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Laurent-Perrier
CHAMPAGNE

LAURENT-PERRIER

Financial press release

Laurent-Perrier posts a 14.7% rise in net income for the 2007 – 2008 financial year

Operating margin improves by 2.5 points to 26.4%

Tours-sur-Marne, 3 June 2008

The Laurent-Perrier Group recorded a net attributable income of €34.63 million for the financial year closing 31 March 2008, up 14.7% compared with the previous financial year.

Key financial figures

In millions of euros	2006-2007	2007-2008	Change
Sales	236.65	249.43	+ 5.4%
Operating income	56.66	65.80	+ 16.1%
Operating margin %	23.9%	26.4%	+ 2.5 points
Net attributable income	30.20	34.63	+ 14.7%
Earning per share (in euros)	5.11	5.87	+ 14.9%
Cash flow from operating activities	37.78	36.06	- €1.7M
Net debt / Shareholder's equity	114%	109%	- 5 points
Return on capital employed	12.5%	13.5%	+ 1 point

Commenting on the results for the financial year, Yves Dumont, Chairman of the Management Board, stated:

"The regular growth in income, year after year, illustrates the determination with which we are pursuing our value strategy. Encouraged by such good performance, which strengthens the solidity of our financial structure in the face of an increasingly volatile global environment, we will be intensifying investment to develop our brands and reinforce our international presence. By resolutely targeting the international world of fine living and refinement, we plan to control the development of Laurent-Perrier, keep our House independent and continue to improve our profitability. Our current medium-term objective is to exceed a 30% operating margin and 15% return on invested capital."

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LAURENT-PERRIER, S.A. MANAGED THROUGH A BOARD OF DIRECTORS AND A SUPERVISORY BOARD WITH A SHARE CAPITAL OF 22,594,271.80 EUROS
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CHAMPAGNE LAURENT-PERRIER – CHAMPAGNE SALON – CHAMPAGNE DELAMOTTE – CHAMPAGNE DE CASTELLANE

Continued growth of operating margin, supported by a strong price/mix effect

The remarkable strength of the price/mix effect (+ 7.3%), combined with a moderate growth in cost prices, enabled the gross margin to increase by more than 2 points, or €11.6 million: at 53.1%, it has grown 6.7 points in 3 years.

Brand development investment was up more than 11% in line with the Group's strategic plans. Numerous operations based around Laurent-Perrier's prestigious cuvée, Grand Siècle, and the Cuvée Rosé Brut were carried out in the second half of the year. Commercial and administrative expenses were down by more than 1% over the financial year, now representing less than 20% of sales.

Current operating income grew by more than 16%, despite a negative currency effect cutting more than 2 points off this growth. At 26.4%, the operating margin reached an all-time high, gaining 8.6 points over three years.

Financial expenses grew by almost 23%, mainly due to continued interest-rate hikes, but did not exceed 18.5% of current operating income, compared with 17.6% in 2006-2007.
Taking all this into account, the Group posted net attributable income of €34.6 million (+ 14.7% compared with the 2006-2007 financial year).

Strengthening the solidity of the financial structure

A slight reduction in cash flow from operating activities, despite higher net income than last year, is explained by the payment of an additional €9 million in taxes compared with the previous year. This is the result of strong growth in income over recent years.
Inventories, thanks to the good 2007 harvest and the release of the qualitative reserve decided during the year, totalled €374 million, i.e. an increase of €30.8 million.
In line with previous forecast, the Group sped up its capital investments compared with previous years: at €16 million, they mainly concern the expansion and renewal of production capacity at the Tours-sur-Marne site.
Altogether, net debt grew moderately by €12.8 million; expressed as a percentage of equity, it fell 5 points to 109%. Also, the value of inventories is more than 50% greater than debt, representing an improvement of 5 points in one year.
Finally, the rise in the operating margin made it possible to improve the return on capital employed by one point, bringing it to 13.5%.

Outlook 2008-2009

So as to further exploit the quality of its champagnes and the know-how of the House, the Group has implemented in 2008 a new price policy which relies more on selective and specialised distribution channels. These changes will enable to reach a new stage in the Group's development, despite a reduction in volumes being expected in the short and medium term. In the future, the price/mix effect will be, more than ever, the main lever for the development of Laurent-Perrier.

The Group will be strengthening synergies between its different houses. Thus, it has undertaken the measures necessary to merge the production activities of Château Malakoff with those of Champagne de Castellane to make better use of installed capacity and facilitate management.

Thanks to the results achieved over recent years, the Group has the assets necessary to distinguish itself in an increasingly competitive global environment and continue to improve its main financial ratios. Thus, the Group has set new medium-term objectives: an operating margin of over 30%, and return on capital employed of over 15%.

Financial agenda

Annual general meeting	9 July 2008
Financial information on the first quarter of the 2008-2009 financial year	24 July 2008

Laurent-Perrier is one of the few Champagne Houses listed on the French stock exchange dedicated exclusively to champagne and focused on the premium segment. Laurent-Perrier offers a broad range of products renowned for their quality, and sold under the brands Laurent-Perrier, Salon, Delamotte, Champagne de Castellane, Jeanmaire and Oudinot.

ISIN Code: FR 0006864484	Laurent-Perrier belongs to compartment B of Euronext Paris.
Bloomberg: LAUR FP	It is part of the CAC Mid Small 190, CAC Small 90, SBF SM and SBF 250 indices.
Reuters: LPER.PA	

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