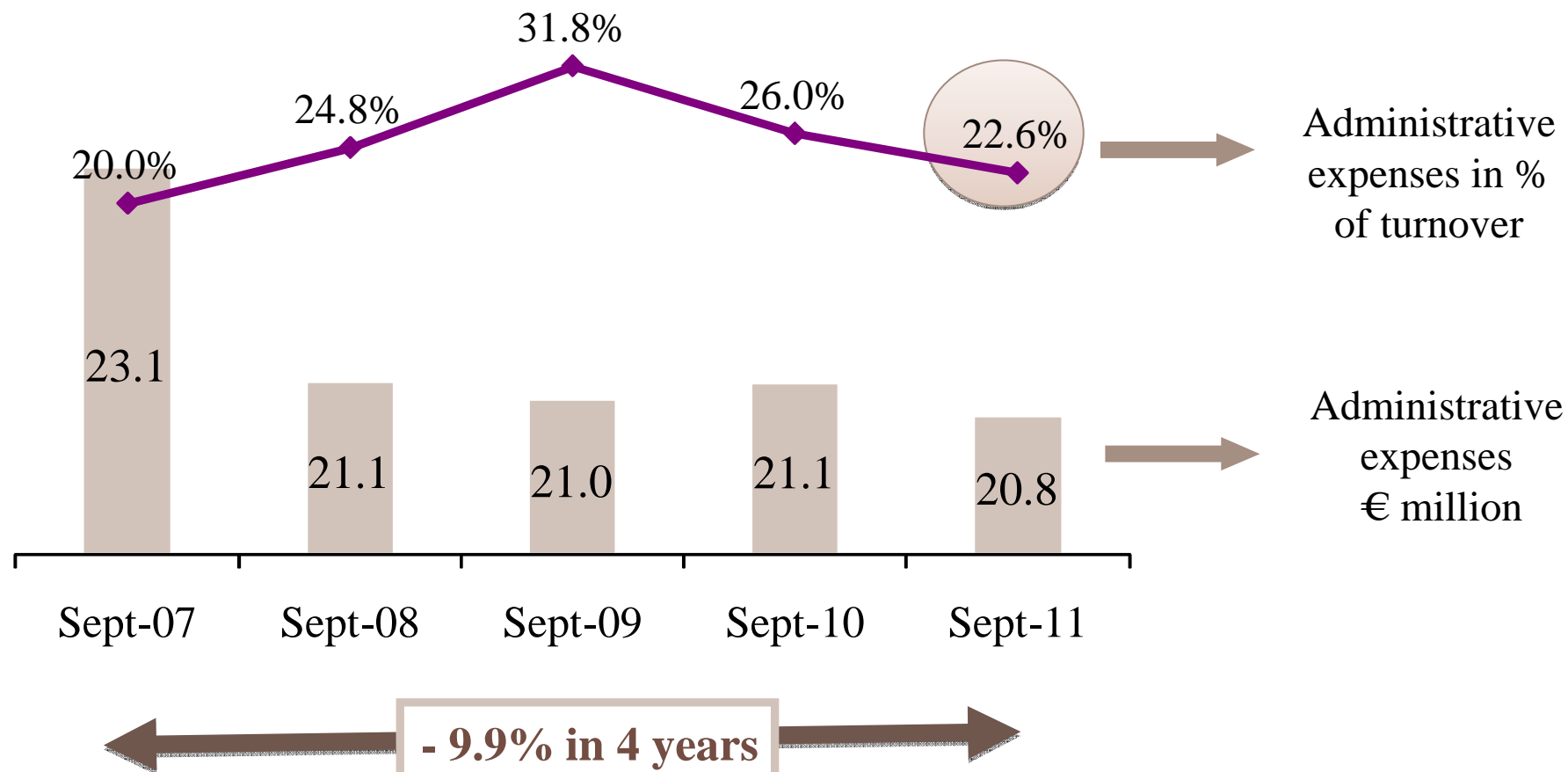


Marked improvement in gross margin

6 months to 30 September 2011

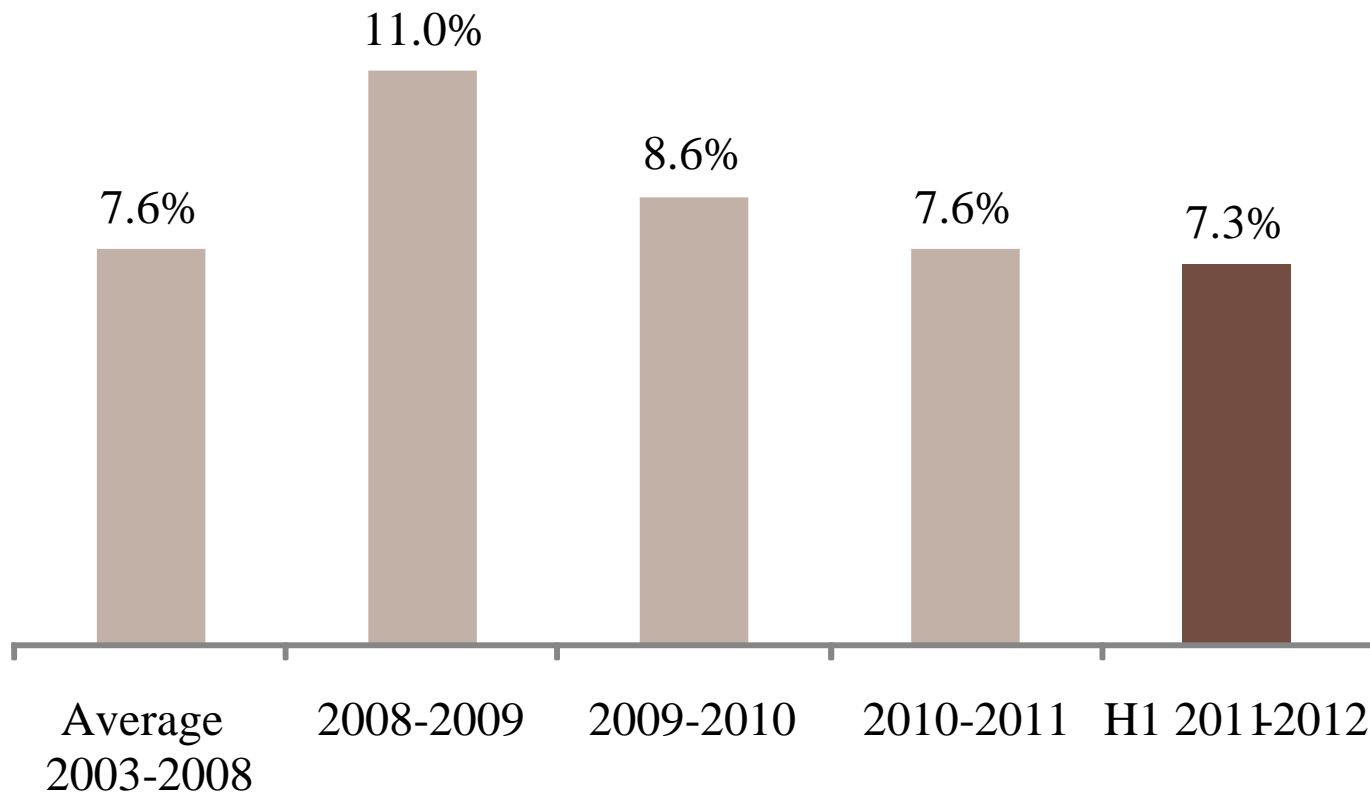


Group maintains tight control over administrative expenses



Investment in brand image is in line with long-term average

Investment in brand image as % of consolidated turnover



Year-end Cuvée Rosé presentation box

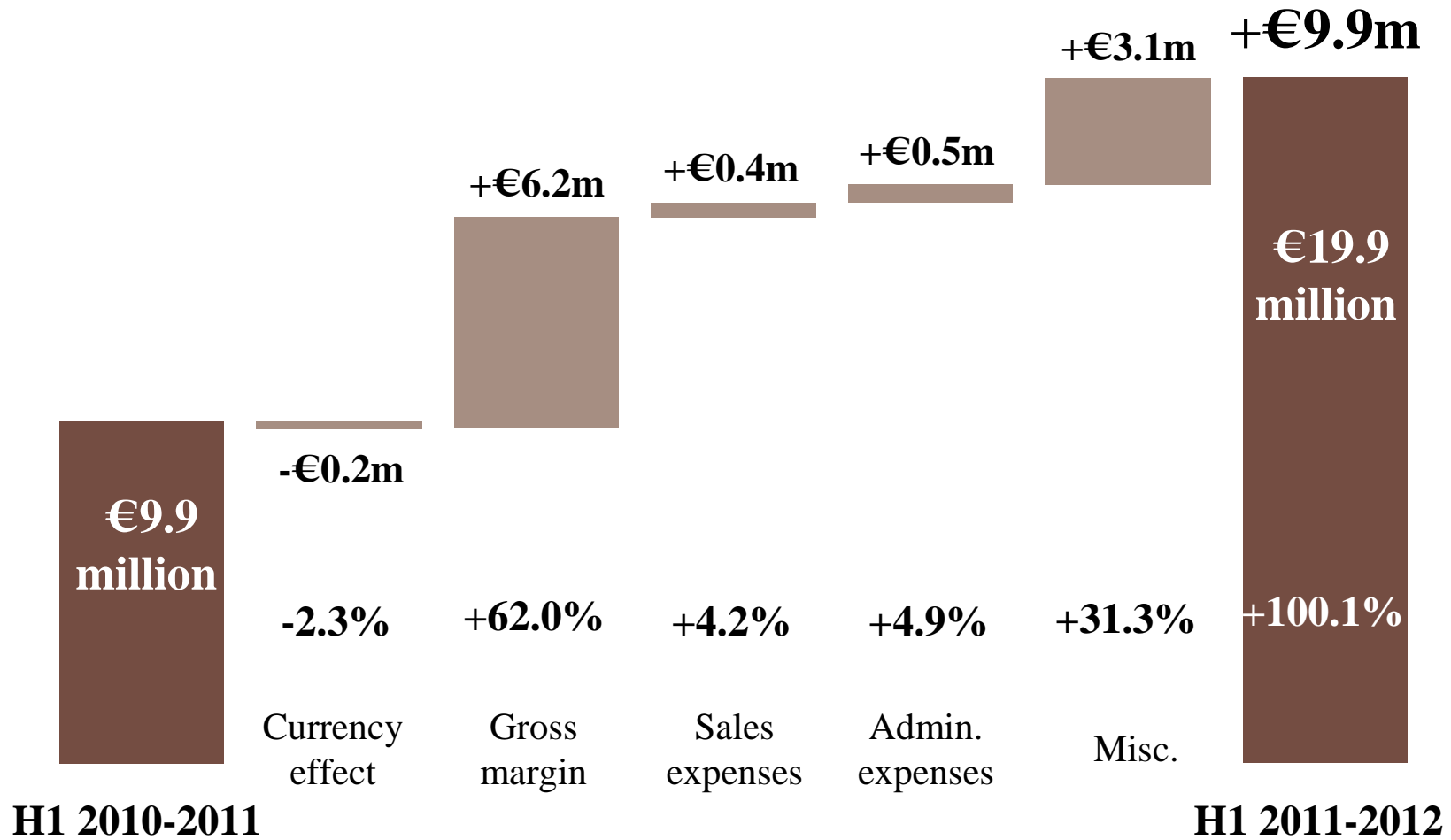


Brut Laurent-Perrier special Christmas boxing



Operating income doubled

Analysis of changes in operating income – 6 months to 30 September 2011



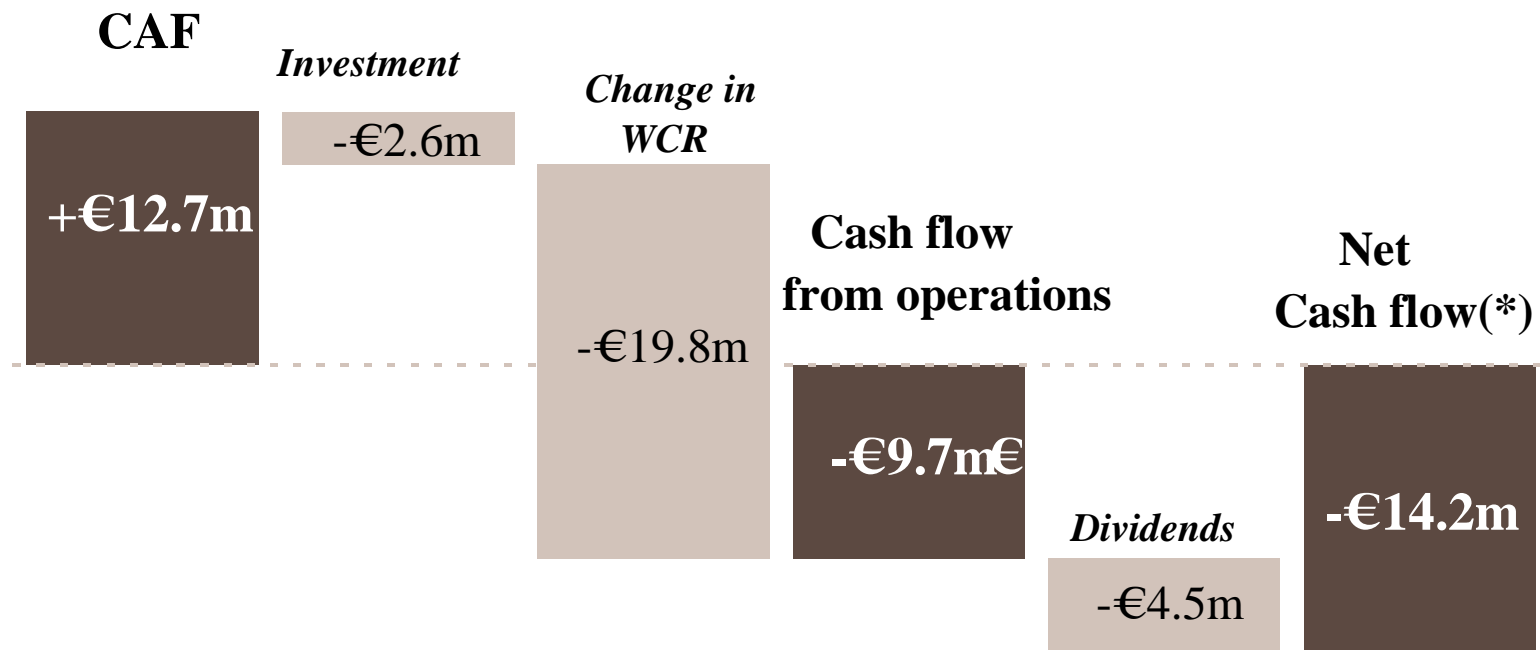
Half-year 2011-2012 Income Statement

Laurent-Perrier Group – 6 months to 30 September 2011

Million de bottles and euros	Real 30-sept 2010	Real 30-sept 2011	<i>Change on</i> <i>30-sept</i> <i>2010</i>
Volume	5.1	5.4	+5.8%
Turnover	81.2	92.0	+13.3%
Gross margin	38.9	47.0	+20.9%
As % of turnover	47.9%	51.1%	+3.2Pts
Brand support	-7.6	-6.7	-12.2%
Other commercial expenses	-13.2	-13.4	+1.4%
Administratives expenses	-7.9	-7.4	-6.2%
Operating income & expenses	-0.1	0.0	-107.1%
Operating income	9.9	19.9	+100.1%
As % of turnover	12.2%	21.6%	+9.4Pts
Financial result	-5.2	-5.3	+0.8%
Tax	-1.7	-5.1	+195.8%
Groupe net income	3.0	9.5	+220.5%
As % of turnover	3.6%	10.3%	+6.7Pts

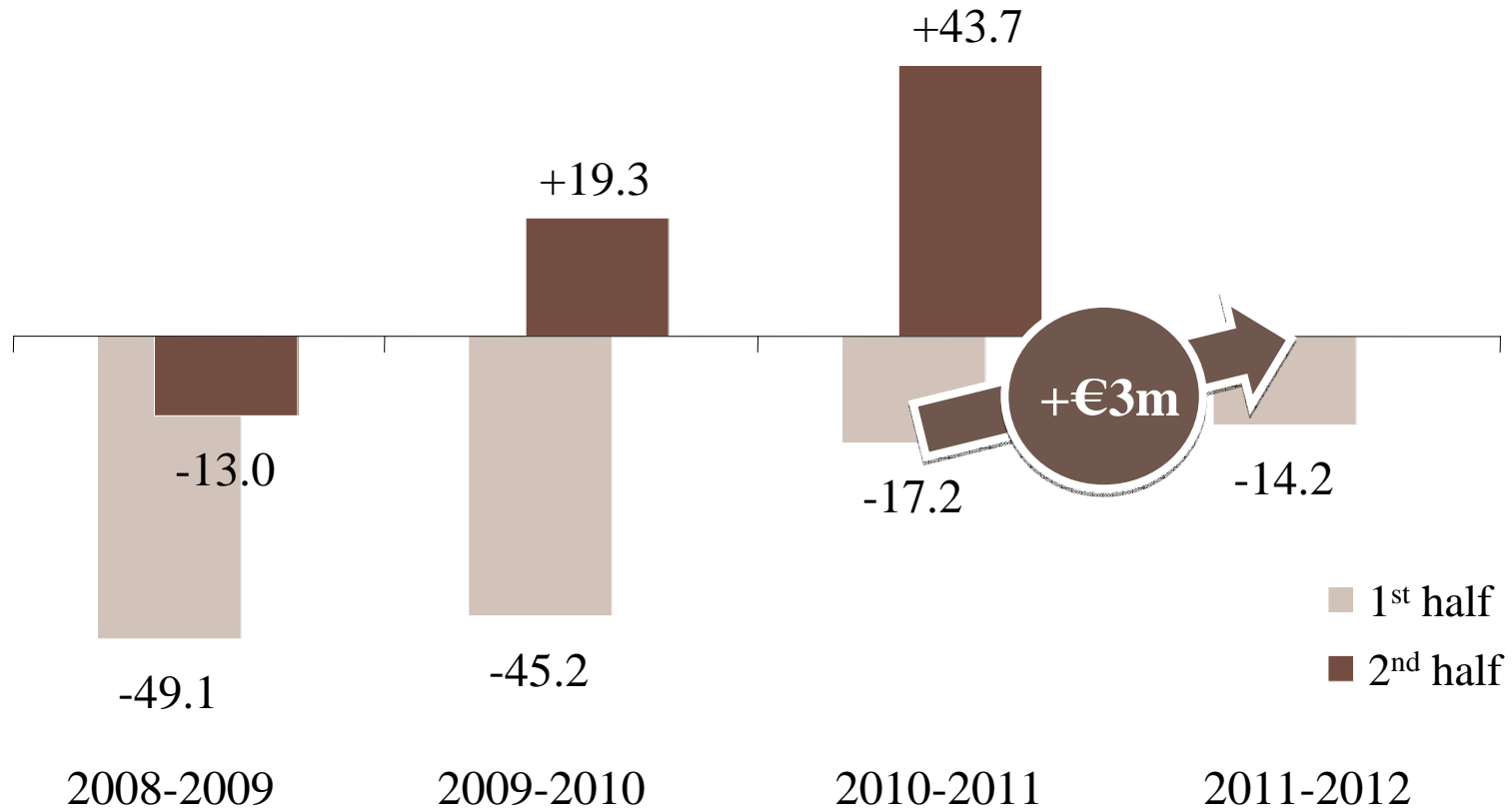
First-half net cash-flow consistent with seasonal nature of activity...

(*) CF before sale (purchase) of treasury shares – 6 months to 30 September 2011



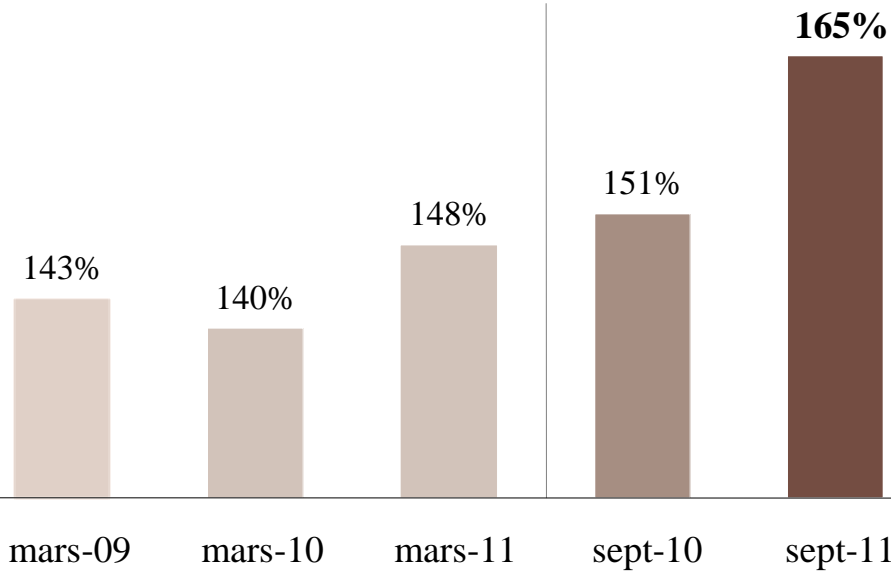
Improving vs previous year

Change in net cash flow (€ million) – 6 months to 30 September 2011



Financial ratios reflect the Group's financial strength

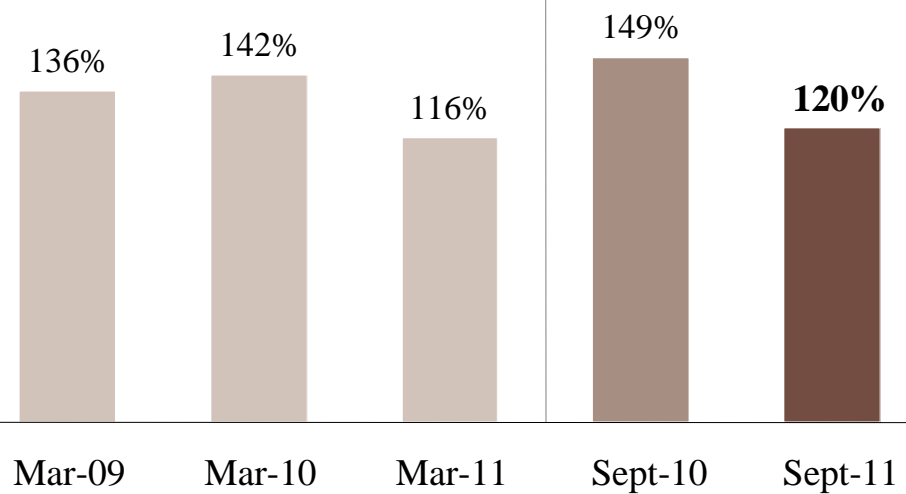
Inventories/Net debt, %



Inventory value continues to substantially exceed net debt

Net debt/Shareholders' equity, %

Net debt to equity ratio has fallen sharply



Overview

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- **The 2011 grape harvest**
- Target of improved profitability unchanged

Overview of 2010-2011 growing year and harvest

- A year marked by unusual climatic conditions
 - ✓ *Early winter (snowfalls in November/December)*
 - ✓ *Spring drought*
 - ✓ *Flowering spread from 15 May*
 - ✓ *Rainy summer (200 mm rainfall)*
 - ✓ *Early ripening from 7 August*
- August grape harvest disrupted by large-scale swings in weather, halting ripening
 - ✓ *Very heterogeneous musts*
 - ✓ *Bunch weight > 150g, agronomic yield approx. 14,000kg/ha*

Overview of 2010-2011 growing year and harvest

- AOC yield = 12,500kg/ha (+19%)
 - ✓ 10,500kg AOC (2011 harvest) + 2,000kg reserve release
 - ✓ 360 million bts (in bottle-equivalent for Champagne)
- Individual reserve 3,100kg
- Group grape supplies surface area unchanged
- Prices up by approx. 4%

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Short-term outlook

- **2nd half 2011-2012**
 - ✓ High comparison basis
 - ✓ Buoyant demand at end-November
 - ✓ Higher brand-image investment
- **Vigilance necessary**
 - ✓ Little visibility in 2012
 - ✓ Exchange rates remain punishing
 - ✓ Forecast increase in inventories in Champagne

Strategic choices confirmed

- **The Laurent-Perrier brand to remain main growth driver**

- ✓ 2012: House Bicentennial

- ✓ Acknowledged quality of the wines

- ✓ Attractiveness of Laurent-Perrier brand, strengthened by regular investment

- **Ability to reproduce growth model on new markets**

- ✓ Laurent-Perrier, Salon brands

- **Operating income must grow faster than turnover**

- **Debt reduction to be continued**

Conclusion

- ➔ The Group has demonstrated its ability to rebound
- ➔ Its business model is built to last
- ➔ Future successes will be the outcome of a strategy consistently pursued
 - *Reliable supplies, consistent with brand style*
 - *No compromise on wine quality*
 - *Regular investment in brand image*
 - *Control over distribution operations*

Questions

